

**HOUSING AUTHORITY OF THE
CITY AND COUNTY OF DENVER**



Comprehensive Annual Financial Report
and Single Audit Report

Year Ended December 31, 2015

Denver, Colorado

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Prepared by:
Finance and
Administration Division

**HOUSING AUTHORITY OF THE
CITY AND COUNTY OF DENVER**

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INTRODUCTORY SECTION

Letter of Transmittal

GFOA Certificate of Achievement

Organizational Chart

List of Principal Officials



May 31, 2016

Mr. Richard James Chavez, Chairperson of the Board of Commissioners
Members of the Board of Commissioners of the Housing Authority
of the City and County of Denver:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the Housing Authority of the City and County of Denver (DHA) for the fiscal year ended December 31, 2015. The U.S. Department of Housing and Urban Development (HUD) requires that all public housing authorities publish within nine months after the fiscal year-end, financial statements presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and audited accordance with auditing standards generally accepted in the United States of America. DHA's financial statements presented here have been audited by Plante & Moran, PLLC, a firm of licensed independent certified public accountants. Plante & Moran, PLLC issued an unqualified opinion on DHA's financial statements for the fiscal year ended December 31, 2015. The purpose of the independent audit is to provide reasonable assurance that the audited financial statements taken as a whole, are free of material misstatement. The data presented in this report is the responsibility of the management of DHA. To the best of our knowledge and belief, the data as presented is accurate in all material aspects; is presented in a manner designed to fairly state the financial position and results of operations of DHA; and all disclosures necessary have been included to enable the reader to gain an understanding of DHA's financial affairs. GAAP requires that management provide a narrative introduction, overview and analysis to complement the basic financial statements in the form of Management's Discussion and Analysis (MD&A). DHA's MD&A can be found immediately following the report of the independent auditors. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

DHA is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. It is DHA's policy to require the accounting firm to be independent certified public accountants with specific experience in auditing governmental entities. Information related to this single audit, including the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*; the independent auditor's report on compliance with specific program requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with 2 CFR 200; the Schedule of Expenditures of Federal Awards; the Schedule of Findings and Questioned Costs; and the status of prior year findings are included in the single audit section of this report.



Government Overview

DHA was created in 1938 as per the Housing Act of 1937 to provide safe, decent, and sanitary housing for low-income families of Denver in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other federal agencies. This report includes all programs of DHA as well as all of its component units. Component units are legally separate entities for which a government is financially accountable. DHA was established as a quasi-municipal corporation by the City of Denver (the City). Although it maintains close ties with the City in several respects, DHA is not a component unit of the City as defined by the pronouncements of the Governmental Accounting Standards Board. The governing body of the Authority is its Board of Commissioners (Board) comprised of nine members appointed by the Mayor of the City. The Board appoints an Executive Director to administer the affairs of DHA. The primary source of funding for DHA is HUD. The City is not financially accountable for the operations of DHA, has no responsibility to fund deficits or receive surpluses, and has not guaranteed DHA's debt.

DHA is the largest Public Housing Authority in the Rocky Mountain Region. DHA's goals are accomplished through a variety of housing programs and activities. These activities include several programs developed by HUD such as the Public Housing Program, the Section 8 Housing Choice Voucher (Section 8) Programs, and the Project Based Section 8 Program. In addition to these federal programs, DHA has established various instrumentalities to explore and develop innovative techniques for providing alternative housing possibilities for the low to moderate-income residents of Denver. These programs have allowed DHA the flexibility to develop several private/public partnerships providing a variety of housing opportunities for Denver residents. DHA provides affordable housing to more than 25,000 low and moderate income residents of Denver between our various affordable housing programs. DHA owns and operates approximately 4,000 Public Housing units in addition to administering over 6,800 Section 8 Housing Choice Vouchers.

Economic Condition and Outlook

DHA's finances are affected more by Congressional housing legislation and the federal budget than by local economic factors. DHA's primary source of funding is HUD. As with most housing authorities, most of DHA's operating and capital funding comes from federal dollars in the form of operating subsidies, capital grant funds and Section 8 housing assistance payments. In FY 2015, HUD and other federal agencies provided 81% of DHA's primary government's total operating revenues. For the Public Housing program, housing authorities receive operating subsidies in accordance with an operating subsidy funding formula. In general, the calculated subsidy amount is the difference between an estimate of operating costs minus an estimate of income from rents. Operating subsidies are subject to annual appropriation by Congress. In 2015, DHA, like all housing authorities nationwide, was funded at 85.36% of eligibility. Funding for the Section 8 program, was prorated at 101% and 81.565% of eligibility for Housing Assistance Payments and administration fees, respectively.



The federal fiscal year 2016 began on October 1, 2015 but operated under "continuing resolutions" until the Consolidated Appropriations Act, 2016, was approved on December 15, 2015. The proration levels are approximately 90%, 100% and 84% of eligibility for the Public Housing operating fund, Housing Assistance Payments and Section 8 administrative fees, respectively.

Major Initiatives

It is DHA's mission to serve the residents of Denver by developing, owning, and operating safe, decent and affordable housing in a manner that promotes thriving communities, while staying within DHA's anticipated revenue sources. Beginning in the early 1990's, DHA began planning for the redevelopment of its distressed housing developments into newly constructed mixed-income communities. Towards this goal, DHA applied for and received HUD HOPE VI grant awards for the redevelopment of Curtis Park., East Village (Park Avenue) and South Lincoln Homes (Mariposa District); all three communities are near downtown Denver.

The HOPE VI grant awards made it possible for DHA to leverage grant dollars with low-income housing tax credit funds and short-term and long-term financings from banking institutions.

In 2013, DHA was awarded a Choice Neighborhood Initiative (CNI) Planning Grant. This grant was used to fund community engagement and master planning for the Sun Valley Homes public housing community. DHA has also applied for a CNI Action Grant and will be applying for a CNI Implementation Grant; both for use in the Sun Valley neighborhood.

DHA's most active redevelopment activity is currently centered on transformation of the South Lincoln Homes, a 270-unit public housing family complex, made possible by a \$22 million HUD HOPE VI grant in 2011. DHA is redeveloping this site to include a mix of housing products and a range of income levels. The first six phases of this redevelopment have completed construction, including a 100-unit senior housing high-rise building funded by leveraging \$10 million in American Recovery and Reinvestment Act (ARRA) grant that DHA was competitively awarded in 2009 by HUD. A seventh and eighth phase are under construction with estimated completion by the end of 2016.

In order to advance its mission of creating empowerment and economic opportunities for residents and businesses in the communities we serve, DHA recently launched several new social ventures, including the Denver Community Ventures, the Youth Employment Academy, and the Osage Café. Each entity is a 501(c)3 Non-Profit established to further the mission of DHA by raising money through charitable donations to fund resident and community programs. These Social Ventures enable DHA to diversify its revenue base from sole reliance on federal funding.



Financial Information

DHA management is responsible for establishing and maintaining an internal control structure designed to ensure that the Authority's assets are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. DHA has designed its internal control structure to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that: (1) the costs of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgment by management.

Single Audit

As a recipient of federal awards, the DHA is responsible for ensuring that adequate internal controls are in place to provide compliance with applicable laws, regulations, contracts and grants related to those programs. These internal controls are subject to periodic evaluation by management, and their independent auditors.

As part of DHA's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal award programs, as well as to learn whether the DHA has complied with applicable laws, regulations, contracts and grants. The DHA's single audit for the year ended December 31, 2015 found no instances of material weakness in the internal control. Reports were prepared for this purpose and are included in this CAFR in the Single Audit Section.

Budgetary Controls

DHA exercises budgetary controls over all programs through a variety of internal control mechanisms. Automated systems allow checking for purchase orders against expenditure budgets and accounts. Second budgetary control is maintained by the encumbrance of estimated purchase amounts and contracts prior to releasing payments on the purchase orders. Third is an automated inquiry system which allows the user to look up account information to check budgets and detailed charges against budgets. Budget to actual reports are presented to the DHA Board and the DHA Management for all DHA programs on a monthly basis.

Debt Administration

DHA's debt policy requires that debt will not be used to finance current operations. A summary of DHA's outstanding debt is provided under the MD&A following this report and also in note 6 to the basic financial statements.



Financial Policy Oversight

DHA's Board has appointed a Finance and Operations Committee which is comprised of three board members with financial and operational expertise. This committee meets regularly and acts also as DHA's Audit Committee. The responsibilities of the committee includes: review and approve DHA's operating budgets, review DHA's financial statements and audit findings, recommend the appointment of external auditors, oversee the financial operations of DHA, conduct entrance and exit meetings with DHA's independent auditors, oversee DHA Employees Pension Plan and oversee DHA's Investment portfolio. DHA's financial policy changes are reviewed and approved by the Finance and Operations Committee. In addition, this committee along with DHA's Housing Opportunities & Community Impact Committee reviews DHA's real estate development and financing activities.

Other Information

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DHA for its Comprehensive Annual Financial Report for the year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Denver Housing Authority has received a Certificate of Achievement for the last twenty-seven consecutive years (fiscal years ended 1988-2014). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The Denver Housing Authority also received the GFOA's Distinguished Budget Presentation Award for its 2016 Comprehensive Budget. DHA has received this award since 1988.

Acknowledgments

Preparation of the Comprehensive Annual Financial Report on a timely basis was accomplished through the dedicated service of the entire staff of the Accounting department under the leadership of Anne Penney, DHA's Accounting Manager. Each member of the Finance Division has our sincere appreciation for the contributions made in the preparation of this report.



In closing, without the leadership and support of the members of the Board of Commissioners and in particular, the DHA Audit Committee, preparation of this report would not have been possible.

Respectfully
submitted,

A handwritten signature in black ink, appearing to read 'Ismael Guerrero'.

Ismael Guerrero
Executive Director

A handwritten signature in black ink, appearing to read 'Nichole Ford'.

Nichole Ford
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Housing Authority of the City
and County of Denver
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

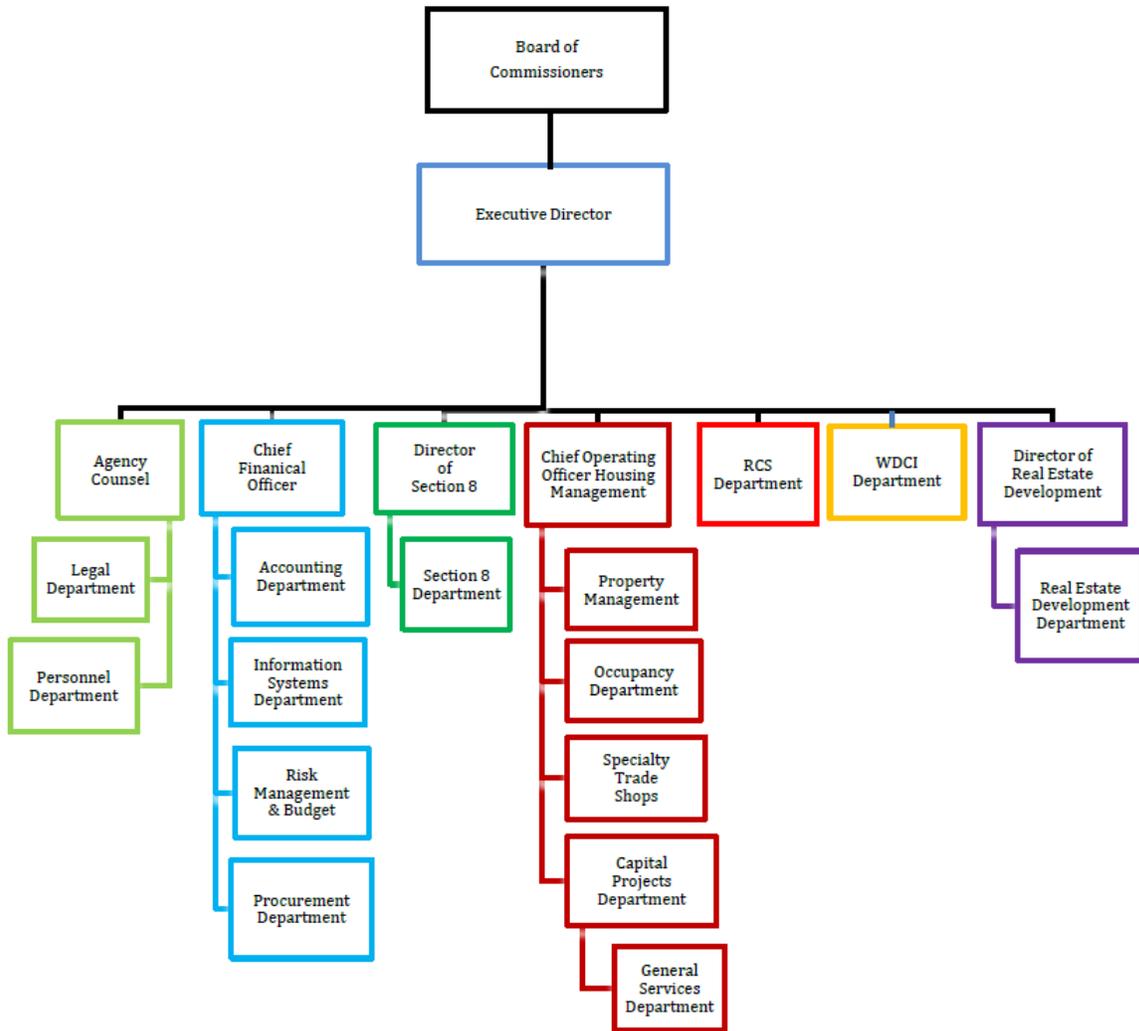
December 31, 2014

Executive Director/CEO

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Organizational Chart

December 31, 2015



**HOUSING AUTHORITY OF THE
CITY AND COUNTY OF DENVER**

List of Principal Officials

December 31, 2015

Mr. Richard James Chavez
Chairperson

Mr. Craig Archibald
Vice Chairperson

Ms. Grace Buckley
Commissioner

Mr. Trinidad Rodriguez
Commissioner

Ms. Marsha Brown
Commissioner

Mr. Ismael Guerrero
Executive Director

Mr. Robert Prettyman
Chief Operating Officer
Housing Management

Mr. Ryan Tobin
Director of Development

Ms. Renee Nicolosi
Director of Resident &
Community Services

Ms. Jamie Torres
Treasurer

Mr. Kevin Mullin
Commissioner

Ms. Marian Lawrence
Commissioner

Mr. Jeffrey Martinez
Commissioner

Ms. Nichole Ford
Chief Financial Officer

Ms. Loretta Owens
Director of Section 8
Programs

Mr. Joshua Crawley
Agency Counsel

Ms. Lynne Picard
Director of Workforce
Development &
Community Initiatives

FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Combining Financial Schedules

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City and County of Denver

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City and County of Denver (the "Authority") as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Housing Authority of the City and County of Denver'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 an opinion 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 in accordance with 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 discretely presented component units, with the exception of CSG Redevelopment Partners, LLLP, were not audited under *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 opinion.

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 aggregate discretely presented component units of the Housing Authority of the City and County of Denver as of December 31, 2015 and the respective changes in its financial position and its business-type activities and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Commissioners
Housing Authority of the City and County of Denver

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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 an opinion on the financial statements that collectively comprise the Housing Authority of the City and County of Denver's basic financial statements. The introductory section, combining financial schedules, the statistical section, the single audit section (including the schedule of expenditures of federal awards), the grant close-out schedule, and the financial data schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

The introductory section, the statistical section, and the grant close-out schedule have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Compliance Matter

In connection with our audit, nothing came to our attention that caused us to believe that the Housing Authority of the City and County of Denver failed to meet the compliance requirements of Circular A-133 §.200 or 2 CFR Part 200.501 related to the HOPE VI grants. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional audit procedures, other matters may have come to our attention regarding the Authority's expenditures of HOPE VI funds in accordance with the applicable compliance requirements.

To the Board of Commissioners
Housing Authority of the City and County of Denver

Restricted Use Related to the Compliance Matter

The purpose of the communication related to compliance with HOPE VI requirements is solely to describe the scope of our testing of compliance and the results of that testing. This communication is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Denver Housing Authority's compliance. Accordingly, this communication is not suitable for any other purpose.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2016 on our consideration of the Housing Authority of the City and County of Denver'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 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 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 Housing Authority of the City and County of Denver's internal control over financial reporting and compliance.

Plante & Moran, PLLC

May 31, 2016

Housing Authority of the City and County of Denver

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2015

This narrative overview and analysis of the Housing Authority of the City and County of Denver's (DHA) performance through December 31, 2015 is provided as a supplement to DHA's year-end financial statements. Please read it in conjunction with the transmittal letter at the beginning of this report, the basic financial statements following this section, and the notes to the basic financial statements. The management's discussion and analysis is presented in conformance with the Government Accounting Standards Board (GASB) financial reporting model as set forth in GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*.

As required under U.S. generally accepted accounting principles, DHA uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation, are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of DHA are included in the statements of net position.

Financial Highlights

- Total net position increased by \$6.1 million (1.8%) from the prior year. This increase is due to an increase in restricted net position primarily from an increase in reserve, escrow and bond accounts.
- The assets of DHA exceeded liabilities at December 31, 2015 by \$337.2 million (net position). Of this amount, \$233.6 million (unrestricted net position) may be used to meet ongoing obligations, \$84.7 million is invested in capital assets, and \$18.9 million is restricted to meet defined obligations.
- Additions to capital assets were completed as budgeted. Overall, capital assets decreased by \$11.2 million due to the demolition of the remaining South Lincoln Homes units and the disposition of the following land parcels: 1760 & 1750 N Pennsylvania Street, 2500 Lawrence Street, and 2658-2660 Arapahoe Street.
- Total liabilities decreased by \$10.2 million (12.8%) from the prior year due to a reduction in notes and bonds payable. The decrease occurred from a reduction in the use of the Line of Credit. The Line of Credit was used to fund the CSG Redevelopment Partners LLLP (CSG) project in 2014 and as that project was completed in 2015 that portion was paid off in the current year.
- Operating revenues decreased approximately \$3.4 million (3.2%) in comparison to the prior year due to lower developer fee revenue earned.
- Operating expenses increased approximately \$3.3 million (3.1%) in comparison to the prior year. Increases in housing assistance payments contributed to this variance as well as an increase in non-routine maintenance expense.
- Nonoperating revenues, net of nonoperating expenses, decreased approximately \$0.9 million (18.5%). This decrease is primarily due to a decrease in the proceeds from the disposition of assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

December 31, 2015

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to DHA's basic financial statements. The DHA's basic financial statements are comprised of two components: 1) the basic financial statements and 2) notes to the basic financial statements that provide additional disclosure of some of the information in the basic financial statements.

The *Statement of Net Position* presents information on DHA's assets and liabilities, with the difference between the two reported as net position. Assets and liabilities are presented in the order of liquidity and are classified as "current" (convertible to cash within one year) and "noncurrent". Over time, increases or decreases in net position may serve as useful indicators as to whether the DHA's financial health is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how DHA's net position changed during the 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. Therefore, revenues and expenses are reported for some items that will only result in cash flows in future years.

The *Statement of Cash Flows* reports how DHA's cash was used in and provided by its operating, noncapital financing, capital and related financing, and investing activities during the periods reported. The net of these activities is added to the beginning year cash balance to reconcile to the cash balances at December 31, 2015 and 2014. The DHA uses the direct method of presenting cash flows, which includes a reconciliation of operating activities to operating income. These statements provide answers to such questions as where did cash come from, how was cash used, and what was the change in the cash balance during the year.

The *Combining Balance Sheet and Statement of Activities for Discretely Presented Component Units* presents the financial information for DHA's discretely presented component units. The discretely presented component units are described in Note 1 of the financial statements.

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.

Housing Authority of the City and County of Denver

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

December 31, 2015

Financial Analysis

Net Position

Net position is summarized in the table below:

		<u>2015</u>	<u>2014</u>
Current assets	\$	77,889,891	83,032,225
Other noncurrent assets		200,358,369	188,208,595
Capital assets, net		<u>128,501,039</u>	<u>139,659,408</u>
Total assets	\$	<u>406,749,299</u>	<u>410,900,228</u>
Current liabilities	\$	8,985,655	8,316,824
Current liabilities payable from restricted assets		987,581	3,721,503
Noncurrent liabilities		<u>59,624,943</u>	<u>67,808,891</u>
Total liabilities	\$	<u>69,598,179</u>	<u>79,847,218</u>
Investment in capital assets	\$	84,648,215	71,783,654
Restricted		18,889,788	13,361,850
Unrestricted		<u>233,613,117</u>	<u>245,907,506</u>
Total net position	\$	<u><u>337,151,120</u></u>	<u><u>331,053,010</u></u>

Total assets of DHA at December 31, 2015 and 2014 amounted to \$406,749,299 and \$410,900,228, respectively. Current assets are comprised of cash, investments, receivables, current portion of notes receivable, inventories, prepaid items, and restricted assets. Current assets are approximately 6.2% lower at December 31, 2015 than December 31, 2014 due primarily to a decrease in the current portion of notes receivable.

Total liabilities of DHA, which are segregated between current and noncurrent portions, amounted to \$69,598,179 and \$79,847,218 at December 31, 2015 and 2014, respectively. Current liabilities primarily include accounts payable, compensated absences payable, accrued liabilities, unearned revenue, intergovernmental payables, interest payable, and the current portions of the notes and bonds payable. A liability is considered to be current if it is due within one year. Current liabilities decreased 17.2% from 2014 to 2015 primarily due to a decrease in the current portion of bonds and notes payable related to the construction of CSG. The CSG Series B Bond was paid in full in 2015. The noncurrent liabilities are primarily comprised of the long-term portion of the notes and bonds payable. The decrease in noncurrent liabilities in 2015 over 2014 is primarily due to a decrease in notes payable due to payments made on the Line of Credit for the construction project at CSG.

Net position represents the equity of DHA after liabilities are subtracted from assets. Net position is divided into three major categories. The first category, invested in capital assets, shows DHA's equity in land, buildings and improvement, construction in progress, and machinery and equipment, net of related outstanding debt. The second category, restricted net position, has external limitations on the way in which these assets can be used. The last category, unrestricted net position, is available to be used for any lawful and prudent DHA purpose.

Housing Authority of the City and County of Denver

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

December 31, 2015

The total net position of DHA increased \$6.1 million during the year ended December 31, 2015. The increase in net position in 2015 represents an increase in restricted net position. This was primarily due to an increase in reserve, escrow and bond accounts.

The DHA's current ratio reflects the relationship between current assets and current liabilities and is a measure of DHA's ability to pay short-term obligations. At December 31, 2015 and 2014, DHA's current ratio is 7.8:1 and 6.9:1, respectively.

Revenues, Expenses, and Changes in Net Position

Changes in net position are summarized in the table below:

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Rental revenues	\$ 9,656,259	8,861,833
Intergovernmental	84,706,103	83,468,787
Other revenues	9,166,761	14,621,203
Total operating revenues	<u>103,529,123</u>	<u>106,951,823</u>
Operating expenses:		
Administrative	15,385,058	14,627,797
Utilities	4,634,553	5,094,373
Ordinary and nonroutine maintenance	10,309,696	7,701,253
General	1,708,444	1,878,464
Depreciation	9,086,723	9,971,622
Housing assistance payments	59,391,064	58,072,049
Other operating expenses	9,062,089	8,955,134
Total operating expenses	<u>109,577,627</u>	<u>106,300,692</u>
Operating loss	<u>(6,048,504)</u>	<u>651,131</u>
Nonoperating revenues (expenses):		
Interest revenue	2,958,399	1,435,392
Net increase (decrease) in the fair value of investments	(60,869)	8,295
Interest expense	(2,585,537)	(2,258,217)
Other expense	(169,301)	(58,190)
Gain (loss) on disposition of assets	3,601,671	5,467,486
Nonoperating revenues, net	<u>3,744,363</u>	<u>4,594,766</u>
Gain (Loss) before capital grants and contributions	<u>(2,304,141)</u>	<u>5,245,897</u>
Capital and other grants	8,402,251	6,125,644
Change in net position	6,098,110	11,371,541
Net position, January 1	<u>331,053,010</u>	<u>319,681,469</u>
Net position, December 31	<u>\$ 337,151,120</u>	<u>331,053,010</u>

Housing Authority of the City and County of Denver

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

December 31, 2015

DHA had an operating loss of \$6,048,504 in 2015 and an operating gain of \$651,131 in 2014. Operating revenues were 3.2 % lower in 2015 than 2014 due to a decrease in developer fees earned in 2015. The ordinary and nonroutine maintenance expenses were 33.9% higher in 2015 than in 2014 due to an increase in maintenance projects. This included a number of roof repairs in our dispersed housing sites throughout the portfolio. Housing assistance payments expenses were 2.3% higher than 2014 due to an increase in the per unit HAP cost during 2015. Depreciation was lower in 2015 than 2014 due to the aging of the capital assets.

Capital Assets and Debt Administration

The DHA's capital assets are summarized in the table below:

	2015	2014
Land	\$ 42,036,924	46,323,898
Buildings	225,538,416	228,425,599
Improvements	31,499,395	31,077,443
Machinery and equipment	4,892,803	5,253,133
Construction in process	<u>6,814,405</u>	<u>5,748,433</u>
Total capital assets	310,781,943	316,828,506
Less accumulated depreciation	<u>(182,280,904)</u>	<u>(177,169,098)</u>
Net capital assets	\$ <u>128,501,039</u>	<u>139,659,408</u>

Capital assets decreased by 8% in 2015 primarily due to the demolition of the remaining South Lincoln Homes units and the disposition of three land parcels. Additional information on DHA's capital assets can be found in note 5 to the basic financial statements.

Housing Authority of the City and County of Denver

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

December 31, 2015

DHA's outstanding long-term debt is summarized in the table below:

	<u>2015</u>	<u>2014</u>
DHP Note – Lincoln Park	\$ 13,031	35,058
DHP Note – Lincoln Park	450,000	450,000
DHP Lincoln Park – First Bank Loan	1,397,520	1,491,742
DHA Bonds - CSG	12,620,000	12,665,000
DHA Bonds - Mariposa 7	140,000	—
Key Bank - Construction Loan	—	2,466,250
Line of credit	3,395,104	12,514,281
Low Rent EPC – Banc of America	22,667,351	23,751,462
Three Towers EPC – Banc of America	2,518,653	2,639,108
South Lowell EPC - Banc of America	2,738,034	2,869,722
Three Towers – CFFP Revenue Bonds	5,345,000	5,665,000
Horse Barn - Chase	1,660,000	1,660,000
DHP Note - First Bank	168,131	168,131
DHP - Enterprise (Chestnut)	2,000,000	—
DHP - Skyline	1,500,000	1,500,000
	<u>\$ 56,612,824</u>	<u>67,875,754</u>

All debt service payments were made in 2015 as scheduled. The Capital Fund Program Revenue Bonds, Series 2007 (Three Towers Rehabilitation Project) were rated as A2 as of December 31, 2015. Additional information on DHA's long-term debt can be found in note 6 to the basic financial statements.

Economic Factors Affecting DHA's Future

The majority of DHA's funding is from federal agencies in the form of operating subsidies, capital fund grants, Section 8 housing assistance payments, and other smaller grants. While Housing Authorities have been underfunded for most of the past decade, HUD funded 2015 Low Rent operating subsidies at 85.36% of eligibility. The operating subsidy for 2015 was budgeted at 86% of 2015 eligibility. Based on HUD's funding letters and contracts with HUD, it is anticipated that most HUD programs will continue to receive renewal funding including the Section 8 program, which is DHA's largest housing program, serving over 6,000 families.

Congress and the federal government continue to cut federal subsidies due to federal budget priorities. The reduced funding shift continues to have an impact on DHA's economic position because federal housing dollars make up the largest source of revenue for DHA. During 2015, DHA earned \$87.8 million in federal dollars for its operating and capital programs. In addition, a majority of DHA's \$128.5 million of net capital assets as of December 31, 2015 were acquired and/or developed over the years with financial assistance from HUD. Such assistance has typically come with use restrictions and generally limits DHA's ability to encumber or leverage debt financing against HUD properties in its portfolio.

Housing Authority of the City and County of Denver

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

December 31, 2015

Requests for Information

This financial report is designed to provide the reader with a general overview of DHA's finances and to demonstrate DHA'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:

Nichole Ford
Chief Financial Officer
The Housing Authority of the City and County of Denver
777 Grant Street
Denver, Colorado 80203
(DHA Web site is at: www.denverhousing.org)

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Statement of Net Position

December 31, 2015

Assets & Deferred Outflow of Resources	Primary Government	Discretely Presented Component Units
Current assets:		
Cash and cash equivalents	\$ 11,818,084	2,411,868
Investments	40,350,207	2,228,721
Receivables, net	4,500,185	98,398
Current portion of notes receivable	499,914	—
Due from Other Funds	—	2,170
Due from DCU	515,334	—
Due from DHA	—	1,785,973
Inventories	81,725	—
Assets held for sale	—	—
Prepaid items	204,535	229,975
Restricted:		
Cash	15,409,836	8,342,791
Investments	4,510,071	335,589
Total current assets	77,889,891	15,435,485
Noncurrent assets:		
Noncurrent portion of notes receivable	192,353,709	—
Due From DCU	7,248,236	—
Due from DHA	—	409,119
Financing costs	—	2,414,321
Other	756,424	4,694,232
Capital assets, net:		
Land	42,036,924	679,946
Buildings	67,719,970	282,106,348
Improvements	11,470,997	12,494,872
Machinery and equipment	458,743	1,321,508
Construction in progress	6,814,405	21,422,074
Total capital assets	128,501,039	318,024,748
Total noncurrent assets	328,859,408	325,542,420
Total assets	406,749,299	340,977,905
Deferred outflow of resources:	—	—
Total deferred outflow of resources	—	—
Total assets and deferred outflow of resources	\$ 406,749,299	340,977,905

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Statement of Net Position - Continued

December 31, 2015

Liabilities, Deferred Inflow of Resources & Net Position	Primary Government	Discretely Presented Component Units
Current liabilities:		
Accounts payable	\$ 2,504,837	2,809,892
Compensated absences payable	762,631	87,536
Accrued liabilities	1,468,468	1,012,021
Unearned revenue	608,025	186,470
Intergovernmental payables	70,630	—
Accrued interest payable	137,149	277,385
Current portion of notes payable	1,647,942	2,005,986
Due to other Funds	—	2,170
Due to DCU	1,785,973	—
Due to DHA	—	515,334
	<u>8,985,655</u>	<u>6,896,794</u>
Current liabilities payable from restricted assets:		
Current portion of bonds payable	335,000	—
Family Self Sufficiency escrow	297,978	18,734
Tenant security deposits	354,603	414,353
Current liabilities payable from restricted assets	<u>987,581</u>	<u>433,087</u>
Total current liabilities	<u>9,973,236</u>	<u>7,329,881</u>
Noncurrent liabilities:		
Compensated absences payable	103,994	10,875
Due to DHA	—	7,248,236
Due to DCU	409,119	—
Accrued Liabilities	848,712	22,114,070
Unearned revenue	3,255,543	—
Notes and bonds payable, net of current portion	54,629,882	226,484,904
Family Self Sufficiency escrow	377,693	25,937
Total noncurrent liabilities	<u>59,624,943</u>	<u>255,884,022</u>
Total liabilities	<u>69,598,179</u>	<u>263,213,903</u>
Deferred inflow of resources	—	—
Net position:		
Net investment in capital assets	84,648,215	89,533,858
Restricted	—	—
Housing Assistance Payments - Section 8	383,096	—
Operating Reserve Fund	1,069,587	3,731,554
ACC Reserve	3,399,843	1,160,182
Replacement Reserve	2,118,880	2,879,615
Debt Service Reserve	1,914,604	—
Disposition Escrow	5,777,089	—
Escrow Fund	75,480	379,780
Project Revenue Bond Fund	950,635	—
Redemption Bond Fund	15,000	—
Bond Proceeds Fund	79,395	—
Surplus Bond Fund	9,322	—
Other	3,096,857	68,225
Unrestricted	<u>233,613,117</u>	<u>(19,989,212)</u>
Total net position	<u>337,151,120</u>	<u>77,764,002</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 406,749,299</u>	<u>340,977,905</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Statements of Revenues, Expenses, and Changes in Net Position

Year ended December 31, 2015

	Primary Government	Discretely Presented Component Units
Operating revenues:		
Rental revenues	\$ 9,656,259	11,493,840
Intergovernmental	84,706,103	6,267,006
Property Management fee/Developer fee revenue	4,861,500	-
Other revenues	4,305,261	682,045
Total operating revenues	103,529,123	18,442,891
Operating expenses:		
Administrative	15,385,058	2,231,036
Management fees	244,484	1,599,817
Tenant services	2,570,461	19,358
Utilities	4,634,553	2,409,435
Ordinary maintenance	6,959,783	4,469,504
General	1,708,444	1,403,255
Nonroutine maintenance	3,349,913	846,558
Depreciation	9,086,723	11,849,723
Housing assistance payments	59,391,064	-
Cost of sales and services	2,521,978	-
Other operating expenses	3,725,166	-
Total operating expenses	109,577,627	24,828,686
Operating loss	(6,048,504)	(6,385,795)
Nonoperating revenues (expenses):		
Interest revenue	2,958,399	13,210
Net increase (decrease) in the fair value of investments	(60,869)	(4,194)
Interest expense	(2,585,537)	(7,502,230)
Amortization expense	-	(322,894)
Other expense	(169,301)	(25,877)
Other income	-	159,041
Gain (loss) on disposition of assets	3,601,671	-
Nonoperating revenues (expenses), net	3,744,363	(7,682,944)
Loss before other revenues, expenses, gains, losses, and transfers	(2,304,141)	(14,068,739)
Capital grants - Capital Fund	3,068,506	-
Capital grants - other than Capital Fund	5,333,745	-
Capital contributions from/to general and limited partners	-	22,573,514
Change in net position	6,098,110	8,504,775
Net position, January 1	331,053,010	69,259,227
Net position, December 31	\$ 337,151,120	77,764,002

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Statements of Cash Flows
Year ended December 31, 2015

	<u>Primary Government</u>
Cash flows from capital and related financing activities:	
Receipts from HUD	\$ 81,599,676
Receipts from tenants and others	17,599,294
Payments to employees	(18,031,101)
Payments to vendors and suppliers	<u>(79,913,662)</u>
Net cash provided by operating activities	<u>1,254,207</u>
Cash flows from capital and related financing activities:	
Issuance of notes and bonds payable	21,673,293
Principal payments on debt	(32,936,223)
Interest payments	(2,520,232)
Other financing and project development costs	-
Capital grants	8,402,251
Acquisition and construction of capital assets	(3,579,086)
Proceeds from sale of assets	<u>9,252,404</u>
Net cash provided by capital and related financing activities	<u>292,407</u>
Cash flows from investing activities:	
Issuance of notes receivable	(21,741,860)
Receipt of payment on notes receivable	18,003,829
Proceeds from sales and maturities of investments	24,589,672
Purchase of investments	(26,259,963)
Investment in partnerships	(427,146)
Interest received	<u>2,890,949</u>
Net cash used in investing activities	<u>(2,944,519)</u>
Net decrease in cash and cash equivalents	(1,397,905)
Cash and cash equivalents, January 1	<u>28,625,825</u>
Cash and cash equivalents, December 31 (includes \$15,409,836 in restricted cash)	<u>\$ 27,227,920</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Statements of Cash Flows (continued)
Year ended December 31, 2015

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (6,048,496)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	9,086,723
Changes in operating assets and liabilities:	
Receivables	
Tenants	7,396
Intergovernmental	(3,113,081)
Other	66,190
Due from DCU	218,415
Inventories	164
Prepaid items	88,318
Accounts payable	237,853
Compensated absences payable	(1,692)
Accrued liabilities	(343,401)
Unearned revenue	(1,046,778)
Intergovernmental payable	6,654
Due to DCU	2,000,921
Family Self Sufficiency escrow	86,396
Tenant security deposits	8,625
Net cash provided by operating activities	\$ <u><u>1,254,207</u></u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**
Combining Balance Sheet – Discretely Presented Component Units
December 31, 2015

Assets & Deferred Outflow of Resources	Globeville Redevelopment Partnership I	Globeville Redevelopment Partnership II	Thomas Bean Towers	Park Ave Redevelopment Block 1B	Park Ave Redevelopment Block 3B	Park Ave Redevelopment Block 4B	Park Ave Redevelopment Block 5B
Current assets:							
Cash and cash equivalents	\$ 200	—	250	235,302	133,691	166,542	271,193
Investments	10,701	19,359	334,143	1,003	9,888	1,036	1,023
Receivables:							
Tenants	3,028	4,919	8,899	3,337	3,077	1,800	2,967
Interest	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—
Other	—	—	600	—	—	—	48
Current portion of notes receivable	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—
Due from DHA	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—
Assets held for sale	—	—	—	—	—	—	—
Prepaid items	18,380	10,761	900	2,953	667	661	661
Restricted:							
Cash	333,101	226,455	224,275	753,968	616,393	529,948	690,951
Investments	29,663	17,121	20,159	—	—	—	—
Total current assets	<u>395,073</u>	<u>278,615</u>	<u>589,226</u>	<u>996,563</u>	<u>763,716</u>	<u>699,987</u>	<u>966,843</u>
Noncurrent assets:							
Noncurrent portion of notes receivable	—	—	—	—	—	—	—
Due from DHA	—	—	—	—	—	—	—
Deferred amount on financing	110,730	92,569	—	—	124,977	185,525	116,715
Other	—	—	—	—	55,103	53,290	66,786
Restricted:							
Cash	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—
Capital assets:							
Land	542,161	87,160	—	—	—	—	—
Buildings	5,708,032	3,114,165	20,718,402	18,435,485	19,967,505	19,101,080	17,255,995
Accumulated depreciation – buildings	(2,282,125)	(1,132,326)	(7,321,104)	(6,033,432)	(5,043,875)	(4,154,201)	(1,904,338)
Improvements	986,005	153,348	868,778	1,190,980	1,325,800	653,292	930,272
Accumulated depreciation – improvements	(394,402)	(55,763)	(574,266)	(714,588)	(615,559)	(260,601)	(270,161)
Machinery and equipment	104,469	45,230	312,510	319,882	206,998	237,392	299,574
Accumulated depreciation – machinery and equipment	(102,191)	(44,707)	(297,679)	(310,725)	(206,998)	(236,801)	(189,103)
Construction in progress	—	—	—	—	—	—	—
Total capital assets	<u>4,561,949</u>	<u>2,167,107</u>	<u>13,706,641</u>	<u>12,887,602</u>	<u>15,633,871</u>	<u>15,340,161</u>	<u>16,122,239</u>
Total noncurrent assets	<u>4,672,679</u>	<u>2,259,676</u>	<u>13,706,641</u>	<u>12,887,602</u>	<u>15,813,951</u>	<u>15,578,976</u>	<u>16,305,740</u>
Total assets	<u>5,067,752</u>	<u>2,538,291</u>	<u>14,295,867</u>	<u>13,884,165</u>	<u>16,577,667</u>	<u>16,278,963</u>	<u>17,272,583</u>
Deferred Outflow of Resources							
Total deferred outflow of resources	—	—	—	—	—	—	—
Total assets and deferred outflow of resources	<u>\$ 5,067,752</u>	<u>2,538,291</u>	<u>14,295,867</u>	<u>13,884,165</u>	<u>16,577,667</u>	<u>16,278,963</u>	<u>17,272,583</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Balance Sheet – Discretely Presented Component Units (continued)

December 31, 2015

Assets & Deferred Outflow of Resources	Three Towers Partners	Westwood Homes	1099 Osage LLP	Mariposa Partners II LLLP	Mariposa Partners III LLLP	Mariposa Partners IV LLLP	Mariposa Partners VI LLLP
Current assets:							
Cash and cash equivalents	\$ 250	200	200	793,343	331,287	291,788	—
Investments	298,427	142,436	38,823	—	103,624	3,273	—
Receivables:							
Tenants	4,237	8,435	1,012	4,426	1,110	4,343	—
Interest	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—
Other	4,665	14,374	630	—	—	—	—
Current portion of notes receivable	—	—	—	—	—	—	—
Due from other funds	—	—	—	1,184	—	986	—
Due from DHA	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—
Assets held for sale	—	—	—	—	—	—	—
Prepaid items	600	—	600	13,200	12,500	—	—
Restricted:							
Cash	2,047,648	629,799	339,590	373,426	347,102	44,343	—
Investments	20,309	34,605	5,875	—	—	—	—
Total current assets	<u>2,376,136</u>	<u>829,849</u>	<u>386,730</u>	<u>1,185,579</u>	<u>795,623</u>	<u>344,733</u>	<u>—</u>
Noncurrent assets:							
Noncurrent portion of notes receivable	—	—	—	—	—	—	—
Due from DHA	—	—	—	197,119	212,000	—	—
Deferred amount on financing	—	8,816	44,472	50,135	39,601	30,440	242,643
Other	—	91,547	81,373	268,827	271,796	78,210	88,965
Restricted:							
Cash	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—
Capital assets:							
Land	—	—	—	—	—	—	—
Buildings	53,020,148	26,309,663	20,199,161	18,896,720	20,378,198	17,367,831	—
Accumulated depreciation – buildings	(14,006,457)	(3,173,621)	(3,163,508)	(1,074,864)	(990,425)	(454,883)	—
Improvements	704,973	839,440	819,489	2,283,365	1,304,058	1,389,838	—
Accumulated depreciation – improvements	(340,910)	(175,255)	(160,539)	(219,475)	(74,273)	(54,745)	—
Machinery and equipment	579,456	300,678	185,022	255,822	381,777	230,786	—
Accumulated depreciation – machinery and equipment	(571,009)	(280,518)	(138,053)	(111,025)	(145,187)	(48,686)	—
Construction in progress	—	—	—	—	—	—	18,820,177
Total capital assets	<u>39,386,201</u>	<u>23,820,387</u>	<u>17,741,572</u>	<u>20,030,543</u>	<u>20,854,148</u>	<u>18,430,141</u>	<u>18,820,177</u>
Total noncurrent assets	<u>39,386,201</u>	<u>23,920,750</u>	<u>17,867,417</u>	<u>20,546,624</u>	<u>21,377,545</u>	<u>18,538,791</u>	<u>19,151,785</u>
Total assets	<u>41,762,337</u>	<u>24,750,599</u>	<u>18,254,147</u>	<u>21,732,203</u>	<u>22,173,168</u>	<u>18,883,524</u>	<u>19,151,785</u>
Deferred Outflow of Resources							
Total deferred outflow of resources	—	—	—	—	—	—	—
Total assets and deferred outflow of resources	<u>\$ 41,762,337</u>	<u>24,750,599</u>	<u>18,254,147</u>	<u>21,732,203</u>	<u>22,173,168</u>	<u>18,883,524</u>	<u>19,151,785</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Balance Sheet – Discretely Presented Component Units (continued)
December 31, 2015

Assets & Deferred Outflow of Resources	Mariposa Partners VII LLLP	Mariposa Partners VIII LLLP	CSG Redevelopment LLP	Mountain View Redevelopment LLP	South Lowell Redevelopment LLP	Stuebaker Building Ltd.	Total
Current assets:							
Cash and cash equivalents	\$ —	—	400	150	—	187,072	2,411,868
Investments	—	20,393	3,980	1,050,740	189,872	—	2,228,721
Receivables:	—	—	—	—	—	—	—
Tenants	—	—	7,215	2,876	3,779	1,439	66,899
Interest	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—
Other	—	—	5,451	3,708	2,023	—	31,499
Current portion of notes receivable	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	2,170
Due from DHA	—	—	1,785,973	—	—	—	1,785,973
Inventories	—	—	—	—	—	—	—
Assets held for sale	—	—	—	—	—	—	—
Prepaid items	—	—	17,819	96,995	44,054	9,224	229,975
Restricted:	—	—	—	—	—	—	—
Cash	—	—	—	891,384	269,229	25,179	8,342,791
Investments	—	—	121,899	55,967	29,991	—	335,589
Total current assets	—	20,393	1,942,737	2,101,820	538,948	222,914	15,435,485
Noncurrent assets:							
Noncurrent portion of notes receivable	—	—	—	—	—	—	—
Due from DHA	—	—	—	—	—	—	409,119
Deferred amount on financing	171,527	129,147	476,846	530,995	15,665	43,518	2,414,321
Other	18,780	29,097	1,228,057	1,615,130	747,271	—	4,694,232
Restricted:	—	—	—	—	—	—	—
Cash	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—
Capital assets:							
Land	—	—	—	—	—	50,625	679,946
Buildings	—	—	35,119,707	23,850,835	16,452,752	3,351,666	339,247,345
Accumulated depreciation – buildings	—	—	(1,083,907)	(2,373,475)	(953,407)	(1,995,049)	(57,140,997)
Improvements	—	—	1,147,039	837,579	1,284,206	—	16,718,462
Accumulated depreciation – improvements	—	—	(41,481)	(121,162)	(150,410)	—	(4,223,590)
Machinery and equipment	—	—	474,501	209,512	201,602	93,322	4,438,533
Accumulated depreciation – machinery and equipment	—	—	(143,952)	(122,700)	(93,176)	(74,515)	(3,117,025)
Construction in progress	1,609,316	992,581	—	—	—	—	21,422,074
Total capital assets	1,609,316	992,581	35,471,907	22,280,589	16,741,567	1,426,049	318,024,748
Total noncurrent assets	1,799,623	1,150,825	37,176,810	24,426,714	17,504,503	1,469,567	325,542,420
Total assets	1,799,623	1,171,218	39,119,547	26,528,534	18,043,451	1,692,481	340,977,905
Deferred Outflow of Resources							
Total deferred outflow of resources	—	—	—	—	—	—	—
Total assets and deferred outflow of resources	\$ 1,799,623	1,171,218	39,119,547	26,528,534	18,043,451	1,692,481	340,977,905

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Balance Sheet – Discretely Presented Component Units (continued)
December 31, 2015

Liabilities, Deferred Inflow of Resources & Net Position	Globeville Redevelopment Partnership I	Globeville Redevelopment Partnership II	Thomas Bean Towers	Park Ave Redevelopment Block 1B	Park Ave Redevelopment Block 3B	Park Ave Redevelopment Block 4B	Park Ave Redevelopment Block 5B
Current liabilities:							
Accounts payable	\$ 11,187	7,398	48,340	12,307	6,696	10,420	10,795
Current portion of compensated absences payable	522	264	4,228	1,574	1,180	1,082	1,082
Accrued liabilities	4,518	2,009	28,314	9,950	9,210	9,600	12,636
Deferred Credit- Prepaid Income	10,376	2,916	27,108	1,340	12,441	656	12,832
Intergovernmental payables	—	—	—	—	—	—	—
Accrued interest payable	—	—	—	26,895	26,023	20,816	14,792
Current portion of long-term debt	32,505	19,772	—	72,216	37,712	32,800	39,811
Due to other funds	—	—	—	—	—	—	—
Due to DHA	—	3,388	—	49,345	16,516	30,414	54,047
	<u>59,108</u>	<u>35,747</u>	<u>107,990</u>	<u>173,627</u>	<u>109,778</u>	<u>105,788</u>	<u>145,995</u>
Current liabilities payable from restricted assets:							
Accrued interest payable	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	8,459	—	—	—	—
Tenant security deposits	29,663	17,121	11,700	29,700	20,150	21,050	19,950
Escrow held for others	—	—	—	—	—	—	—
Current liabilities payable from restricted assets	<u>29,663</u>	<u>17,121</u>	<u>20,159</u>	<u>29,700</u>	<u>20,150</u>	<u>21,050</u>	<u>19,950</u>
Total current liabilities	<u>88,771</u>	<u>52,868</u>	<u>128,149</u>	<u>203,327</u>	<u>129,928</u>	<u>126,838</u>	<u>165,945</u>
Noncurrent liabilities:							
Compensated absences payable	71	36	577	—	—	—	—
Due to DHA	246,355	313,000	—	—	—	—	—
Accrued liabilities	338,283	160,450	5,257,187	1,563,928	3,163,155	1,029,676	490,460
Notes and bonds payable	2,615,657	1,572,373	11,159,666	8,875,767	10,385,701	9,084,084	9,495,099
Family Self Sufficiency escrow	—	—	—	—	—	—	—
Total noncurrent liabilities	<u>3,200,366</u>	<u>2,045,859</u>	<u>16,417,430</u>	<u>10,439,695</u>	<u>13,548,856</u>	<u>10,113,760</u>	<u>9,985,559</u>
Total liabilities	<u>3,289,137</u>	<u>2,098,727</u>	<u>16,545,579</u>	<u>10,643,022</u>	<u>13,678,784</u>	<u>10,240,598</u>	<u>10,151,504</u>
Deferred inflow of resources	—	—	—	—	—	—	—
Net position:							
Net investment in capital assets	1,913,787	574,962	2,546,975	3,939,619	5,210,458	6,223,277	6,587,329
Restricted							
Housing Assistance Payments - Section 8	—	—	—	—	—	—	—
Operating Reserve Fund	107,845	78,491	—	308,526	221,669	290,716	358,561
ACC Reserve	—	—	—	—	108,359	—	184,407
Replacement Reserve	203,001	133,951	224,275	356,014	215,097	170,497	126,906
Debt Service Reserve	—	—	—	—	—	—	—
Interest Fund	—	—	—	—	—	—	—
Escrow Fund	22,255	14,013	—	57,300	49,907	46,054	—
Other	—	—	—	2,428	1,211	1,631	1,127
Unrestricted	<u>(468,273)</u>	<u>(361,853)</u>	<u>(5,020,962)</u>	<u>(1,422,744)</u>	<u>(2,907,818)</u>	<u>(693,810)</u>	<u>(137,251)</u>
Total net position	<u>1,778,615</u>	<u>439,564</u>	<u>(2,249,712)</u>	<u>3,241,143</u>	<u>2,898,883</u>	<u>6,038,365</u>	<u>7,121,079</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 5,067,752</u>	<u>2,538,291</u>	<u>14,295,867</u>	<u>13,884,165</u>	<u>16,577,667</u>	<u>16,278,963</u>	<u>17,272,583</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Balance Sheet – Discretely Presented Component Units (continued)
December 31, 2015

Liabilities, Deferred Inflow of Resources & Net Position	Mariposa Partners VII LLLP	Mariposa Partners VIII LLLP	CSG Redevelopment LLL	Mountain View Redevelopment LLL	South Lowell Redevelopment LLL	Studebaker Building Ltd.	Total
Current liabilities:							
Accounts payable	\$ 94,446	95,426	42,231	22,130	14,228	55,180	2,809,892
Current portion of compensated absences payable	—	—	7,221	12,241	4,721	—	87,536
Accrued liabilities	7,003	8,606	47,029	42,809	9,992	—	1,012,021
Deferred Credit- Prepaid Income	—	—	25,884	3,244	907	2,813	186,470
Intergovernmental payables	—	—	—	—	—	—	—
Accrued interest payable	—	—	63,941	45,255	—	—	277,385
Current portion of long-term debt	—	—	75,000	102,504	—	84,432	2,005,986
Due to other funds	—	—	—	—	—	—	2,170
Due to DHA	67,889	119,826	—	—	—	—	515,334
	<u>169,338</u>	<u>223,858</u>	<u>261,306</u>	<u>228,183</u>	<u>29,848</u>	<u>142,425</u>	<u>6,896,794</u>
Current liabilities payable from restricted assets:	—	—	—	—	—	—	—
Accrued interest payable	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	966	—	18,734
Tenant security deposits	—	—	60,657	55,966	13,000	24,590	414,353
Escrow held for others	—	—	—	—	—	—	—
Current liabilities payable from restricted assets	—	—	60,657	55,966	13,966	24,590	433,087
Total cur restricted assets	<u>169,338</u>	<u>223,858</u>	<u>321,963</u>	<u>284,149</u>	<u>43,814</u>	<u>167,015</u>	<u>7,329,881</u>
Noncurrent liabilities:	—	—	—	—	—	—	—
Compensated absences payable	—	—	985	1,669	644	—	10,875
Due to DHA	280,968	89,428	1,741,093	1,832,085	22,312	—	7,248,236
Accrued liabilities	366	—	158,351	—	664,078	8,918	22,114,070
Notes and bonds payable	610,115	—	26,503,885	18,063,676	13,420,749	2,257,094	226,484,904
Family Self Sufficiency escrow	—	—	—	—	16,026	—	25,937
Total noncurrent liabilities	<u>891,449</u>	<u>89,428</u>	<u>28,404,314</u>	<u>19,897,430</u>	<u>14,123,809</u>	<u>2,266,012</u>	<u>255,884,022</u>
Total liabilities	<u>1,060,787</u>	<u>313,286</u>	<u>28,726,277</u>	<u>20,181,579</u>	<u>14,167,623</u>	<u>2,433,027</u>	<u>263,213,903</u>
Deferred inflow of resources	—	—	—	—	—	—	—
Net position:							
Net investment in capital assets	999,201	992,581	8,893,022	4,114,409	3,320,818	(915,477)	89,533,858
Restricted							
Housing Assistance Payments - Section 8	—	—	—	—	—	—	—
Operating Reserve Fund	—	—	—	627,739	201,806	—	3,731,554
ACC Reserve	—	—	—	—	—	—	1,160,182
Replacement Reserve	—	—	—	180,085	67,422	—	2,879,615
Debt Service Reserve	—	—	—	—	—	—	—
Interest Fund	—	—	—	—	—	—	—
Escrow Fund	—	—	—	83,561	—	—	379,780
Other	—	—	61,242	—	—	589	68,225
Unrestricted	<u>(260,365)</u>	<u>(134,649)</u>	<u>1,439,006</u>	<u>1,341,161</u>	<u>285,782</u>	<u>174,342</u>	<u>(19,989,212)</u>
Total net position	<u>738,836</u>	<u>857,932</u>	<u>10,393,270</u>	<u>6,346,955</u>	<u>3,875,828</u>	<u>(740,546)</u>	<u>77,764,002</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 1,799,623</u>	<u>1,171,218</u>	<u>39,119,547</u>	<u>26,528,534</u>	<u>18,043,451</u>	<u>1,692,481</u>	<u>340,977,905</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Balance Sheet – Discretely Presented Component Units (continued)
December 31, 2015

Liabilities, Deferred Inflow of Resources & Net Position	Mariposa Partners VII LLLP	Mariposa Partners VIII LLLP	CSG Redevelopment LLP	Mountain View Redevelopment LLP	South Lowell Redevelopment LLLP	Stuebaker Building Ltd.	Total
Current liabilities:							
Accounts payable	\$ 94,446	95,426	42,231	22,130	14,228	55,180	2,809,892
Current portion of compensated absences payable	—	—	7,221	12,241	4,721	—	87,536
Accrued liabilities	7,003	8,606	47,029	42,809	9,992	—	1,012,021
Deferred Credit- Prepaid Income	—	—	25,884	3,244	907	2,813	186,470
Intergovernmental payables	—	—	—	—	—	—	—
Accrued interest payable	—	—	63,941	45,255	—	—	277,385
Current portion of long-term debt	—	—	75,000	102,504	—	84,432	2,005,986
Due to other funds	—	—	—	—	—	—	2,170
Due to DHA	67,889	119,826	—	—	—	—	515,334
	<u>169,338</u>	<u>223,858</u>	<u>261,306</u>	<u>228,183</u>	<u>29,848</u>	<u>142,425</u>	<u>6,896,794</u>
Current liabilities payable from restricted assets:							
Accrued interest payable	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	966	—	18,734
Tenant security deposits	—	—	60,657	55,966	13,000	24,590	414,353
Escrow held for others	—	—	—	—	—	—	—
Current liabilities payable from restricted assets	—	—	60,657	55,966	13,966	24,590	433,087
Total cur restricted assets	<u>169,338</u>	<u>223,858</u>	<u>321,963</u>	<u>284,149</u>	<u>43,814</u>	<u>167,015</u>	<u>7,329,881</u>
Noncurrent liabilities:							
Compensated absences payable	—	—	985	1,669	644	—	10,875
Due to DHA	280,968	89,428	1,741,093	1,832,085	22,312	—	7,248,236
Accrued liabilities	366	—	158,351	—	664,078	8,918	22,114,070
Notes and bonds payable	610,115	—	26,503,885	18,063,676	13,420,749	2,257,094	226,484,904
Family Self Sufficiency escrow	—	—	—	—	16,026	—	25,937
Total noncurrent liabilities	<u>891,449</u>	<u>89,428</u>	<u>28,404,314</u>	<u>19,897,430</u>	<u>14,123,809</u>	<u>2,266,012</u>	<u>255,884,022</u>
Total liabilities	<u>1,060,787</u>	<u>313,286</u>	<u>28,726,277</u>	<u>20,181,579</u>	<u>14,167,623</u>	<u>2,433,027</u>	<u>263,213,903</u>
Deferred inflow of resources							
	—	—	—	—	—	—	—
Net position:							
Net investment in capital assets	999,201	992,581	8,893,022	4,114,409	3,320,818	(915,477)	89,533,858
Restricted							
Housing Assistance Payments - Section 8	—	—	—	—	—	—	—
Operating Reserve Fund	—	—	—	627,739	201,806	—	3,731,554
ACC Reserve	—	—	—	—	—	—	1,160,182
Replacement Reserve	—	—	—	180,085	67,422	—	2,879,615
Debt Service Reserve	—	—	—	—	—	—	—
Interest Fund	—	—	—	—	—	—	—
Escrow Fund	—	—	—	83,561	—	—	379,780
Other	—	—	61,242	—	—	589	68,225
Unrestricted	<u>(260,365)</u>	<u>(134,649)</u>	<u>1,439,006</u>	<u>1,341,161</u>	<u>285,782</u>	<u>174,342</u>	<u>(19,989,212)</u>
Total net position	<u>738,836</u>	<u>857,932</u>	<u>10,393,270</u>	<u>6,346,955</u>	<u>3,875,828</u>	<u>(740,546)</u>	<u>77,764,002</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 1,799,623</u>	<u>1,171,218</u>	<u>39,119,547</u>	<u>26,528,534</u>	<u>18,043,451</u>	<u>1,692,481</u>	<u>340,977,905</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Statement of Activities– Discretely Presented Component Units
December 31, 2015

	Globeville Redevelopment Partnership I	Globeville Redevelopment Partnership II	Thomas Bean Towers	Park Ave Redevelopment Block 1B	Park Ave Redevelopment Block 3B	Park Ave Redevelopment Block 4B	Park Ave Redevelopment Block 5B
Operating revenues:							
Rental revenues	\$ 441,108	260,756	737,873	1,169,970	806,077	820,482	819,661
Intergovernmental	—	—	444,600	62,856	78,461	71,350	47,834
Property Management fee revenue	—	—	—	—	—	—	—
Other revenues	2,052	1,840	75,366	20,330	81,860	16,531	16,159
Charges for services	—	—	—	—	—	—	—
Total operating revenues	<u>443,160</u>	<u>262,596</u>	<u>1,257,839</u>	<u>1,253,156</u>	<u>966,398</u>	<u>908,363</u>	<u>883,654</u>
Operating expenses:							
Administrative	35,677	21,056	205,301	168,325	116,564	116,264	118,282
Management fees	67,996	35,763	132,011	85,747	68,673	57,935	60,076
Tenant services	801	—	—	1,081	936	899	899
Utilities	29,654	13,198	241,376	135,242	100,233	94,109	91,475
Ordinary maintenance	104,421	66,593	437,267	241,617	206,028	179,718	161,191
General	18,630	12,192	90,400	57,298	132,859	46,791	127,573
Nonroutine maintenance	57,417	50,444	89,857	8,846	10,379	5,833	—
Depreciation	244,219	119,038	814,585	753,068	814,478	740,643	536,214
Housing assistance payments	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—
Total operating expenses	<u>558,815</u>	<u>318,284</u>	<u>2,010,797</u>	<u>1,451,224</u>	<u>1,450,150</u>	<u>1,242,192</u>	<u>1,095,710</u>
Operating income (loss)	<u>(115,655)</u>	<u>(55,688)</u>	<u>(752,958)</u>	<u>(198,068)</u>	<u>(483,752)</u>	<u>(333,829)</u>	<u>(212,056)</u>
Nonoperating revenues (expenses):							
Intergovernmental	—	—	—	—	—	—	—
Interest revenue	354	267	1,393	241	249	120	428
Net increase (decrease) in the fair value of investments	(140)	(75)	(552)	(6)	(19)	(2)	(5)
Interest expense	(283,394)	(188,330)	(633,116)	(556,284)	(704,643)	(475,395)	(179,037)
Amortization Expense	—	—	—	—	(18,620)	(10,146)	(12,225)
Other Expense	—	—	—	—	—	—	—
Other Income	113,239	45,302	—	—	—	—	—
Loss on assets held for sale	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	—	—	—	—	—	—
Nonoperating revenues (expenses), net	<u>(169,941)</u>	<u>(142,836)</u>	<u>(632,275)</u>	<u>(556,049)</u>	<u>(723,033)</u>	<u>(485,423)</u>	<u>(190,839)</u>
Income (loss) before other revenues, expenses, gains, losses, and transfers	<u>(285,596)</u>	<u>(198,524)</u>	<u>(1,385,233)</u>	<u>(754,117)</u>	<u>(1,206,785)</u>	<u>(819,252)</u>	<u>(402,895)</u>
Transfers in (out)	—	—	—	—	—	—	—
Capital grants - Capital Fund	—	—	—	—	—	—	—
Capital grants - other than Capital Fund	—	—	—	—	—	—	—
Capital contributions from/to general and limited partners	—	—	—	(800)	—	—	—
Changes in net position	<u>(285,596)</u>	<u>(198,524)</u>	<u>(1,385,233)</u>	<u>(754,917)</u>	<u>(1,206,785)</u>	<u>(819,252)</u>	<u>(402,895)</u>
Net position, January 1	<u>2,064,211</u>	<u>638,088</u>	<u>(864,479)</u>	<u>3,996,060</u>	<u>4,105,668</u>	<u>6,857,617</u>	<u>7,523,974</u>
Net position, End of Period	<u>\$ 1,778,615</u>	<u>439,564</u>	<u>(2,249,712)</u>	<u>3,241,143</u>	<u>2,898,883</u>	<u>6,038,365</u>	<u>7,121,079</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Statement of Activities – Discretely Presented Component Units (continued)

December 31, 2015

	Three Towers Partners	Westwood Homes	1099 Osage LLL	Mariposa Partners II LLLP	Mariposa Partners III LLLP	Mariposa Partners IV LLLP	Mariposa Partners VI LLLP
Operating revenues:							
Rental revenues	\$ 1,060,433	548,908	336,472	943,924	836,899	685,045	—
Intergovernmental	1,308,843	678,815	168,128	64,756	53,862	23,309	—
Property Management fee revenue	—	—	—	—	—	—	—
Other revenues	89,176	92,649	52,131	28,336	12,059	15,536	—
Charges for services	—	—	—	—	—	—	—
Total operating revenues	<u>2,458,452</u>	<u>1,320,372</u>	<u>556,731</u>	<u>1,037,016</u>	<u>902,820</u>	<u>723,890</u>	<u>—</u>
Operating expenses:							
Administrative	383,260	187,592	115,891	81,019	70,914	63,842	21,272
Management fees	334,758	84,461	36,409	65,904	60,420	48,631	—
Tenant services	3,077	(22)	390	88	187	182	—
Utilities	332,405	329,709	99,700	167,739	99,207	93,464	—
Ordinary maintenance	782,237	440,711	201,155	151,778	129,380	88,092	—
General	134,118	90,076	54,171	69,077	66,046	71,249	—
Nonroutine maintenance	365,841	127,063	18,410	1,556	—	1,343	—
Depreciation	1,978,046	753,748	885,224	619,922	623,646	529,690	—
Housing assistance payments	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—
Total operating expenses	<u>4,313,742</u>	<u>2,013,338</u>	<u>1,411,350</u>	<u>1,157,083</u>	<u>1,049,800</u>	<u>896,493</u>	<u>21,272</u>
Operating income (loss)	<u>(1,855,290)</u>	<u>(692,966)</u>	<u>(854,619)</u>	<u>(120,067)</u>	<u>(146,980)</u>	<u>(172,603)</u>	<u>(21,272)</u>
Nonoperating revenues (expenses):							
Intergovernmental	—	—	—	—	—	—	—
Interest revenue	749	1,905	642	314	42	19	—
Net increase (decrease) in the fair value of investments	(359)	(348)	(57)	(115)	(91)	(3)	—
Interest expense	(1,424,546)	—	—	(350,408)	(273,794)	(557,865)	—
Amortization Expense	—	(7,809)	(7,106)	(27,422)	(56,395)	(80,996)	—
Other Expense	—	—	—	—	—	—	—
Other Income	—	—	—	—	—	—	—
Loss on assets held for sale	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	—	—	—	—	—	—
Nonoperating revenues (expenses), net	<u>(1,424,156)</u>	<u>(6,252)</u>	<u>(6,521)</u>	<u>(377,631)</u>	<u>(330,238)</u>	<u>(638,845)</u>	<u>—</u>
Income (loss) before other revenues, expenses, gains, losses, and transfers	<u>(3,279,446)</u>	<u>(699,218)</u>	<u>(861,140)</u>	<u>(497,698)</u>	<u>(477,218)</u>	<u>(811,448)</u>	<u>(21,272)</u>
Transfers in (out)	—	—	—	—	—	—	—
Capital grants - Capital Fund	—	—	—	—	—	—	—
Capital grants - other than Capital Fund	—	—	—	—	—	—	—
Capital contributions from/to general and limited partners	—	—	—	1,616,850	1,614,003	7,264,416	—
Changes in net position	<u>(3,279,446)</u>	<u>(699,218)</u>	<u>(861,140)</u>	<u>1,119,152</u>	<u>1,136,785</u>	<u>6,452,968</u>	<u>(21,272)</u>
Net position, January 1	805,797	4,569,556	6,301,590	8,314,306	9,783,822	1,565,698	1,835,192
Net position, End of Period	<u>\$ (2,473,649)</u>	<u>3,870,338</u>	<u>5,440,450</u>	<u>9,433,458</u>	<u>10,920,607</u>	<u>8,018,666</u>	<u>1,813,920</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Statement of Activities – Discretely Presented Component Units (continued)

December 31, 2015

	Mariposa Partners VII LLLP	Mariposa Partners VIII LLLP	CSG Redevelopment LLLP	Mountain View Redevelopment LLLP	South Lowell Redevelopment LLLP	Studebaker Building Ltd.	Total
Operating revenues:							
Rental revenues	\$ —	—	659,354	773,499	261,958	331,421	11,493,840
Intergovernmental	—	—	1,459,422	1,496,420	308,350	—	6,267,006
Property Management fee revenue	—	—	—	—	—	—	—
Other revenues	—	—	87,402	10,735	31,521	48,362	682,045
Charges for services	—	—	—	—	—	—	—
Total operating revenues	—	—	2,206,178	2,280,654	601,829	379,783	18,442,891
Operating expenses:							
Administrative	—	—	206,824	178,167	88,265	52,521	2,231,036
Management fees	—	—	151,064	147,828	86,400	75,741	1,599,817
Tenant services	—	—	6,237	4,325	278	—	19,358
Utilities	—	—	189,231	260,232	131,781	680	2,409,435
Ordinary maintenance	—	—	445,517	482,312	201,034	150,453	4,469,504
General	—	—	116,134	199,046	114,842	2,753	1,403,255
Nonroutine maintenance	—	—	80,339	19,206	10,024	—	846,558
Depreciation	—	—	881,405	956,799	515,850	83,148	11,849,723
Housing assistance payments	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—
Total operating expenses	—	—	2,076,751	2,247,915	1,148,474	365,296	24,828,686
Operating income (loss)	—	—	129,427	32,739	(546,645)	14,487	(6,385,795)
Nonoperating revenues (expenses):							
Intergovernmental	—	—	—	—	—	—	—
Interest revenue	—	—	1,889	3,330	473	795	13,210
Net increase (decrease) in the fair value of investments	—	—	(790)	(1,329)	(303)	—	(4,194)
Interest expense	—	—	(950,801)	(545,414)	(299,803)	(79,400)	(7,502,230)
Amortization Expense	—	—	(66,633)	(23,894)	(4,462)	(7,186)	(322,894)
Other Expense	—	—	—	(25,877)	—	—	(25,877)
Other Income	—	—	500	—	—	—	159,041
Loss on assets held for sale	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	—	—	—	—	—	—
Nonoperating revenues (expenses), net	—	—	(1,015,835)	(593,184)	(304,095)	(85,791)	(7,682,944)
Income (loss) before other revenues, expenses, gains, losses, and transfers	—	—	(886,408)	(560,445)	(850,740)	(71,304)	(14,068,739)
Transfers in (out)	—	—	—	—	—	—	—
Capital grants - Capital Fund	—	—	—	—	—	—	—
Capital grants - other than Capital Fund	—	—	—	—	—	—	—
Capital contributions from/to general and limited partners	738,836	857,932	9,872,056	—	357,578	252,643	22,573,514
Changes in net position	738,836	857,932	8,985,648	(560,445)	(493,162)	181,339	8,504,775
Net position, January 1	—	—	1,407,622	6,907,400	4,368,990	(921,885)	69,259,227
Net position, End of Period	\$ 738,836	857,932	10,393,270	6,346,955	3,875,828	(740,546)	77,764,002

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(1) Summary of Significant Accounting Policies

The Housing Authority of the City and County of Denver (hereinafter referred to as DHA) is a corporate body created in 1938 to provide safe, decent, and sanitary housing for low-and moderate-income residents of the City and County of Denver, Colorado (the City).

The basic financial statements of DHA have been prepared in conformity with U.S. generally accepted accounting principles (GAAP). The GASB is responsible for establishing GAAP for state and local governments through its pronouncements. Following is a summary of the more significant accounting policies of DHA.

(a) Reporting Entity

DHA is a quasi-municipal corporation. DHA's nine-member Board of Commissioners is appointed by the Mayor of the City, but DHA is a legally separate agency with many sources of income. The City does not have the ability to affect the operations of DHA, nor does DHA provide a financial benefit to, or impose a financial burden on, the City. DHA administers the following U.S. Department of Housing and Urban Development (HUD) programs: Public Housing, Section 8 Housing Choice Vouchers, and various other HUD programs.

In determining how to define the reporting entity, management has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting and Financial Reporting Standards and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. These criteria include: financial accountability; appointment of a voting majority; imposition of will; financial benefit to or burden on a primary organization; financial accountability as a result of fiscal dependency; potential for dual inclusion; and organizations included in the reporting entity although the primary organization is not financially accountable.

Blended Component Units

The Denver Housing Corporation (DHC) is a nonprofit corporation created by DHA in 1978 to facilitate the financing of construction of low-income housing units under Section 8 of HUD's New Construction Program. DHC has no employees and all functions are provided by employees of DHA.

DLIHDC Development Corporation (DLIHDC DC) is a corporation created by DHA in 1994 to participate in the development and operation of the Studebaker Building consisting of affordable housing units. DLIHDC DC is a general partner in Studebaker Partners, which is a partner in the Studebaker Building Ltd., and does not control the partnership. DLIHDC DC has no employees and all functions are provided by employees of DHA.

Curtis Park Housing, Inc. (CPH) is a nonprofit corporation created by DHA in 2000 to participate in three tax credit partnerships in the Curtis Park HOPE VI redevelopment. CPH is a limited partner and does not control these partnerships. CPH has no employees and all functions are provided by employees of DHA.

Globeville Workforce Housing Inc. (GWHI) is a nonprofit corporation created by DHA in 2003 to be the instrumentality to develop the Globeville Townhomes. GWHI has no employees and all functions are provided by employees of DHA.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

Arrowhead Housing, Inc. (AHI) is a nonprofit corporation created by DHA in 2004 to own, rehabilitate, and operate a low-income housing tax credit partnership under DHA's Park Avenue HOPE VI redevelopment grant. AHI has no employees, and all functions are provided by employees of DHA.

Denver Housing Development Partners, Inc. (DHDP) is a corporation created by DHA in 2004 to participate in tax credit partnerships. As of December 31, 2015, DHDP is a limited partner in 40 partnerships and does not control these partnerships. DHDP has no employees and all functions are provided by employees of DHA.

Arrowhead Housing II, Inc. (AHI II) and Arrowhead Housing III, Inc. (AHI III) are nonprofit corporations created by DHA in 2005 to own, rehabilitate, and operate low-income housing tax credit partnerships under the DHA's Park Avenue HOPE VI redevelopment grant. AHI II and AHI III have no employees and all functions are provided by employees of DHA.

DHA Limited Partners, LLC (DLP) is a corporation created by DHA in 2006 to participate in the initial creation of tax credit partnerships during the predevelopment phase up to financial closing. As of December 31, 2015, DLP is not a partner in any partnerships.

Three Towers Housing Inc. (3T) is a nonprofit corporation created by DHA in 2007 to own, rehabilitate, and operate a low-income housing tax credit partnership, the Three Towers Partners LLLP. 3T has no employees and all functions are provided by employees of DHA.

Arrowhead Housing IV, Inc. (AHI IV) is a nonprofit corporation created by DHA in 2008 to own, rehabilitate, and operate low-income housing tax credit partnerships under the DHA's Park Avenue HOPE VI redevelopment grant. AHI IV has no employees and all functions are provided by employees of DHA.

Arrowhead Housing V, Inc. (AHI V) is a nonprofit corporation created by DHA in 2010 to own, rehabilitate, and operate low-income housing tax credit partnerships. AHI V has no employees and all functions are provided by employees of DHA.

Osage Housing, Inc. (OHI) is a nonprofit corporation created by DHA in 2010 to own, rehabilitate, and operate low-income housing tax credit partnerships. OHI has no employees and all functions are provided by employees of DHA.

Westwood Housing, Inc. (WHI) is a nonprofit corporation created by DHA in 2010 to own, rehabilitate, and operate low-income housing tax credit partnerships. WHI has no employees and all functions are provided by employees of DHA.

Denver Community Ventures (DCV) is a nonprofit corporation created by DHA in 2011 to obtain funding through collaborative partnerships with third parties and other sources to assist in the delivery of self-sufficiency services through programs provided by DHA.

MVEC Housing, Inc. (MVEC) is a nonprofit corporation created by DHA in 2012 to own, rehabilitate, and operate low-income housing tax credit partnerships. MVEC has no employees and all functions are provided by employees of DHA.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

SLR Housing, Inc. (SLR) is a nonprofit corporation created by DHA in 2012 to own, rehabilitate, and operate low-income housing tax credit partnerships. SLR has no employees and all functions are provided by employees of DHA.

SLP Housing II, Inc. (SLP II) is a nonprofit corporation created by DHA in 2012 to own, rehabilitate, and operate low-income housing tax credit partnerships. SLP II has no employees and all functions are provided by employees of DHA.

SLP Housing III, Inc. (SLP III) is a nonprofit corporation created by DHA in 2012 to own, rehabilitate, and operate low-income housing tax credit partnerships. SLP III has no employees and all functions are provided by employees of DHA.

SLP Housing IV, Inc. (SLP IV) is a nonprofit corporation created by DHA in 2013 to own, rehabilitate, and operate low-income housing tax credit partnerships. SLP IV has no employees and all functions are provided by employees of DHA.

SLP Housing VI, Inc. (SLP VI) is a nonprofit corporation created by DHA in 2013 to own, rehabilitate, and operate low-income housing tax credit partnerships. SLP VI has no employees and all functions are provided by employees of DHA.

SLP Housing VII, Inc. (SLP VII) is a nonprofit corporation created by DHA in 2014 to own, rehabilitate, and operate low-income housing tax credit partnerships. SLP VII has no employees and all functions are provided by employees of DHA.

SLP Housing VIII, Inc. (SLP VIII) is a nonprofit corporation created by DHA in 2015 to own, rehabilitate, and operate low-income housing tax credit partnerships. SLP VIII has no employees and all functions are provided by employees of DHA.

Curtis Park Horse Barn, Inc. (CPHI) is a nonprofit corporation created by DHA in 2012 to redevelop a historical horse barn converted to commercial property. CPHI has no employees and all functions are provided by employees of DHA.

Youth Employment Academy (YEA) is a nonprofit corporation created by DHA in 2012 to obtain funding through collaborative partnerships with third parties and other sources and increase resident job training services through the Osage Cafe.

Osage Café LLC (OC) is a corporation created by DHA in 2012 to manage the business activities of the cafe and provide job training services to residents of the community.

CSG Housing Inc. (CSGH) is a nonprofit corporation created by DHA in 2013 to own, rehabilitate, and operate low-income housing tax credit partnerships. CSGH has no employees and all functions are provided by employees of DHA.

DHA Park Hill LLC (DHAPH) is a nonprofit created by DHA in 2013 to participate in Park Hill Village West LLC as a member with a 25% general partner interest in Park Hill Village West LLLP (PHVW LLLP). PHVW LLLP was formed to develop, construct, finance and operate a 156 unit affordable housing development.

DHA Chestnut Housing LLC (DHACH) is a nonprofit created by DHA in 2015 to participate in 18th & Chestnut L.P. as a Co-General Partner. 18th & Chestnut, L.P. was

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

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formed to develop, construct, finance and operate a 107 unit affordable housing development.

DHC, GWHI, AHI, AHI II, AHI III, AHI IV, AHI V, 3T, CPH, OHI, WHI, DLIHDC DC, DHDP, DCV, MVEC, SLR, SLP II, SLP III, SLP IV, SLP VI, SLP VII, SLP VIII, CPHI, YEA, OC, CSGH, DHAPH, DHACH, and DLP are included in the accompanying basic financial statements as blended component units in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, based on the following factors:

- DHC, GWHI, AHI, AHI II, AHI III, AHI IV, AHI V, 3T, CPH, OHI, WHI, DLIHDC DC, DHDP, DCV, MVEC, SLR, SLP II, SLP III, SLP IV, SLP VI, SLP VII, SLP VIII, CPHI, YEA, OC, CSGH, DHAPH, DHACH, and DLP are fiscally dependent upon DHA because DHA approves the respective annual budgets.
- DHA is able to impose its will on DHC, GWHI, AHI, AHI II, AHI III, AHI IV, AHI V, 3T, CPH, OHI, WHI, DLIHDC DC, DHDP, DCV, MVEC, SLR, SLP II, SLP III, SLP IV, SLP VI, SLP VII, SLP VIII, CPHI, YEA, OC, CSGH, DHAPH, DHACH, and DLP because DHA can significantly influence the programs, projects, and activities.
- DHC, GWHI, AHI, AHI II, AHI III, AHI IV, AHI V, 3T, CPH, OHI, WHI, DLIHDC DC, DHDP, DCV, MVEC, SLR, SLP II, SLP III, SLP IV, SLP VI, SLP VII, SLP VIII, CPHI, YEA, OC, CSGH, DHAPH, DHACH, and DLP provide services almost entirely to DHA.

Discretely Presented Component Units

DHA's discretely presented component units include the limited partnerships below. These entities follow all applicable FASB standards. Since they do not follow governmental accounting, for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued discrete component unit financial statements in order for them to conform to the presentation of the primary government.

GWHI, OHI, WHI, AHI, AHI II, AHI III, AHI IV, AHI V, MVEC, SLR, SLP II, SLP III, SLP IV, SLP VI, SLP VII, SLP VIII, CSGH, and 3T are wholly owned by DHA and they serve as the general partner in these housing development limited partnerships. Two members of DHA's board of directors, the Executive Director, and two management staff serve as the board of directors for these general partner entities.

Under GASB No. 61, any of the limited partnerships are considered discretely presented component units of DHA since none of these component units meet the blending criteria.

GWHI entered into two limited partnerships with US Bancorp CDC to form Globeville Redevelopment Partners I LLLP and Globeville Redevelopment Partners II LLLP. DHA is the property manager for the 62 rental units completed by the low-income housing tax credit partnerships.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

AHI entered into a limited partnership with Boston Financial Investment Management (formerly MMA Financial) to form Thomas Bean Towers LP. DHA is the property manager for the 189 rental units.

AHI II entered into a limited partnership with US Bancorp CDC to form Park Avenue Redevelopment (Block 1B). DHA has hired the Ross Management Group to manage the 124 rental units.

AHI III entered into a limited partnership with Wincopin Circle LLLP to form Park Avenue Redevelopment Block 3B, LLLP. The Ross Management Group is the property manager for the 91 rental units.

AHI IV entered into a limited partnership with US Bancorp CDC to form Park Avenue Redevelopment Block 4B, LLLP. Ross Management Group is the property manager for the 89 rental units.

AHI V entered into a limited partnership with Enterprise Neighborhood Partners Fund III LLLP in 2011 to form Park Avenue Redevelopment Block 5B, LLLP. The Ross Management Group is the property manager for the 89 rental units completed by the low-income housing tax credit partnership.

3T entered into a limited partnership with Boston Capital Partners Inc. in 2004 to form Three Towers Partners LLLP. DHA is the property manager for the 359 rental units.

WHI entered into a limited partnership with Richman Group Capital Corporation to form Westwood Homes, LLLP. DHA is the property manager for the 184 rental units.

OHI entered into a limited partnership with U.S.A. Institutional South Lincoln, LLC to form 1099 Osage LLLP. DHA is the property manager for the 100 rental units completed by the low-income housing tax credit partnership.

MVEC entered into a limited partnership with RBC Tax Credit Equity, LLC to form Mountain View Redevelopment LLLP. DHA is the property manager for the 254 rental units completed by the low-income housing tax credit partnership.

SLR entered into a limited partnership with RBC Tax Credit Equity, LLC to form South Lowell Redevelopment LLLP. DHA is the property manager for the 96 rental units completed by the low-income housing tax credit partnership.

SLP II entered into a limited partnership with Enterprise Neighborhood Partners IV LLLP in 2012 to form Mariposa Partners II, LLLP. The Ross Management Group is the property manager for the 93 rental units completed by the low-income housing tax credit partnership.

SLP III entered into a limited partnership with Enterprise Neighborhood Partners IV LLLP in 2012 to form Mariposa Partners III, LLLP. The Ross Management Group is the property manager for the 87 rental units completed by the low-income housing tax credit partnership.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

SLP IV entered into a limited partnership with Enterprise Neighborhood Partners IV LLLP in 2013 to form Mariposa Partners IV, LLLP. The Ross Management Group is the property manager for the 77 rental units completed by the low-income housing tax credit partnership.

SLP VI entered into a limited partnership with Enterprise Neighborhood Partners VI LLLP in 2014 to form Mariposa Partners VI, LLLP. The Ross Management Group will be the property manager for the 94 rental units completed by the low-income housing tax credit partnership.

SLP VII entered into a limited partnership with Enterprise Neighborhood Partners VII LLLP in 2015 to form Mariposa Partners VII, LLLP. DHA will be the property manager for the 45 rental units completed by the low-income housing tax credit partnership.

SLP VIII entered into a limited partnership with Enterprise Neighborhood Partners VII LLLP in 2015 to form Mariposa Partners VIII, LLLP. The Ross Management Group will be the property manager for the 21 rental units completed by the low-income housing tax credit partnership.

CSGH entered into a limited partnership with American Express West Equity Fund Limited Partnership in 2014 to form CSG Redevelopment Partners LLLP. DHA is the property manager for the 222 rental units completed by the low-income housing tax credit partnership.

DLIHDC DC entered into a limited partnership with JGSE Limited Liab Co. to form Studebaker Partners. Studebaker Partners is a general and a limited partner in the Studebaker Building Ltd.

Separately audited financial statements for Globeville Redevelopment Partners I LLLP, Globeville Redevelopment Partners II LLLP, Thomas Bean Towers LP, Park Avenue Redevelopment (Block 1B), Park Avenue Redevelopment Block 3B, Park Avenue Redevelopment Block 4B, Park Avenue Redevelopment Block 5B, 1099 Osage, Westwood Homes, Mountain View Redevelopment, South Lowell Redevelopment, Mariposa Partners II, Mariposa Partners III, Mariposa Partners IV, CSG Redevelopment Partners LLLP and Three Towers Partners are available by contacting DHA at 720-932-3077.

(b) Basis of Presentation

The accounts of DHA are reported as an enterprise fund. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operations of DHA are included on the statement of net position.

(c) Cash

Cash is considered to be cash on hand and demand deposits.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(d) Receivables

Receivables represent amounts due from HUD for current year program operating and housing assistance subsidies earned but not received at year-end and amounts due from parties other than HUD. Receivable balances are reviewed to determine whether they are collectible. Allowance account estimates are established for receivable amounts when collection is questionable.

(e) Revenue and Expenses

DHA's statement of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenue results from exchange transactions associated with providing housing and related services, and federal operating subsidies and housing assistance payments that are directly related to DHA's mission. Nonoperating revenue includes capital and noncapital federal grants, interest revenue, and other revenues not meeting the definition of operating. Operating expenses consist of all expenses incurred to provide housing services. Nonoperating expenses include interest expense and other expenses not meeting the definition of operating.

(f) Revenue Recognition

Revenue from rental of housing units and other revenue are recognized as revenue in the period earned.

(g) Investments

Federal statutes authorize investment of excess federal funds in instruments issued by or guaranteed by the Federal government. DHA has adopted this policy for all invested funds, whether or not they are federal funds. Investments are carried at fair value based on the most recent market quotations.

(h) Inventories

Inventories are stated at the lower of average cost or market. Inventories are expensed when used.

(i) Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(j) *Restricted Assets*

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets and liabilities payable from restricted assets on the statement of net position because their use is limited by applicable bond covenants.

In addition to assets restricted for compliance with bond covenants, restricted assets are also maintained to account for resources required to repay tenant security deposits, insurance deposits, amounts held for others, and amounts held in the Family Self Sufficiency program.

The balances of the restricted asset accounts for the primary government are as follows:

Program income	\$ 3,096,702
Section 18 Disposition Escrow	5,777,089
Replacement reserve	2,077,492
Operating reserve	375,439
ACC reserve	3,399,843
Tenant security deposits	354,603
Family Self Sufficiency	675,671
Debt Service Reserve Fund	1,914,604
Escrow fund - DHA Revenue bonds	75,480
Operating fund - DHA Revenue bonds	694,148
Replacement reserve fund - DHA Revenue bonds	41,388
Project revenue fund - DHA Revenue bonds	950,635
Redemption fund - DHA Revenue bonds	15,000
Surplus fund - DHA Revenue bonds	9,322
Bond fund - DHA Revenue bonds	79,395
Restricted DHAP	3,441
Restricted HAP	379,655
Total restricted assets	\$ <u>19,919,907</u>

The balances of the restricted asset accounts for the discrete component units are as follows:

Replacement reserve	\$ 2,879,615
Operating reserves	3,731,553
ACC reserve	1,160,182
Tenant security deposits	421,338
Family Self Sufficiency	44,671
Escrow Fund	379,779
Restricted Equity Advance	61,242
Total restricted assets	\$ <u>8,678,380</u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(k) Notes Receivable

Notes receivable consists of loans made to cooperative and redevelopment partnerships, the proceeds of which were used to construct and rehabilitate affordable housing units. The loans bear interest at rates ranging from 0% to 6.08%. The notes are due in full at dates ranging from 2015 to 2067.

Notes receivable also consists of second mortgages to low-income homebuyers. These mortgages require no payments and earn no interest for eight years, and then bear an interest rate of 3%.

(l) Capital Assets and Depreciation

All land, buildings and building improvements are capitalized. Capital assets are stated at historical cost. The monetary threshold for capitalization for machinery and equipment is an initial cost of \$1,000 or more. Maintenance and repairs are charged to current period operating expenses and improvements are capitalized. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the respective accounts, and any gains or losses are included in nonoperating revenues and expenses.

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

Buildings/improvements:	
New construction	40 years
Rehabilitation/acquisition	20 years
Machinery and equipment	5 years

(m) Compensated Absences

Regular, full-time employees receive compensation for vacations, holidays, illness, and certain other qualifying absences. The number of days compensated in the various categories of absence is based generally on length of service. Compensated absences, which have been earned but not paid, have been accrued in the accompanying basic financial statements.

(n) Use of Estimates

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(o) *Impairment of Capital Assets*

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. DHA is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. No such events or circumstances were encountered as of December 31, 2015.

(p) *New Accounting Standards Adopted*

Two statements issued by GASB were effective or adopted this year. Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, is effective for financial statement periods beginning after June 15, 2014. Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement 68. The adoption of these standards did not have a significant impact on the financial statements of DHA.

(q) *New Accounting Standards to be Adopted in Future Years*

Statement No. 72, *Fair Value Measurement and Application*, is effective for financial statements for periods beginning after June 15, 2015. This statement addresses accounting and financial reporting issues related to fair value measurements. The statement provides guidance for determining a fair value measurement for financial reporting purposes. Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, is effective for financial statements for period beginning after June 15, 2015. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). Statement No. 77, *Tax Abatement Disclosures*, is effective for financial statements for periods beginning after December 15, 2015. This statement requires governments that enter into tax abatement agreements to disclose information about the agreements. Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, is effective for financial statements for periods beginning after December 15, 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Statement No. 79, *Certain External Investment Pools and Pool Participants*, is effective for financial statements for periods beginning after June 15, 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The Authority will evaluate these new standards and determine to what extent they have an impact on the financial statements in future years.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(2) **Deposits and Investments**

(a) *Deposits*

Deposits, including those in restricted assets, are defined as cash on deposit with financial institutions. At December 31, 2015, the carrying amount of DHA's deposits was \$27,216,968 and the bank balance was \$27,910,753. The bank deposits are held with financial institutions and are entirely insured or uninsured and collateralized. Of the total bank balance, \$2,129,225 was covered by federal depository insurance, and \$25,781,528 was uninsured and collateralized with securities held by banks in their trust departments not in DHA's name.

At December 31, 2015, the carrying amount of the discrete component units deposits was \$10,751,159 and the bank balance was \$10,878,432. The bank deposits are held with financial institutions and are entirely insured or uninsured and collateralized. Of the total bank balance, \$6,254,634 was covered by federal depository insurance, and \$4,623,798 was uninsured and collateralized with securities held by banks in their trust departments not in the name of the discrete component units.

The State of Colorado's (the State) Public Deposit Protection Act (PDPA) precludes DHA from requiring banks to hold securities in DHA's name. DHA deposits are subject to and in accordance with the PDPA. Under this act, all uninsured deposits are fully collateralized. The eligible collateral pledged is held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner prescribed by rule and regulation, or is segregated from other trust department securities. All collateral so held must be clearly identified as being securities maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and must at all times be entitled to collect and retain all income derived from those investments without restriction.

For the primary government, cash consists of the following at December 31, 2015:

Cash – unrestricted	\$ 11,818,084
Cash – current restricted	<u>15,409,836</u>
Total cash	<u>27,227,920</u>
Less: Cash on hand	<u>(10,952)</u>
Total deposits	<u><u>\$ 27,216,968</u></u>

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For the discretely presented component units, cash consists of the following at December 31, 2015:

Cash – unrestricted	\$ 2,411,868
Cash – current restricted	<u>8,342,791</u>
Total cash	<u>10,754,659</u>
Less: Cash on hand	<u>(3,500)</u>
Total deposits	<u><u>\$ 10,751,159</u></u>

(b) Investments

DHA's investment policies require that all investments be made in accordance with the stated objectives of capital preservation, optimum liquidity, and return while conforming to all applicable statutes and regulations. DHA has established a maximum maturity of three years and a maximum weighted average maturity of one and a half years.

DHA intends to adhere fully to its investment policy, which expressly prohibits the making of speculative or leveraged investments and requires that all investments be made prudently and with due care to ensure compliance with all statutes and regulations.

DHA restricts its investments to direct obligations of the U.S. government, fully insured or collateralized investments at commercial banks and savings and loan associations, collateralized repurchase agreements, state-approved investment pools, or money market funds consisting entirely of U.S. government securities.

Investments held by DHA are as follows at December 31, 2015:

	<u>DHA</u>	<u>Discretely Presented Component Units</u>	<u>Combined</u>
U.S. Government Agencies	\$ 28,986,332	1,705,026	30,691,358
Investment Pool- COLOTRUST	<u>15,873,946</u>	<u>859,284</u>	<u>16,733,230</u>
	<u>\$ 44,860,278</u>	<u>2,564,310</u>	<u>47,424,588</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of failure of the counterparty to a transaction, DHA will not be able to recover the value of the investments. As of December 31, 2015 none of the investments were exposed to custodial credit risk.

Concentration of Credit Risk, Credit Risk, and Interest Rate Risk

Concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government). Since DHA's investments are primarily in investments issued or guaranteed by the U.S. government, there is no concentration of credit risk.

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Credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as rated by a nationally recognized rating agency. DHA's investment policy recognizes this risk by restricting the type of securities that may be purchased.

The following table summarizes the credit quality and credit risk as a percentage of total investments:

	<u>Credit Quality</u>	
Fannie Mae (Federal National Mortgage Association)	AA+	7%
Freddie Mac (Federal Home Loan Mortgage Association)	AA+	2%
Federal Home Loan Bank	AA+	11%
US Treasury Notes	AA+	37%
Federal Farm Credit Bank	AA+	8%
Colostrust	AAA	35%
		<u>100%</u>

DHA invests a portion of its funds with the Colorado Local Government Liquid Asset Trust (COLOTRUST), which invests solely in federal government securities. COLOTRUST operates in a manner consistent with the Security and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940 and is registered with the Securities Commissioner of the State of Colorado. The trust maintains a constant net asset value of \$1 per share. Therefore, the fair value position of DHA's shares is equivalent to the value of the pool shares. DHA is invested in COLOTRUST PLUS+, which holds an AAA rating from Standard & Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. DHA selects investments of varied maturities to mitigate this risk.

The following table summarizes the maturities of the combination of DHA and its discrete component units' investments in U.S. government agency securities and other investments backed by U.S. government agency securities:

	<u>Fair value</u>	<u>Maturities (in years)</u>	
		<u>Less than 1</u>	<u>1 - 2</u>
Fannie Mae (Federal National Mortgage Association)	\$ 3,495,055	2,499,185	995,870
Freddie Mac (Federal Home Loan Mortgage Association)	1,000,080	1,000,080	—
Federal Home Loan Bank	5,220,864	3,972,803	1,248,061
Federal Farm Credit Bank	4,002,177	3,000,380	1,001,797
U.S. Treasury notes	16,973,182	7,523,064	9,450,118
Total	<u>\$ 30,691,358</u>	<u>17,995,512</u>	<u>12,695,846</u>

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(3) Receivables

Receivables for the primary government at December 31, 2015 consist of the following:

Tenants	\$	165,952
Interest		112,083
Intergovernmental		3,764,506
Other		<u>457,644</u>
Total receivables	\$	<u><u>4,500,185</u></u>

The tenants receivable is net of allowance for doubtful accounts of \$16,738 at December 31, 2015. Other receivables are net of allowance for doubtful accounts of \$104,377.

Receivables for the discrete component units at December 31, 2015 consist of the following:

Tenants	\$	66,899
Other		<u>31,499</u>
Total receivables	\$	<u><u>98,398</u></u>

The tenants receivable is net of allowance for doubtful accounts of \$2,112 at December 31, 2015. Other receivables are net of allowance for doubtful accounts of \$59,158.

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NOTES TO BASIC FINANCIAL STATEMENTS

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(4) Notes Receivable

Changes in notes receivable during 2015 were as follows:

	December 31, 2014	Additions	Receipts	December 31, 2015
Studebaker Building, Ltd. Promissory Notes	\$ 856,362	1,281,118	877,507	1,259,973
Curtis Park Redevelopment Partnership Phase I, Second Mortgage Note	4,045,210	—	—	4,045,210
Curtis Park Redevelopment Partnership Phase I, Third Mortgage Note	1,300,000	—	—	1,300,000
Curtis Park Redevelopment Partnership Phase II, Second Mortgage Note	4,385,979	—	—	4,385,979
Hope VI Redevelopment Homeownership Mortgage Loans	625,240	—	199,937	425,303
Curtis Park Redevelopment Partnership Phase III, 1 st Mortgage Note	2,173,000	—	—	2,173,000
Curtis Park Redevelopment Partnership Phase III, 2 nd Mortgage Note	200,000	—	—	200,000
Hughes Brothers Development Mortgage Note	108,520	—	23,680	84,840
Thomas Bean Towers, Mortgage Notes	11,159,666	—	—	11,159,666
Three Towers, Revolving Line of Credit	4,751,347	87,979	—	4,839,326
Three Towers, DHA Capital Fund Financing	14,600,000	—	—	14,600,000
Three Towers, DHA Program Fund Financing	16,547,746	—	—	16,547,746
Park Avenue Redevelopment Block 1B, Mortgage Notes	3,900,000	—	—	3,900,000
Park Avenue Redevelopment Block 3B, Mortgage Notes	5,140,910	—	—	5,140,910
Park Avenue Redevelopment Block 4B, Mortgage Notes	5,154,500	—	—	5,154,500
Park Avenue Redevelopment Block 5B, Mortgage Notes	6,965,683	—	166,037	6,799,646

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December 31, 2015

	December 31, 2014	Additions	Receipts	December 31, 2015
Globeville I				
Promissory Notes	791,162	—	364,000	427,162
Globeville II				
Mortgage Note	241,145	—	—	241,145
Mariposa II				
Mortgage Notes	7,500,972	—	—	7,500,972
Mariposa III				
Mortgage Notes	6,168,555	826,395	—	6,994,950
Mariposa IV				
Mortgage Notes	4,240,094	509,861	—	4,749,955
Mariposa VI				
Mortgage Notes	1,134,623	4,203,463	—	5,338,086
Mariposa VII				
Mortgage/Construction Notes	—	610,115	—	610,115
Mountain View				
Mortgage Notes	7,802,519	—	—	7,802,519
South Lowell				
Mortgage Notes	13,420,749	—	—	13,420,749
Westwood				
Mortgage Notes	20,747,637	—	4,148	20,743,489
1099 Osage				
Mortgage Notes	12,772,614	—	—	12,772,614
CSG				
Mortgage Notes	30,937,476	11,772,929	16,131,520	26,578,885
Yale Station Apartments, 2nd				
Mortgage Note	168,131	—	—	168,131
Mile High United Way				
Promissory Note	130,000	—	—	130,000
Cecil Dev. - Promissory Note	68,752	—	—	68,752
Ashley Union Station (Chestnut)	—	2,450,000	—	2,450,000
Habitat for Humanity				
Promissory Notes	1,077,000	—	237,000	840,000
Total	<u>189,115,592</u>	<u>21,741,860</u>	<u>18,003,829</u>	<u>192,853,623</u>
Less amount due within one year	9,066,000			499,914
Noncurrent portion	<u>\$ 180,049,592</u>			<u>192,353,709</u>

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(a) *Studebaker Building, LLC Promissory Note*

In March, 2015 Studebaker Building, LLC refinanced its debt with DHA.

Studebaker Building, LLC has a second mortgage payable to DHA with an outstanding balance as of December 31, 2015 of \$478,855. The interest rate is 3%. The loan matures in March, 2030. Payments are due monthly. \$21,145 was received in principal payments in 2015 and \$10,024 was received in interest payments .

Studebaker Building, LLC has a third mortgage payable to DHA with an outstanding balance as of December 31, 2015 of \$781,118. The interest rate is 1.5%. The loan matures in March, 2030. Payments are due annually payable with 50% of net cash flow. No principal or interest payments were received in 2015. It is estimated that \$31,488 in principal will be paid in 2016.

(b) *Curtis Park Redevelopment Partnership Phase I - 2nd Mortgage Note*

In 2002, DHA loaned a third-party developer \$4,045,210 for its part of a multilender mixed financing arrangement for new construction of 155 rental housing units, 62 of which are designated for public housing. The note matures on March 31, 2041 and carries an interest rate of 5.43%, which is payable monthly only in the event the development has "surplus cash" as defined in the Note Agreement. The note is secured by a second mortgage on the property. No principal payments were due or received in 2015. \$134,818 was received in interest in 2015.

(c) *Curtis Park Redevelopment Partnership Phase I - 3rd Mortgage Note*

In 2002, DHA loaned a third-party developer \$1,300,000 for its part of a multilender mixed financing arrangement for new construction of 155 rental housing units, 62 of which are designated for public housing. The note matures on April 18, 2043 and carries an interest rate of 0.5%, which is payable monthly only in the event the development has "surplus cash" as defined in the Note Agreement. The note is secured by a third mortgage on the property. No interest or principal payments on this note were due or received in 2015.

(d) *Curtis Park Redevelopment Partnership Phase II - 2nd Mortgage Note*

In 2002, DHA loaned a third-party developer \$2,777,182 and, in 2003, an additional \$1,620,018 for its part of a multilender mixed financing arrangement for new construction of 125 rental housing units, 50 of which are designated for public housing. The note matures on April 2, 2042 and carries an interest rate of 5.62%, which is payable monthly only in the event the development has "surplus cash" as defined in the Note Agreement. The note is secured by a second mortgage on the property. Since inception of the note, \$11,221 in principal has been paid and the balance at December 31, 2015 is \$4,385,979. No principal payments were due or received in 2015. \$164,826 was received in interest in 2015.

(e) *HOPE VI Redevelopment Homeownership Mortgage Loans*

These are loans made to individual low-income homebuyers in 2002 and 2003 under DHA's Curtis Park HOPE VI Redevelopment efforts and in 2004 and 2005, under DHA's Park Avenue HOPE VI Redevelopment effort. Payments on these second mortgages begin between 2009 and 2014, and the interest rates are 3% or 0%. Interest accrues on these loans on the unpaid principal balance from the date of the first principal and interest payment. The balance as of December 31, 2015 is \$425,303.

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(f) *Curtis Park Redevelopment Partnership Phase III - 1st Mortgage Note*

In 2003, DHA loaned a third-party developer \$1,362,495 and, in 2004, an additional \$810,505 for its part of a multilender mixed financing arrangement for new construction of 43 units, 23 of which are designated for public housing. The note matures on March 31, 2053 and carries an interest rate of 4.9%, which is payable monthly only in the event the development has "surplus cash" as defined in the Note Agreement. The note is secured by a first mortgage on the property. Since inception of the note, \$87,478 in interest payments has been paid and the balance as of December 31, 2015 is \$2,173,000. No principal payments on this note were due or received in 2015. \$34,092 was received in interest in 2015.

(g) *Curtis Park Redevelopment Partnership Phase III - 2nd Mortgage Note*

In 2004, DHA loaned a third-party developer \$199,896 and in 2005, an additional \$104 for its part of a multilender mixed financing arrangement for new construction of 43 units, 23 of which are designated for public housing. The note matures on March 31, 2055 and carries an interest rate of 4.8%, which is payable monthly only in the event the development has "surplus cash" as defined in the Note Agreement. The note is secured by a second mortgage on the property. No interest or principal payments on this note were due or received in 2015. The balance as of December 31, 2015 is \$200,000.

(h) *Hughes Brothers Development, LLC Mortgage Note*

In 2007, DHA loaned a third-party developer \$461,000 in order to purchase land owned by DHA under the Curtis Park HOPE VI redevelopment plan. The note matured on December 31, 2009, and did carry an interest rate of 0%. The default interest rate is 8%. In 2009, DHA acquired three of the parcels secured by the note receivable reducing the note receivable by the amounts associated with each parcel. The balance of \$108,520 was due on December 31, 2009; however, it was not received. Interest began to accrue on the defaulted note. Management did not believe that an allowance for the outstanding balance was necessary as the note was secured by a deed of trust on the remaining three parcels.

On October 27, 2011, an amended promissory note in the amount of \$108,520 was executed. The note matured on August 15, 2013, and carries an interest rate of 0%. The default interest rate is 8%. Accrued interest on the original note in the amount of \$16,856.78 was forgiven per the terms of the amended note.

On July 9, 2014, a second amended promissory note in the amount of \$108,520 was executed. The note matures on March 15, 2016, and carries an interest rate of 0%. The default interest rate is 8%. The balance as of December 31, 2015 is \$84,840. A payment of \$23,680 in principal was received in 2015.

(i) *Thomas Bean Towers Mortgage Notes*

The outstanding balance of the first mortgage note as of December 31, 2015 is \$8,400,000. The loan matures on November 1, 2059. Annual payments of \$437,247 are due on October 15, but only to the extent of available cash flow, which is generally defined as cash receipts less cash expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. The annual interest on the note accrues at 4.79%. No accrued interest was paid

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in 2015. Cumulative interest payments of \$208,077 have been received since the inception of the loan.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$2,759,666. The interest rate is 0.1% compounded annually. The loan matures on November 1, 2056. Annual payments of \$53,209 are due on October 15, but only to the extent of available cash flow as defined above. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(j) *Three Towers Revolving Energy Performance Contract Line of Credit*

The outstanding balance of the Revolving Energy Performance Contract Line of Credit as of December 31, 2015 is \$4,839,326. Up to \$5,078,827 can be advanced from this line of credit. The line of credit does not accrue interest and it matures on December 13, 2047. Payments on the line of credit will be made from proceeds from HUD subsidy. A payment of all outstanding principal is payable on the maturity date. The notes receivable balances are reviewed each year to evaluate collectability of the note and the related interest receivable. Allowances are recorded as deemed appropriate.

(k) *Three Towers Capital Fund Financing*

The balance of the DHA Capital Fund Financing Program (CFFP) Note as of December 31, 2015 is \$14,600,000. The interest rate is 2.2% compounded annually. The loan matures on December 12, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. No accrued interest was paid in 2015. Cumulative interest payments of \$468,423 have been received since the inception of the loan.

(l) *Three Towers Program Fund Financing*

The balance of the DHA Program Funds Note as of December 31, 2015 is \$16,547,746. The interest rate is 4.49% compounded annually. The loan matures on December 13, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. No accrued interest was paid in 2015. Cumulative interest payments of \$399,993 have been received since the inception of the loan.

(m) *Park Avenue Redevelopment Block 1B Mortgage Notes*

DHA has two mortgage notes receivable from the Partnership. The notes are secured by a second and third priority lien deed of trust and are nonrecourse to the Partnership and its partners.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$3,000,000. The interest rate is 4.33% compounded annually. The loan matures on July 1, 2055. Annual payments are due on June 30, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. \$96,020 in accrued interest was paid in 2015. Cumulative interest payments of \$410,914 have been received since the inception of the loan.

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The outstanding balance of the third mortgage note as of December 31, 2015 is \$900,000. The interest rate is 4.33% compounded annually. The loan matures on July 1, 2055. Annual payments are due on June 30, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. \$24,005 in accrued interest was paid in 2015. Cumulative interest payments of \$68,188 have been received since the inception of the loan.

(n) Park Avenue Redevelopment Block 3B, Mortgage Notes

DHA has three mortgage notes receivable from Park Avenue Redevelopment Block 3B, LLLP. The notes are secured by a second, third, and fourth priority lien deed of trust and are nonrecourse to the Partnership and its partners.

The outstanding balance of the second mortgage note as of December 31, 2015, is \$2,472,000. The interest rate is 5.5% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. \$68,656 in accrued interest was paid in 2015. Cumulative interest payments of \$158,760 have been received since the inception of the loan.

The outstanding balance of the third mortgage note as of December 31, 2015, is \$1,688,910. The interest rate is 5.36% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015, is \$980,000. The interest rate is 5.36% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(o) Park Avenue Redevelopment Block 4B, Mortgage Notes

DHA has four mortgage notes receivable from Park Avenue Redevelopment Block 4B.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$1,750,000. The interest rate is 4.46% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. \$87,878 in accrued interest was paid in 2015. Cumulative interest payments of \$333,111 have been received since the inception of the loan.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$1,150,000. The interest rate is 4.46% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. No accrued interest was paid in 2015. Cumulative interest payments of \$55,802 have been received since the inception of the loan.

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The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$1,254,500. The interest rate is 4.40% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. No accrued interest was paid in 2015. Cumulative interest payments of \$1,430 have been received since the inception of the loan.

The outstanding balance of the fifth mortgage note as of December 31, 2015 is \$1,000,000. No interest accrues on the fifth mortgage note. The loan matures on April 12, 2050. No monthly payments are required. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(p) Park Avenue Redevelopment Block 5B, Mortgage Notes

DHA has three mortgage notes receivable from Park Avenue Redevelopment Block 5B.

The balance of the second mortgage note was paid in full in 2015. The interest rate is 0.25% compounded annually. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. \$483 in accrued interest was paid in 2015. Cumulative interest payments of \$3,033 have been received since the inception of the loan.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$5,324,646. No interest accrues on this loan. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. \$33,050 in principal was paid in 2015. Cumulative principal of \$33,050 has been received since the inception of the loan.

The outstanding balance of the fourth mortgage loan as of December 31, 2015 is \$1,475,000. The interest rate is 0.25% compounded annually. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(q) Globeville Redevelopment Partners I, Promissory Notes

DHA had two promissory notes receivable from Globeville Redevelopment Partners I, LLLP. The first note of \$364,000 was paid in full in 2015. This note did not accrue interest. The second note had a balance of \$427,162 as of December 31, 2015. This note accrues interest at a fixed rate of 5.01%. Payments on the promissory note to DHA are made from 75% remaining cash flows, which are generally defined as net income determined on a cash basis. The entire balance of the \$427,162 promissory note is due on December 31, 2034.

(r) Globeville Redevelopment Partners II, Promissory Note

Globeville Workforce Housing, Inc. has a \$241,145 promissory note receivable from Globeville Redevelopment Partners II, LLLP. This note accrues interest at a fixed rate of

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4.76%. Payments on this loan are made from available cash flow, which is generally defined as net income determined on a cash basis. The entire balance is due on December 31, 2040.

(s) ***Mariposa Partners II, Mortgage Notes***

The outstanding balance of the second mortgage note as of December 31, 2015 is \$4,840,972. The interest rate is 2% per annum. The loan matures on March 1, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$660,000. The interest rate is 2% per annum. The loan matures on March 1, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$2,000,000. The interest rate is 2% per annum. The loan matures on March 1, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

(t) ***Mariposa Partners III, Mortgage Notes***

The outstanding balance of the second mortgage note as of December 31, 2015 is \$4,900,000. The interest rate is 2% per annum. The loan matures on September 13, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$714,950. The interest rate is 2% per annum. The loan matures on September 13, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$580,000. The interest rate is 2% per annum. The loan matures on September 13, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fifth mortgage note as of December 31, 2015 is \$800,000. The interest rate is 2% per annum. The loan matures on September 13, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

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(u) ***Mariposa Partners IV, Mortgage Notes***

The outstanding balance of the second mortgage note as of December 31, 2015 is \$2,055,239. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$710,093. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$654,623. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fifth mortgage note as of December 31, 2015 is \$530,000. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the sixth mortgage note as of December 31, 2015 is \$800,000. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(v) ***Mariposa Partners VI, Mortgage Notes***

The outstanding balance of the second mortgage note as of December 31, 2015 is \$4,848,179. The interest rate is 4% per annum. The loan matures on August 7, 2054. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$489,907. The interest rate is 4% per annum. The loan matures on August 7, 2054. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

Housing Authority of the City and County of Denver

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(w) *Mariposa Partners VII, Mortgage Notes*

The outstanding balance of the third mortgage note as of December 31, 2015 is \$108,300. The interest rate is 2% per annum. The loan matures on February 1, 2057. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$361,815. The interest rate is 2% per annum. The loan matures on February 1, 2057. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

DHA issued a single revenue tax-exempt private activity bond in the amount of \$7,500,000. This drawdown note is passed through as a construction funding bearing interest at the Securities Industry and Financial Markets Association (SIFMA) rate plus 2.5% as set forth in the Multifamily Promissory Note until conversion to permanent financing. The outstanding principal balance at December 31, 2015 is \$140,000.

(x) *Mountain View Redevelopment LLLP, Mortgage Note*

Mountain View Redevelopment LLLP has a program funds loan with DHA. The outstanding balance as of December 31, 2015 is \$7,802,519. The loan does not bear interest. The note matures on July 19, 2067. The entire amount of principal shall be due and payable on the maturity date.

(y) *South Lowell Redevelopment LLLP, Mortgage Notes*

The outstanding balance of the second mortgage note as of December 31, 2015 is \$5,250,000. The interest rate is the Applicable Federal Rate (AFR) and is compounded annually. Interest accrued during construction and this construction period interest was funded as of September 1, 2013. The principal balance will accrue interest through the maturity date of September 20, 2067. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$5,170,749. The interest rate is the Applicable Federal Rate (AFR) and is compounded annually. Interest accrued during construction and this construction period interest was funded as of September 1, 2013. The principal balance will accrue interest through the maturity date of September 20, 2067. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$3,000,000. The interest rate is the Applicable Federal Rate (AFR) and is compounded annually. The principal balance will accrue interest through the maturity date of September 20, 2067. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(z) *Westwood Homes LLLP, Mortgage Notes*

The outstanding balance of the first mortgage note as of December 31, 2015 is \$10,533,494. No interest accrues on this note. The loan matures on August 31, 2065. A payment of all outstanding principal is payable on the maturity date. The note is secured by the DHA Second Leasehold Deed of Trust. A payment of \$2,106 was received in 2015.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$10,209,995. No interest accrues on this note. The loan matures on August 31, 2065. The entire amount of principal shall be due and payable on the maturity date. The note is secured by the DHA Second Leasehold Deed of Trust. A payment of \$2,042 was received in 2015.

(aa) *1099 Osage LLLP, Mortgage Notes*

DHA has four mortgage notes receivable from 1099 Osage LLLP.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$1,272,614. No interest accrues on this note. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$9,500,000. The interest rate was 4.0% compounded annually and was due on the day after substantial completion. The interest rate going forward is 0%. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$1,000,000. No interest accrues on this note. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

The outstanding balance of the fifth mortgage note as of December 31, 2015 is \$1,000,000. No interest accrues on this note. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

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(bb) CSG Redevelopment Partners LLLP, Mortgage Notes

The Partnership has a mortgage with DHA in the original amount of \$21,000,000. The mortgage bore interest at a variable rate as set forth in the Trust Indenture until the completion date, which occurred in July 2015, at which time the mortgage bears interest at a per annum fixed rate equal to 6.08 percent. The mortgage was funded on January 31, 2014, with proceeds from the issuance of \$12,665,000 The Housing Authority of the City and County of Denver, Colorado Multifamily Housing Revenue Bonds, Series 2013A and with proceeds from the issuance of \$8,335,000 The Housing Authority of the City and County of Denver, Colorado Multifamily Housing Revenue Bonds Series 2013B (the Bonds). The outstanding principal balance at December 31, 2015 is \$12,620,000.

The Partnership had a third mortgage note with Denver Housing Corporation (DHC) funded up to an amount of \$8,463,750. The note's interest was .25 percent and matured on January 31, 2015. The note was paid in full in 2015.

The Partnership had a fourth mortgage note with DHA funded up to an amount of \$1,882,770. The note's interest was 3.25 percent and had a maturity date of January 31, 2016. The note was paid in full in 2015.

The Partnership has a fifth mortgage note with DHA. The note bears interest at 1 percent, and matures on January 31, 2055. No monthly payments are required. Annual payments are due on June 1, but only to the extent of available cash flow, as defined. A payment of all outstanding principal and interest is payable on the maturity date. The outstanding balance of the note at December 31, 2015 is \$13,089,781.

The Partnership has a sixth mortgage note with DHA. The loan bears interest at 1 percent, and matures on January 31, 2055. No monthly payments are required. Annual payments are due on June 1, but only to the extent of available cash flow, as defined. A payment of all outstanding principal and interest is payable on the maturity date. The outstanding balance of the note at December 31, 2015 is \$869,104.

(cc) Yale Station Apartments, Promissory Note

This promissory note was executed in November 2010. The Loan was made with grant funds provided by FirstBank. The note bears interest equal to one-quarter of one percent per annum and is due December 31, 2050. The amount outstanding at December 31, 2015 is \$168,131. Receipts from this note will be used to repay the corresponding debt (see Note 6).

(dd) Mile High United Way, Promissory Note

This promissory note was executed in August, 2013 when DHA sold Mile High United Way a parcel of land located at 701 Park Avenue West. No interest accrues on this note. It was amended in April, 2014 to extend the maturity date to May 30, 2014. It was amended again in May, 2014 to reduce the principal to \$130,000 in exchange for a parcel of land at 944 Osage Street. The amount outstanding at December 31, 2015 is \$130,000.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(ee) Cecil Development, Promissory Note

This promissory note was executed in January 2010. Installments are due when certain market rate units are sold. No interest accrues on this note unless in default. The default interest rate is 8%. The note was amended in December, 2014 to extend the maturity date to November 1, 2016. The amount outstanding at December 31, 2015 is \$68,752.

(ff) Ashley Union Station

This promissory note was executed in December, 2015. In 2016, three quarterly payments of \$27,500 are due. Starting in 2017, annual payments of \$110,000 are due by April 30th and are payable from cash flow. The interest rate on the note is 3.75%. The note matures in December, 2055. The amount outstanding at December 31, 2015 is \$2,450,000.

(gg) Habitat for Humanity of Metro Denver, Inc. - Promissory Notes

Four promissory notes were executed in December 2010 in connection with the Globeville Workforce Housing project.

A promissory note in the amount of \$948,000. No interest accrues on this note. Principal payments in the amount of \$237,000 are due each year commencing December 31, 2013. Funds from this note are allowed to be used as loans to purchasers of individual units in the Project. The entire principal balance shall be due and payable December 31, 2015. The note was paid in full in 2015.

A promissory note in the amount of \$455,000. No interest accrues on this note. The entire outstanding indebtedness under this Note shall be forgiven if the Maker conveys all units located on the Property to Affordable Purchasers prior to the Maturity Date. If Maker does not meet the affordability requirement, the entire principal balance shall be due and payable June 30, 2018.

A promissory note in the amount of \$385,000. No interest accrues on this note. The entire outstanding indebtedness under this Note shall be forgiven if the Maker conveys all units located on the property to Affordable Purchasers prior to the Maturity Date. If Maker does not meet the affordability requirement, the entire principal balance shall be due and payable June 30, 2018.

A promissory note in the amount of \$440,000. No interest accrues on this note. The entire outstanding indebtedness under this Note shall be forgiven on the date the Maker has commenced construction. If the maker has not commenced construction by December 31, 2020, the entire outstanding balance shall be due and payable. The entire balance of the note has been forgiven. The amount outstanding at December 31, 2015 is \$0.

There were no notes receivable at December 31, 2015 for the discrete component units.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(5) Capital Assets

Changes in capital assets for the primary government during 2015 were as follows:

	December 31, 2014	Additions	Transfer/ retirements	December 31, 2015
Capital assets not depreciated:				
Land	\$ 46,323,898	338,950	4,625,924	42,036,924
Construction in progress	5,748,433	4,136,836	3,070,864	6,814,405
Total capital assets not depreciated	<u>52,072,331</u>	<u>4,475,786</u>	<u>7,696,788</u>	<u>48,851,329</u>
Capital assets being depreciated:				
Buildings	228,425,599	738,917	3,626,100	225,538,416
Improvements	31,077,443	1,134,920	712,968	31,499,395
Machinery and equipment	5,253,133	46,502	406,832	4,892,803
Total capital assets being depreciated	<u>264,756,175</u>	<u>1,920,339</u>	<u>4,745,900</u>	<u>261,930,614</u>
Accumulated depreciation:				
Buildings	153,409,777	7,515,384	3,106,715	157,818,446
Improvements	19,180,538	1,301,735	453,875	20,028,398
Machinery and equipment	4,578,783	274,917	419,640	4,434,060
Total accumulated depreciation	<u>177,169,098</u>	<u>9,092,036</u>	<u>3,980,230</u>	<u>182,280,904</u>
Total capital assets	<u>\$ 139,659,408</u>	<u>(2,695,911)</u>	<u>8,462,458</u>	<u>128,501,039</u>

Changes in capital assets for the discrete component units during 2015 were as follows:

	December 31, 2014	Additions	Transfer/ retirements	December 31, 2015
Capital assets not depreciated:				
Land	\$ 679,946	—	—	679,946
Construction in progress	14,010,536	17,643,673	10,232,135	21,422,074
Total capital assets not depreciated	<u>14,690,482</u>	<u>17,643,673</u>	<u>10,232,135</u>	<u>22,102,020</u>
Capital assets being depreciated:				
Buildings	324,275,809	14,971,536	—	339,247,345
Improvements	15,866,474	851,988	—	16,718,462
Machinery and equipment	4,018,141	420,392	—	4,438,533
Total capital assets being depreciated	<u>344,160,424</u>	<u>16,243,916</u>	<u>—</u>	<u>360,404,340</u>
Accumulated depreciation:				
Buildings	46,614,721	10,526,276	—	57,140,997
Improvements	3,376,378	847,212	—	4,223,590
Machinery and equipment	2,638,466	478,559	—	3,117,025
Total accumulated depreciation	<u>52,629,565</u>	<u>11,852,047</u>	<u>—</u>	<u>64,481,612</u>
Total capital assets	<u>\$ 306,221,341</u>	<u>22,035,542</u>	<u>10,232,135</u>	<u>318,024,748</u>

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Construction in Progress

Capital improvements made on DHA's Low Rent Housing units are financed by grant funds provided by HUD under capital grants and the Housing Opportunities for People Everywhere (HOPE VI) grants. The funds provided through these programs are used to rehabilitate the housing units, which extends the useful life for an additional 20 years. Capital grants are awarded annually based on a 5-year comprehensive modernization plan submitted by DHA. HOPE VI grants are awarded based on a specific application request. DHA's construction in progress consists of the costs for modernization of Low Rent units. When modernization projects are completed, HUD issues a modernization cost certificate for each grant, at which time construction in progress for that grant is placed in service and transferred to the buildings or improvements categories.

Construction in progress is also comprised of new construction and rehabilitation projects.

The following schedule shows the components of DHA's construction in progress at December 31, 2015:

<u>Type of funds</u>		
Modernization funds - Capital grants	\$	4,259,450
Modernization funds - HOPE VI grants		1,271,120
Energy Improvements – Public Housing		1,085,098
Lincoln Park		48,808
Denver Housing Program		149,929
Total	\$	<u>6,814,405</u>

Construction contract commitments at December 31, 2015 for DHA totaled approximately \$1.9 million.

The following schedule shows the breakout of construction in progress at December 31, 2015 for the discrete component units:

<u>Type of funds</u>		
Mariposa Partners VI	\$	18,820,177
Mariposa Partners VII		1,609,316
Mariposa Partners VIII		992,581
Total	\$	<u>21,422,074</u>

Construction contract commitments at December 31, 2015 for the discrete component units totaled approximately \$18.4 million.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(6) Long-Term Debt

DHA's debt is comprised of DHA revenue bonds for CSG and Mariposa VII, Capital Fund revenue bonds for Three Towers, three Banc of America leases for Low Rent EPC, Three Towers EPC, and South Lowell EPC, two notes payable to the City and County of Denver for Lincoln Park, one note payable to the City and County of Denver (Skyline), a bank loan for Lincoln Park, a bank loan for Yale Station Apartments, a bank loan for the Horse Barn, loan from Enterprise, and a secured line of credit. All debt, except for lines of credit, is secured by the related property.

A summary of changes in DHA's long-term debt for the year ended December 31, 2015 is presented below:

	Balance at December 31, 2014	Additions	Reductions	Balance at December 31, 2015	Due Within One Year	Accrued Interest Payable
DHP Note Lincoln Park	\$ 35,058	—	22,027	13,031	13,031	4
DHP Note Lincoln Park	450,000	—	—	450,000	—	—
DHP Lincoln Park – First Bank loan	1,491,742	—	94,222	1,397,520	99,617	800
DHA Bonds - CSG	12,665,000	—	45,000	12,620,000	75,000	67,108
DHA Bonds - Mariposa 7	—	140,000	—	140,000	—	135
Key Bank - Construction Loan	2,466,250	5,868,750	8,335,000	—	—	—
Line of credit	12,514,281	13,664,543	22,783,720	3,395,104	—	—
Low Rent EPC – Banc of America	23,751,462	—	1,084,111	22,667,351	1,184,847	15,745
Three Towers EPC – Banc of America	2,639,108	—	120,455	2,518,653	131,655	1,750
South Lowell EPC - Banc of America	2,869,722	—	131,688	2,738,034	143,792	1,901
Three Towers – CFP Revenue Bonds	5,665,000	—	320,000	5,345,000	335,000	44,991
Horsebam - Chase	1,660,000	—	—	1,660,000	—	—
DHP - First Bank	168,131	—	—	168,131	—	—
DHP - Enterprise (Chestnut)	—	2,000,000	—	2,000,000	—	4,715
DHP - Skyline	1,500,000	—	—	1,500,000	—	—
Total debt	<u>67,875,754</u>	<u>\$ 21,673,293</u>	<u>32,936,223</u>	<u>56,612,824</u>	<u>1,982,942</u>	<u>137,149</u>
Less amount due within one year	<u>4,244,319</u>			<u>1,982,942</u>		
Long-term portion	<u>\$ 63,631,435</u>			<u>54,629,882</u>		

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(a) *DHP Notes for Lincoln Park*

During 2005, DHA purchased 57 units at Lincoln Park. DHA assumed three loans for the property. Two of the loans are from the City and County of Denver. These loans have balances of \$13,031 and \$450,000, respectively, at December 31, 2015. The first loan of \$13,031 bears interest at 3% and matures November 1, 2017. The second loan of \$450,000 at 0% interest is deferred while under compliance with the agreement and will be forgiven on February 1, 2032. The third loan was refinanced in 2006 (see First Bank Loan). Terms and conditions for compliance include maintaining the property as low-income housing.

The future maturity schedule for the City and County of Denver loan is as follows at December 31, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	13,031	131	13,162
	\$ 13,031	131	13,162

(b) *First Bank Loan*

The First Bank note had a balance of \$1,397,520 outstanding as of December 31, 2015. This note has a 20-year term and accrues interest at a fixed rate of 5.15%. The proceeds of this loan were used to pay the Compass Bank loan that DHA assumed when the property was purchased.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	99,617	70,794	170,411
2017	105,152	65,259	170,411
2018	110,776	59,635	170,411
2019	116,701	53,710	170,411
2020	122,800	47,611	170,411
2021 - 2026	842,474	134,088	976,562
Total	\$ 1,397,520	431,097	1,828,617

All three DHP notes for Lincoln Park are secured by a deed of trust on the property.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(c) ***DHA Multifamily Revenue Bonds***

On December 31, 2013, DHA entered into an agreement to issue \$12,665,000 in Series A Multifamily Housing Revenue Bonds. DHA executed a \$12,665,000 loan agreement with CSG Redevelopment Partners LLLP at the same time. The bonds were issued to finance the acquisition, rehabilitation, and equipping of (i) a 100-unit rental housing facility known as Syracuse Place Apartments, (ii) a 35-unit rental housing facility known as Goldsmith Village Townhomes, and (iii) an 87-unit rental housing facility known as Casa Loma Apartments, all located in Denver, Colorado. The bonds have an interest rate of 5.78% during construction which increases to 6.08% upon completion, and mature on June 1, 2054. The bonds had a balance of \$12,620,000 outstanding as of December 31, 2015.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	75,000	764,940	839,940
2017	80,000	760,101	840,101
2018	90,000	754,908	844,908
2019	90,000	749,512	839,512
2020	100,000	743,635	843,635
2021-2025	590,000	3,618,005	4,208,005
2026-2030	800,000	3,407,789	4,207,789
2031-2035	1,080,000	3,122,916	4,202,916
2036-2040	1,470,000	2,737,064	4,207,064
2041-2045	1,995,000	2,213,576	4,208,576
2046-2050	2,700,000	1,503,888	4,203,888
2051-2054	3,550,000	498,839	4,048,839
	<u>\$ 12,620,000</u>	<u>20,875,173</u>	<u>33,495,173</u>

DHA also issued \$8,335,000 in Series B Multifamily Housing Revenue Bonds for the construction financing for CSG Redevelopment Partners. The outstanding balance of \$8,335,000 was paid in 2015.

(d) ***DHA Bonds for Mariposa VII***

On December 18, 2015, DHA issued a \$7,500,000 Series A Multi-Family Mortgage Revenue Note, Series 2015. The Authority entered into an agreement with Citibank for the tax-exempt private activity bond. This is a draw down bond that will provide funding for the construction/permanent financing of a 45-unit 100% affordable multi-family property. The bonds have a variable interest rate of the Securities Industry and Financial Markets Association (SIFMA) rate plus 2.5% during construction. Upon conversion the interest rate will be fixed at 4.55%, and will mature on January 1, 2049. The bonds had a balance of \$140,000 outstanding as of December 31, 2015.

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(e) **Line of Credit**

In August 2015, DHA extended the maturity of the \$15,000,000 revolving Line of Credit (LOC) from Key Bank National Association to August, 2016 with an interest rate of 3.5% at year end. The interest rate is variable based on the LIBOR rate. The Line of Credit was used to provide short-term financing for construction projects including Mariposa IV, Mariposa VII, Mariposa VIII, and CSG. It was also used to purchase property on West Colfax. The Line of Credit had a balance of \$3,395,104 outstanding as of December 31, 2015.

(f) **Banc of America**

In 2007, DHA implemented a Public Housing Energy Performance Contract (EPC). HUD's Energy Performance Contracting program is an innovative financing technique that uses cost savings from reduced energy consumption to repay the cost of installing Energy Conservation Measures (ECM). In October 2013, EPC Phase II was initiated. EPC II has a loan with Banc of America that includes Phase II energy upgrades, refinance of Phase I existing debt and South Lowell ECM's. This loan has payments based on a 15-year term and accrues interest at 3.23%. The lease had a balance of \$22,667,351 outstanding as of December 31, 2015.

Future principal and interest repayment requirements are as follows on the Banc of America Low Rent lease at December 31, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	1,184,847	714,717	1,899,564
2017	1,291,167	674,881	1,966,048
2018	1,403,334	631,526	2,034,860
2019	1,521,623	584,457	2,106,080
2020	1,646,320	533,474	2,179,794
2021 - 2025	10,347,956	1,750,228	12,098,184
2026 - 2027	5,272,104	180,724	5,452,828
	<u>\$ 22,667,351</u>	<u>5,070,007</u>	<u>27,737,358</u>

In December 2007, DHA entered into an agreement to fund the Energy Performance Contract for the Three Towers Rehabilitation Project. In October 2012, EPC Phase II was initiated. The original debt of the Three Towers Rehabilitation Project was refinanced under EPC Phase II. This loan has payments based on a 15-year term and accrues interest at 3.23%. This lease had a balance of \$2,518,653 outstanding as of December 31, 2015.

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Future principal and interest repayment requirements are as follows on the Banc of America Three Towers lease at December 31, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	131,655	79,415	211,070
2017	143,464	74,989	218,453
2018	155,931	70,171	226,102
2019	169,072	64,941	234,013
2020	182,932	59,276	242,208
2021 - 2025	1,149,796	194,473	1,344,269
2026 - 2027	585,803	20,081	605,884
	<u>\$ 2,518,653</u>	<u>563,346</u>	<u>3,081,999</u>

In 2013, EPC Phase II was closed for South Lowell. This loan has payments based on a 15-year term and accrues interest at 3.23%. This lease had a balance of \$2,738,034 outstanding as of December 31, 2015.

Future principal and interest repayment requirements are as follows on the Banc of America South Lowell lease at December 31, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	143,792	86,322	230,114
2017	156,565	81,490	238,055
2018	170,039	76,234	246,273
2019	184,246	70,533	254,779
2020	199,221	64,361	263,582
2021 - 2025	1,250,211	210,936	1,461,147
2026 - 2027	633,960	21,698	655,658
	<u>\$ 2,738,034</u>	<u>611,574</u>	<u>3,349,608</u>

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December 31, 2015

(g) **Capital Fund Program Revenue Bonds**

In December 2007, DHA issued \$14.6 million in Revenue Bonds. The Tax Exempt Series 2007 Bonds were issued to partially finance the Three Towers Rehabilitation Project. DHA executed a \$14.6 million loan agreement with Three Towers Partners, LLLP at the same time. This bond issue has a debt rating of "A2" by Moody's Investors Service. The serial bonds totaling \$2,580,000 have an interest rate of 4.00% and matured on November 1, 2013. The term bonds totaling \$12,020,000 have interest rates ranging from 4.55% to 5.20% and mature on November 1, 2017, November 1, 2023, and November 1, 2027. Interest on the serial and term bonds is payable semiannually. The bonds are repayable from payments of Capital Fund Program moneys received by DHA from HUD.

In December 2011, DHA defeased \$6,010,000 of the Capital Fund Program Revenue Bonds. An amount of \$7,247,734 was placed in a separate irrevocable trust fund with an escrow agent. The funds have been used to purchase United States Treasury Securities - State and Local Government Series (SLGS) that were placed in the trust fund to provide debt service payments until the term bonds are called. The initial deposit together with investment earnings thereon, will be in an aggregate amount sufficient to pay the aggregate principal amount of the Defeased Bonds on the applicable maturity and redemption dates and the interest accrued and to accrue on the Defeased Bonds. The amount placed into escrow in excess of the principal of the Defeased Bonds, \$1,237,735, was recorded as interest expense in 2011. The advance defeasance met the requirements of an in-substance debt defeasance and the term bonds were removed from DHA's financial statements.

The balance outstanding on the non-defeased bonds at December 31, 2015 was \$5,345,000.

The future maturity schedule for the Capital Fund Program Revenue Bonds is as follows at December 31, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	335,000	264,714	599,714
2017	350,000	249,244	599,244
2018	370,000	232,800	602,800
2019	385,000	214,050	599,050
2020	405,000	194,550	599,550
2021 - 2025	2,370,000	640,380	3,010,380
2026 - 2027	1,130,000	74,490	1,204,490
	<u>\$ 5,345,000</u>	<u>1,870,228</u>	<u>7,215,228</u>

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(h) Horse Barn

The Chase note had a balance of \$1,660,000 outstanding as of December 31, 2015. The Horse Barn, built in 1893, was purchased by DHA in 2002 as part of the HOPE VI community revitalization effort. Curtis Park Horse Barn, Inc has a loan with JP Morgan Chase Bank for \$1,660,000 to renovate the twenty five thousand square foot building into commercial space. This loan has payments based on a 7-year term and accrues interest at 2.5% with 12-year amortization. The first year of payments began in October 2012 and is interest only for the first year with payments of principal and interest beginning in October 2012. The payments are made into a sinking fund controlled by JP Morgan Chase Bank. As of year 7 the funds will be used to pay the full amount of the loan.

(i) DHP Note for Yale Station Apartments

In November 2010, DHA executed a promissory note payable to FirstBank, a Colorado banking corporation to help finance the development of an affordable housing project in Denver, Colorado known as Yale Station Apartments. The principal amount of this note shall be forgiven in its entirety on the 15th anniversary of the date of project completion. The balance outstanding on December 31, 2015 was \$168,131.

(j) Enterprise Loan

This promissory note was executed in December, 2015. The proceeds were used to partially fund the promissory note to Ashley Union Station. The interest rate on the note is 3.69%. Interest is payable quarterly. The note matures in March, 2020. The amount outstanding at December 31, 2015 is \$2,000,000.

(k) Skyline Loan

On July 25, 2011, DHA entered into a \$1,500,000 Skyline loan agreement with the City and County of Denver. The loan bears no interest. Of the balance, \$1,000,000 is due no later than October 31, 2020 and \$500,000 is due no later than October 31, 2030. The principal balance outstanding as of December 31, 2015 was \$1,500,000. The loan is secured by three DHA properties located at: 2400 Stout Street, 4301 Elizabeth Street, and 1373 Lipan Street.

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A summary of changes in DHA's discrete component units' long-term debt for the year ended December 31, 2015 is presented below:

	Balance at December 31,			Balance at December 31,	Due Within	Accrued Interest
	2014	Additions	Reductions	2015	One Year	Payable
Globeville I Key Bank loan	\$ 1,929,242	2,221,000	1,929,242	2,221,000	32,505	—
Globeville I DHA Loans	791,162	—	364,000	427,162	—	338,283
Globeville II Key Bank loan	1,148,578	1,351,000	1,148,578	1,351,000	19,772	—
Globeville II GWH Loan	241,145	—	—	241,145	—	160,450
Thomas Bean Towers - DHA Mortgage Notes	11,159,666	—	—	11,159,666	—	5,257,187
Park Avenue Block 1B						
CHFA 1st Mortgage	5,115,881	—	67,898	5,047,983	72,216	26,896
DHA Mortgage Notes	3,900,000	—	—	3,900,000	—	1,563,928
Park Avenue Block 3B						
1st Mortgage	4,447,758	—	36,012	4,411,746	37,712	26,023
CHFA TCAP	870,757	—	—	870,757	—	—
DHA Mortgage Notes	5,140,910	—	—	5,140,910	—	2,439,805
Park Avenue Block 4B						
CHFA 1st Mortgage	3,993,279	—	30,893	3,962,386	32,800	20,816
DHA Mortgage Notes	5,154,500	—	—	5,154,500	—	1,029,676
Three Towers						
DHA Line of Credit	4,751,347	87,979	—	4,839,326	—	—
DHA Mortgage Notes	31,147,746	—	—	31,147,746	—	7,949,670
Park Avenue Block 5B						
Key Bank 1st Mortgage	2,773,093	—	37,829	2,735,264	39,811	14,792
DHA Mortgage Notes	6,965,683	—	166,037	6,799,646	—	16,160
Westwood - DHA Mortgage Notes	20,747,637	—	4,148	20,743,489	—	—
1099 Osage - DHA Mortgage Notes	12,772,614	—	—	12,772,614	—	—
Mountain View						
CHFA 1st Mortgage	10,453,029	—	89,368	10,363,661	102,504	45,255
DHA Mortgage Notes	7,802,519	—	—	7,802,519	—	—
South Lowell - DHA Mortgage Notes	13,420,749	—	—	13,420,749	—	664,078
Mariposa II						
Citibank 1st Mortgage	4,008,243	—	375,435	3,632,808	30,966	18,921
DHA Mortgage Notes	7,500,972	—	—	7,500,972	—	380,769
Mariposa III						
Citibank 1st Mortgage	3,893,590	—	797,953	3,095,637	27,110	15,478
DHA Mortgage Notes	6,168,555	826,395	—	6,994,950	—	353,315
Mariposa IV						
Citibank 1st Mortgage	9,678,034	1,882,263	7,332,139	4,228,158	1,451,158	19,301
DHA Mortgage Notes	4,240,094	509,861	—	4,749,955	—	415,260
Mariposa VI						
Construction Loan	—	8,906,529	—	8,906,529	—	25,963
DHA Mortgage Notes	1,134,623	4,203,463	—	5,338,086	—	180,204
Mariposa VII - DHA Mortgage Notes		610,115	—	610,115	—	501
CSG - DHA Mortgage Notes	30,937,476	11,772,929	16,131,520	26,578,885	75,000	222,292
Studebaker	1,529,392	2,381,118	1,568,984	2,341,526	84,432	8,918
Total debt	<u>223,818,274</u>	<u>\$ 34,752,652</u>	<u>30,080,036</u>	<u>228,490,890</u>	<u>2,005,986</u>	<u>21,193,941</u>
Less amount due within one year	<u>10,967,533</u>			<u>2,005,986</u>		
Long-term portion	<u>\$ 212,850,741</u>			<u>226,484,904</u>		

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(l) Globeville I Key Bank Loan

In 2015, the loan was refinanced with Key Bank. The Key Bank note had a balance of \$2,221,000 outstanding as of December 31, 2015. This note has payments based on a 30-year term, with a balloon payment due on January 1, 2023, and accrues interest at a fixed rate of 4.32%. The loan is secured by a deed of trust on the property.

Future debt service requirements are as follows on the Key Bank loan:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	32,505	88,684	121,189
2017	37,102	95,104	132,206
2018	38,760	93,446	132,206
2019	40,492	91,714	132,206
2020	42,044	90,162	132,206
2021-2023	<u>2,030,097</u>	<u>181,294</u>	<u>2,211,391</u>
	<u>\$ 2,221,000</u>	<u>640,404</u>	<u>2,861,404</u>

(m) Globeville I DHA Loans

The Partnership also had a \$364,000 promissory note to DHA. This note was paid in full in 2015. In addition, the Partnership has a \$427,162 promissory note to DHA. This note accrues interest at a fixed rate of 5.01%. Payments on the promissory note to DHA are made from 75% remaining cash flows, which are generally defined as net income determined on a cash basis. The entire balance of the \$427,162 promissory note is due on December 31, 2034.

(n) Globeville II Key Bank Loan

In 2015, the loan was refinanced with Key Bank. The Key Bank note had a balance of \$1,351,000 outstanding as of December 31, 2015. This note has payments based on a 30-year term, with a balloon payment due on January 1, 2023, and accrues interest at a fixed rate of 4.32%. The loan is secured by a deed of trust on the property.

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Future expected debt service requirements are as follows on the Key Bank loan:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	19,772	53,945	73,717
2017	22,569	57,850	80,419
2018	23,577	56,842	80,419
2019	24,630	55,789	80,419
2020	25,575	54,844	80,419
2021-2023	1,234,877	110,278	1,345,155
	<u>\$ 1,351,000</u>	<u>389,548</u>	<u>1,740,548</u>

(o) ***Globeville II GWH Loan***

The Partnership also has a \$241,145 promissory note to Globeville Workforce Housing, Inc. This note accrues interest at a fixed rate of 4.76%. Payments on this loan are made from available cash flow, which is generally defined as net income determined on a cash basis. The entire balance is due on December 31, 2040.

(p) ***Thomas Bean Towers***

The outstanding balance of the first mortgage note as of December 31, 2015 is \$8,400,000. The loan matures on November 1, 2059. Annual payments of \$437,247 are due on October 15, but only to the extent of available cash flow, which is generally defined as cash receipts less cash expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. The annual interest on the note accrues at 4.79%.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$2,759,666. The interest rate is 0.1% compounded annually. The loan matures on November 1, 2056. Annual payments of \$53,209 are due on October 15, but only to the extent of available cash flow as defined above. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(q) ***Park Avenue Redevelopment (Block 1B)***

Park Avenue Redevelopment (Block 1B) (Partnership) has two CHFA loans. The first loan with CHFA (Smart note) is for \$5,000,000 bearing interest at 6.7% per year, is repayable over 20 years, and has a balance as of December 31, 2015 of \$4,635,828. The annual payment on this loan is \$370,770 payable monthly with a balloon payment of \$3,502,562 due in February 2028. The second loan with CHFA (HOF) is for \$480,000 bearing interest at 3.0% per year, is repayable over 20 years, and has a balance as of December 31, 2015 of \$412,155. The annual payment on this loan is \$22,167 payable monthly with a balloon payment of \$267,497 due in February 2028.

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Future debt service requirements are as follows on the CHFA Smart note:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	62,258	308,512	370,770
2017	66,560	304,210	370,770
2018	71,159	299,611	370,770
2019	76,075	294,695	370,770
2020	81,332	289,438	370,770
2021-2025	499,135	1,354,713	1,853,848
2026-2028	3,779,309	529,568	4,308,877
	<u>\$ 4,635,828</u>	<u>3,380,747</u>	<u>8,016,575</u>

Future debt service requirements are as follows on the CHFA HOF note:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	9,958	12,209	22,167
2017	10,261	11,906	22,167
2018	10,573	11,594	22,167
2019	10,895	11,272	22,167
2020	11,226	10,941	22,167
2021-2025	61,466	49,371	110,837
2026-2028	297,776	18,399	316,175
	<u>\$ 412,155</u>	<u>125,692</u>	<u>537,847</u>

The outstanding balance of the second mortgage note as of December 31, 2015 is \$3,000,000. The interest rate is 4.33% compounded annually. The loan matures on July 1, 2055. Annual payments are due on June 30, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$900,000. The interest rate is 4.33% compounded annually. The loan matures on July 1, 2055. Annual payments are due on June 30, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(r) Park Avenue Redevelopment Block 3B

The outstanding balance of the Citibank, N.A. first mortgage as of December 31, 2015 is \$4,411,746. The effective interest rate is 6.85 percent, and the maturity date is April 1, 2026. Principal and interest are payable in monthly installments of \$28,647, based on a 420 month amortization period.

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Future expected debt service requirements are as follows on the Citibank loan:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	37,712	306,057	343,769
2017	41,299	302,470	343,769
2018	44,261	299,508	343,769
2019	47,434	296,335	343,769
2020	49,987	293,782	343,769
2021-2026	4,191,053	1,516,750	5,707,803
	<u>\$ 4,411,746</u>	<u>3,014,902</u>	<u>7,426,648</u>

On March 1, 2011 the Partnership entered into a loan agreement with CHFA in the amount of \$870,757. The loan does not bear interest. No payments of principal or interest are required as long as the Partnership is maintaining compliance with the loan agreement, as defined. The entire outstanding balance shall be due on the maturity date of March 1, 2052. As of December 31, 2015, the outstanding balance is \$870,757.

The Partnership has three notes payable outstanding to DHA. The notes are secured by a second, third and fourth priority lien deed of trust and are nonrecourse to the Partnership and its partners.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$2,472,000. The interest rate is 5.5% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$1,688,910. The interest rate is 5.36% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$980,000. The interest rate is 5.36% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

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(s) ***Park Avenue Redevelopment Block 4B LLLP***

Park Avenue Redevelopment Block 4B LLLP (Partnership) has two CHFA loans. The first loan with CHFA (HOF note) is for \$350,000 bearing interest at 3.0% per year, is repayable over 40 years, and has a balance as of December 31, 2015 of \$325,566. The required monthly payment of principal and interest is \$1,253. The loan matures in December 2050. The second loan with CHFA (Smart note) is for \$3,750,000 bearing interest at 6.6% per year, is repayable over 40 years, and has a balance as of December 31, 2015 of \$3,636,820. The required monthly payment of principal and interest is \$22,222. The loan matures in December 2050.

Future debt service requirements are as follows on the CHFA HOF note:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	27,459	239,209	266,668
2017	29,327	237,341	266,668
2018	31,322	235,346	266,668
2019	33,453	233,215	266,668
2020	35,729	230,939	266,668
2021-2025	218,587	1,114,753	1,333,340
2026-2030	303,772	1,029,568	1,333,340
2031-2035	422,156	911,184	1,333,340
2036-2040	586,674	746,666	1,333,340
2041-2045	815,308	518,032	1,333,340
2046-2050	<u>1,133,033</u>	<u>200,296</u>	<u>1,333,329</u>
	<u>\$ 3,636,820</u>	<u>5,696,549</u>	<u>9,333,369</u>

Future debt service requirements are as follows on the CHFA Smart note:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	5,341	9,694	15,035
2017	5,504	9,531	15,035
2018	5,671	9,364	15,035
2019	5,844	9,191	15,035
2020	6,022	9,013	15,035
2021-2025	32,969	42,208	75,177
2026-2030	38,297	36,880	75,177
2031-2035	44,487	30,690	75,177
2036-2040	51,676	23,501	75,177
2041-2045	60,029	15,148	75,177
2046-2050	<u>69,726</u>	<u>5,449</u>	<u>75,175</u>
	<u>\$ 325,566</u>	<u>200,669</u>	<u>526,235</u>

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Additionally, the Partnership has second, third, fourth and fifth mortgages through DHA.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$1,750,000. The interest rate is 4.46% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$1,150,000. The interest rate is 4.46% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$1,254,500. The interest rate is 4.40% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fifth mortgage note as of December 31, 2015 is \$1,000,000. No interest accrues on the fifth mortgage note. The note is payable in full fifteen years after project completion.

(t) ***Three Towers***

The outstanding balance of the Revolving Energy Performance Contract (EPC) Line of Credit as of December 31, 2015 is \$4,839,326. Up to \$5,078,827 can be advanced from this line of credit. The line of credit does not accrue interest and it matures on December 13, 2047. Payments on the line of credit will be made from proceeds from the U.S. Department of Housing and Urban Development (HUD) subsidy. A payment of all outstanding principal is payable on the maturity date.

The balance of the DHA Capital Fund Financing Program (CFFP) Note as of December 31, 2015 is \$14,600,000. The interest rate is 2.2% compounded annually. The loan matures on December 12, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The balance of the DHA Program Funds Note as of December 31, 2015 is \$16,547,746. The interest rate is 4.72% compounded annually. The loan matures on December 13, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

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(u) ***Park Avenue Redevelopment Block 5B***

The outstanding balance of the loan with Key Bank as of December 31, 2015 is \$2,735,264. The interest rate is 6.28% compounded annually. The loan matures on June 3, 2030. Principal and interest are payable in monthly installments of \$17,775, based on a 360 month amortization period.

Future debt service requirements are as follows on the Key Bank note:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	39,811	173,489	213,300
2017	42,921	170,379	213,300
2018	45,735	167,565	213,300
2019	48,733	164,567	213,300
2020	51,462	161,838	213,300
2021-2025	314,774	751,726	1,066,500
2026-2030	2,191,828	577,656	2,769,484
	<u>\$ 2,735,264</u>	<u>2,167,220</u>	<u>4,902,484</u>

The balance of the second mortgage note was paid in full in 2015.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$5,324,646. No interest accrues on this loan. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage loan as of December 31, 2015 is \$1,475,000. The interest rate is 0.25% compounded annually. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(v) ***Westwood Homes***

The outstanding balance of the first mortgage note as of December 31, 2015 is \$10,533,494. No interest accrues on this note. The loan matures on August 31, 2065. A payment of all outstanding principal is payable on the maturity date. The note is secured by the DHA Second Leasehold Deed of Trust.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$10,209,995. No interest accrues on this note. The loan matures on August 31, 2065. A payment of all outstanding principal is payable on the maturity date. The note is secured by the DHA Second Leasehold Deed of Trust.

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(w) **1099 Osage**

The outstanding balance of the second mortgage note as of December 31, 2015 is \$1,272,614. No interest accrues on this note. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$9,500,000. The interest rate is 4.00% compounded annually. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$1,000,000. No interest accrues on this note. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

The outstanding balance of the fifth mortgage note as of December 31, 2015 is \$1,000,000. No interest accrues on this note. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

(x) **Mountain View Redevelopment LLLP**

Mountain View Redevelopment LLLP has a permanent loan with CHFA. The loan amount is \$10,500,000 and was financed with Public Bonds issued by CHFA. The interest rate during the construction phase was 4.99% and is 5.24% after construction completion. The note matures on July 1, 2051. The outstanding balance as of December 31, 2015 is \$10,363,661.

Future debt service requirements are projected to be as follows on the CHFA loan at December 31, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	102,504	540,617	643,121
2017	108,006	535,115	643,121
2018	113,804	529,317	643,121
2019	119,912	523,209	643,121
2020	126,349	516,772	643,121
2021-2025	741,055	2,474,552	3,215,607
2026-2030	962,471	2,253,136	3,215,607
2031-2035	1,250,044	1,965,563	3,215,607
2036-2040	1,623,539	1,592,068	3,215,607
2041-2045	2,108,629	1,106,978	3,215,607
2046-2051	3,107,348	483,419	3,590,767
	<u>\$ 10,363,661</u>	<u>12,520,746</u>	<u>22,884,407</u>

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Mountain View Redevelopment LLLP has a program funds loan with DHA. The outstanding balance as of December 31, 2015 is \$7,802,519. The loan does not bear interest. The note matures on July 19, 2067. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

(y) *Mariposa Partners II*

Mariposa Partners II LLLP has a loan with Citibank. The outstanding balance of the note as of December 31, 2015 is \$3,632,808. This loan bears interest at 6.25% and has a term of 16 years, while principal and interest payments will be amortized over 35 years.

Future debt service requirements are projected to be as follows on the Citibank loan at December 31, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	30,966	226,174	257,140
2017	32,958	224,182	257,140
2018	35,078	222,062	257,140
2019	37,334	219,806	257,140
2020	39,735	217,405	257,140
2021-2025	235,813	1,028,456	1,264,269
2026-2031	3,220,924	1,048,930	4,269,854
	<u>\$ 3,632,808</u>	<u>3,187,015</u>	<u>6,819,823</u>

The outstanding balance of the second mortgage note as of December 31, 2015 is \$4,840,972. The interest rate is 2% per annum. The loan matures on March 1, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$660,000. The interest rate is 2% per annum. The loan matures on March 1, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$2,000,000. The interest rate is 2% per annum. The loan matures on March 1, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(z) **Mariposa Partners III**

Mariposa Partners III LLLP has a loan with Citibank. The outstanding balance of the note as of December 31, 2015 is \$3,095,637. This loan bears interest at 6% and has a term of 16 years, while principal and interest payments will be amortized over 35 years.

Future debt service requirements are projected to be as follows on the Citibank loan at December 31, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	27,110	185,001	212,111
2017	28,782	183,329	212,111
2018	30,557	181,554	212,111
2019	32,442	179,669	212,111
2020	34,443	177,668	212,111
2021-2025	202,845	840,032	1,042,877
2026-2031	2,739,458	916,871	3,656,329
	<u>\$ 3,095,637</u>	<u>2,664,124</u>	<u>5,759,761</u>

The outstanding balance of the second mortgage note as of December 31, 2015 is \$4,900,000. The interest rate is 2% per annum. The loan matures on September 13, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$714,950. The interest rate is 2% per annum. The loan matures on September 13, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$580,000. The interest rate is 2% per annum. The loan matures on September 13, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fifth mortgage note as of December 31, 2015 is \$800,000. The interest rate is 2% per annum. The loan matures on September 13, 2052. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(aa) Mariposa Partners IV

Mariposa Partners IV LLLP has a construction loan with Citibank to redevelop a 77-unit community that will provide both affordable and market rate housing. The outstanding balance of the note as of December 31, 2015 is \$4,228,158. This loan is interest only and monthly interest payments are made at the rate of 3.45%. Upon conversion, the maximum principal loan balance will be \$2,777,000 and will bear interest at 6.39% while principal and interest payments will be amortized over 35 years. A payment is due in 2016 upon conversion from construction to permanent loan to reduce the balance to \$2,777,000.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$2,055,239. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$710,093. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$654,623. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fifth mortgage note as of December 31, 2015 is \$530,000. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the sixth mortgage note as of December 31, 2015 is \$800,000. The interest rate is 5% per annum. The loan matures on July 18, 2053. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(bb) Mariposa Partners VI

Mariposa Partners VI LLLP has a construction loan with Citibank to redevelop a 94-unit community that will provide both affordable and market rate housing. The outstanding balance of the note as of December 31, 2015 is \$ 8,906,529. This loan is interest only and monthly interest payments will be made at the rate of 3.58%. Upon conversion, the maximum principal loan balance will be \$4,710,000 and will bear interest at 5.97% while principal and interest payments will be amortized over 35 years.

The outstanding balance of the second mortgage note as of December 31, 2015 is \$4,848,179. The interest rate is 4% per annum. The loan matures on August 7, 2054. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$489,907. The interest rate is 4% per annum. The loan matures on August 7, 2054. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(cc) Mariposa Partners VII

The outstanding balance of the third mortgage note as of December 31, 2015 is \$108,300. The interest rate is 2% per annum. The loan matures on February 1, 2057. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$361,815. The interest rate is 2% per annum. The loan matures on February 1, 2057. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The Partnership has a construction draw down loan funded by DHA through the issuance of \$7,500,000 of Colorado Multifamily Housing Revenue Bonds, (Series 2015). The construction loan bears interest at the Securities Industry and Financial Markets Association (SIFMA) rate plus 2.5% as set forth in the Multifamily Promissory Note until conversion. The outstanding principal balance at December 31, 2015 is \$140,000.

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December 31, 2015

(dd) South Lowell Redevelopment

The outstanding balance of the second mortgage note as of December 31, 2015 is \$5,250,000. The interest rate is the Applicable Federal Rate (AFR) and is compounded annually. Interest accrued during construction and this construction period interest was funded as of September 1, 2013. The principal balance will accrue interest through the maturity date of September 20, 2067. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2015 is \$5,170,749. The interest rate is the Applicable Federal Rate (AFR) and is compounded annually. Interest accrued during construction and this construction period interest was funded as of September 1, 2013. The principal balance will accrue interest through the maturity date of September 20, 2067. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2015 is \$3,000,000. The interest rate is the Applicable Federal Rate (AFR) and is compounded annually. The principal balance will accrue interest through the maturity date of September 20, 2067. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal is payable on the maturity date.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(ee) CSG Redevelopment Partners

The Partnership has a mortgage with DHA in the original amount of \$21,000,000. The mortgage beared interest at a variable rate as set forth in the Trust Indenture until the completion date, which occurred in January 2015, at which time the mortgage bears interest at a per annum fixed rate equal to 6.08 percent. The mortgage was funded on January 31, 2014, with proceeds from the issuance of \$12,665,000 The Housing Authority of the City and County of Denver, Colorado Multifamily Housing Revenue Bonds, Series 2013A and with proceeds from the issuance of \$8,335,000 The Housing Authority of the City and County of Denver, Colorado Multifamily Housing Revenue Bonds Series 2013B (the Bonds). The outstanding principal balance at December 31, 2015 \$12,620,000.

The Partnership had a third mortgage note with Denver Housing Corporation (DHC) funded up to an amount of \$8,463,750. The note's interest was .25 percent. The note was paid in full in 2015.

The Partnership had a fourth mortgage note with DHA funded up to an amount of \$1,882,770. The note's interest was 3.25 percent and had a maturity date of January 31, 2016. The note was paid in full in 2015.

The Partnership has a fifth mortgage note with DHA. The note bears interest at 1 percent, and matures on January 31, 2055. No monthly payments are required. Annual payments are due on June 1, but only to the extent of available cash flow, as defined. A payment of all outstanding principal and interest is payable on the maturity date. The outstanding balance of the note at December 31, 2015 is \$13,089,781.

The Partnership has a sixth mortgage note with DHA. The loan bears interest at 1 percent, and matures on January 31, 2055. No monthly payments are required. Annual payments are due on June 1, but only to the extent of available cash flow, as defined. A payment of all outstanding principal and interest is payable on the maturity date. The outstanding balance of the note at December 31, 2015 is \$869,104.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(ff) Studebaker Building LLC

In March, 2015 Studebaker Building LLC refinanced its debt and paid the existing mortgage to GMAC in full. It also refinanced its debt with DHA.

Studebaker Building LLC has a mortgage payable to Vectra Bank with an outstanding balance as of December 31, 2015 of \$1,081,553. The interest rate is 4.156% (Seven Year LIBOR/Swap Rate plus 2.4%). The loan matures in March, 2025. Payments are due monthly based on a 25 year amortization.

Future debt service requirements are as follows on the Vectra Bank note:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	25,610	25,206	50,816
2017	26,839	43,977	70,816
2018	27,993	42,823	70,816
2019	29,195	41,621	70,816
2020	30,333	40,483	70,816
2021-2025	941,583	155,555	1,097,138
	<u>\$ 1,081,553</u>	<u>349,665</u>	<u>1,431,218</u>

Studebaker Building LLC has a second mortgage payable to DHA with an outstanding balance as of December 31, 2015 of \$478,855. The interest rate is 3%. The loan matures in March, 2030. Payments are due monthly.

Future debt service requirements are as follows on the DHA note:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	27,334	14,225	41,559
2017	28,217	13,342	41,559
2018	29,088	12,471	41,559
2019	29,985	11,574	41,559
2020	30,879	10,680	41,559
2021-2025	169,425	38,370	207,795
2026-2030	163,927	10,926	174,853
	<u>\$ 478,855</u>	<u>121,612</u>	<u>590,443</u>

Studebaker Building LLC has a third mortgage payable to DHA with an outstanding balance as of December 31, 2015 of \$781,118. The interest rate is 1.5%. The loan matures in March, 2030. Payments are due annually payable with 50% of net cash flow. It is estimated that \$31,488 in principal will be paid in 2016.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(7) Compensated Absences

The compensated absence balance for the primary government as of December 31, 2015 is as follows:

Compensated absences at December 31, 2014	\$ 868,317
Decrease during 2015	<u>(1,692)</u>
Compensated absences at December 31, 2015	<u>\$ 866,625</u>
Current portion of compensated absences at December 31, 2015	\$ 762,631
Noncurrent portion of compensated absences at December 31, 2015	<u>103,994</u>
	<u>\$ 866,625</u>

The compensated absence balance for the discretely presented components units as of December 31, 2015 is as follows:

Compensated absences at December 31, 2014	\$ 88,000
Increase during 2015	<u>10,411</u>
Compensated absences at December 31, 2015	<u>\$ 98,411</u>
Current portion of compensated absences at December 31, 2015	\$ 87,536
Noncurrent portion of compensated absences at December 31, 2015	<u>10,875</u>
	<u>\$ 98,411</u>

(8) Employee Retirement Plan

DHA provides eligible employees with a defined contribution employee retirement plan. The plan and the contributions to it are authorized by DHA's Board of Commissioners. Under this plan, DHA makes employer regular and employer additional contributions into the pension fund for each eligible employee. A total of 10% of employee salaries is contributed by DHA toward pension. Contributions are made to and maintained by the plan administrator, ICMA-RC, which maintains an individual account for each participant. All regular full-time employees participate in the plan once they have successfully completed a six-month introductory period. In 2015, DHA paid \$16,462,414 in total salaries. Of this amount, \$14,005,905 was covered under the plan. DHA's required and actual contributions in 2015 were:

<u>Rate</u>	<u>Salary</u>	<u>Employer regular pension contribution</u>	<u>Employer additional pension contribution</u>	<u>Total employer contribution</u>
10%	\$ 14,005,905	700,295	700,295	1,400,590

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Upon termination, employees are fully vested in the employer's additional portion of the contributions. Employees vest in the employer's regular portion of the contributions at a rate of 20% each year as follows:

<u>Years of participation</u>	<u>Vested percentage in employer regular contributions</u>
Less than 1 year	—%
1 year	20
2 years	40
3 years	60
4 years	80
5 years	100

Employees may make voluntary after-tax contributions to the plan, not to exceed 10% of their annual compensation.

(9) Deferred Compensation Plan

DHA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Employee contributions are made to and maintained by the plan administrator, ICMA-RC, which maintains an individual account for each participant. Pursuant to GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, since DHA is not the owner or trustee of these assets, the plan assets are not reported as part of DHA's basic financial statements.

(10) Postemployment Benefits

DHA's personnel policy provides for no postemployment fringe benefits. Therefore, no expenses or accrued liabilities are reflected in the accompanying basic financial statements.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(11) Risk Management

The DHA faces three major types of risk: 1) third-party liability claims, 2) property and casualty loss claims, and 3) workers' compensation claims. DHA has purchased insurance coverage to cover these risks. DHA property insurance coverage has a Total Insurable Value (TIV) of \$404,779,381 with a stop-loss limit of \$100,000,000 and with a deductible of \$10,000 per occurrence or 2% per building for wind and/or hail as of December 31, 2015. DHA participates in the Housing Authority Risk Retention Group (HARRG) in order to obtain stable and affordable general liability insurance coverage. General liability coverage provided is \$10,000,000 per year with a deductible of \$5,000 per occurrence. DHA also maintains a number of other insurance policies necessary and appropriate in the normal course of business including boiler and steam machinery, comprehensive automobile, workers' compensation, employee fidelity, flood, and director's and officers'(D&O) insurance. In addition, DHA maintains appropriate insurance policies on all its instrumentalities, partnerships and component units carry including but not limited to directors and officers, general liability and property. The various property policies have a total TIV of \$349,741,028.

DHA has accrued a liability for a self-insurance retention (SIR) for future property, liability and worker's compensation deductibles to cover the future years' financial risks to DHA for current claims and potential claims resulting from incidents Incurred But Not Reported (IBNR). The cumulative amount through December 31, 2015 totals \$1,425,450 in current and noncurrent liabilities as shown below.

Change in the balance of claims liabilities for December 31, 2015 is as follows:

Unpaid claims, beginning of year	\$	1,252,476
Incurred claims (including net reduction in IBNRs)		533,939
Claim payments		(360,965)
Unpaid claims, end of year	\$	<u>1,425,450</u>
Amount included in current accrued liabilities	\$	591,450
Amount included in noncurrent accrued liabilities		834,000
Total	\$	<u>1,425,450</u>

This amount is included in accrued liabilities in the accompanying statement of net position.

DHA's economic risk as a participant in HARRG is limited to the paid-in surplus contribution of \$84,126 and the payment of annual premiums for its general liability insurance coverage. Also, DHA's risk in Housing Authority Property Insurance, A Mutual Company (HAPI) is limited to the paid-in and recapitalization surplus of \$198,268. Although the underwriting experience of HARRG and HAPI may result in increased annual premium charges and/or assessments against each participant's surplus contribution accounts, DHA's exposure to any net loss allocation is restricted to its surplus contribution account balances. In addition, Housing Authority Insurance (HAI) Group which includes HARRG and HAPI is rated A (excellent) with outlook of stable by AM Best. The financial size is IX reflecting surplus of \$250 to \$500 million.

No claims or settlements were in excess of the insurance coverage for 2015 or any of the three prior years.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

Litigation and Contingencies

DHA is a party to numerous pending or threatened lawsuits, under which it may be required to pay certain amounts upon final disposition of these matters. After consulting with legal counsel, DHA's management has concluded that no significant adverse effect on the December 31, 2015 basic financial statements should result upon final disposition of these proceedings.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenses, which may be disallowed by the grantor cannot be determined at this time although DHA expects such amounts, if any, to be immaterial to its basic financial statements.

For certain partnerships, DHA has guaranteed performance regarding completion of construction, repayment of construction and/or permanent loans, delivery of low-income housing tax credits, funding of operating deficits, payment of development fees, and maintaining compliance with applicable provisions of Internal Revenue Code Section 42. Failure to maintain compliance or to correct noncompliance within a specified time period could result in a default and create financial costs to DHA. There are no outstanding defaults that are probable in which the loss is estimable, which would be required to be accrued in these financial statements.

(12) TABOR Amendment

Article X, Section 20 of the Colorado Constitution (the TABOR Amendment) was added to the Colorado Constitution in 1992. It is a tax-limitation, spending-limitation, revenue-limitation, and debt-limitation amendment. By its terms, the TABOR Amendment applies to all "districts" defined to mean the "State or any local government, excluding enterprises." An enterprise is a (i) government-owned business, (ii) authorized to issue its own revenue bonds, and (iii) receiving under 10% of annual revenues in grants from all Colorado state and local governments combined. DHA meets this definition of an enterprise and, therefore, is exempt from the requirements of the TABOR Amendment.

(13) Income Taxes

DHA is a governmental entity, and therefore, DHA is not subject to federal or state income taxes.

Housing Authority of the City and County of Denver
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December 31, 2015

(14) Blended Component Units

Condensed combining information for the Authority's blended component units are presented as follows:

Assets & Deferred Outflow of Resources	Denver Housing Corporation	Denver Community Ventures	Globeville Workforce Housing	Arrowhead Housing Inc.	Arrowhead Housing II Inc.	Arrowhead Housing III Inc.	Arrowhead Housing IV Inc.	Arrowhead Housing V Inc.
Current assets:								
Cash and cash equivalents	\$ 4,255,578	30,187	—	—	—	—	—	—
Investments	194,067	46,094	9,448	5,099	22,480	22,486	5,148	5,173
Receivables:								
Tenants	2,808	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—
Other	208,910	—	—	—	—	—	—	—
Current portion of notes receivable	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—
Due from DCU	—	—	—	—	7,050	5,970	—	—
Inventories	—	—	—	—	—	—	—	—
Assets held for sale	—	—	—	—	—	—	—	—
Prepaid items	—	—	—	—	—	—	—	—
Restricted:								
Cash	—	—	—	868,421	122,783	—	108,049	—
Investments	25,846	—	—	—	—	—	—	—
Total current assets	<u>4,687,209</u>	<u>76,281</u>	<u>9,448</u>	<u>873,520</u>	<u>152,313</u>	<u>28,456</u>	<u>113,197</u>	<u>5,173</u>
Noncurrent assets:								
Noncurrent portion of notes receivable	—	—	241,145	—	—	—	—	—
Due from DCU	56,389	—	459,355	—	—	—	—	—
Other	—	—	200	100	100	10	1,122	100
Restricted:								
Cash	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—
Capital assets:								
Land	1,707,246	—	—	—	—	—	—	—
Buildings	4,417,200	—	—	—	—	—	—	—
Accumulated depreciation – buildings	(2,101,398)	—	—	—	—	—	—	—
Improvements	24,159	—	—	—	—	—	—	—
Accumulated depreciation – improvements	(7,122)	—	—	—	—	—	—	—
Machinery and equipment	316	—	3,872	—	—	—	—	—
Accumulated depreciation – machinery and equipment	(3,376)	—	(1,968)	—	—	—	—	—
Construction in progress	—	—	—	—	—	—	—	—
Total capital assets	<u>4,037,025</u>	<u>—</u>	<u>1,904</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total noncurrent assets	<u>4,093,414</u>	<u>—</u>	<u>702,604</u>	<u>100</u>	<u>100</u>	<u>10</u>	<u>1,122</u>	<u>100</u>
Total assets	<u>8,780,623</u>	<u>76,281</u>	<u>712,052</u>	<u>873,620</u>	<u>152,413</u>	<u>28,466</u>	<u>114,319</u>	<u>5,273</u>
Deferred Outflow of Resources								
Total deferred outflow of resources	—	—	—	—	—	—	—	—
Total assets and deferred outflow of resources	<u>\$ 8,780,623</u>	<u>76,281</u>	<u>712,052</u>	<u>873,620</u>	<u>152,413</u>	<u>28,466</u>	<u>114,319</u>	<u>5,273</u>

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Assets & Deferred Outflow of Resources	Three Towers Partners	Curtis Park Housing Inc.	DLIHDC DC	Denver Housing Development Partners Inc.	DHA Limited Partner	Westwood Housing Inc.	1099 Osage Housing Inc.	SLP Housing II Inc
Current assets:								
Cash and cash equivalents	—	—	—	—	—	—	—	—
Investments	5,102	5,113	127,094	114,544	9,152	5,075	5,145	5,065
Receivables:								
Tenants	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—
Other	—	—	—	26,339	—	—	—	—
Current portion of notes receivable	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—
Due from DCU	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	—
Assets held for sale	—	—	—	—	—	—	—	—
Prepaid items	—	—	—	—	—	—	—	—
Restricted:								
Cash	—	—	—	—	—	663,959	—	—
Investments	—	—	—	—	—	—	—	—
Total current assets	5,102	5,113	127,094	140,883	9,152	669,034	5,145	5,065
Noncurrent assets:								
Noncurrent portion of notes receivable	—	—	—	—	—	—	—	—
Due from DCU	—	—	—	—	—	—	—	—
Other	100	126,595	250,000	8,503	10	100	10	100
Restricted:								
Cash	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—
Capital assets:								
Land	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—
Accumulated depreciation – buildings	—	—	—	—	—	—	—	—
Improvements	—	—	—	—	—	—	—	—
Accumulated depreciation – improvements	—	—	—	—	—	—	—	—
Machinery and equipment	—	—	—	—	—	—	—	—
Accumulated depreciation – machinery and equipment	—	—	—	—	—	—	—	—
Construction in progress	—	—	—	—	—	—	—	—
Total capital assets	—	—	—	—	—	—	—	—
Total noncurrent assets	100	126,595	250,000	8,503	10	100	10	100
Total assets	5,202	131,708	377,094	149,386	9,162	669,134	5,155	5,165
Deferred Outflow of Resources								
Total deferred outflow of resources	—	—	—	—	—	—	—	—
Total assets and deferred outflow of resources	5,202	131,708	377,094	149,386	9,162	669,134	5,155	5,165

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Assets & Deferred Outflow of Resources	SLP Housing III Inc	SLP Housing IV Inc	SLP Housing VI Inc	SLP Housing VII Inc	SLP Housing VIII Inc	MVEC Housing Inc	SLR Housing	CSG Housing Inc
Current assets:								
Cash and cash equivalents	—	—	—	—	—	—	—	—
Investments	5,081	5,119	4,483	508	508	5,108	5,141	5,092
Receivables:	—	—	—	—	—	—	—	—
Tenants	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Current portion of notes receivable	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—
Due from DCU	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	—
Assets held for sale	—	—	—	—	—	—	—	—
Prepaid items	—	—	1,463	1,462	1,462	—	—	—
Restricted:	—	—	—	—	—	—	—	—
Cash	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—
Total current assets	<u>5,081</u>	<u>5,119</u>	<u>5,946</u>	<u>1,970</u>	<u>1,970</u>	<u>5,108</u>	<u>5,141</u>	<u>5,092</u>
Noncurrent assets:								
Noncurrent portion of notes receivable	—	—	—	—	—	—	—	—
Due from DCU	—	—	—	—	—	—	—	—
Other	100	100	100	101	100	100	100	90
Restricted:	—	—	—	—	—	—	—	—
Cash	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—
Capital assets:								
Land	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—
Accumulated depreciation – buildings	—	—	—	—	—	—	—	—
Improvements	—	—	—	—	—	—	—	—
Accumulated depreciation – improvements	—	—	—	—	—	—	—	—
Machinery and equipment	—	—	—	—	—	—	—	—
Accumulated depreciation – machinery and equipment	—	—	—	—	—	—	—	—
Construction in progress	—	—	—	—	—	—	—	—
Total capital assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total noncurrent assets	<u>100</u>	<u>100</u>	<u>100</u>	<u>101</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>90</u>
Total assets	<u>5,181</u>	<u>5,219</u>	<u>6,046</u>	<u>2,071</u>	<u>2,070</u>	<u>5,208</u>	<u>5,241</u>	<u>5,182</u>
Deferred Outflow of Resources								
Total deferred outflow of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets and deferred outflow of resources	<u>5,181</u>	<u>5,219</u>	<u>6,046</u>	<u>2,071</u>	<u>2,070</u>	<u>5,208</u>	<u>5,241</u>	<u>5,182</u>

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Assets & Deferred Outflow of Resources	Curtis Park Horse Barn Inc	Youth Employment Academy	Osage Café LLC	DHA Park Hill LLC	DLIHDC	DHA Chestnut Housing LLC	Total
Current assets:							
Cash and cash equivalents	8,920	28,501	11,384	—	—	—	4,334,570
Investments	121,133	20,891	482	1,115	—	46,474	807,420
Receivables:	—	—	—	—	—	—	—
Tenants	—	—	—	—	—	—	2,808
Interest	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—
Other	—	4,073	9,191	—	—	—	248,513
Current portion of notes receivable	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—
Due from DCU	—	—	—	—	—	—	13,020
Inventories	—	—	1,777	—	—	—	1,777
Assets held for sale	—	—	—	—	—	—	—
Prepaid items	—	—	389	—	—	—	4,776
Restricted:	—	—	—	—	—	—	—
Cash	448,451	—	—	—	—	—	2,211,663
Investments	23,403	—	—	—	—	—	49,249
Total current assets	<u>601,907</u>	<u>53,465</u>	<u>23,223</u>	<u>1,115</u>	<u>—</u>	<u>46,474</u>	<u>7,673,796</u>
Noncurrent assets:							
Noncurrent portion of notes receivable	—	—	—	—	250,000	—	491,145
Due from DCU	—	—	—	—	—	—	515,744
Other	—	—	—	100	1	10	387,952
Restricted:	—	—	—	—	—	—	—
Cash	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—
Capital assets:							
Land	—	—	—	—	—	—	1,707,246
Buildings	3,229,131	—	—	—	—	—	7,646,331
Accumulated depreciation – buildings	(377,217)	—	—	—	—	—	(2,478,615)
Improvements	25,915	—	—	—	—	—	50,074
Accumulated depreciation – improvements	(4,326)	—	—	—	—	—	(11,448)
Machinery and equipment	211,715	1,000	5,146	—	—	—	222,049
Accumulated depreciation – machinery and equipment	(106,031)	(335)	(2,786)	—	—	—	(114,496)
Construction in progress	—	—	—	—	—	—	—
Total capital assets	<u>2,979,187</u>	<u>665</u>	<u>2,360</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,021,141</u>
Total noncurrent assets	<u>2,979,187</u>	<u>665</u>	<u>2,360</u>	<u>100</u>	<u>250,001</u>	<u>10</u>	<u>8,415,982</u>
Total assets	<u>3,581,094</u>	<u>54,130</u>	<u>25,583</u>	<u>1,215</u>	<u>250,001</u>	<u>46,484</u>	<u>16,089,778</u>
Deferred Outflow of Resources							
Total deferred outflow of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets and deferred outflow of resources	<u>3,581,094</u>	<u>54,130</u>	<u>25,583</u>	<u>1,215</u>	<u>250,001</u>	<u>46,484</u>	<u>16,089,778</u>

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Liabilities, Deferred Inflow of Resources & Net Position	Denver Housing Corporation	Denver Community Ventures	Globeville Workforce Housing	Arrowhead Housing Inc.	Arrowhead Housing II Inc.	Arrowhead Housing III Inc.	Arrowhead Housing IV Inc.	Arrowhead Housing V Inc.	Three Towers Partners
Current liabilities:									
Accounts payable	\$ 81,164	639	4,135	—	—	—	—	—	—
Current portion of compensated absences payable	10,702	—	—	—	—	—	—	—	—
Accrued liabilities	7,091	—	923	—	—	—	—	—	—
Unearned Revenue	114,957	—	—	—	—	—	—	—	—
Intergovernmental payables	—	—	—	—	—	—	—	—	—
Accrued interest payable	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	—	—	—
	<u>213,914</u>	<u>639</u>	<u>5,058</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Current liabilities payable from restricted assets:									
Accrued interest payable	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—	—
Tenant security deposits	25,846	—	—	—	—	—	—	—	—
Escrow held for others	—	—	—	—	—	—	—	—	—
	<u>25,846</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Current liabilities payable from restricted assets	<u>25,846</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total current liabilities	<u>239,760</u>	<u>639</u>	<u>5,058</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Noncurrent liabilities:									
Compensated absences payable	1,459	—	—	—	—	—	—	—	—
Due to DCU	—	—	—	—	—	—	—	—	—
Accrued liabilities	—	—	—	—	—	—	—	—	—
Unearned Revenue	2,568,098	—	—	—	—	—	—	—	—
Notes and bonds payable	—	—	—	—	—	—	—	—	—
	<u>2,569,557</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total noncurrent liabilities	<u>2,569,557</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>2,809,317</u>	<u>639</u>	<u>5,058</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Deferred inflow of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net position:									
Investment in capital assets	4,037,025	—	1,904	—	—	—	—	—	—
Restricted									
Housing Assistance Payments - Section 8	—	—	—	—	—	—	—	—	—
Operating Reserve Fund	—	—	—	350,983	—	—	—	—	—
ACC Reserve	—	—	—	517,438	122,783	—	108,049	—	—
Replacement Reserve	—	—	—	—	—	—	—	—	—
Debt Service Reserve	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Unrestricted	<u>1,934,281</u>	<u>75,642</u>	<u>705,090</u>	<u>5,199</u>	<u>29,630</u>	<u>28,466</u>	<u>6,270</u>	<u>5,273</u>	<u>5,202</u>
Total net position	<u>5,971,306</u>	<u>75,642</u>	<u>706,994</u>	<u>873,620</u>	<u>152,413</u>	<u>28,466</u>	<u>114,319</u>	<u>5,273</u>	<u>5,202</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 8,780,623</u>	<u>76,281</u>	<u>712,052</u>	<u>873,620</u>	<u>152,413</u>	<u>28,466</u>	<u>114,319</u>	<u>5,273</u>	<u>5,202</u>

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Liabilities, Deferred Inflow of Resources & Net Position	Curtis Park Housing Inc.	DLIHDC DC	Housing Development Partners Inc.	DHA Limited Partner	Westwood Housing Inc.	1099 Osage Housing Inc.	SLP Housing II Inc	SLP Housing III Inc	SLP Housing IV Inc	SLP Housing VI Inc
Current liabilities:										
Accounts payable	\$ —	—	—	—	—	—	—	—	—	—
Current portion of compensated absences payable	—	—	—	—	—	—	—	—	—	—
Accrued liabilities	—	—	233	—	—	—	—	—	—	—
Unearned Revenue	—	—	—	—	—	—	—	—	—	—
Intergovernmental payables	—	—	—	—	—	—	—	—	—	—
Accrued interest payable	—	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	—	—	—	—
	—	—	233	—	—	—	—	—	—	—
Current liabilities payable from restricted assets:										
Accrued interest payable	—	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—	—	—
Tenant security deposits	—	—	—	—	—	—	—	—	—	—
Escrow held for others	—	—	—	—	—	—	—	—	—	—
Current liabilities payable from restricted assets	—	—	—	—	—	—	—	—	—	—
Total current liabilities	—	—	233	—	—	—	—	—	—	—
Noncurrent liabilities:										
Compensated absences payable	—	—	—	—	—	—	—	—	—	—
Due to DCU	—	—	—	—	—	—	—	—	—	—
Accrued liabilities	—	—	—	—	—	—	—	—	—	—
Unearned Revenue	—	—	—	—	—	—	—	—	—	—
Notes and bonds payable	—	250,000	—	—	—	—	—	—	—	—
Total noncurrent liabilities	—	250,000	—	—	—	—	—	—	—	—
Total liabilities	—	250,000	233	—	—	—	—	—	—	—
Deferred inflow of resources	—	—	—	—	—	—	—	—	—	—
Net position:										
Investment in capital assets	—	(250,000)	—	—	—	—	—	—	—	—
Restricted										
Housing Assistance Payments - Section 8	—	—	—	—	—	—	—	—	—	—
Operating Reserve Fund	—	—	—	—	—	—	—	—	—	—
ACC Reserve	—	—	—	—	663,959	—	—	—	—	—
Replacement Reserve	—	—	—	—	—	—	—	—	—	—
Debt Service Reserve	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
Unrestricted	131,708	377,094	149,153	9,162	5,175	5,155	5,165	5,181	5,219	6,046
Total net position	131,708	127,094	149,153	9,162	669,134	5,155	5,165	5,181	5,219	6,046
Total liabilities, deferred inflow of resources and net position	\$ 131,708	377,094	149,386	9,162	669,134	5,155	5,165	5,181	5,219	6,046

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Liabilities, Deferred Inflow of Resources & Net Position	SLP Housing VII Inc	SLP Housing VIII Inc	MVEC Housing Inc	SLR Housing	CSG Housing Inc	Curtis Park Horse Barn Inc	Youth Employment Academy	Osage Café LLC	DHA Park Hill LLC	DLIHDC	DHA Chestnut LLC	Total
Current liabilities:												
Accounts payable	\$ —	—	—	—	—	1,121	963	2,727	—	—	43,740	134,489
Current portion of compensated absences payable	—	—	—	—	—	—	—	—	—	—	—	10,702
Accrued liabilities	—	—	—	—	—	—	1,243	1,109	—	—	—	10,599
Unearned Revenue	—	—	—	—	—	—	25,000	—	—	—	—	139,957
Intergovernmental payables	—	—	—	—	—	—	—	—	—	—	—	—
Accrued interest payable	—	—	—	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	1,121	27,206	3,836	—	—	43,740	295,747
Current liabilities payable from restricted assets:												
Accrued interest payable	—	—	—	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—	—	—	—	—
Tenant security deposits	—	—	—	—	—	23,403	—	—	—	—	—	49,249
Escrow held for others	—	—	—	—	—	—	—	—	—	—	—	—
Current liabilities payable from restricted assets	—	—	—	—	—	23,403	—	—	—	—	—	49,249
Total current liabilities	—	—	—	—	—	24,524	27,206	3,836	—	—	43,740	344,996
Noncurrent liabilities:												
Compensated absences payable	—	—	—	—	—	—	—	—	—	—	—	1,459
Due to DCU	—	—	—	—	—	—	—	—	—	—	—	—
Accrued liabilities	—	—	—	—	—	14,712	—	—	—	—	—	14,712
Unearned Revenue	—	—	—	—	—	—	—	—	—	—	—	2,568,098
Notes and bonds payable	—	—	—	—	—	3,120,559	—	—	—	250,000	—	3,620,559
Total noncurrent liabilities	—	—	—	—	—	3,135,271	—	—	—	250,000	—	6,204,828
Total liabilities	—	—	—	—	—	3,159,795	27,206	3,836	—	250,000	43,740	6,549,824
Deferred inflow of resources	—	—	—	—	—	—	—	—	—	—	—	—
Net position:												
Investment in capital assets	—	—	—	—	—	(141,372)	665	2,360	—	(250,000)	—	3,400,582
Restricted												
Housing Assistance Payments - Section 8	—	—	—	—	—	—	—	—	—	—	—	—
Operating Reserve Fund	—	—	—	—	—	24,456	—	—	—	—	—	375,439
ACC Reserve	—	—	—	—	—	—	—	—	—	—	—	1,412,229
Replacement Reserve	—	—	—	—	—	—	9,955	—	—	—	—	9,955
Debt Service Reserve	—	—	—	—	—	414,040	—	—	—	—	—	414,040
Other	—	—	—	—	—	—	—	—	—	—	—	—
Unrestricted	2,071	2,070	5,208	5,241	5,182	114,220	26,259	19,387	1,215	250,001	2,744	3,927,709
Total net position	2,071	2,070	5,208	5,241	5,182	421,299	26,924	21,747	1,215	1	2,744	9,539,954
Total liabilities, deferred inflow of resources and net position	\$ 2,071	2,070	5,208	5,241	5,182	3,581,094	54,130	25,583	1,215	250,001	46,484	16,089,778

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	Denver Housing Corporation	Denver Community Ventures	Globeville Workforce Housing	Arrowhead Housing Inc.	Arrowhead Housing II Inc.	Arrowhead Housing III Inc.	Arrowhead Housing IV Inc.	Arrowhead Housing V Inc.	Three Towers Partners
Operating revenues:									
Rental revenues	\$ 413,027	—	—	—	—	—	—	—	—
Intergovernmental	755,396	—	—	—	—	—	—	—	—
Property Management fee revenue	—	—	—	—	7,051	5,970	—	—	—
Other revenues	16,867	26,748	65,492	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—	—
Total operating revenues	<u>1,185,290</u>	<u>26,748</u>	<u>65,492</u>	<u>—</u>	<u>7,051</u>	<u>5,970</u>	<u>—</u>	<u>—</u>	<u>—</u>
Operating expenses:									
Administrative	123,303	12,220	6,912	—	—	—	—	—	—
Management fees	64,404	—	655	—	—	—	—	—	—
Tenant services	2,633	2,057	—	—	—	—	—	—	—
Utilities	81,576	—	21,057	—	—	—	—	—	—
Ordinary maintenance	466,778	25	37,524	—	—	—	—	—	—
General	83,293	1,486	2,158	2,157	2,157	1,508	1,384	1,677	2,166
Nonroutine maintenance	233,149	—	—	—	—	—	—	—	—
Depreciation	222,151	—	774	—	—	—	—	—	—
Housing assistance payments	—	—	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—	—	—
Total operating expenses	<u>1,277,287</u>	<u>15,788</u>	<u>69,080</u>	<u>2,157</u>	<u>2,157</u>	<u>1,508</u>	<u>1,384</u>	<u>1,677</u>	<u>2,166</u>
Operating income (loss)	<u>(91,997)</u>	<u>10,960</u>	<u>(3,588)</u>	<u>(2,157)</u>	<u>4,894</u>	<u>4,462</u>	<u>(1,384)</u>	<u>(1,677)</u>	<u>(2,166)</u>
Nonoperating revenues (expenses):									
Intergovernmental	—	—	—	—	—	—	—	—	—
Interest revenue	20,068	159	14	190	83	68	28	17	17
Net increase (decrease) in the fair value of investments	(420)	(61)	3,017	(7)	(28)	(28)	(7)	(7)	(7)
Interest expense	—	—	(6,745)	—	—	—	—	—	—
Amortization Expense	—	—	—	—	—	—	—	—	—
Other Expense	—	—	(158,541)	—	—	—	—	—	—
Loss on assets held for sale	—	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	—	—	—	—	—	—	—	—
Nonoperating revenues (expenses), net	<u>19,648</u>	<u>98</u>	<u>(162,255)</u>	<u>183</u>	<u>55</u>	<u>40</u>	<u>21</u>	<u>10</u>	<u>10</u>
Income (loss) before other revenues, expenses, gains, losses, and transfers	<u>(72,349)</u>	<u>11,058</u>	<u>(165,843)</u>	<u>(1,974)</u>	<u>4,949</u>	<u>4,502</u>	<u>(1,363)</u>	<u>(1,667)</u>	<u>(2,156)</u>
Transfers in (out)	<u>(12,000,000)</u>	<u>—</u>	<u>2,359,037</u>	<u>2,200</u>	<u>2,200</u>	<u>1,600</u>	<u>1,500</u>	<u>1,800</u>	<u>2,200</u>
Equity transfer	—	—	—	—	—	—	—	—	—
Capital grants - Capital Fund	—	—	—	—	—	—	—	—	—
Capital grants - other than Capital Fund	—	—	—	—	—	—	—	—	—
Capital contributions from general and limited partners	—	—	—	—	—	—	—	—	—
Change in net position	<u>(12,072,349)</u>	<u>11,058</u>	<u>2,193,194</u>	<u>226</u>	<u>7,149</u>	<u>6,102</u>	<u>137</u>	<u>133</u>	<u>44</u>
Net position, January 1	18,043,655	64,584	(1,486,200)	873,394	145,264	22,364	114,182	5,140	5,158
Net position, End of Period	<u>\$ 5,971,306</u>	<u>75,642</u>	<u>706,994</u>	<u>873,620</u>	<u>152,413</u>	<u>28,466</u>	<u>114,319</u>	<u>5,273</u>	<u>5,202</u>

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	Curtis Park Housing Inc.	DLIHDC DC	Denver Housing Development Partners Inc.	DHA Limited Partner	Westwood Housing Inc.	1099 Osage Housing Inc.	SLP Housing II Inc	SLP Housing III Inc	SLP Housing IV Inc	SLP Housing VI Inc
Operating revenues:										
Rental revenues	\$ —	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—	—
Property Management fee revenue	—	—	—	—	—	—	—	—	—	—
Other revenues	—	35,777	99,386	1,079	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—	—	—
Total operating revenues	—	35,777	99,386	1,079	—	—	—	—	—	—
Operating expenses:										
Administrative	—	27,395	40,064	1,078	—	—	—	—	—	—
Management fees	—	—	5,963	—	—	—	—	—	—	—
Tenant services	—	—	—	—	—	—	—	—	—	—
Utilities	—	—	—	—	—	—	—	—	—	—
Ordinary maintenance	—	—	—	—	—	—	—	—	—	—
General	2,158	4,654	8,810	—	1,265	1,439	1,591	1,300	1,321	485
Nonroutine maintenance	—	—	—	—	—	—	—	—	—	—
Depreciation	—	—	—	—	—	—	—	—	—	—
Housing assistance payments	—	—	—	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—	—	—	—
Total operating expenses	2,158	32,049	54,837	1,078	1,265	1,439	1,591	1,300	1,321	485
Operating income (loss)	(2,158)	3,728	44,549	1	(1,265)	(1,439)	(1,591)	(1,300)	(1,321)	(485)
Nonoperating revenues (expenses):										
Intergovernmental	—	—	—	—	—	—	—	—	—	—
Interest revenue	17	465	533	34	150	18	17	18	18	21
Net increase (decrease) in the fair value of investments	(7)	(175)	(143)	(13)	(7)	(7)	(7)	(4)	(5)	—
Interest expense	—	—	—	—	—	—	—	—	—	—
Amortization Expense	—	—	—	—	—	—	—	—	—	—
Other Expense	—	—	—	—	—	—	—	—	—	—
Loss on assets held for sale	—	—	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	—	—	—	—	—	—	—	—	—
Nonoperating revenues (expenses), net	10	290	390	21	143	11	10	14	13	21
Income (loss) before other revenues, expenses, gains, losses, and transfers	(2,148)	4,018	44,939	22	(1,122)	(1,428)	(1,581)	(1,286)	(1,308)	(464)
Transfers in (out)	2,200	—	—	—	1,300	1,500	1,600	1,300	1,400	1,500
Equity transfer	—	—	—	—	—	—	—	—	—	—
Capital grants - Capital Fund	—	—	—	—	—	—	—	—	—	—
Capital grants - other than Capital Fund	—	—	—	—	—	—	—	—	—	—
Capital contributions from general and limited partners	—	—	—	—	—	—	—	—	—	—
Change in net position	52	4,018	44,939	22	178	72	19	14	92	1,036
Net position, January 1	131,656	123,076	104,214	9,140	668,956	5,083	5,146	5,167	5,127	5,010
Net position, End of Period	\$ 131,708	127,094	149,153	9,162	669,134	5,155	5,165	5,181	5,219	6,046

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	SLP Housing VII Inc	SLP Housing VIII Inc	MVEC Housing Inc	SLR Housing Inc	CSG Housing Inc	Curtis Park Horse Barn Inc	Youth Employment Academy	Osage Café LLC	DHA Park Hill LLC	DLIHDC	DHA Chestnut LLC	Total
Operating revenues:												
Rental revenues	\$ —	—	—	—	—	—	—	—	—	—	—	413,027
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—	755,396
Property Management fee revenue	—	—	—	—	—	—	—	—	—	—	—	13,021
Other revenues	—	—	—	—	—	241,129	181,935	105,432	1,078	—	63,010	837,933
Charges for services	—	—	—	—	—	—	—	—	—	—	—	—
Total operating revenues	—	—	—	—	—	241,129	181,935	105,432	1,078	—	63,010	2,019,377
Operating expenses:												
Administrative	—	—	—	—	—	2,114	19,955	4,891	—	—	60,217	298,149
Management fees	—	—	—	—	—	11,000	—	—	—	—	—	82,022
Tenant services	—	—	—	—	—	—	129,883	128,773	—	—	—	263,346
Utilities	—	—	—	—	—	1,103	—	4,751	—	—	—	108,487
Ordinary maintenance	—	—	—	—	—	11,518	—	804	—	—	—	516,649
General	430	431	1,999	2,018	10,808	33,809	1,324	4,535	—	—	—	176,363
Nonroutine maintenance	—	—	—	—	—	934	—	—	—	—	—	234,083
Depreciation	—	—	—	—	—	191,410	200	1,029	—	—	—	415,564
Housing assistance payments	—	—	—	—	—	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	430	431	1,999	2,018	10,808	251,888	151,362	144,783	—	—	60,217	2,094,663
Operating income (loss)	(430)	(431)	(1,999)	(2,018)	(10,808)	(10,759)	30,573	(39,351)	1,078	—	2,793	(75,286)
Nonoperating revenues (expenses):												
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—	—
Interest revenue	1	1	17	17	6	995	200	(97)	4	—	(8)	23,071
Net increase (decrease) in the fair value of investments	—	—	(7)	(7)	4	(282)	(48)	4	(1)	—	(41)	1,706
Interest expense	—	—	—	—	—	(46,063)	—	(19)	—	—	—	(52,827)
Amortization Expense	—	—	—	—	—	—	—	—	—	—	—	—
Other Expense	—	—	—	—	—	—	—	—	—	—	—	(158,541)
Loss on assets held for sale	—	—	—	—	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	—	—	—	—	—	—	—	—	—	—	—
Nonoperating revenues (expenses), net	1	1	10	10	10	(45,350)	152	(112)	3	—	(49)	(186,591)
Income (loss) before other revenues, expenses, gains, losses, and transfers	(429)	(430)	(1,989)	(2,008)	(10,798)	(56,109)	30,725	(39,463)	1,081	—	2,744	(261,877)
Transfers in (out)	2,500	2,500	2,000	2,100	10,900	—	(26,932)	53,500	—	1	—	(9,572,094)
Equity transfer	—	—	—	—	—	—	—	—	—	—	—	—
Capital grants - Capital Fund	—	—	—	—	—	—	—	—	—	—	—	—
Capital grants - other than Capital Fund	—	—	—	—	—	—	—	—	—	—	—	—
Capital contributions from general and limited partners	—	—	—	—	—	—	—	—	—	—	—	—
Change in net position	2,071	2,070	11	92	102	(56,109)	3,793	14,037	1,081	1	2,744	(9,833,971)
Net position, January 1	—	—	5,197	5,149	5,080	477,408	23,131	7,710	134	—	—	19,373,925
Net position, End of Period	\$ 2,071	2,070	5,208	5,241	5,182	421,299	26,924	21,747	1,215	1	2,744	9,539,954

Housing Authority of the City and County of Denver

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	Denver Housing Corporation	Denver Community Ventures	Globeville Workforce Housing	Arrowhead Housing Inc.	Arrowhead Housing II Inc.	Arrowhead Housing III Inc.	Arrowhead Housing IV Inc.	Arrowhead Housing V Inc.	Three Towers Partners	Curtis Park Housing Inc.
Cash flows from operating activities:										
Receipts from HUD	\$ 755,396	—	—	—	—	—	—	—	—	—
Receipts from tenants and others	96,470	27,241	65,492	—	7,051	5,970	—	—	—	—
Payments to employees	(261,042)	—	—	—	—	—	—	—	—	—
Payments to vendors and suppliers	(755,032)	(15,315)	(2,496,037)	(2,157)	(2,006)	(1,682)	(1,384)	(1,677)	(2,166)	(2,158)
Net cash provided by (used in) operating activities	(164,208)	11,926	(2,430,545)	(2,157)	5,045	4,288	(1,384)	(1,677)	(2,166)	(2,158)
Cash flows from noncapital financing activities:										
Intergovernmental operating subsidy and grants	—	—	—	—	—	—	—	—	—	—
Advances between funds	—	—	—	—	—	—	—	—	—	—
Transfers in (out)	(12,000,000)	—	2,359,037	2,200	2,200	1,600	1,500	1,800	2,200	2,200
Net cash provided by (used in) noncapital financing activities	(12,000,000)	—	2,359,037	2,200	2,200	1,600	1,500	1,800	2,200	2,200
Cash flows from capital and related financing activities:										
Issuance of note payable	—	—	—	—	—	—	—	—	—	—
Principal payments on debt	—	—	—	—	—	—	—	—	—	—
Interest payments	—	—	(6,745)	—	—	—	—	—	—	—
Other financing and project development costs	—	—	—	—	—	—	—	—	—	—
Capital grants	—	—	—	—	—	—	—	—	—	—
Acquisition and construction of capital assets	—	—	—	—	—	—	—	—	—	—
Proceeds from capital contributions	—	—	—	—	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—	—	—	—	—
Net cash provided by (used in) capital and related financing activities	—	—	(6,745)	—	—	—	—	—	—	—
Cash flows from investing activities:										
Issuance of notes receivable	—	—	—	—	—	—	—	—	—	—
Receipt of payments on notes receivable	5,868,750	—	237,000	—	—	—	—	—	—	—
Short-term loan	—	—	—	—	—	—	—	—	—	—
Proceeds from sales and maturities of investments	9,111,981	2,287	2,333,720	602	27	28	548	547	609	604
Purchase of investments	(8,918,640)	(6,748)	(2,333,940)	(661)	(7,343)	(5,984)	(682)	(687)	(660)	(663)
Investment in partnership	—	—	(158,541)	—	—	—	—	—	—	—
Purchase of partnership interest	—	—	—	—	—	—	—	—	—	—
Interest received	20,068	159	14	190	83	68	28	17	17	17
Net cash provided by (used in) investing activities	6,082,159	(4,302)	78,253	131	(7,233)	(5,888)	(106)	(123)	(34)	(42)
Net increase (decrease) in cash and cash equivalents	(6,082,049)	7,624	—	174	12	—	10	—	—	—
Cash and cash equivalents, January 1	10,337,627	22,563	—	868,247	122,771	—	108,039	—	—	—
Cash and cash equivalents, December 31	\$ 4,255,578	30,187	—	868,421	122,783	—	108,049	—	—	—
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:										
Operating income (loss)	\$ (91,997)	10,960	(3,588)	(2,157)	4,894	4,462	(1,384)	(1,677)	(2,166)	(2,158)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
Depreciation and amortization	222,151	—	774	—	—	—	—	—	—	—
Changes in operating assets and liabilities:										
Accounts receivable:										
Tenants	3,509	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—	—
Other	(206,976)	493	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—	—	—
Due from DCU	(15,976)	—	(442,550)	—	151	(174)	—	—	—	—
Inventories	—	—	—	—	—	—	—	—	—	—
Prepaid items	—	—	—	—	—	—	—	—	—	—
Accounts payable	43,669	473	710	—	—	—	—	—	—	—
Compensated absences payable	1,580	—	—	—	—	—	—	—	—	—
Accrued liabilities	(6,188)	—	511	—	—	—	—	—	—	—
Unearned Revenue	(116,890)	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	(1,986,402)	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—	—	—
Tenant security deposits	2,910	—	—	—	—	—	—	—	—	—
Escrow held for others	—	—	—	—	—	—	—	—	—	—
Net cash provided by (used in) operating activities	\$ (164,208)	11,926	(2,430,545)	(2,157)	5,045	4,288	(1,384)	(1,677)	(2,166)	(2,158)

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December 31, 2015

	DLIHDC DC	Denver Housing Development Partners Inc.	DHA Limited Partner	Westwood Housing Inc.	1099 Osage Housing Inc.	SL Housing II Inc	SL Housing III Inc	SL Housing IV Inc	SLP Housing VI Inc	SLP Housing VII Inc
Cash flows from operating activities:										
Receipts from HUD	\$ —	—	—	—	—	—	—	—	—	—
Receipts from tenants and others	35,777	90,904	1,079	—	—	—	—	—	—	—
Payments to employees	—	(19,590)	—	—	—	—	—	—	—	—
Payments to vendors and suppliers	(32,049)	(38,891)	(1,078)	(1,265)	(1,439)	(1,591)	(1,300)	(1,321)	(1,948)	(107,666)
Net cash provided by (used in) operating activities	3,728	32,423	1	(1,265)	(1,439)	(1,591)	(1,300)	(1,321)	(1,948)	(107,666)
Cash flows from noncapital financing activities:										
Intergovernmental operating subsidy and grants	—	—	—	—	—	—	—	—	—	—
Advances between funds	—	—	—	—	—	—	—	—	—	—
Transfers in (out)	—	—	—	1,300	1,500	1,600	1,300	1,400	1,500	2,500
Net cash provided by (used in) noncapital financing activities	—	—	—	1,300	1,500	1,600	1,300	1,400	1,500	2,500
Cash flows from capital and related financing activities:										
Issuance of note payable	250,000	—	—	—	—	—	—	—	—	—
Principal payments on debt	—	—	—	—	—	—	—	—	—	(50,000)
Interest payments	—	—	—	—	—	—	—	—	—	—
Other financing and project development costs	—	—	—	—	—	—	—	—	—	—
Capital grants	—	—	—	—	—	—	—	—	—	—
Acquisition and construction of capital assets	—	—	—	—	—	—	—	—	—	—
Proceeds from capital contributions	—	—	—	—	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—	—	—	—	148,088
Net cash provided by (used in) capital and related financing activities	250,000	—	—	—	—	—	—	—	—	98,088
Cash flows from investing activities:										
Issuance of notes receivable	—	—	—	—	—	—	—	—	—	—
Receipt of payments on notes receivable	—	—	—	—	—	—	—	—	—	—
Short-term loan	—	—	—	—	—	—	—	—	—	—
Proceeds from sales and maturities of investments	11,548	142	1,138	605	592	624	631	572	908	9,578
Purchase of investments	(15,741)	(32,988)	(1,173)	(657)	(671)	(650)	(649)	(669)	(481)	(2,400)
Investment in partnership	(250,000)	(110)	—	—	—	—	—	—	—	(101)
Purchase of partnership interest	—	—	—	—	—	—	—	—	—	—
Interest received	465	533	34	150	18	17	18	18	21	1
Net cash provided by (used in) investing activities	(253,728)	(32,423)	(1)	98	(61)	(9)	—	(79)	448	7,078
Net increase (decrease) in cash and cash equivalents	—	—	—	133	—	—	—	—	—	—
Cash and cash equivalents, January 1	—	—	—	663,826	—	—	—	—	—	—
Cash and cash equivalents, December 31	\$ —	—	—	663,959	—	—	—	—	—	—
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:										
Operating income (loss)	\$ 3,728	44,549	1	(1,265)	(1,439)	(1,591)	(1,300)	(1,321)	(485)	(430)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
Depreciation and amortization	—	—	—	—	—	—	—	—	—	—
Changes in operating assets and liabilities:										
Accounts receivable										
Tenants	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—	—
Other	—	(8,482)	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—	—	—
Due from DCU	—	—	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	—	—	—
Prepaid items	—	—	—	—	—	—	—	—	(1,463)	(1,462)
Accounts payable	—	(3,675)	—	—	—	—	—	—	—	(105,774)
Compensated absences payable	—	—	—	—	—	—	—	—	—	—
Accrued liabilities	—	31	—	—	—	—	—	—	—	—
Unearned Revenue	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—	—	—
Tenant security deposits	—	—	—	—	—	—	—	—	—	—
Escrow held for others	—	—	—	—	—	—	—	—	—	—
Net cash provided by (used in) operating activities	\$ 3,728	32,423	1	(1,265)	(1,439)	(1,591)	(1,300)	(1,321)	(1,948)	(107,666)

Housing Authority of the City and County of Denver

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December 31, 2015

	SLP Housing VIII Inc	MVEC Housing Inc.	SLR Housing Inc	CSG Housing Inc	Curtis Park Horse Barn Inc	Youth Employment Academy	Osage Café LLC	DHA Park Hill LLC	DLJHDC	DHA Chestnut LLC	Total
Cash flows from operating activities:											
Receipts from HUD	\$ —	—	—	—	—	—	—	—	—	—	755,396
Receipts from tenants and others	—	—	—	—	241,129	165,808	100,055	1,078	—	63,010	901,064
Payments to employees	—	—	—	—	—	(98,098)	(72,078)	—	—	—	(450,808)
Payments to vendors and suppliers	(1,893)	(1,999)	(2,018)	(10,808)	(52,836)	(53,834)	(79,663)	(1,078)	—	(16,477)	(3,688,768)
Net cash provided by (used in) operating activities	(1,893)	(1,999)	(2,018)	(10,808)	188,293	13,876	(51,686)	—	—	46,533	(2,483,116)
Cash flows from noncapital financing activities:											
Intergovernmental operating subsidy and grants	—	—	—	—	—	—	—	—	—	—	—
Advances between funds	—	—	—	—	—	—	—	—	—	—	—
Transfers in (out)	2,500	2,000	2,100	10,900	—	(26,932)	53,500	—	1	—	(9,572,094)
Net cash provided by (used in) noncapital financing activities	2,500	2,000	2,100	10,900	—	(26,932)	53,500	—	1	—	(9,572,094)
Cash flows from capital and related financing activities:											
Issuance of note payable	—	—	—	—	—	—	—	—	250,000	—	500,000
Principal payments on debt	—	—	—	—	—	—	—	—	—	—	(50,000)
Interest payments	—	—	—	—	(46,063)	—	(19)	—	—	—	(52,827)
Other financing and project development costs	—	—	—	—	—	—	—	—	—	—	—
Capital grants	—	—	—	—	—	—	—	—	—	—	—
Acquisition and construction of capital assets	—	—	—	—	(38,616)	—	—	—	—	—	(38,616)
Proceeds from capital contributions	—	—	—	—	—	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—	—	—	—	—	148,088
Net cash provided by (used in) capital and related financing activities	—	—	—	—	(84,679)	—	(19)	—	250,000	—	506,645
Cash flows from investing activities:											
Issuance of notes receivable	—	—	—	—	—	—	—	—	(250,000)	—	(250,000)
Receipt of payments on notes receivable	—	—	—	—	—	—	—	—	—	—	6,105,750
Short-term loan	—	—	—	—	—	—	—	—	—	—	—
Proceeds from sales and maturities of investments	2,092	637	588	9,202	347,490	65,788	125,942	2,153	—	48	12,031,231
Purchase of investments	(2,600)	(655)	(687)	(9,300)	(188,104)	(27,998)	(126,420)	(2,157)	—	(46,563)	(11,736,571)
Investment in partnership	(100)	—	—	—	—	—	—	—	(1)	(10)	(408,863)
Purchase of partnership interest	—	—	—	—	—	—	—	—	—	—	—
Interest received	1	17	17	6	994	200	(97)	4	—	(8)	23,070
Net cash provided by (used in) investing activities	(607)	(1)	(82)	(92)	160,380	37,990	(575)	—	(250,001)	(46,533)	5,764,617
Net increase (decrease) in cash and cash equivalents	—	—	—	—	263,994	24,934	1,220	—	—	—	(5,783,948)
Cash and cash equivalents, January 1	—	—	—	—	193,377	3,567	10,164	—	—	—	12,330,181
Cash and cash equivalents, December 31	\$ —	—	—	—	457,371	28,501	11,384	—	—	—	6,546,233
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ (431)	(1,999)	(2,018)	(10,808)	(10,759)	30,573	(39,351)	1,078	—	2,793	(75,286)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
Depreciation and amortization	—	—	—	—	191,410	200	1,029	—	—	—	415,564
Changes in operating assets and liabilities:											
Accounts receivable											
Tenants	—	—	—	—	—	—	—	—	—	—	3,509
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	(3,627)	(5,377)	—	—	—	(223,969)
Due from other funds	—	—	—	—	—	—	—	—	—	—	—
Due from DCU	—	—	—	—	—	—	—	—	—	—	(458,549)
Inventories	—	—	—	—	—	—	(365)	—	—	—	(365)
Prepaid items	(1,462)	—	—	—	6,377	812	(389)	—	—	—	2,413
Accounts payable	—	—	—	—	(3,297)	(1,076)	2,218	(1,078)	—	43,740	(24,090)
Compensated absences payable	—	—	—	—	—	—	—	—	—	—	1,580
Accrued liabilities	—	—	—	—	4,562	(506)	(1,465)	—	—	—	(3,055)
Unearned Revenue	—	—	—	—	—	(12,500)	—	—	—	—	(129,390)
Due to other funds	—	—	—	—	—	—	(7,986)	—	—	—	(1,994,388)
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—	—	—	—
Tenant security deposits	—	—	—	—	—	—	—	—	—	—	2,910
Escrow held for others	—	—	—	—	—	—	—	—	—	—	—
Net cash provided by (used in) operating activities	\$ (1,893)	(1,999)	(2,018)	(10,808)	188,293	13,876	(51,686)	—	—	46,533	(2,483,116)

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

(15) Subsequent Events

Events that occur after the date of the statement of net position but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of the subsequent events that provide evidence about conditions that existed at the date of the statement of net position are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the date of the statement of net position, require disclosure in the accompanying notes. Management evaluated the activity of DHA through May 31, 2015 (the date the financial statements were available to be issued) and concluded that no subsequent events, have occurred that would require disclosure in the Notes to the Financial Statements.

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Financial Schedules - Primary Government

December 31, 2015

Assets & Deferred Outflow of Resources	General administrative	Low rent	Denver housing program	Component Units	Section 8	Grants	Internal services	Combining entries	Total
Current assets:									
Cash and cash equivalents	\$ 6,481,394	1,000,255	1,165	4,334,570	500	—	200	—	11,818,084
Investments	2,560,727	16,459,971	19,039,607	807,420	1,392,800	89,682	—	—	40,350,207
Receivables:									
Tenants	—	156,623	6,521	2,808	—	—	—	—	165,952
Interest	46,905	—	65,178	—	—	—	—	—	112,083
Intergovernmental	—	3,548,157	14,551	—	39,108	162,690	—	—	3,764,506
Other	83,034	113,684	12,247	248,513	—	—	166	—	457,644
Current portion of notes receivable	—	—	499,914	—	—	—	—	—	499,914
Due from other funds	3,043,395	—	—	—	—	—	1,969,557	(5,012,952)	—
Due from DCU	41,025	162,496	298,793	13,020	—	—	—	—	515,334
Inventories	7,841	—	—	1,777	—	405	71,702	—	81,725
Assets held for sale	—	—	—	—	—	—	—	—	—
Prepaid items	23,492	97,973	25,000	4,776	19,955	—	33,339	—	204,535
Restricted:									
Cash	—	7,182,309	6,015,864	2,211,663	—	—	—	—	15,409,836
Investments	—	3,051,407	768,095	49,249	641,320	—	—	—	4,510,071
Total current assets	<u>12,287,813</u>	<u>31,772,875</u>	<u>26,746,935</u>	<u>7,673,796</u>	<u>2,093,683</u>	<u>252,777</u>	<u>2,074,964</u>	<u>(5,012,952)</u>	<u>77,889,891</u>
Noncurrent assets:									
Noncurrent portion of notes receivable	—	136,373,529	54,069,594	491,145	—	3,380,000	—	(1,960,559)	192,353,709
Due from DCU	—	22,312	6,710,180	515,744	—	—	—	—	7,248,236
Other	—	—	368,472	387,952	—	—	—	—	756,424
Restricted:									
Cash	—	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—	—
Capital assets:									
Land	—	20,820,965	18,869,763	1,707,246	—	638,950	—	—	42,036,924
Buildings	—	211,343,308	6,548,777	7,646,331	—	—	—	—	225,538,416
Accumulated depreciation – buildings	—	(151,825,990)	(3,513,841)	(2,478,615)	—	—	—	—	(157,818,446)
Improvements	—	29,577,017	1,872,304	50,074	—	—	—	—	31,499,395
Accumulated depreciation – improvements	—	(19,530,851)	(486,099)	(11,448)	—	—	—	—	(20,028,398)
Machinery and equipment	834,498	2,093,585	138,823	222,049	263,059	—	1,340,789	—	4,892,803
Accumulated depreciation – machinery and equipment	(719,665)	(2,025,227)	(91,479)	(114,496)	(232,245)	—	(1,250,948)	—	(4,434,060)
Construction in progress	—	6,615,668	198,737	—	—	—	—	—	6,814,405
Total capital assets	<u>114,833</u>	<u>97,068,475</u>	<u>23,536,985</u>	<u>7,021,141</u>	<u>30,814</u>	<u>638,950</u>	<u>89,841</u>	<u>—</u>	<u>128,501,039</u>
Total noncurrent assets	<u>114,833</u>	<u>233,464,316</u>	<u>84,685,231</u>	<u>8,415,982</u>	<u>30,814</u>	<u>4,018,950</u>	<u>89,841</u>	<u>(1,960,559)</u>	<u>328,859,408</u>
Total assets	<u>12,402,646</u>	<u>265,237,191</u>	<u>111,432,166</u>	<u>16,089,778</u>	<u>2,124,497</u>	<u>4,271,727</u>	<u>2,164,805</u>	<u>(6,973,511)</u>	<u>406,749,299</u>
Deferred Outflow of Resources									
Total deferred outflow of resources	—	—	—	—	—	—	—	—	—
Total assets and deferred outflow of resources	<u>\$ 12,402,646</u>	<u>265,237,191</u>	<u>111,432,166</u>	<u>16,089,778</u>	<u>2,124,497</u>	<u>4,271,727</u>	<u>2,164,805</u>	<u>(6,973,511)</u>	<u>406,749,299</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**
Combining Financial Schedules - Primary Government
December 31, 2015

Liabilities, Deferred Inflow of Resources & Net Position	General administrative	Low rent	Denver housing program	Component Units	Section 8	Grants	Internal services	Combining entries	Total
Current liabilities:									
Accounts payable	\$ 454,192	1,745,220	135,382	134,489	16,243	1,229	18,082	—	2,504,837
Current portion of compensated absences payable	289,292	288,291	41,440	10,702	60,106	—	72,800	—	762,631
Accrued liabilities	679,154	697,078	17,086	10,599	28,521	12,775	23,255	—	1,468,468
Unearned revenue	—	246,327	133,198	139,957	—	88,543	—	—	608,025
Intergovernmental payables	—	—	—	—	70,630	—	—	—	70,630
Accrued interest payable	—	64,387	72,762	—	—	—	—	—	137,149
Current portion of long-term debt	—	1,460,294	187,648	—	—	—	—	—	1,647,942
Due to other funds	1,969,557	2,905,005	—	—	—	138,390	—	(5,012,952)	—
Due to DCU	—	—	1,785,973	—	—	—	—	—	1,785,973
	<u>3,392,195</u>	<u>7,406,602</u>	<u>2,373,489</u>	<u>295,747</u>	<u>175,500</u>	<u>240,937</u>	<u>114,137</u>	<u>(5,012,952)</u>	<u>8,985,655</u>
Current liabilities payable from restricted assets:									
Accrued interest payable	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	335,000	—	—	—	—	—	—	335,000
Family Self Sufficiency escrow	—	209,142	—	—	88,836	—	—	—	297,978
Tenant security deposits	—	288,505	16,849	49,249	—	—	—	—	354,603
Escrow held for others	—	—	—	—	—	—	—	—	—
Current liabilities payable from restricted assets	—	832,647	16,849	49,249	88,836	—	—	—	987,581
Total current liabilities	<u>3,392,195</u>	<u>8,239,249</u>	<u>2,390,338</u>	<u>344,996</u>	<u>264,336</u>	<u>240,937</u>	<u>114,137</u>	<u>(5,012,952)</u>	<u>9,973,236</u>
Noncurrent liabilities:									
Compensated absences payable	39,449	39,312	5,651	1,459	8,196	—	9,927	—	103,994
Due to DCU	—	—	409,119	—	—	—	—	—	409,119
Accrued liabilities	834,000	—	—	14,712	—	—	—	—	848,712
Unearned Revenue	—	687,445	—	2,568,098	—	—	—	—	3,255,543
Notes and bonds payable	—	31,473,744	21,496,138	3,620,559	—	—	—	(1,960,559)	54,629,882
Family Self Sufficiency escrow	—	208,305	—	—	169,388	—	—	—	377,693
Total noncurrent liabilities	<u>873,449</u>	<u>32,408,806</u>	<u>21,910,908</u>	<u>6,204,828</u>	<u>177,584</u>	<u>—</u>	<u>9,927</u>	<u>(1,960,559)</u>	<u>59,624,943</u>
Total liabilities	<u>4,265,644</u>	<u>40,648,055</u>	<u>24,301,246</u>	<u>6,549,824</u>	<u>441,920</u>	<u>240,937</u>	<u>124,064</u>	<u>(6,973,511)</u>	<u>69,598,179</u>
Deferred inflow of resources	—	—	—	—	—	—	—	—	—
Net position:									
Net investment in capital assets	114,833	63,799,437	14,613,199	3,400,582	30,814	638,950	89,841	1,960,559	84,648,215
Restricted									
Housing Assistance Payments - Section 8	—	—	—	—	383,096	—	—	—	383,096
Operating Reserve Fund	—	—	694,148	375,439	—	—	—	—	1,069,587
ACC Reserve	—	1,008,730	978,884	1,412,229	—	—	—	—	3,399,843
Replacement Reserve	—	396,481	1,712,444	9,955	—	—	—	—	2,118,880
Debt Service Reserve	—	9	1,500,555	414,040	—	—	—	—	1,914,604
Disposition Escrow	—	5,777,089	—	—	—	—	—	—	5,777,089
Escrow Fund	—	—	75,480	—	—	—	—	—	75,480
Project Revenue Bond Fund	—	—	950,635	—	—	—	—	—	950,635
Redemption Bond Fund	—	—	15,000	—	—	—	—	—	15,000
Bond Proceeds Fund	—	—	79,395	—	—	—	—	—	79,395
Surplus Bond Fund	—	—	9,322	—	—	—	—	—	9,322
Other	—	2,345,610	751,247	—	—	—	—	—	3,096,857
Unrestricted	<u>8,022,169</u>	<u>151,261,780</u>	<u>65,750,611</u>	<u>3,927,709</u>	<u>1,268,667</u>	<u>3,391,840</u>	<u>1,950,900</u>	<u>(1,960,559)</u>	<u>233,613,117</u>
Total net position	<u>8,137,002</u>	<u>224,589,136</u>	<u>87,130,920</u>	<u>9,539,954</u>	<u>1,682,577</u>	<u>4,030,790</u>	<u>2,040,741</u>	<u>—</u>	<u>337,151,120</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 12,402,646</u>	<u>265,237,191</u>	<u>111,432,166</u>	<u>16,089,778</u>	<u>2,124,497</u>	<u>4,271,727</u>	<u>2,164,805</u>	<u>(6,973,511)</u>	<u>406,749,299</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Financial Schedules

Year ended December 31, 2015

	General administrative	Low rent	Denver housing program	Component Units	Section 8	Grants	Internal services	Combining entries	Total
Operating revenues:									
Rental revenues	\$ —	9,085,955	157,277	413,027	—	—	—	—	9,656,259
Intergovernmental	—	19,541,111	483,604	755,396	63,421,678	504,314	—	—	84,706,103
Property Management fee revenue	6,373,184	—	2,800,453	13,021	—	—	—	(4,325,158)	4,861,500
Other revenues	798,631	1,316,209	1,378,792	837,933	57,230	164,058	112	(1,066,848)	3,486,117
Charges for services	83,666	—	—	—	—	—	2,764,953	(2,029,475)	819,144
Total operating revenues	<u>7,255,481</u>	<u>29,943,275</u>	<u>4,820,126</u>	<u>2,019,377</u>	<u>63,478,908</u>	<u>668,372</u>	<u>2,765,065</u>	<u>(7,421,481)</u>	<u>103,529,123</u>
Operating expenses:									
Administrative	6,222,323	5,137,872	2,096,733	298,149	2,632,906	191,636	402	(1,194,963)	15,385,058
Management fees	—	3,021,131	324,857	82,022	1,141,632	—	—	(4,325,158)	244,484
Tenant services	429,932	952,572	70,021	263,346	—	881,053	—	(26,463)	2,570,461
Utilities	—	4,470,448	55,618	108,487	—	—	—	—	4,634,553
Ordinary maintenance	18,086	7,890,741	253,952	516,649	—	—	—	(1,719,645)	6,959,783
General	82,059	1,312,943	85,666	176,363	51,041	—	372	—	1,708,444
Nonroutine maintenance	250	2,800,349	315,231	234,083	—	—	—	—	3,349,913
Depreciation	63,369	8,168,637	365,104	415,564	11,744	—	62,305	—	9,086,723
Housing assistance payments	—	—	—	—	59,391,064	—	—	—	59,391,064
Cost of sales and services	—	—	—	—	—	—	2,677,230	(155,252)	2,521,978
Other operating expenses	—	3,725,166	—	—	—	—	—	—	3,725,166
Total operating expenses	<u>6,816,019</u>	<u>37,479,859</u>	<u>3,567,182</u>	<u>2,094,663</u>	<u>63,228,387</u>	<u>1,072,689</u>	<u>2,740,309</u>	<u>(7,421,481)</u>	<u>109,577,627</u>
Operating income (loss)	<u>439,462</u>	<u>(7,536,584)</u>	<u>1,252,944</u>	<u>(75,286)</u>	<u>250,521</u>	<u>(404,317)</u>	<u>24,756</u>	<u>—</u>	<u>(6,048,504)</u>
Nonoperating revenues (expenses):									
Intergovernmental	—	—	—	—	—	—	—	—	—
Interest revenue	44,522	717,338	2,113,763	23,071	59,083	622	—	—	2,958,399
Net increase (decrease) in the fair value of investments	(9,893)	(24,205)	(25,758)	1,706	(2,719)	—	—	—	(60,869)
Interest expense	—	(1,198,658)	(1,334,052)	(52,827)	—	—	—	—	(2,585,537)
Amortization Expense	—	—	—	—	—	—	—	—	—
Other Expense	—	—	(10,760)	(158,541)	—	—	—	—	(169,301)
Loss on assets held for sale	—	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	2,015,642	1,467,622	—	—	—	118,407	—	3,601,671
Nonoperating revenues (expenses), net	<u>34,629</u>	<u>1,510,117</u>	<u>2,210,815</u>	<u>(186,591)</u>	<u>56,364</u>	<u>622</u>	<u>118,407</u>	<u>—</u>	<u>3,744,363</u>
Income (loss) before other revenues, expenses, gains, losses, and transfers	<u>474,091</u>	<u>(6,026,467)</u>	<u>3,463,759</u>	<u>(261,877)</u>	<u>306,885</u>	<u>(403,695)</u>	<u>143,163</u>	<u>—</u>	<u>(2,304,141)</u>
Transfers in (out)	(424,109)	616,899	9,871,448	(9,572,094)	—	(492,144)	—	—	—
Equity transfer	—	—	—	—	—	—	—	—	—
Capital grants - Capital Fund	—	3,068,506	—	—	—	—	—	—	3,068,506
Capital grants - other than Capital Fund	—	4,611,697	393,700	—	—	328,348	—	—	5,333,745
Capital contributions from general and limited partners	—	—	—	—	—	—	—	—	—
Changes in net position	<u>49,982</u>	<u>2,270,635</u>	<u>13,728,907</u>	<u>(9,833,971)</u>	<u>306,885</u>	<u>(567,491)</u>	<u>143,163</u>	<u>—</u>	<u>6,098,110</u>
Net position, January 1	8,087,020	222,318,501	73,402,013	19,373,925	1,375,692	4,598,281	1,897,578	—	331,053,010
Net position, End of Period	<u>\$ 8,137,002</u>	<u>224,589,136</u>	<u>87,130,920</u>	<u>9,539,954</u>	<u>1,682,577</u>	<u>4,030,790</u>	<u>2,040,741</u>	<u>—</u>	<u>337,151,120</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Financial Schedules
Year ended December 31, 2015

	General administrative	Low rent	Denver housing program	Component Units	Section 8	Grants	Internal services	Combining entries	Total
Cash flows from operating activities:									
Receipts from HUD	\$ —	16,572,003	475,936	755,396	63,415,046	381,295	—	—	81,599,676
Receipts from tenants and others	7,193,081	10,195,784	3,772,955	901,064	57,230	135,542	2,765,119	(7,421,481)	17,599,294
Payments to employees	(6,478,454)	(6,734,956)	(1,236,555)	(450,808)	(2,092,699)	(862,731)	(174,898)	—	(18,031,101)
Payments to vendors and suppliers	(3,137,618)	(19,061,271)	2,571,731	(3,688,768)	(61,221,765)	(110,868)	(2,686,584)	7,421,481	(79,913,662)
Net cash provided by (used in) operating activities	<u>(2,422,991)</u>	<u>971,560</u>	<u>5,584,067</u>	<u>(2,483,116)</u>	<u>157,812</u>	<u>(456,762)</u>	<u>(96,363)</u>	<u>—</u>	<u>1,254,207</u>
Cash flows from noncapital financing activities:									
Intergovernmental nonoperating subsidy and grants	—	—	—	—	—	—	—	—	—
Advances between funds	—	—	—	—	—	—	—	—	—
Transfers in (out)	(424,109)	616,899	9,871,448	(9,572,094)	—	(492,144)	—	—	—
Net cash provided by (used in) noncapital financing activities	<u>(424,109)</u>	<u>616,899</u>	<u>9,871,448</u>	<u>(9,572,094)</u>	<u>—</u>	<u>(492,144)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash flows from capital and related financing activities:									
Issuance of note payable	—	—	21,673,293	500,000	—	—	—	(500,000)	21,673,293
Principal payments on debt	—	(1,656,253)	(31,229,970)	(50,000)	—	—	—	—	(32,936,223)
Interest payments	—	(1,204,829)	(1,262,576)	(52,827)	—	—	—	—	(2,520,232)
Other financing and project development costs	—	—	—	—	—	—	—	—	—
Capital grants	—	7,680,203	393,700	—	—	328,348	—	—	8,402,251
Acquisition and construction of capital assets	(5,546)	(3,038,286)	(473,361)	(38,616)	—	—	(23,277)	—	(3,579,086)
Proceeds from capital contributions	—	—	—	—	—	—	—	—	—
Proceeds from sale of assets	—	3,579,772	5,293,854	148,088	—	111,050	119,640	—	9,252,404
Net cash provided by (used in) capital and related financing activities	<u>(5,546)</u>	<u>5,360,607</u>	<u>(5,605,060)</u>	<u>506,645</u>	<u>—</u>	<u>439,398</u>	<u>96,363</u>	<u>(500,000)</u>	<u>292,407</u>
Cash flows from investing activities:									
Issuance of notes receivable	—	(4,761,557)	(17,687,137)	(250,000)	—	—	—	956,834	(21,741,860)
Receipt of payments on notes receivable	—	237,135	11,660,944	6,105,750	—	456,834	—	(456,834)	18,003,829
Short-term loan	—	—	—	—	—	—	—	—	—
Proceeds from sales and maturities of investments	36,199,728	29,349,485	21,990,954	12,031,231	4,563,385	298,246	156,643	(80,000,000)	24,589,672
Purchase of investments	(35,816,979)	(26,887,330)	(26,635,966)	(11,736,571)	(4,780,280)	(246,194)	(156,643)	80,000,000	(26,259,963)
Investment in partnership	—	—	(18,283)	(408,863)	—	—	—	—	(427,146)
Purchase of partnership interest	—	—	—	—	—	—	—	—	—
Interest received	42,251	717,338	2,048,585	23,070	59,083	622	—	—	2,890,949
Net cash provided by (used in) investing activities	<u>425,000</u>	<u>(1,344,929)</u>	<u>(8,640,903)</u>	<u>5,764,617</u>	<u>(157,812)</u>	<u>509,508</u>	<u>—</u>	<u>500,000</u>	<u>(2,944,519)</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,427,646)</u>	<u>5,604,137</u>	<u>1,209,552</u>	<u>(5,783,948)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,397,905)</u>
Cash and cash equivalents, January 1	8,909,040	2,578,427	4,807,477	12,330,181	500	—	200	—	28,625,825
Cash and cash equivalents, December 31	\$ <u>6,481,394</u>	<u>8,182,564</u>	<u>6,017,029</u>	<u>6,546,233</u>	<u>500</u>	<u>—</u>	<u>200</u>	<u>—</u>	<u>27,227,920</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ 439,462	(7,536,584)	1,252,944	(75,286)	250,521	(404,317)	24,756	—	(6,048,504)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	63,369	8,168,637	365,104	415,564	11,744	—	62,305	—	9,086,723
Changes in operating assets and liabilities:									
Accounts receivable									
Tenants	—	(7,090)	10,977	3,509	—	—	—	—	7,396
Intergovernmental	—	(2,969,108)	(7,668)	—	(13,286)	(123,019)	—	—	(3,113,081)
Other	(57,101)	190,015	146,660	(223,969)	—	10,531	54	—	66,190
Due from other funds	(3,020,072)	—	1,986,401	—	—	—	(122,825)	1,156,496	—
Due from DCU	(7,141)	(15,378)	699,483	(458,549)	—	—	—	—	218,415
Inventories	(167)	—	—	(365)	—	(405)	—	—	164
Prepaid items	182,742	(39,605)	(23,359)	2,413	(18,169)	—	(15,704)	—	88,318
Accounts payable	(74,277)	439,025	(81,427)	(24,090)	(9,620)	(9,114)	(2,636)	—	237,861
Compensated absences payable	(7,181)	(3,715)	1,467	1,580	(2,655)	—	8,812	—	(1,692)
Accrued liabilities	(60,528)	(99,506)	(57,943)	(3,055)	(55,698)	(14,445)	(52,226)	—	(343,401)
Unearned Revenue	(4,922)	(150,212)	(723,207)	(129,390)	—	(39,047)	—	—	(1,046,778)
Intergovernmental payable	—	—	—	—	6,654	—	—	—	6,654
Due to other funds	122,825	2,905,005	—	(1,994,388)	—	123,054	—	(1,156,496)	—
Due to DCU	—	(11,846)	2,012,767	—	—	—	—	—	2,000,921
Family Self Sufficiency escrow	—	98,075	—	—	(11,679)	—	—	—	86,396
Tenant security deposits	—	3,847	1,868	2,910	—	—	—	—	8,625
Net cash provided by (used in) operating activities	\$ <u>(2,422,991)</u>	<u>971,560</u>	<u>5,584,067</u>	<u>(2,483,116)</u>	<u>157,812</u>	<u>(456,762)</u>	<u>(96,363)</u>	<u>—</u>	<u>1,254,207</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Financial Schedules

December 31, 2015

Unaudited

Assets & Deferred Outflow of Resources	Service coordinator grant	Housing Counseling grant	Resident opportunity and support services	CDBG	WIA Youth Program	Tiger II Planning Grant	Colorado Health Foundation grant	CSBG	EPA	Mile High Connects grant	Total
Current assets:											
Cash and cash equivalents	\$ —	—	—	—	—	—	—	—	—	—	—
Investments	—	413	—	19	—	—	89,250	—	—	—	89,682
Receivables:											
Tenants	—	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Intergovernmental	18,462	—	35,266	11,408	57,648	—	—	39,906	—	—	162,690
Other	—	—	—	—	—	—	—	—	—	—	—
Current portion of notes receivable	—	—	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—	—	—	—
Due from DCU	—	—	—	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	405	—	—	405
Assets held for sale	—	—	—	—	—	—	—	—	—	—	—
Prepaid items	—	—	—	—	—	—	—	—	—	—	—
Restricted:											
Cash	—	—	—	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—	—	—	—
Total current assets	<u>18,462</u>	<u>413</u>	<u>35,266</u>	<u>11,427</u>	<u>57,648</u>	<u>—</u>	<u>89,250</u>	<u>40,311</u>	<u>—</u>	<u>—</u>	<u>252,777</u>
Noncurrent assets:											
Noncurrent portion of notes receivable	—	—	—	3,380,000	—	—	—	—	—	—	3,380,000
Other	—	—	—	—	—	—	—	—	—	—	—
Restricted:											
Cash	—	—	—	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—	—	—	—
Capital assets:											
Land	—	—	—	—	—	638,950	—	—	—	—	638,950
Buildings	—	—	—	—	—	—	—	—	—	—	—
Accumulated depreciation – buildings	—	—	—	—	—	—	—	—	—	—	—
Improvements	—	—	—	—	—	—	—	—	—	—	—
Accumulated depreciation – improvements	—	—	—	—	—	—	—	—	—	—	—
Machinery and equipment	—	—	—	—	—	—	—	—	—	—	—
Accumulated depreciation – machinery and equipment	—	—	—	—	—	—	—	—	—	—	—
Construction in progress	—	—	—	—	—	—	—	—	—	—	—
Total capital assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>638,950</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>638,950</u>
Total noncurrent assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,380,000</u>	<u>—</u>	<u>638,950</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,018,950</u>
Total assets	<u>18,462</u>	<u>413</u>	<u>35,266</u>	<u>3,391,427</u>	<u>57,648</u>	<u>638,950</u>	<u>89,250</u>	<u>40,311</u>	<u>—</u>	<u>—</u>	<u>4,271,727</u>
Deferred Outflow of Resources											
Total deferred outflow of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets and deferred outflow of resources	<u>\$ 18,462</u>	<u>413</u>	<u>35,266</u>	<u>3,391,427</u>	<u>57,648</u>	<u>638,950</u>	<u>89,250</u>	<u>40,311</u>	<u>—</u>	<u>—</u>	<u>4,271,727</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Financial Schedules

December 31, 2015

Liabilities, Deferred Inflow of Resources & Net Position	Service coordinator grant	Housing Counseling grant	Resident opportunity and support services	CDBG	WIA Youth Program	Tiger II Planning Grant	Colorado Health Foundation grant	CSBG	EPA	Mile High Connects grant	Total
Current liabilities:											
Accounts payable	\$ —	—	380	—	55	—	—	794	—	—	1,229
Current portion of compensated absences payable	—	—	—	—	—	—	—	—	—	—	—
Accrued liabilities	1,273	—	6,026	—	2,731	—	707	2,038	—	—	12,775
Unearned revenue	—	—	—	—	—	—	88,543	—	—	—	88,543
Intergovernmental payables	—	—	—	—	—	—	—	—	—	—	—
Accrued interest payable	—	—	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—	—	—
Due to other funds	17,189	—	28,860	—	54,862	—	—	37,479	—	—	138,390
	<u>18,462</u>	<u>—</u>	<u>35,266</u>	<u>—</u>	<u>57,648</u>	<u>—</u>	<u>89,250</u>	<u>40,311</u>	<u>—</u>	<u>—</u>	<u>240,937</u>
Current liabilities payable from restricted assets:											
Accrued interest payable	—	—	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—	—	—	—
Tenant security deposits	—	—	—	—	—	—	—	—	—	—	—
Escrow held for others	—	—	—	—	—	—	—	—	—	—	—
Current liabilities payable from restricted assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Current liabilities	<u>18,462</u>	<u>—</u>	<u>35,266</u>	<u>—</u>	<u>57,648</u>	<u>—</u>	<u>89,250</u>	<u>40,311</u>	<u>—</u>	<u>—</u>	<u>240,937</u>
Noncurrent liabilities:											
Compensated absences payable	—	—	—	—	—	—	—	—	—	—	—
Notes and bonds payable	—	—	—	—	—	—	—	—	—	—	—
Total noncurrent liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>18,462</u>	<u>—</u>	<u>35,266</u>	<u>—</u>	<u>57,648</u>	<u>—</u>	<u>89,250</u>	<u>40,311</u>	<u>—</u>	<u>—</u>	<u>240,937</u>
Deferred inflow of resources	—	—	—	—	—	—	—	—	—	—	—
Net position:											
Net investment in capital assets	—	—	—	—	—	638,950	—	—	—	—	638,950
Restricted	—	—	—	—	—	—	—	—	—	—	—
Unrestricted	—	413	—	3,391,427	—	—	—	—	—	—	3,391,840
Total net position	<u>—</u>	<u>413</u>	<u>—</u>	<u>3,391,427</u>	<u>—</u>	<u>638,950</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,030,790</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 18,462</u>	<u>413</u>	<u>35,266</u>	<u>3,391,427</u>	<u>57,648</u>	<u>638,950</u>	<u>89,250</u>	<u>40,311</u>	<u>—</u>	<u>—</u>	<u>4,271,727</u>

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Combining Financial Schedules

Year ended December 31, 2015

	Service coordinator grant	Housing Counseling grant	Resident opportunity and support services	CDBG	WIA Youth Program	Tiger II Planning Grant	Colorado Health Foundation grant	CSBG	EPA	Mile High Connects grant	Total
Operating revenues:											
Rental revenues	\$ —	—	—	—	—	—	—	—	—	—	—
Intergovernmental	102,469	20,469	352,267	29,109	—	—	—	—	—	—	504,314
Property Management fee revenue	—	—	—	—	—	—	—	—	—	—	—
Other revenues	—	—	—	—	—	—	164,058	—	—	—	164,058
Charges for services	—	—	—	—	—	—	—	—	—	—	—
Total operating revenues	102,469	20,469	352,267	29,109	—	—	164,058	—	—	—	668,372
Operating expenses:											
Administrative	5,756	4,368	380	2,588	30,608	111,050	—	11,886	25,000	—	191,636
Management fees	—	—	—	—	—	—	—	—	—	—	—
Tenant services	96,713	15,688	351,887	26,522	163,889	—	129,389	96,965	—	—	881,053
Utilities	—	—	—	—	—	—	—	—	—	—	—
Ordinary maintenance	—	—	—	—	—	—	—	—	—	—	—
General	—	—	—	—	—	—	—	—	—	—	—
Nonroutine maintenance	—	—	—	—	—	—	—	—	—	—	—
Depreciation	—	—	—	—	—	—	—	—	—	—	—
Housing assistance payments	—	—	—	—	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	102,469	20,056	352,267	29,110	194,497	111,050	129,389	108,851	25,000	—	1,072,689
Operating income (loss)	—	413	—	(1)	(194,497)	(111,050)	34,669	(108,851)	(25,000)	—	(404,317)
Nonoperating revenues (expenses):											
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—
Interest revenue	—	—	—	—	—	(19)	641	—	—	—	622
Net increase (decrease) in the fair value of investments	—	—	—	—	—	—	—	—	—	—	—
Interest expense	—	—	—	—	—	—	—	—	—	—	—
Loss on assets held for sale	—	—	—	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	—	—	—	—	—	—	—	—	—	—
Nonoperating revenues (expenses), net	—	—	—	—	—	(19)	641	—	—	—	622
Income (loss) before other revenues, expenses, gains, losses, and transfers	—	413	—	(1)	(194,497)	(111,069)	35,310	(108,851)	(25,000)	—	(403,695)
Transfers in (out)	—	—	—	(456,834)	—	—	(35,310)	—	—	—	(492,144)
Capital grants - Capital Fund	—	—	—	—	—	—	—	—	—	—	—
Capital grants - other than Capital Fund	—	—	—	—	194,497	—	—	108,851	25,000	—	328,348
Capital contributions from general and limited partners	—	—	—	—	—	—	—	—	—	—	—
Changes in net position	—	413	—	(456,835)	—	(111,069)	—	—	—	—	(567,491)
Net position, January 1	—	—	—	3,848,262	—	750,019	—	—	—	—	4,598,281
Net position, December 31	\$ —	413	—	3,391,427	—	638,950	—	—	—	—	4,030,790

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**
Grants Combining Schedule
Year ended December 31, 2015

	Service coordinator grant	Housing Counseling grant	Resident opportunity and support services	CDBG	WIA Youth Program	Tiger II Planning Grant	Colorado Health Foundation grant	CSBG	EPA	Mile High Connects grant	Total
Cash flows from operating activities:											
Receipts from HUD	\$ 88,045	20,469	327,926	28,704	(43,943)	—	—	(39,906)	—	—	381,295
Receipts from tenants and others	(4,038)	10,531	—	—	—	—	129,049	—	—	—	135,542
Payments to employees	(102,685)	(19,505)	(356,257)	(29,110)	(176,023)	—	(85,948)	(93,203)	—	—	(862,731)
Payments to vendors and suppliers	14,640	(11,082)	28,331	—	25,469	(111,050)	(50,591)	24,258	(25,000)	(5,843)	(110,868)
Net cash provided by (used in) operating activities	(4,038)	413	—	(406)	(194,497)	(111,050)	(7,490)	(108,851)	(25,000)	(5,843)	(456,762)
Cash flows from noncapital financing activities:											
Intergovernmental operating subsidy and grants	—	—	—	—	—	—	—	—	—	—	—
Advances between funds	—	—	—	—	—	—	—	—	—	—	—
Transfers in (out)	—	—	—	(456,834)	—	—	(35,310)	—	—	—	(492,144)
Net cash provided by (used in) noncapital financing activities	—	—	—	(456,834)	—	—	(35,310)	—	—	—	(492,144)
Cash flows from capital and related financing activities:											
Issuance of note payable	—	—	—	—	—	—	—	—	—	—	—
Principal payments on debt	—	—	—	—	—	—	—	—	—	—	—
Interest payments	—	—	—	—	—	—	—	—	—	—	—
Capital grants	—	—	—	—	194,497	—	—	108,851	25,000	—	328,348
Acquisition and construction of capital assets	—	—	—	—	—	—	—	—	—	—	—
Proceeds from capital contributions	—	—	—	—	—	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	111,050	—	—	—	—	111,050
Net cash provided by (used in) capital and related financing activities	—	—	—	—	194,497	111,050	—	108,851	25,000	—	439,398
Cash flows from investing activities:											
Issuance of notes receivable	—	—	—	—	—	—	—	—	—	—	—
Receipt of payments on notes receivable	—	—	—	456,834	—	—	—	—	—	—	456,834
Short-term loan	—	—	—	—	—	—	—	—	—	—	—
Proceeds from sales and maturities of investments	26,392	(413)	—	19,587	—	72,416	174,421	—	—	5,843	298,246
Purchase of investments	(22,354)	—	—	(19,181)	—	(72,397)	(132,262)	—	—	—	(246,194)
Investment in partnership	—	—	—	—	—	—	—	—	—	—	—
Purchase of partnership interest	—	—	—	—	—	—	—	—	—	—	—
Interest received	—	—	—	—	—	(19)	641	—	—	—	622
Net cash provided by (used in) investing activities	4,038	(413)	—	457,240	—	—	42,800	—	—	5,843	509,508
Net increase (decrease) in cash and cash equivalents	—	—	—	—	—	—	—	—	—	—	—
Cash and cash equivalents, January 1	—	—	—	—	—	—	—	—	—	—	—
Cash and cash equivalents, December 31	\$ —	—	—	—	—	—	—	—	—	—	—
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ —	413	—	(1)	(194,497)	(111,050)	34,669	(108,851)	(25,000)	—	(404,317)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
Depreciation and amortization											
Changes in operating assets and liabilities:											
Accounts receivable											
Tenants											
Intergovernmental											
Other											
Due from other funds											
Due from DCU											
Inventories											
Prepaid items											
Accounts payable											
Compensated absences payable											
Accrued liabilities											
Intergovernmental payable											
Due to other funds											
Unearned Revenue											
Family Self Sufficiency escrow											
Tenant security deposits											
Escrow held for others											
Net cash provided by (used in) operating activities	\$ (4,038)	413	—	(406)	(194,497)	(111,050)	(7,490)	(108,851)	(25,000)	(5,843)	(456,762)

Housing Authority of the City and County of Denver
NOTES TO COMBINING FINANCIAL SCHEDULES
December 31, 2015

The following are descriptions of the columns in the Combining Financial Schedules:

General Administrative - Used to account for certain administrative costs not allocated to other areas.

Low Rent - Used to account for the administration, operation, maintenance, improvement, and construction of DHA's low-income public housing units under declaration of trust with HUD.

Denver Housing Program - Used to account for the administration, operation, maintenance, improvement, and construction of DHA's independently owned low-income housing units.

Section 8 - Used to account for Housing Assistance Payments made to landlords on behalf of eligible low-income clients.

Internal Services - Used to account for goods and services provided to the other areas on a cost-reimbursement basis.

Grants

Service Coordinator Grant - Used to account for supportive or medical services provided to disabled and/or elderly residents that allow them to continue to live independently.

Housing Counseling Grant - Used to provide homeownership counseling to potential home buyers.

Resident Opportunity and Support Services - Used to account for activities that help residents work toward self-sufficiency such as employment, career building, life skills, homeownership, and money management.

CDBG Grant - Used to account for Community Development Block Grant activities as identified in the contractual agreement including but not limited to development, construction, infrastructure, housing and other eligible costs as defined by the federal government.

WIA Youth Program - Used to account for educational and employment resources provided to public housing youth.

Tiger II Planning Grant - Used to account for affordable housing development land costs and predevelopment planning costs of projects within one half mile of transit stations and high frequency bus corridors.

Mile High Connects Grant - Used to provide a transit ambassador program to residents of the City and County of Denver.

Colorado Health Foundation Grant - Used to account for the implementation of the Healthy Development Measurement Tool as part of the redevelopment of the South Lincoln/Mariposa Redevelopment project in an effort to improve the health and well-being of the residents of the site through changes to the built environment and programming.

Housing Authority of the City and County of Denver
NOTES TO COMBINING FINANCIAL SCHEDULES
December 31, 2015

CSBG Grant – Used to account for Community Services Block Grant Funds. The grant will provide services that address the objective of employment, specifically providing job skills and removing barriers to long term or sustainable employment.

EPA Grant – Used to account for grant funding for the Sun Valley District Energy and Infrastructure Planning project. Fund is used to assist in analysis and design for district energy and district infrastructure solution.

STATISTICAL SECTION

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

Housing Authority of the City and County of Denver

STATISTICAL SECTION

This part of DHA's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the DHA's overall financial health.

Contents	Tables
Financial Trends	1 - 2
<i>These schedules contain trend information to help the reader understand how DHA's financial performance and well-being have changed overtime.</i>	
Revenue Capacity	3 - 4
<i>These schedules contain information to help the reader assess DHA's most significant revenue sources.</i>	
Debt Capacity	5 - 6
<i>These schedules present information to help the reader assess the affordability of DHA's current levels of outstanding debt and ability to issue additional debt in the future.</i>	
Demographic and Economic Information	7 - 8
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which DHA's financial activities take place.</i>	
Operating Information	9 - 12
<i>These schedules contain data to help the reader understand how the information in DHA's financial report relates to the services DHA provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Net Position

Last Ten Fiscal Years

(Unaudited)

Fiscal year		Invested in capital assets	Restricted	Unrestricted	Total
2006	\$	187,975,015	8,046,918	32,549,680	228,571,613
2007		216,298,141	17,054,996	29,743,362	263,096,499
2008		222,399,507	13,802,998	34,941,339	271,143,844
2009		243,028,773	14,660,467	34,895,360	292,584,600
2010		122,582,870	13,390,611	137,774,324	273,747,805
2011		127,934,399	27,474,554	138,155,198	293,564,151
2012		103,496,423	27,251,676	180,751,209	311,499,308
2013		94,748,261	18,694,271	206,238,937	319,681,469
2014		71,783,654	13,361,850	245,907,506	331,053,010
2015		84,648,215	18,889,633	233,613,280	337,151,128

Source: Previous years' CAFR and current year financial statements.

Table 2

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Changes in Net Position

Last Ten Fiscal Years

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating revenue:										
Rental revenue	\$ 10,433,358	11,069,707	11,778,650	12,910,836	9,716,663	9,368,384	9,165,664	8,935,658	8,861,833	9,656,259
Intergovernmental	59,811,079	62,500,312	53,838,717	56,941,923	81,736,794	86,843,711	83,855,671	79,506,566	83,468,787	84,706,103
Property management fee revenue	—	1,940,978	2,682,498	1,701,894	4,559,215	6,629,310	5,875,609	9,551,648	7,104,568	4,861,500
Other revenues	3,309,797	1,924,555	2,606,632	2,707,340	2,765,199	4,065,115	4,770,730	4,734,667	7,516,635	4,305,269
Charges for services	—	—	—	—	240,614	—	—	—	—	—
Total operating revenue	73,554,234	77,435,552	70,906,497	74,261,993	99,018,485	106,906,520	103,667,674	102,728,539	106,951,823	103,529,131
Operating expenses:										
Administrative	11,116,363	14,043,152	13,995,471	15,076,107	15,737,461	14,501,523	14,709,431	14,437,755	14,627,797	15,385,058
Utilities	6,329,158	6,161,078	6,545,651	6,034,343	5,789,825	5,750,809	5,474,782	5,259,573	5,094,373	4,634,553
Ordinary maintenance	5,868,304	7,214,331	7,518,980	7,798,568	7,611,346	7,453,330	7,677,140	6,545,659	6,532,125	6,959,783
General expenses	4,889,861	1,790,011	1,524,109	2,299,028	1,789,203	1,777,847	1,503,600	1,553,962	1,878,464	1,708,444
Depreciation	11,943,174	11,896,606	13,364,857	15,278,934	10,633,846	10,812,957	10,262,287	10,008,669	9,971,622	9,086,723
Housing assistance payments	48,534,715	46,671,457	48,699,692	49,811,669	53,180,049	54,031,436	56,106,857	57,326,754	58,072,049	59,391,064
Other operating expenses	2,963,834	4,134,743	3,665,844	4,123,356	6,006,467	8,521,829	8,480,615	9,750,608	10,124,262	12,412,002
Total operating expenses	91,645,409	91,911,378	95,314,604	100,422,005	100,748,197	102,849,731	104,214,712	104,882,980	106,300,692	109,577,627
Operating loss	(18,091,175)	(14,475,826)	(24,408,107)	(26,160,012)	(1,729,712)	4,056,789	(547,038)	(2,154,441)	651,131	(6,048,496)
Nonoperating revenue and expenses:										
Intergovernmental	13,704,963	14,757,614	16,056,861	18,438,635	—	—	—	—	—	—
Interest revenue	1,484,926	1,764,934	2,517,406	747,513	1,519,323	2,560,798	1,189,578	656,128	1,435,392	2,958,399
Net increase (decrease) in the fair value of investments	74,267	81,648	38,578	(65,237)	(16,912)	(4,213)	(5,276)	(7,652)	8,295	(60,869)
Interest expense	(1,673,516)	(2,252,014)	(3,172,530)	(4,725,797)	(2,048,240)	(2,909,722)	(1,352,344)	(1,139,674)	(2,258,217)	(2,585,537)
Amortization expense	—	—	—	(104,201)	(50,645)	(50,645)	(232,023)	(36,128)	(10,760)	—
Other expense	—	—	—	—	—	—	—	(7,905)	(47,430)	(169,301)
Loss on assets held for sale	(265,630)	(96,050)	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	4,399,979	10,570,414	(686,578)	(155,548)	2,229,265	(5,132,151)	3,706,284	683,568	5,467,486	3,601,671
Nonoperating revenues – net	17,724,989	24,826,546	14,753,737	14,135,365	1,632,791	(5,535,933)	3,306,219	148,337	4,594,766	3,744,363
Net gain (loss)	(366,186)	10,350,720	(9,654,370)	(12,024,647)	(96,921)	(1,479,144)	2,759,181	(2,006,104)	5,245,897	(2,304,133)
Transfers	—	—	—	—	—	—	—	(530,081)	—	—
Capital contributions	11,870,295	24,174,166	17,701,715	33,465,403	23,476,097	21,295,490	15,175,976	10,718,346	6,125,644	8,402,251
Change in net position	11,504,109	34,524,886	8,047,345	21,440,756	23,379,176	19,816,346	17,935,157	8,182,161	11,371,541	6,098,118
Net Position at beginning of year	217,067,504	228,571,613	263,096,499	271,143,844	250,368,629	273,747,805	293,564,151	311,499,308	319,681,469	331,053,010
Net position at end of year	\$ 228,571,613	263,096,499	271,143,844	292,584,600	273,747,805	293,564,151	311,499,308	319,681,469	331,053,010	337,151,128

Source: Previous years' CAFR and current year financial statements.

Table 3

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Operating Revenues by Source

Last Ten Fiscal Years

(Unaudited)

Fiscal year	Rental income		Intergovernmental revenue		Other		Total	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
2006	\$ 10,433,358	14.18	59,811,079	81.32	3,309,797	4.50	73,554,234	100.00
2007	11,069,707	14.30	62,500,312	80.71	3,865,533	4.99	77,435,552	100.00
2008	11,778,650	16.61	53,838,717	75.93	5,289,130	7.46	70,906,497	100.00
2009	12,910,836	17.39	56,941,923	76.67	4,409,234	5.94	74,261,993	100.00
2010	9,716,663	9.81	81,736,794	82.55	7,565,028	7.64	99,018,485	100.00
2011	9,368,384	8.76	86,843,711	81.23	10,694,425	10.00	106,906,520	100.00
2012	9,165,664	8.84	83,855,671	80.89	10,646,339	10.27	103,667,674	100.00
2013	8,935,658	8.70	79,506,566	77.39	14,286,315	13.91	102,728,539	100.00
2014	8,861,833	8.29	83,468,787	78.04	14,621,203	13.67	106,951,823	100.00
2015	9,656,259	9.33	84,706,103	81.82	9,166,769	8.85	103,529,131	100.00

Source: Previous years' CAFR and current year financial statements.

Table 4

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Nonoperating Revenues by Source

Last Ten Fiscal Years

(Unaudited)

Fiscal year	Intergovernmental		Interest revenue		Gain (loss) on assets		Total	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
2006	\$ 13,704,963	69.96	1,484,926	7.58	4,399,979	22.46	19,589,868	100.00
2007	14,757,614	54.47	1,764,934	6.51	10,570,414	39.02	27,092,962	100.00
2008	16,056,861	89.77	2,517,406	14.07	(686,578)	(3.84)	17,887,689	100.00
2009	18,438,635	96.89	747,513	3.93	(155,548)	(0.82)	19,030,600	100.00
2010	—	—	1,519,323	40.53	2,229,265	59.47	3,748,588	100.00
2011	—	—	2,560,798	(99.59)	(5,132,151)	199.59	(2,571,353)	100.00
2012	—	—	1,189,578	24.30	3,706,284	75.70	4,895,862	100.00
2013	—	—	656,128	48.98	683,568	51.02	1,339,696	100.00
2014	—	—	1,435,392	20.79	5,467,486	79.21	6,902,878	100.00
2015	—	—	2,958,399	45.10	3,601,671	54.90	6,560,070	100.00

Source: Previous years' CAFR and current year financial statements.

Table 5

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Debt Service Coverage

Last Ten Years

(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$ 103,149,518	126,436,265	103,361,949	121,862,761	124,127,373	122,666,076	122,149,869	113,579,173	117,672,233	115,675,745
Expenses (excluding depreciation)	<u>79,702,235</u>	<u>80,014,772</u>	<u>81,949,747</u>	<u>85,143,071</u>	<u>90,114,351</u>	<u>92,036,774</u>	<u>93,952,425</u>	<u>94,874,311</u>	<u>96,329,070</u>	<u>100,490,904</u>
Revenue available for debt service	<u>\$ 23,447,283</u>	<u>46,421,493</u>	<u>21,412,202</u>	<u>36,719,690</u>	<u>34,013,022</u>	<u>30,629,302</u>	<u>28,197,444</u>	<u>18,704,862</u>	<u>21,343,163</u>	<u>15,184,841</u>
Debt service requirements:										
Principal	\$ 1,145,141	2,062,432	2,584,727	2,147,074	2,385,683	2,218,073	1,552,874	1,640,087.00	4,244,319.00	1,982,942.00
Interest	<u>964,102</u>	<u>2,157,996</u>	<u>2,472,467</u>	<u>2,350,149</u>	<u>1,674,062</u>	<u>1,271,114</u>	<u>1,342,573</u>	<u>1,342,040.00</u>	<u>2,035,362.00</u>	<u>1,981,033.00</u>
Total	<u>\$ 2,109,243</u>	<u>4,220,428</u>	<u>5,057,194</u>	<u>23,821,223</u>	<u>4,059,745</u>	<u>3,489,187</u>	<u>2,895,447</u>	<u>2,982,127</u>	<u>6,279,681</u>	<u>3,963,975</u>
Debt service coverage	11.12	11.00	4.23	1.54	8.38	8.78	9.74	6.27	3.40	3.83

Table 6

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Ratio of Debt to Capital Assets

Last Ten Fiscal Years

(Unaudited)

Fiscal year	Notes payable	Bonds payable	Line of credit	Total debt	Capital assets	Ratio of total debt to capital assets
2006	\$ 18,470,247	11,690,000	2,529,086	32,689,333	220,664,348	14.81
2007	26,630,522	25,577,035	300,000	52,507,557	249,953,724	21.01
2008	39,345,729	36,273,319	550,000	76,169,048	298,568,555	25.51
2009	44,010,708	22,160,000	450,000	66,620,708	309,649,481	21.51
2010	15,660,304	20,810,000	6,210,000	42,680,304	165,263,174	25.83
2011	15,128,151	13,525,000	—	28,653,151	156,587,550	18.30
2012	34,392,025	6,270,000	2,680,187	43,342,212	146,838,635	29.52
2013	35,896,149	6,075,000	12,913,579	54,884,728	149,632,989	36.68
2014	37,031,473	18,330,000	12,514,281	67,875,754	139,659,408	48.60
2015	35,112,720	18,105,000	3,395,104	56,612,824	128,501,039	44.06

Note: Total debt amount includes short-term portion due within one year.

Source: Previous years' CAFR and current year financial statements.

Table 7

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Resident Demographics: Population Statistics

Last Ten Fiscal Years

(Unaudited)

Public Housing and Non-HUD Housing Programs

Fiscal year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (age 62+)	Total number of residents
2006	4,368	3,560	1,372	9,300
2007	4,207	3,470	1,357	9,034
2008	4,625	3,853	1,485	9,963
2009	4,732	3,970	1,565	10,267
2010	4,564	3,855	1,526	9,945
2011	4,564	3,855	1,526	9,945
2012	4,311	3,738	1,536	9,585
2013	4,316	3,752	1,544	9,612
2014	4,322	3,725	1,610	9,657
2015	4,358	3,749	1,646	9,753

Section 8 Program

Fiscal year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (age 62+)	Total number of residents
2006	7,630	5,646	1,190	14,466
2007	7,729	5,858	1,224	14,811
2008	7,639	5,775	1,232	14,646
2009	8,093	6,401	1,254	15,748
2010	7,754	6,385	1,292	15,431
2011	7,788	6,606	1,320	15,714
2012	7,904	6,862	1,398	16,164
2013	7,910	6,932	1,410	16,252
2014	8,045	7,027	1,561	16,633
2015	7,702	6,787	1,515	16,004

Source: DHA budget documents for the related year.

Table 8

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Other Demographics/Statistics (1)

(Unaudited)

<u>Year</u>	<u>Denver population</u>	<u>Personal income (expressed in millions)</u>	<u>Per capita personal income</u>	<u>School enrollment</u>	<u>DHA residents (1)</u>	<u>Denver unemployment rate</u>
2006	579,744	28,902	50,193	73,399	23,346	4.4
2007	592,052 (2)	30,949	53,908	73,873	24,111	4.4
2008	598,707 (3)	31,308	52,788	75,269	23,680	7.0
2009	610,345 (3)	31,512	51,630	78,352	25,711	8.3
2010	600,158 (3)	n/a	n/a	79,423	25,698	8.9
2011	619,285 (3)	n/a	n/a	81,870 (4)	25,659	9.2
2012	634,265 (3)	n/a	n/a	84,424 (4)	25,749	7.3
2013	649,495 (3)	50,313 (3)	33,251 (3)	87,398 (4)	25,864	6.0
2014	649,495 (3)	51,800 (3)	34,423 (3)	81,438 (5)	26,290	4.0
2015	663,862 (3)	n/a	n/a	87,398 (4)	25,757	5.0

1. Includes all DHA housing programs.

2. Estimated by Denver Regional Council of Governments.

3. Estimated by U.S. Census Bureau. State & County QuickFacts. (2015). <http://quickfacts.census.gov/qfd/states/08/0820000.html>

4. Denver Public Schools Facts Sheet. (January 2014). <http://www.denvergov.org/Portals/713/documents/2014%20Data--Lisa/DPS%20Fact%20Sheet.pdf>

5. Denver Public Schools. (2015) Indeed. <http://www.indeed.com/cmp/Denver-Public-Schools>

6. Department of Numbers, Bureau of Labor Statistics. (February 2015). <http://www.deptofnumbers.com/unemployment/colorado/denver/>

Sources: DHA budget documents for the related year.

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Number of DHA Dwelling Rental Units

December 31, 2015

Fiscal year	Low rent housing	Section 8 program	Globeville units	*Bean Towers & Park Ave	(Unaudited)		Mountain View Units	CSG Units	DHC	DHP	Total
					*Mariposa Units						
2006	3,833	5,523	62	29	—	—	—	—	568	183	10,198
2007	3,863	5,522	62	123	—	—	—	—	568	107	10,245
2008	3,863	5,644	62	123	—	—	—	—	568	107	10,367
2009	3,882	5,756	62	184	—	—	—	—	568	109	10,561
2010	3,916	5,909	62	243	—	—	—	—	568	57	10,755
2011	3,920	6,091	62	243	—	—	—	—	568	57	10,941
2012	3,771	6,388	62	302	—	—	—	—	568	57	11,148
2013	3,825	6,572	62	302	—	253	—	—	315	57	11,386
2014	3,981	6,690	62	302	120	253	—	220	99	57	11,784
2015	3,904	6,849	62	302	178	253	—	220	99	57	11,924

Source: DHA comprehensive operating budget document.

*Excludes public housing units which are included in low rent housing.

Table 10

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Property Characteristics and Unit Composition
(Includes Nondwelling Units)

December 31, 2015

(Unaudited)

<u>Name of development</u>	<u>Address</u>	<u>Number of units</u>	<u>Year built or acquired</u>
Public Housing Units:			
Columbine Homes	201 S. Yuma	200	1953
Westridge Homes	3537 W. 13th Ave.	200	1952
Quigg Newton Homes	4407 Mariposa St.	380	1952
Sun Valley Homes/Annex	990 Alcott Way	333	1952
The Villages at Curtis Park	1107 27th Street	135	2002
South Lincoln Homes (Demolished)	1000 Navajo Street	—	1954
Westwood Homes	3401 W. Kentucky	192	1953
Walsh Manor	1790 W. Mosier Pl.	89	1963
Walsh Manor Annex	1775 W. Mosier Pl.	100	1971
A. B. Hirschfeld Towers	333 W. Ellsworth	209	1967
Barney Lancelot Ford Heights	2024 Clarkson St.	147	1968
John R. Mulroy Apts.	3550 W. 13th Ave.	50	1969
Thomas F. Connole Apartments	1710 Williams St.	100	1971
North Lincoln – Midrise/Row Type	1425 Mariposa St.	206	1995
Thomas W. Bean LP (ACC units only)	2350 Cleveland Pl.	160	2005
Benedict Park Ave 1B (ACC units only)	2300-2380 Court St &	30	2006
Benedict Park Ave 3B (ACC units only)	2301-2381 Cleveland	30	2008
Benedict Park Ave 4B (ACC units only)	2301-2381 Cleveland	30	2009
Benedict Park Ave 5B (ACC units only)	2301-2381 Cleveland	30	2011
Tapiz at Mariposa	1099 Osage	100	2012
Dispersed East	Scattered Sites	340	1890 – 1988
Dispersed West	Scattered Sites	323	1890 – 1985
Dispersed South	Scattered Sites	360	1911 – 1986
South Lowell	4725 S. Lowell Blvd.	96	1973/2013
Mariposa Phase II	933-943,989,1011 Navajo St.	29	2013
Mariposa Phase III	933-943,989,1011 Navajo St.	31	2014
Mariposa Phase IV	933-943,989,1011 Navajo St.	19	2015
Total public housing units		<u>3,919</u>	
Denver Housing Corporation (DHC):			
Pacific Place	2020 S Vallejo St.	25	1979
Dispersed New Const. & Rehab	Various	74	1904 – 1979
Total DHC/DHCRPs		<u>99</u>	
Denver Housing Program (DHP):			
*Lincoln Park 57	Various	57	1981 – 1982
Total DHP		<u>57</u>	
Globeville:			
351 East 51st Avenue	351 East 51st Avenue	41	2004
351 East 51st Avenue	351 East 51st Avenue	21	2005
Total Globeville		<u>62</u>	
Mountain View Redevelopment LLLP:			
Mountain View	1212 S Federal	154	1979
Eliot Cottages	1222 S Federal	100	1979
Total Mountain View		<u>254</u>	
CSG Redevelopment Partners			
Syracuse Plaza	4333 S Syracuse	100	1979
Casa Loma	3850 Alcott St.	87	1980
Goldsmith Village	4343 S Syracuse	35	1979
Total Mountain View		<u>222</u>	
Bean Towers LP (tax credit only units)			
Villages at Curtis Park	2350 Cleveland Pl.	29	2005
Benedict Park Place Block 1B (tax credit and market rate only)	1107 27th Street	188	2002 - 2005
Benedict Park Place Block 3B (tax credit and market rate only)	305 Park Avenue West	94	2007
Benedict Park Place Block 4B (tax credit and market rate only)	305 Park Avenue West	61	2008
Benedict Park Place Block 5B (tax credit and market rate only)	305 Park Avenue West	59	2009
Benedict Park Place Block 5B (tax credit and market rate only)	305 Park Avenue West	59	2009
Mariposa Partners II LLLP (tax credit and market rate only)	933-943,989,1011 Navajo St.	64	2013
Mariposa Partners III LLLP (tax credit and market rate only)	1295 W. 10th Avenue	56	2014
Mariposa Partners IV LLLP (tax credit and market rate only)	1295 W. 10th Avenue	58	2015
Total units		<u>5,281</u>	

Source: DHA comprehensive operating budget document.

*Eight in-active units in Lincoln Park 57 portfolio replaced with other DHP units in 2009

Table 11

HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER

Staff Headcount by Division

Last Ten Fiscal Years

(Unaudited)

Fiscal year	Executive		Finance/administration		Housing management		Section 8		Total	
	Regular	Temporary	Regular	Temporary	Regular	Temporary	Regular	Temporary	Regular	Temporary
2006	29	—	20	—	152	31	39	27	240	58
2007	24	—	20	—	160	27	30	41	234	68
2008	24	—	20	—	165	28	31	55	240	83
2009	20	3	20	—	165	36	32	41	237	80
2010	23	1	21	—	164	28	34	36	242	65
2011	27	36	23	1	166	29	31	1	247	67
2012	26	32	23	2	166	32	34	1	249	67
2013	34	35	23	2	168	34	35	1	260	72
2014	34	42	25	—	167	33	32	1	258	76
2015	30	45	30	—	167	37	30	1	257	83

Note: Various divisional restructurings occurred during the last ten years, accounting for the significant variances of employee counts between divisions.

Source: DHA's operating budget documents for the related fiscal year.

Table 12

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**
Principal Employers for the City and County of Denver
Current Year and Nine Years Ago ⁽¹⁾
(Unaudited)

	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Public School District #1	12,482	1	3.1%	9,555	2	2.7%
City and County of Denver	10,281	2	2.5%	9,878	1	2.8%
State of Colorado Central Payroll	9,195	3	2.2%	8,900	3	2.5%
U. S. D. A. National Finance Center	7,187	4	1.8%	5,772	6	1.6%
Denver Health & Hospital Authority	5,523	5	1.4%	3,492	9	1.0%
United Airlines, Inc.	5,070	6	1.2%	6,150	5	1.7%
CHC Payroll Agent, Inc. (HCA Health One)	4,226	7	1.0%	3,212	10	0.9%
University of Denver	3,759	8	0.9%			
Frontier Airlines Inc.	3,642	9	0.9%	3,512	8	1.0%
University of Colorado Central	3,448	10	0.8%	6,165	4	1.7%
Accounting Service Center (U.S. Postal Service)				3,715	7	1.0%
Total	64,813		15.8%	60,351		16.9%

Source: City and County of Denver CAFR, FY 12/31/2014

(1) Current year data is unavailable at the time of the preparation of the CAFR.

SINGLE AUDIT SECTION

Independent Auditor's Reports

Schedule of Expenditures and Federal Awards

Schedule of Findings and Questioned Costs

Status of Prior Year Findings

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*

Independent Auditor's Report

To Management and the Board of Commissioners
Housing Authority of the City and County of Denver

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City and County of Denver (the "Authority") as of and for the year ended December 31, 2015, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 31, 2016. The financial statements of the discretely presented component units, with the exception of CSG Redevelopment Partners, LLLP, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City and County of Denver'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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

To Management and the Board of Commissioners
Housing Authority of the City and County of Denver

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City and County of Denver'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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

May 31, 2016

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City and County of Denver

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City and County of Denver's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended December 31, 2015. The Housing Authority of the City and County of Denver'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 laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City and County of Denver's major federal programs based on our audit of the types of compliance requirements referred to above.

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

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

To the Board of Commissioners
Housing Authority of the City and County of Denver

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City and County of Denver complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City and County of Denver is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City and County of Denver'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 the Authority's internal control over compliance.

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

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

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

Plante & Morse, PLLC

May 31, 2016

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Schedule of Expenditures of Federal Awards
Period ended December 31, 2015

	<u>CFDA number</u>	<u>Pass-through grantor's number</u>	<u>Federal expenditures</u>	<u>Total amount provided to Subrecipients</u>
U.S. Department of Housing and Urban Development:				
Section 8 housing choice voucher program cluster	14.871		\$ 62,148,813	
Section 8 project-based cluster:				
Lower income housing assistance program	14.856		530,003	
Section 8 moderate rehabilitation	14.249		545,996	
Section 8 New Construction/Substantial Rehabilitation	14.182		<u>1,239,000</u>	
Total Section 8 project-based cluster			<u>2,314,999</u>	
Multifamily housing service coordinators	14.191		102,469	
Resident opportunity and support of services	14.877		135,447	
FSS Service Coordinator	14.896		216,820	
Low rent subsidy	14.850		17,774,994	
HOPE VI cluster	14.866		4,874,254	
Public housing capital fund	14.872		4,158,415	
Choice Neighborhoods Planning Grant	14.892		413,654	
U.S. Department of Housing and Urban Development:				
Passed through from Colorado Housing Finance Authority:				
Housing Counseling Grant	14.169	HC140841002	<u>20,471</u>	
Passed through from the State of Colorado:				
HOME Investments Partnerships Program	14.239	H5HOM13077	<u>26,500</u>	
Passed through from the City and County of Denver:				
Community Development Block Grant	14.218	201520222	<u>29,108</u>	
HOME Investments Partnerships Program	14.239	201314259	<u>10,000</u>	
Total U.S. Department of Housing and Urban Development			<u>92,225,944</u>	
U.S. Department of Labor:				
Passed through from the City and County of Denver:				
WIA cluster:				
WIA Youth Program	17.259	201417446	102,232	
WIA Youth Program	17.259	201523807	92,265	
Total WIA cluster			<u>194,497</u>	
Total U.S. Department of Labor			<u>194,497</u>	
U.S. Department of Health and Human Services				
Passed through from the City and County of Denver:				
Community Services Block Grant	93.569	201520117	<u>108,851</u>	
Total U.S. Department of Health and Human Services			<u>108,851</u>	
Environmental Protection Agency				
Source Reduction Assistance	66.717		<u>25,000</u>	
Total Environmental Protection Agency			<u>25,000</u>	
Total federal expenditures			\$ <u>92,554,292</u>	

See accompanying notes to schedule of expenditures of federal awards

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2015

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Housing Authority of the City and County of Denver (Denver Housing Authority) under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Denver Housing Authority has not elected to use the 10-percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

(3) Reconciliation from Statement of Revenues, Expenses, and Changes in Net Position to the Schedules of Expenditures of Federal Awards

Operating intergovernmental revenues	\$	84,706,103
Capital Grants		3,068,506
Capital Grants		<u>5,333,745</u>
		93,108,354
Expended less S8 than received		(196,862)
Denver's Road Home		(57,200)
Local Matching Funds for CNI		(250,000)
Private Matching Funds for CNI		(5,000)
Denver Foundation Contribution		<u>(45,000)</u>
	\$	<u><u>92,554,292</u></u>

Housing Authority of the City and County of Denver

Schedule of Findings and Questioned Costs Year Ended December 31, 2015

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? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X 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 Section 2 CFR 200.516 (a)? Yes X No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 housing choice voucher program

Dollar threshold used to distinguish between type A and type B programs: \$2,776,629

Auditee qualified as low-risk auditee? X Yes No

Housing Authority of the City and County of Denver

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2015

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

**HOUSING AUTHORITY OF THE CITY AND
COUNTY OF DENVER**

Hope VI Close Out Schedule
Year ended December 31, 2015

	HOPE VI Curtis Park CO06 URD0011198	HOPE VI East Village/Arrowhead/Park Avenue CO06 URD0011102	HOPE VI Neighborhood Networks CO06 URD001-N102
1998	33,453		
1999	1,898,738		
2000	1,464,079		
2001	4,604,569		
2002	6,108,641		
2003	4,811,544	1,016,489	
2004	2,246,116	3,831,657	1,923
2005	1,214,437	6,683,745	6,055
2006	50,000	3,050,780	75,077
2007	172,080	2,004,355	57,075
2008	-	3,412,974	59,869
2009	219,152	-	-
2010	2,178,332	-	-
2011	752,079	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
Total	\$ 25,753,220	\$ 20,000,000	\$ 200,000

**Actual HOPE VI
Cost Certificate**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0208
(exp. 4/30/2008)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This collection of information requires that each Grantee submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the HOPE VI grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by the HOPE VI Grant Agreement. The information requested does not lend itself to confidentiality.

Grantee Name	HOPE VI Grant Number
Housing Authority of the City and County of Denver	CO06-URD001-I198

The Grantee hereby certifies to the Department of Housing and Urban Development as follows:

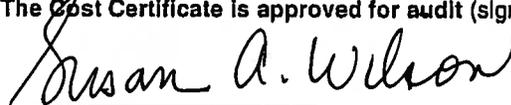
1. That the Actual Program Cost of the HOPE VI Grant is as shown below:

A. Original Funds Approved	\$	25,753,220.00
B. Funds Disbursed	\$	25,753,220.00
C. Funds Expended (Actual Program Cost)	\$	25,753,220.00
D. Amount to be Recaptured (A-C)	\$	0.00
E. Excess of Funds Disbursed (B-C)	\$	0.00

- That all work in connection with the HOPE VI Grant has been completed;
- That the entire Actual Program Cost or liabilities therefor incurred by the Grantee have been fully paid;
- That there are no undischarged mechanics', laborers', contractors', or materialmen's liens against such Program work on file in any public office where the same should be filed in order to be valid against such Program work; and
- That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director		Date (mm/dd/yyyy)
		07/29/2013

For HUD Use Only	The Cost Certificate is approved for audit (signature of approving official)	Date (mm/dd/yyyy)
		2/5/16
	The audited costs agree with the costs shown above	Date (mm/dd/yyyy)
	Verified (signature)	
	Approved (signature)	Date (mm/dd/yyyy)

Actual HOPE VI Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0208
(exp. 4/30/2008)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. This collection of information requires that each Grantee submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the HOPE VI grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by the HOPE VI Grant Agreement. The information requested does not lend itself to confidentiality.

Grantee Name	HOPE VI Grant Number
Housing Authority of the City and County of Denver	CO06-URD001-1102

The Grantee hereby certifies to the Department of Housing and Urban Development as follows:

1. That the Actual Program Cost of the HOPE VI Grant is as shown below:

A. Original Funds Approved	\$	20,000,000.00
B. Funds Disbursed	\$	20,000,000.00
C. Funds Expended (Actual Program Cost)	\$	20,000,000.00
D. Amount to be Recaptured (A-C)	\$	0.00
E. Excess of Funds Disbursed (B-C)	\$	0.00

2. That all work in connection with the HOPE VI Grant has been completed;

3. That the entire Actual Program Cost or liabilities therefor incurred by the Grantee have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or materialmen's liens against such Program work on file in any public office where the same should be filed in order to be valid against such Program work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director



Date (mm/dd/yyyy)

07/29/2013

For HUD Use Only The Cost Certificate is approved for audit (signature of approving official)



Date (mm/dd/yyyy)

2/18/16

The audited costs agree with the costs shown above
Verified (signature)

Date (mm/dd/yyyy)

Approved (signature)

Date (mm/dd/yyyy)

**Actual HOPE VI
Cost Certificate**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0208
(exp. 4/30/2008)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. This collection of information requires that each Grantee submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the HOPE VI grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by the HOPE VI Grant Agreement. The information requested does not lend itself to confidentiality.

Grantee Name Housing Authority of the City and County of Denver	HOPE VI Grant Number CO06-URD001-N102
--	--

The Grantee hereby certifies to the Department of Housing and Urban Development as follows:

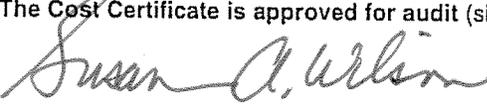
1. That the Actual Program Cost of the HOPE VI Grant is as shown below:

A. Original Funds Approved	\$	200,000.00
B. Funds Disbursed	\$	200,000.00
C. Funds Expended (Actual Program Cost)	\$	200,000.00
D. Amount to be Recaptured (A-C)	\$	0.00
E. Excess of Funds Disbursed (B-C)	\$	0.00

- That all work in connection with the HOPE VI Grant has been completed;
- That the entire Actual Program Cost or liabilities therefor incurred by the Grantee have been fully paid;
- That there are no undischarged mechanics', laborers', contractors', or materialmen's liens against such Program work on file in any public office where the same should be filed in order to be valid against such Program work; and
- That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director 	Date (mm/dd/yyyy) 07/29/2013
--	---------------------------------

For HUD Use Only	The Cost Certificate is approved for audit (signature of approving official) 	Date (mm/dd/yyyy) 6/2/16
	The audited costs agree with the costs shown above Verified (signature)	Date (mm/dd/yyyy)
	Approved (signature)	Date (mm/dd/yyyy)

HUD FINANCIAL DATA SCHEDULE (FDS)
(As required by HUD Uniform Financial Reporting Standards § 24 CFR, Part 5)

Housing Authority of the City and County of Denver

FINANCIAL DATA SCHEDULE - CONTINUED

Year ended December 31, 2015

Account description	Public Housing and Capital Fund	Central Office Cost Center	Section 8 mod rehab CO001 MR0004	Section 8 mod rehab SRO	Housing choice vouchers	Disaster housing assistance program	Disaster voucher program
Cash – unrestricted	\$ 1,000,255	6,481,594	—	—	500	—	—
Cash – other restricted	7,182,311	—	—	—	—	—	—
Cash – tenant security deposits	—	—	—	—	—	—	—
Total cash	8,182,566	6,481,594	—	—	500	—	—
Accounts receivable – HUD other projects	368,332	—	—	—	39,108	—	—
Accounts receivable – other government	—	—	—	—	—	—	—
Accounts receivable – miscellaneous	27,479	83,200	—	—	—	—	—
Accounts receivable – tenants – dwelling rents	156,625	—	347	—	16,391	—	—
Allowance for doubtful accounts – dwelling rents	—	—	—	—	(16,738)	—	—
Allowance for doubtful accounts – other	—	—	—	—	—	—	—
Notes, loans, and mortgages receivable – current	—	—	—	—	—	—	—
Fraud recovery	176,910	—	—	—	—	—	—
Allowance for doubtful accounts – fraud	(90,702)	—	—	—	—	—	—
Accrued interest receivable	—	46,905	—	—	—	—	—
Total receivables, net of allowances for doubtful accounts	638,644	130,105	347	—	38,761	—	—
Investments – unrestricted	16,391,904	2,560,727	46,092	17,713	1,227,524	101,471	—
Investments restricted	2,345,609	—	—	—	379,655	—	—
Investments – rest. for payment of currant liab	705,952	—	—	—	258,224	3,441	—
Prepaid expenses and other assets	97,974	56,831	—	—	19,955	—	—
Inventories	—	80,953	—	—	—	—	—
Allowance for obsolete inventories	—	(1,410)	—	—	—	—	—
Interprogram due from	3,876,012	5,053,976	—	—	—	—	—
Total current assets	32,238,661	14,362,776	46,439	17,713	1,924,619	104,912	—
Land	20,820,966	—	—	—	—	—	—
Buildings	211,343,310	—	—	—	—	—	—
Furniture, equipment, and machinery – dwellings	196,410	—	—	—	—	—	—
Furniture, equipment, and machinery – administration	1,863,276	2,175,287	—	—	263,059	—	—
Leasehold improvements	29,577,018	—	—	—	—	—	—
Accumulated depreciation	(173,382,070)	(1,970,613)	—	—	(232,245)	—	—
Construction in progress	5,344,549	—	—	—	—	—	—
Total fixed assets, net of accumulated depreciation	95,763,459	204,674	—	—	30,814	—	—
Notes, loans, and mortgages receivable – noncurrent	119,729,139	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—
Investments in joint ventures	—	—	—	—	—	—	—
Total noncurrent assets	215,492,598	204,674	—	—	30,814	—	—
Total assets	247,731,259	14,567,450	46,439	17,713	1,955,433	104,912	—
Deferred outflow of resources	—	—	—	—	—	—	—
Total assets & deferred outflow of resources	247,731,259	14,567,450	46,439	17,713	1,955,433	104,912	—
Accounts payable <= 90 days	1,737,717	252,507	55	93	16,095	—	—
Accrued wage/payroll taxes payable	76,185	110,959	—	—	28,521	—	—
Accrued compensated absences – current portion	288,292	362,092	—	—	60,106	—	—
Accrued interest payable	64,388	—	—	—	—	—	—
Accounts payable – HUD PHA programs	—	—	46,242	17,297	3,650	3,441	—
Tenant security deposits	288,505	—	—	—	—	—	—
Unearned revenues	246,328	—	—	—	—	—	—
Current portion of long-term debt	1,795,296	—	—	—	—	—	—
Other current liabilities	209,143	—	—	—	88,836	—	—
Accrued liabilities – other	625,680	811,218	—	—	—	—	—
Interprogram due to	3,419,093	1,969,557	—	—	—	—	—
Total current liabilities	8,750,627	3,506,333	46,297	17,390	197,208	3,441	—
Long-term debt, net of current	31,473,745	—	—	—	—	—	—
Noncurrent liabilities – other	895,750	834,000	—	—	169,388	—	—
Accrued compensated absences – noncurrent	39,312	49,376	—	—	8,196	—	—
Total noncurrent liabilities	32,408,807	883,376	—	—	177,584	—	—
Total liabilities	41,159,434	4,389,709	46,297	17,390	374,792	3,441	—
Deferred inflow of resources	—	—	—	—	—	—	—
Net investment in capital assets	62,494,418	204,674	—	—	30,814	—	—
Restricted net position	9,736,224	—	—	—	379,655	3,441	—
Unrestricted net position	134,341,183	9,973,067	142	323	1,170,172	98,030	—
Total equity/net position	206,571,825	10,177,741	142	323	1,580,641	101,471	—
Total liabilities, deferred inflow of resources and equity/net position	\$ 247,731,259	14,567,450	46,439	17,713	1,955,433	104,912	—

Note: FDS submission to HUD is by AMP and the total for the program is reported here.

Note: This is a summarized version of the FDS that was submitted to HUD.

See accompanying independent auditors' report.

Housing Authority of the City and County of Denver

FINANCIAL DATA SCHEDULE - CONTINUED

Year ended December 31, 2015

Account description	Revitalization of severely distressed public housing	HOME	CDBG	N/C S/R Section 8	WIA Youth Program	Multifamily housing service coordinators
Cash – unrestricted	\$ —	—	—	4,255,578	—	—
Cash – other restricted	—	—	—	147,546	—	—
Cash – tenant security deposits	—	—	—	—	—	—
Total cash	—	—	—	4,403,124	—	—
Accounts receivable – HUD other projects	3,179,827	—	—	—	—	18,462
Accounts receivable – other government	—	11,000	11,408	—	57,648	—
Accounts receivable – miscellaneous	—	—	—	204,757	—	—
Accounts receivable – tenants – dwelling rents	—	—	—	5,422	—	—
Allowance for doubtful accounts – dwelling rents	—	—	—	—	—	—
Allowance for doubtful accounts – other	—	—	—	—	—	—
Notes, loans, and mortgages receivable – current	—	—	—	—	—	—
Fraud recovery	—	—	—	18,495	—	—
Allowance for doubtful accounts – fraud	—	—	—	(13,674)	—	—
Accrued interest receivable	—	—	—	—	—	—
Total receivables, net of allowances for doubtful accounts	3,179,827	11,000	11,408	215,000	57,648	18,462
Investments – unrestricted	67,910	2,711	19	569,918	—	—
Investments restricted	—	112,433	—	—	—	—
Investments – rest. for payment of currant liab	—	—	—	40,545	—	—
Prepaid expenses and other assets	—	—	—	—	—	—
Inventories	—	—	—	—	—	—
Allowance for obsolete inventories	—	—	—	56,389	—	—
Interprogram due from	—	—	—	—	—	—
Total current assets	3,247,737	126,144	11,427	5,284,976	57,648	18,462
Land	—	—	—	2,478,450	—	—
Buildings	—	—	—	8,763,224	—	—
Furniture, equipment, and machinery – dwellings	—	—	—	615	—	—
Furniture, equipment, and machinery – administration	33,900	—	—	5,049	—	—
Leasehold improvements	—	—	—	144,079	—	—
Accumulated depreciation	—	—	—	(4,365,741)	—	—
Construction in progress	1,271,120	—	—	48,808	—	—
Total fixed assets, net of accumulated depreciation	1,305,020	—	—	7,074,484	—	—
Notes, loans, and mortgages receivable – noncurrent	16,644,390	7,776,500	3,380,000	—	—	—
Other assets	—	—	—	—	—	—
Investments in joint ventures	—	—	—	—	—	—
Total noncurrent assets	17,949,410	7,776,500	3,380,000	7,074,484	—	—
Total assets	21,197,147	7,902,644	3,391,427	12,359,460	57,648	18,462
Deferred outflow of resources	—	—	—	—	—	—
Total assets & deferred outflow of resources	21,197,147	7,902,644	3,391,427	12,359,460	57,648	18,462
Accounts payable <= 90 days	2,712	—	—	130,446	55	—
Accrued wage/payroll taxes payable	—	—	—	5,134	2,731	1,273
Accrued compensated absences – current portion	—	—	—	16,528	—	—
Accrued interest payable	—	—	—	804	—	—
Accounts payable – HUD PHA programs	—	—	—	—	—	—
Tenant security deposits	—	—	—	40,545	—	—
Unearned revenues	—	—	—	115,436	—	—
Current portion of long-term debt	—	—	—	112,648	—	—
Other current liabilities	—	—	—	—	—	—
Accrued liabilities – other	—	—	—	9,830	—	—
Interprogram due to	3,177,114	—	—	—	54,862	17,189
Total current liabilities	3,179,826	—	—	431,371	57,648	18,462
Long-term debt, net of current	—	11,000	—	1,747,903	—	—
Noncurrent liabilities – other	—	—	—	2,568,098	—	—
Accrued compensated absences – noncurrent	—	—	—	2,254	—	—
Total noncurrent liabilities	—	11,000	—	4,318,255	—	—
Total liabilities	3,179,826	11,000	—	4,749,626	57,648	18,462
Deferred inflow of resources	—	—	—	—	—	—
Net investment in capital assets	1,305,020	(11,000)	—	5,213,933	—	—
Restricted net position	—	112,433	—	147,546	—	—
Unrestricted net position	16,712,301	7,790,211	3,391,427	2,248,355	—	—
Total equity/net position	18,017,321	7,891,644	3,391,427	7,609,834	—	—
Total liabilities, deferred inflow of resources and equity/net position	\$ 21,197,147	7,902,644	3,391,427	12,359,460	57,648	18,462

Note: FDS submission to HUD is by AMP and the total for the program is reported here.
 Note: This is a summarized version of the FDS that was submitted to HUD.
 See accompanying independent auditors' report.

Housing Authority of the City and County of Denver

FINANCIAL DATA SCHEDULE - CONTINUED

Year ended December 31, 2015

<u>Account description</u>	<u>Resident opportunity and self sufficiency</u>	<u>Housing Counseling</u>	<u>Tiger II Planning</u>	<u>State/Local Grants</u>	<u>FSS Service Coordinator Grant</u>	<u>Choice Neighborhoods Planning Grant</u>
Cash – unrestricted	\$ —	—	—	—	—	—
Cash – other restricted	—	—	—	—	—	—
Cash – tenant security deposits	—	—	—	—	—	—
Total cash	—	—	—	—	—	—
Accounts receivable – HUD other projects	—	—	—	—	35,267	—
Accounts receivable – other government	—	—	—	—	—	—
Accounts receivable – miscellaneous	—	—	—	—	—	—
Accounts receivable – tenants – dwelling rents	—	—	—	—	—	—
Allowance for doubtful accounts – dwelling rents	—	—	—	—	—	—
Allowance for doubtful accounts – other	—	—	—	—	—	—
Notes, loans, and mortgages receivable – current	—	—	—	—	—	—
Fraud recovery	—	—	—	—	—	—
Allowance for doubtful accounts – fraud	—	—	—	—	—	—
Accrued interest receivable	—	—	—	—	—	—
Total receivables, net of allowances for doubtful accounts	—	—	—	—	35,267	—
Investments – unrestricted	—	413	—	82,350	—	—
Investments restricted	—	—	—	—	—	—
Investments – rest. for payment of currant liab	—	—	—	—	—	—
Prepaid expenses and other assets	—	—	—	—	—	—
Inventories	—	—	—	—	—	—
Allowance for obsolete inventories	—	—	—	—	—	—
Interprogram due from	—	—	—	—	—	—
Total current assets	—	413	—	82,350	35,267	—
Land	—	—	638,950	—	—	—
Buildings	—	—	—	—	—	—
Furniture, equipment, and machinery – dwellings	—	—	—	—	—	—
Furniture, equipment, and machinery – administration	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—
Accumulated depreciation	—	—	—	—	—	—
Construction in progress	—	—	—	—	—	—
Total fixed assets, net of accumulated depreciation	—	—	638,950	—	—	—
Notes, loans, and mortgages receivable – noncurrent	—	—	—	—	—	—
Other assets	—	—	—	—	—	—
Investments in joint ventures	—	—	—	—	—	—
Total noncurrent assets	—	—	638,950	—	—	—
Total assets	—	413	638,950	82,350	35,267	—
Deferred outflow of resources	—	—	—	—	—	—
Total assets & deferred outflow of resources	—	413	638,950	82,350	35,267	—
Accounts payable <= 90 days	—	—	—	—	380	—
Accrued wage/payroll taxes payable	—	—	—	707	6,027	—
Accrued compensated absences – current portion	—	—	—	—	—	—
Accrued interest payable	—	—	—	—	—	—
Accounts payable – HUD PHA programs	—	—	—	—	—	—
Tenant security deposits	—	—	—	—	—	—
Unearned revenues	—	—	—	88,543	—	—
Current portion of long-term debt	—	—	—	—	—	—
Other current liabilities	—	—	—	—	—	—
Accrued liabilities – other	—	—	—	—	—	—
Interprogram due to	—	—	—	—	28,860	—
Total current liabilities	—	—	—	89,250	35,267	—
Long-term debt, net of current	—	—	—	—	—	—
Noncurrent liabilities – other	—	—	—	—	—	—
Accrued compensated absences – noncurrent	—	—	—	—	—	—
Total noncurrent liabilities	—	—	—	—	—	—
Total liabilities	—	—	—	89,250	35,267	—
Deferred inflow of resources	—	—	—	—	—	—
Net investment in capital assets	—	—	638,950	—	—	—
Restricted net position	—	—	—	—	—	—
Unrestricted net position	—	413	—	(6,900)	—	—
Total equity/net position	—	413	638,950	(6,900)	—	—
Total liabilities, deferred inflow of resources and equity/net position	\$ —	413	638,950	82,350	35,267	—

Note: FDS submission to HUD is by AMP and the total for the program is reported here.

Note: This is a summarized version of the FDS that was submitted to HUD.

See accompanying independent auditors' report.

Housing Authority of the City and County of Denver

FINANCIAL DATA SCHEDULE - CONTINUED

Year ended December 31, 2015

Account description	Community Services Block Grant	Source Reduction Assistance	Business activities	Blended Component units	Discrete Component units	Elimination	Total
Cash – unrestricted	\$ —	—	1,165	78,992	2,411,868	—	14,229,952
Cash – other restricted	—	—	5,868,316	2,211,663	8,151,131	—	23,560,967
Cash – tenant security deposits	—	—	—	—	191,660	—	191,660
Total cash	—	—	5,869,481	2,290,655	10,754,659	—	37,982,579
Accounts receivable – HUD other projects	—	—	—	—	—	—	3,640,996
Accounts receivable – other government	39,906	—	3,552	—	—	—	123,514
Accounts receivable – miscellaneous	—	—	11,570	39,603	2,122	—	368,731
Accounts receivable – tenants – dwelling rents	—	—	3,907	—	69,011	—	251,703
Allowance for doubtful accounts – dwelling rents	—	—	—	—	(2,112)	—	(18,850)
Allowance for doubtful accounts – other	—	—	—	—	—	—	—
Notes, loans, and mortgages receivable – current	—	—	499,914	—	—	—	499,914
Fraud recovery	—	—	—	—	88,536	—	283,941
Allowance for doubtful accounts – fraud	—	—	—	—	(59,159)	—	(163,535)
Accrued interest receivable	—	—	65,178	—	—	—	112,083
Total receivables, net of allowances for doubtful accounts	39,906	—	584,121	39,603	98,398	—	5,098,497
Investments – unrestricted	—	—	18,667,946	613,354	2,228,721	—	42,578,773
Investments restricted	—	—	638,814	—	—	—	3,476,511
Investments – rest. for payment of current liab	—	—	2,150	23,403	335,589	—	1,369,304
Prepaid expenses and other assets	—	—	24,998	4,777	229,975	—	434,510
Inventories	405	—	—	1,777	—	—	83,135
Allowance for obsolete inventories	—	—	—	—	—	—	(1,410)
Interprogram due from	—	—	7,068,973	472,375	2,197,262	(18,724,987)	—
Total current assets	40,311	—	32,856,483	3,445,944	15,844,604	(18,724,987)	91,021,899
Land	—	—	18,098,559	—	679,946	—	42,716,871
Buildings	—	—	2,202,751	3,229,131	339,247,345	—	564,785,761
Furniture, equipment, and machinery – dwellings	—	—	—	—	2,889,748	—	3,086,773
Furniture, equipment, and machinery – administration	—	—	133,474	221,733	1,548,785	—	6,244,563
Leasehold improvements	—	—	1,752,383	25,915	16,718,462	—	48,217,857
Accumulated depreciation	—	—	(1,837,572)	(492,664)	(64,481,612)	—	(246,762,517)
Construction in progress	—	—	149,928	—	21,422,074	—	28,236,479
Total fixed assets, net of accumulated depreciation	—	—	20,499,523	2,984,115	318,024,748	—	446,525,787
Notes, loans, and mortgages receivable – noncurrent	—	—	46,293,094	491,145	—	(1,960,559)	192,353,709
Other assets	—	—	86,078	—	7,108,553	—	7,194,631
Investments in joint ventures	—	—	282,394	387,952	—	—	670,346
Total noncurrent assets	—	—	67,161,089	3,863,212	325,133,301	(1,960,559)	646,744,473
Total assets	40,311	—	100,017,572	7,309,156	340,977,905	(20,685,546)	737,766,372
Deferred outflow of resources	—	—	—	—	—	—	—
Total assets & deferred outflow of resources	40,311	—	100,017,572	7,309,156	340,977,905	(20,685,546)	737,766,372
Accounts payable <= 90 days	795	—	82,498	53,030	2,744,264	—	5,020,647
Accrued wage/payroll taxes payable	2,037	—	12,194	2,878	38,682	—	287,328
Accrued compensated absences – current portion	—	—	35,614	—	87,536	—	850,168
Accrued interest payable	—	—	71,958	—	277,385	—	414,535
Accounts payable – HUD PHA programs	—	—	—	—	—	—	70,630
Tenant security deposits	—	—	2,150	23,403	414,353	—	768,956
Unearned revenues	—	—	132,719	25,000	186,967	—	794,993
Current portion of long-term debt	—	—	75,000	—	2,005,986	—	3,988,930
Other current liabilities	—	—	—	—	18,734	—	316,713
Accrued liabilities – other	—	—	620	923	1,038,468	—	2,486,739
Interprogram due to	37,479	—	2,255,093	—	7,765,740	(18,724,987)	—
Total current liabilities	40,311	—	2,667,846	105,234	14,578,115	(18,724,987)	14,999,639
Long-term debt, net of current	—	—	19,737,235	3,620,559	226,484,904	(1,960,559)	281,114,787
Noncurrent liabilities – other	—	—	—	14,712	22,140,007	—	26,621,955
Accrued compensated absences – noncurrent	—	—	4,856	—	10,875	—	114,869
Total noncurrent liabilities	—	—	19,742,091	3,635,271	248,635,786	(1,960,559)	307,851,611
Total liabilities	40,311	—	22,409,937	3,740,505	263,213,901	(20,685,546)	322,851,250
Deferred inflow of resources	—	—	—	—	—	—	—
Net investment in capital assets	—	—	13,447,288	(636,444)	89,533,858	1,960,559	174,182,070
Restricted net position	—	—	6,507,130	2,211,663	8,245,293	—	27,343,385
Unrestricted net position	—	—	57,653,217	1,993,432	(20,015,147)	(1,960,559)	213,389,667
Total equity/net position	—	—	77,607,635	3,568,651	77,764,004	—	414,915,122
Total liabilities, deferred inflow of resources and equity/net position	\$ 40,311	—	100,017,572	7,309,156	340,977,905	(20,685,546)	737,766,372

Note: FDS submission to HUD is by AMP and the total for the program is reported here.

Note: This is a summarized version of the FDS that was submitted to HUD.

See accompanying independent auditors' report.

Housing Authority of the City and County of Denver

FINANCIAL DATA SCHEDULE - CONTINUED

Year ended December 31, 2015

Account description	Public Housing and Capital Fund	Central Office Cost Center	Section 8 mod rehab CO001 MR0004	Section 8 mod rehab SRO	Housing choice vouchers	Disaster housing assistance program	Disaster voucher program
Net tenant rental revenue	\$ 9,035,395	—	—	—	—	—	—
Tenant revenue – other	433,594	—	—	—	—	—	—
Total tenant revenue	9,468,989	—	—	—	—	—	—
HUD PHA grants	18,864,902	—	530,003	545,996	62,345,679	—	—
Capital grants	3,068,507	—	—	—	—	—	—
Fee revenue	—	8,509,060	—	—	—	—	—
Other government grants	—	—	—	—	—	—	—
Investment income – unrestricted	40,812	34,629	151	156	1,946	—	—
Mortgage interest income	654,965	—	—	—	—	—	—
Proceeds from dispositions of assets held for sale	3,600,000	—	—	—	—	—	—
Cost of sale of assets	(803,582)	—	—	—	—	—	—
Fraud recovery	—	—	—	—	57,238	—	—
Other revenue	1,273,067	1,513,051	—	—	59,450	—	—
Gain (loss) on sale of capital assets	(780,776)	118,407	—	—	—	—	—
Investment income – restricted	1,306	—	—	—	—	—	—
Total revenue	35,388,190	10,175,147	530,154	546,152	62,464,313	—	—
Administrative salaries	1,622,366	4,081,659	21,616	36,115	1,480,404	—	—
Auditing fees	71,059	—	207	350	17,716	—	—
Management fee	2,136,366	—	7,104	12,372	683,067	—	—
Book-keeping fee	254,739	—	4,440	7,733	426,917	—	—
Employee benefit contributions – administrative	510,716	1,155,642	6,829	11,367	427,076	—	—
Office expenses	513,978	640,348	946	1,601	123,504	—	—
Legal expense	32,281	75,099	58	98	7,480	—	—
Travel	35,688	90,370	194	328	25,071	—	—
Other	1,759,973	379,720	997	1,687	441,757	—	—
Asset management fee	397,200	—	—	—	—	—	—
Tenant services – salaries	371,239	353,937	—	—	—	—	—
Employee benefit contributions – tenant services	97,597	64,068	—	—	—	—	—
Tenant services – other	190,717	6,238	—	—	—	—	—
Water	727,079	—	—	—	—	—	—
Electricity	1,747,146	—	—	—	—	—	—
Gas	1,196,066	—	—	—	—	—	—
Sewer	799,685	—	—	—	—	—	—
Other utilities expense	—	—	—	—	—	—	—
Ordinary maintenance and operations – labor	2,664,219	—	—	—	—	—	—
Ordinary maintenance and operations – materials	2,674,938	14,545	—	—	61	—	—
Ordinary maintenance and operations – contract costs	1,588,437	2,386,185	—	—	—	—	—
Employee benefit contributions – ordinary maint.	878,769	—	—	—	—	—	—
Protective services – other contract costs	20,611	900	—	—	—	—	—
Insurance premiums	870,872	161,296	745	1,251	77,534	—	—
Other general expenses	260,380	—	—	—	—	—	—
Compensated absences	21,346	20,019	107	178	7,145	—	—
Payments in lieu of taxes	229,128	—	—	—	—	—	—
Bad debt – tenant rents	23,182	377	—	—	—	—	—
Bad debt – mortgages	—	—	—	—	—	—	—
Bad debt – other	80	—	—	—	—	—	—
Interest of mortgage (or bonds) payable	1,198,658	—	—	—	—	—	—
Amortization of bond issue costs	—	—	—	—	—	—	—
Total operating expenses	22,894,515	9,430,403	43,243	73,080	3,717,732	—	—
Excess operating revenue over operating expenses	12,493,675	744,744	—	473,072	58,746,581	—	—
Extraordinary maintenance	2,767,219	—	—	—	—	—	—
Casualty losses – noncapitalized	373,012	1,819	—	—	—	—	—
Housing assistance payments	—	—	486,911	473,072	58,431,081	—	—
Depreciation expense	8,168,639	125,674	—	—	11,744	—	—
Dwelling units rent expense	414,002	—	—	—	—	—	—
Total expenses	34,617,387	9,557,896	530,154	546,152	62,160,557	—	—
Operating transfers in	1,896,762	40,349	—	—	—	—	—
Operating transfers out	(1,250,462)	(464,458)	—	—	—	—	—
Operating transfers from/to component unit	(3,340,564)	—	—	—	—	—	—
Total other financing sources (uses)	(2,694,264)	(424,109)	—	—	—	—	—
Excess (deficiency) of operating revenue over (under) expenses	\$ (1,923,461)	193,142	—	—	303,756	—	—
Required annual debt principal payments	\$ 1,656,254	—	—	—	—	—	—
Beginning equity	208,495,286	9,984,599	142	323	1,276,885	101,471	(3,129)
Prior period adj. equity transfers, and corrections	—	—	—	—	—	—	3,129
Admin fee equity	—	—	—	—	1,200,986	—	—
Housing assistance payments equity	—	—	—	—	379,655	—	—
Unit months available	32,052	—	624	1,056	80,771	—	—
Number of unit months leased	31,492	—	592	1,031	73,940	—	—
Excess cash	11,359,224	—	—	—	—	—	—

Note: FDS submission to HUD is by AMP and the total for the program is reported here.

Note: This is a summarized version of the FDS that was submitted to HUD.

See accompanying independent auditors' report.

Housing Authority of the City and County of Denver

FINANCIAL DATA SCHEDULE - CONTINUED

Year ended December 31, 2015

Account description	Revitalization of severely distressed public housing	HOME	CDBG	N/C S/R Section 8	WIA Youth Program	Multifamily housing service coordinators
Net tenant rental revenue	\$ —	—	—	440,114	—	—
Tenant revenue – other	—	—	—	18,284	—	—
Total tenant revenue	—	—	—	458,398	—	—
HUD PHA grants	676,211	—	—	1,239,000	—	102,469
Capital grants	4,198,043	—	—	—	—	—
Fee revenue	—	—	—	—	—	—
Other government grants	—	36,500	29,108	—	194,497	—
Investment income – unrestricted	—	—	—	2,712	—	—
Mortgage interest income	—	42,670	—	18,586	—	—
Proceeds from dispositions of assets held for sale	—	—	—	—	—	—
Cost of sale of assets	—	—	—	—	—	—
Fraud recovery	—	—	—	—	—	—
Other revenue	—	—	—	386,428	—	—
Gain (loss) on sale of capital assets	—	—	—	—	—	—
Investment income – restricted	—	—	—	150	—	—
Total revenue	4,874,254	79,170	29,108	2,105,274	194,497	102,469
Administrative salaries	—	—	2,006	107,036	6,334	2,814
Auditing fees	—	—	—	4,532	—	—
Management fee	—	—	—	100,656	—	—
Book-keeping fee	—	—	—	—	—	—
Employee benefit contributions – administrative	—	—	543	38,258	2,197	843
Office expenses	27,318	—	—	13,424	55	—
Legal expense	—	—	—	1,647	—	—
Travel	6,988	—	—	634	—	682
Other	355,611	—	—	33,335	21,900	1,359
Asset management fee	—	—	—	—	—	—
Tenant services – salaries	173,676	—	20,370	—	127,219	74,389
Employee benefit contributions – tenant services	43,699	—	5,868	—	33,761	20,430
Tenant services – other	65,871	—	—	3,388	872	818
Water	51	—	—	51,553	—	—
Electricity	426	—	—	8,356	—	—
Gas	—	—	—	6,486	—	—
Sewer	—	—	—	53,020	—	—
Other utilities expense	—	—	—	—	—	—
Ordinary maintenance and operations – labor	—	—	—	162,448	—	—
Ordinary maintenance and operations – materials	—	—	—	227,676	—	—
Ordinary maintenance and operations – contract costs	3,650	—	—	232,138	—	—
Employee benefit contributions – ordinary maint.	—	—	—	48,832	—	—
Protective services – other contract costs	—	—	—	160	—	—
Insurance premiums	2,530	—	311	84,812	1,933	1,119
Other general expenses	—	—	—	—	—	—
Compensated absences	335	—	10	1,255	226	15
Payments in lieu of taxes	—	—	—	—	—	—
Bad debt – tenant rents	—	—	—	16,854	—	—
Bad debt – mortgages	—	—	—	—	—	—
Bad debt – other	—	—	—	—	—	—
Interest of mortgage (or bonds) payable	—	—	—	76,468	—	—
Amortization of bond issue costs	—	—	—	—	—	—
Total operating expenses	680,155	—	29,108	1,272,968	194,497	102,469
Excess operating revenue over operating expenses	4,194,099	—	—	832,306	—	—
Extraordinary maintenance	—	—	—	379,407	—	—
Casualty losses – noncapitalized	—	—	—	256,686	—	—
Housing assistance payments	—	—	—	—	—	—
Depreciation expense	—	—	—	434,142	—	—
Dwelling units rent expense	—	—	—	—	—	—
Total expenses	680,155	—	29,108	2,343,203	194,497	102,469
Operating transfers in	—	—	—	—	—	—
Operating transfers out	—	—	(456,834)	(12,000,000)	—	—
Operating transfers from/to component unit	—	—	—	—	—	—
Total other financing sources (uses)	—	—	(456,834)	(12,000,000)	—	—
Excess (deficiency) of operating revenue over (under) expenses	\$ 4,194,099	79,170	(456,834)	(12,237,929)	—	—
Required annual debt principal payments	\$ —	—	—	116,249	—	—
Beginning equity	13,823,222	7,812,474	3,848,261	19,885,901	—	—
Prior period adj. equity transfers, and corrections	—	—	—	(38,138)	—	—
Admin fee equity	—	—	—	—	—	—
Housing assistance payments equity	—	—	—	—	—	—
Unit months available	—	—	—	1,872	—	—
Number of unit months leased	—	—	—	1,798	—	—
Excess cash	—	—	—	—	—	—

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Note: This is a summarized version of the FDS that was submitted to HUD.

See accompanying independent auditors' report.

Housing Authority of the City and County of Denver

FINANCIAL DATA SCHEDULE - CONTINUED

Year ended December 31, 2015

Account description	Resident opportunity and self sufficiency	Housing Counseling	Tiger II Planning	State/Local Grants	FSS Service Coordinator Grant	Choice Neighborhoods Planning Grant
Net tenant rental revenue	\$ —	—	—	—	—	—
Tenant revenue – other	—	—	—	—	—	—
Total tenant revenue	—	—	—	—	—	—
HUD PHA grants	135,447	—	—	—	216,820	—
Capital grants	—	—	—	—	—	413,654
Fee revenue	—	—	—	—	—	—
Other government grants	—	20,471	—	—	—	—
Investment income – unrestricted	—	—	—	623	—	—
Mortgage interest income	—	—	—	—	—	—
Proceeds from dispositions of assets held for sale	—	—	—	—	—	—
Cost of sale of assets	—	—	—	—	—	—
Fraud recovery	—	—	—	—	—	—
Other revenue	—	—	—	157,177	—	—
Gain (loss) on sale of capital assets	—	—	—	—	—	—
Investment income – restricted	—	—	—	—	—	—
Total revenue	135,447	20,471	—	157,800	216,820	413,654
Administrative salaries	—	1,086	—	—	—	9,552
Auditing fees	—	—	—	—	—	—
Management fee	—	—	—	—	—	—
Book-keeping fee	—	—	—	—	—	—
Employee benefit contributions – administrative	—	366	—	—	—	1,978
Office expenses	—	2,895	—	—	380	—
Legal expense	—	—	—	—	—	—
Travel	—	—	—	—	—	1,123
Other	—	—	111,050	—	—	400,832
Asset management fee	—	—	—	—	—	—
Tenant services – salaries	109,170	12,450	—	68,808	177,987	—
Employee benefit contributions – tenant services	25,826	3,043	—	13,488	33,853	—
Tenant services – other	—	—	—	46,091	—	—
Water	—	—	—	—	—	—
Electricity	—	—	—	—	—	—
Gas	—	—	—	—	—	—
Sewer	—	—	—	—	—	—
Other utilities expense	—	—	—	—	—	—
Ordinary maintenance and operations – labor	—	—	—	—	—	—
Ordinary maintenance and operations – materials	—	—	—	—	—	—
Ordinary maintenance and operations – contract costs	—	—	—	—	—	—
Employee benefit contributions – ordinary maint.	—	—	—	—	—	—
Protective services – other contract costs	—	—	—	—	—	—
Insurance premiums	311	194	—	1,003	4,344	139
Other general expenses	—	—	19	—	—	—
Compensated absences	140	24	—	—	256	30
Payments in lieu of taxes	—	—	—	—	—	—
Bad debt – tenant rents	—	—	—	—	—	—
Bad debt – mortgages	—	—	—	—	—	—
Bad debt – other	—	—	—	—	—	—
Interest of mortgage (or bonds) payable	—	—	—	—	—	—
Amortization of bond issue costs	—	—	—	—	—	—
Total operating expenses	135,447	20,058	111,069	129,390	216,820	413,654
Excess operating revenue over operating expenses	—	413	(111,069)	28,410	—	—
Extraordinary maintenance	—	—	—	—	—	—
Casualty losses – noncapitalized	—	—	—	—	—	—
Housing assistance payments	—	—	—	—	—	—
Depreciation expense	—	—	—	—	—	—
Dwelling units rent expense	—	—	—	—	—	—
Total expenses	135,447	20,058	111,069	129,390	216,820	413,654
Operating transfers in	—	—	—	—	—	—
Operating transfers out	—	—	—	(35,310)	—	—
Operating transfers from/to component unit	—	—	—	—	—	—
Total other financing sources (uses)	—	—	—	(35,310)	—	—
Excess (deficiency) of operating revenue over (under) expenses	\$ —	413	(111,069)	(6,900)	—	—
Required annual debt principal payments	\$ —	—	—	—	—	—
Beginning equity	—	—	750,019	—	—	—
Prior period adj. equity transfers, and corrections	—	—	—	—	—	—
Admin fee equity	—	—	—	—	—	—
Housing assistance payments equity	—	—	—	—	—	—
Unit months available	—	—	—	—	—	—
Number of unit months leased	—	—	—	—	—	—
Excess cash	—	—	—	—	—	—

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Note: This is a summarized version of the FDS that was submitted to HUD.

See accompanying independent auditors' report.

Housing Authority of the City and County of Denver

FINANCIAL DATA SCHEDULE - CONTINUED

Year ended December 31, 2015

Account description	Community Services Block Grant	Source Reduction Assistance	Business activities	Blended Component units	Discrete Component units	Elimination	Total
Net tenant rental revenue	\$ —	—	—	—	11,493,839	—	20,969,348
Tenant revenue – other	—	—	—	—	168,292	—	620,170
Total tenant revenue	—	—	—	—	11,662,131	—	21,589,518
HUD PHA grants	—	—	—	—	2,955,842	—	87,612,369
Capital grants	—	—	—	—	—	—	7,680,204
Fee revenue	—	—	—	—	—	(6,354,633)	2,154,427
Other government grants	108,851	25,000	307,200	—	—	—	721,627
Investment income – unrestricted	—	—	38,451	4,183	6,363	—	130,026
Mortgage interest income	—	—	1,991,616	197	—	—	2,708,034
Proceeds from dispositions of assets held for sale	—	—	5,272,400	—	—	—	8,872,400
Cost of sale of assets	—	—	(3,836,134)	—	—	—	(4,639,716)
Fraud recovery	—	—	—	—	—	—	57,238
Other revenue	—	—	4,247,699	834,092	23,389,582	(1,066,852)	30,793,694
Gain (loss) on sale of capital assets	—	—	31,356	—	—	—	(631,013)
Investment income – restricted	—	—	328	727	2,653	—	5,164
Total revenue	108,851	25,000	8,052,916	839,199	38,016,571	(7,421,485)	157,053,972
Administrative salaries	8,690	—	804,833	27,605	1,093,473	—	9,305,589
Auditing fees	—	—	—	4,298	133,145	—	231,307
Management fee	—	—	288,605	5,963	1,253,509	(3,234,133)	1,253,509
Book-keeping fee	—	—	—	—	80,378	(693,829)	80,378
Employee benefit contributions – administrative	2,789	—	178,082	8,671	336,998	—	2,682,355
Office expenses	238	—	51,647	23,037	347,139	(233,024)	1,513,486
Legal expense	—	—	42,365	104,755	101,088	(40,883)	323,988
Travel	—	—	39,429	—	19,435	—	219,942
Other	—	25,000	886,257	18,890	399,210	(1,073,819)	3,763,759
Asset management fee	—	—	—	—	54,600	(397,200)	54,600
Tenant services – salaries	68,878	—	35,551	122,339	—	—	1,716,013
Employee benefit contributions – tenant services	13,647	—	7,827	26,097	—	—	389,204
Tenant services – other	13,372	—	25,310	109,651	19,357	(26,463)	455,222
Water	—	—	1,298	5,612	315,128	—	1,100,721
Electricity	—	—	2,180	10,678	1,368,507	—	3,137,293
Gas	—	—	3,760	1,523	340,518	—	1,548,353
Sewer	—	—	10,540	9,098	384,603	—	1,256,946
Other utilities expense	—	—	—	—	680	—	680
Ordinary maintenance and operations – labor	—	—	—	—	1,181,381	—	4,008,048
Ordinary maintenance and operations – materials	—	—	442	18,767	1,258,846	(1,719,645)	2,475,630
Ordinary maintenance and operations – contract costs	—	—	37,101	26,037	1,637,410	(2,489)	5,908,469
Employee benefit contributions – ordinary maint.	—	—	—	—	329,162	—	1,256,763
Protective services – other contract costs	—	—	8,297	5,067	36,872	—	71,907
Insurance premiums	1,134	—	51,124	78,662	948,651	—	2,287,965
Other general expenses	—	—	35,600	174,586	518,246	—	988,831
Compensated absences	103	—	3,098	325	7,006	—	61,618
Payments in lieu of taxes	—	—	—	—	—	—	229,128
Bad debt – tenant rents	—	—	(1,012)	—	82,038	—	121,439
Bad debt – mortgages	—	—	—	—	—	—	—
Bad debt – other	—	—	—	6,651	—	—	6,731
Interest of mortgage (or bonds) payable	—	—	1,257,584	46,063	7,413,136	—	9,991,909
Amortization of bond issue costs	—	—	10,760	—	322,894	—	333,654
Total operating expenses	108,851	25,000	3,780,678	834,375	19,983,410	(7,421,485)	56,775,437
Excess operating revenue over operating expenses	—	—	4,272,238	4,824	18,033,161	—	100,278,535
Extraordinary maintenance	—	—	168,064	934	840,255	—	4,155,879
Casualty losses – noncapitalized	—	—	300	—	149,571	—	781,388
Housing assistance payments	—	—	—	—	—	—	59,391,064
Depreciation expense	—	—	153,113	193,413	11,849,721	—	20,936,446
Dwelling units rent expense	—	—	—	—	—	—	414,002
Total expenses	108,851	25,000	4,102,155	1,028,722	32,822,957	(7,421,485)	142,454,216
Operating transfers in	—	—	33,148,855	—	—	(35,085,966)	—
Operating transfers out	—	—	(20,878,902)	—	—	35,085,966	—
Operating transfers from/to component unit	—	—	(2,398,505)	2,427,906	3,311,163	—	—
Total other financing sources (uses)	—	—	9,871,448	2,427,906	3,311,163	—	—
Excess (deficiency) of operating revenue over (under) expenses	\$ —	—	13,822,209	2,238,383	8,504,777	—	14,599,756
Required annual debt principal payments	\$ —	—	45,000	—	365,993	—	2,183,496
Beginning equity	—	—	63,785,426	1,330,268	69,221,089	—	400,312,237
Prior period adj. equity transfers, and corrections	—	—	—	—	38,138	—	3,129
Admin fee equity	—	—	—	—	—	—	1,200,986
Housing assistance payments equity	—	—	—	—	—	—	379,655
Unit months available	—	—	—	—	25,788	—	142,163
Number of unit months leased	—	—	—	—	24,885	—	133,738
Excess cash	—	—	—	—	—	—	11,359,224

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