Douglas County Housing Partnership,
a Multi-Jurisdictional Housing Authority
Town of Castle Rock
Annual Update 2024

DCHP Overview

The Douglas County Housing Partnership (DCHP) was established in 2003 by the City of Lone Tree, the Town of Castle Rock, the Town of Parker, and Douglas County due to concerns expressed by the business community, public officials, and others about insufficient housing for moderate—and low-income workers in Douglas County. In 2020, the City of Castle Pines entered the partnership.

DCHP Mission

To achieve economically thriving communities by preserving, providing, and developing housing choices in Douglas County, Colorado.

Our Programs

- Budget and credit improvement counseling (included with all program offerings)
- Homebuyer counseling services and educational classes
- Foreclosure mitigation counseling services
- Home Equity Conversion Mortgage (HECM), reverse mortgage counseling for older adults
- Home Ownership program (down payment assistance (DPA))
- Rental Assistance through the Housing Choice Voucher (HCV) program
- Low-Income Housing Tax Credit (LIHTC) and other rental housing (development and operations)
- Housing partnerships to provide and develop housing options

Home Ownership Program

DCHP has assisted first-time homebuyers since January 2005. As of 2024, 315 households became homeowners in Douglas County through this program. With interest rates beginning to decline and home prices stabilized with more inventory, we believe there will be renewed interest in purchasing from first-time homebuyers, who have been shut out of the market for the past three years. DCHP was also recently awarded $1,500,000 in Prop 123 funding for Down Payment Assistance, intending to assist middle-income homebuyers, a demographic that has been severely underserved.

DCHP provides financial assistance for first-time home purchases with three programs:

1) A low-interest, second mortgage that covers $15,000 of the down payment and closing costs; or
2) A shared equity investment of up to 20% of the purchase price ($41,000 max.) for low-income homebuyers; or
3) A shared equity investment of up to 10% of the purchase price ($70,000 max) for middle-income homebuyers (up to 120% of the AMI) funded by Prop 123.

DCHP homeownership programs are funded from three sources:

1) HOME (Home Investment Partnership Program) funds from the State of Colorado.

2) CDBG (Community Development Block Grant) funds from Douglas County.
3) Prop 123 funds from the State of Colorado.

Home Buyer Counseling and Education Classes
DCHP provides a free, monthly, six-hour class typically on the third Saturday of each month to anyone (regardless of income or residency) interested in gaining an education about the home-buying process. The class covers budgeting, credit, loan products, and working with a realtor. Please note, an online education option is also available.
The class is a Colorado Housing and Finance Authority (CHFA) approved homebuyer education class.

A 2013 study updated in 2016 of 6,224 NeighborWorks pre-purchase counseling clients found that counseled borrowers had a 16% lower delinquency rate than their counterparts.
From November 2008 to 2024, DCHP educated 5,583 households, with 421 total households attending in 2024 of which 50 were households from Castle Rock.

Foreclosure Mitigation and Counseling
Homeowners in Douglas County experiencing financial hardships that cause them to be delinquent on their home mortgage are assisted by DCHP Housing and Urban Development (HUD) certified housing counselors. Homeowners are typically referred by the Douglas County Public Trustee. Working with the DCHP counselor, households determine the best course of action for their specific situation. Most often the hardships are due to job loss or health problems. Our counselors work with residents and their lenders to modify their mortgages. This starts with a review of their monthly budget to make sure they will be able to make the modified loan payment. Beginning in 2008, DCHP has worked with about 3,789 homeowners through year-end 2024. One Hundred Seventy-Two total households with 20 households in Castle Rock were counseled in 2024.

A 2014 study reviewed outcomes associated with 240,000 loans, finding that half of the borrowers who received post-purchase foreclosure mitigation counseling were nearly three times more likely to receive a loan modification and 70 percent less likely to redefault on a modified loan than their counterparts.

Home Equity Conversion Mortgage (HECM)
The HECM program, also known as reverse mortgages, offers seniors that are age 62 and older, who have equity in their homes, with a way to access that equity. Many people are looking for funds to supplement living expenses, but the funds may also be used for purchasing a new home. There is a considerable and growing demand for this counseling service. From the fall of 2013 through December 2024 DCHP provided reverse mortgage counseling to 1,631 households. Thirty-two households received counseling in 2024 with 2 households from Castle Rock.

Rental Assistance with the Housing Choice Voucher (HCV)

In 2023, DCHP contracted with the State of Colorado to manage the state's HCV program for the existing Douglas County residents (approximately 75-100 households with vouchers). The HCV program is a successful housing stability tool to ensure extremely low-income renters avoid experiencing cost burden. The voucher subsidizes their rent by paying the landlord the remaining rent owed after the resident pays their portion, which is 30% of the rent amount.

Rental Housing

DCHP is a partner or owner in several affordable rental developments in Douglas County. These developments provide 2,060 affordable units to working households and seniors. DCHP is involved with an additional 784 affordable units under construction or coming soon.

DCHP works with private developers to create housing options through special limited partnerships (SLP) that provide essential tax-exempt benefits that make affordable development feasible. Additionally, DCHP issues private activity bond (PAB) cap to help finance affordable developments. Developers use the PAB alongside the Colorado Housing Finance Authority (CHFA) low-income housing tax credits (LIHTC) to finance affordable developments.

Below is a list of the rental housing DCHP owns and operates:

- 109 units at Oakwood Senior
- 33 units at Reyn Rock Apartments, subsidized rent for elderly and disabled residents
- 18 units of scattered site rental housing
- 42 units at Unity on Park Street, integrated housing for persons with Intellectual and/or Developmental Disabilities, Now Open!

Housing that DCHP is a partner owner in:

- 134 units at The Audrey (for seniors)
- 156 units at Apex Meridian East
- 264 units at Copper Steppe
- 90 units at Auburn Ridge (for seniors)
- 156 units at Apex Meridian West
- 221 units at LincolnPointe Lofts
- 200 units at Reserve at Castle Highlands
- 204 units at South Range Crossing
- 67 units at RidgeGate Station Affordable
- 208 units at Apex Meridian South
- 200 units at Meadowmark, Now Open!
- 158 units at The Sophia, coming soon
- 101 units at RidgeGate Senior, coming soon
- 220 units at Ponderosa Pines., coming soon
- 72 units of assisted living units at Bridgewater Castle Rock, under construction

Generally, rents at affordable properties are an average of $450-$600/month less than market-rate rents, saving the residents $5,400 to $7,200 per year in rent that can be spent on other household needs.

Photos: Oakwood Senior Apartments, in Castle Rock, Colorado

Proposition 123

The DCHP is crucial in managing and coordinating efforts to meet the affordable housing commitments outlined in Proposition 123. The partnership, which includes Douglas County and the municipalities of Castle Pines, Lone Tree, Castle Rock, and Parker, has entered into an Intergovernmental Agreement (IGA) to collaborate on increasing affordable housing stock by 3% each year over the next three years, totaling a 9% increase.

Under this agreement, the DCHP is responsible for applying for state funds, tracking affordable housing projects, and ensuring compliance with Proposition 123 requirements. This includes developing policies for allocating development credits, mainly focusing on distributing surplus credits to ensure that all participating jurisdictions meet their commitments and remain eligible for future funding. The DCHP's involvement is critical to the success of this regional effort, which aims to address the growing need for affordable housing in the area. This collaborative approach facilitates meeting the required housing increases. It ensures that the jurisdictions within Douglas County can access state funding opportunities under Proposition 123, which is critical for developing new affordable housing units.

Jurisdiction	Baseline	Three Year Commitment	Permitted as of 12/31/2024
City of Castle Pines	211	19	0
Town of Castle Rock	3067	277	42
City of Lone Tree	728	66	129
Town of Parker	2481	224	1
Douglas County	4820	434	158
Total Permitted	**11307**	**1020**	**330**

Jurisdiction	Project/Program	Amount	Type of Award
City of Lone Tree	RidgeGate Senior	$3,400,000.00	Debt
City of Lone Tree	Tall Tales Ranch	$4,112,818.00	Equity
DCHP	DPA	$1,500,000.00	Grant
City of Castle Pines	Local Capacity	$80,000.00	Grant
Total		**$9,092,818.00**	

Maximizing Community Resources

DCHP funds its programs from private, state, and federal sources. Those funds, along with the support from the Town of Parker, the Town of Castle Rock, Douglas County, the City of Castle Pines, and the City of Lone Tree, make the valuable DCHP programs possible.

Douglas County Housing Partnership

(A Multi-Jurisdictional Housing Authority)

Financial Statements

with Independent Auditor's Report

December 31, 2023

HINKLE & COMPANY PC

Strategic Business Advisors

Douglas County Housing Partnership

(A Multi-Jurisdictional Housing Authority)

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December 31, 2023

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Board of Directors
Douglas County Housing Partnership
Lone Tree, Colorado

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Hinkle & Company, pc

Englewood, Colorado
December 3, 2024

Douglas County Housing Partnership, a Multi-Jurisdictional Housing Authority

Management Discussion and Analysis

Year Ended December 31, 2023

The following discussion and analysis offer management's overview and perspective on the Douglas County Housing Partnership's (the Authority) financial position and operational performance for the fiscal year ending December 31, 2023. This discussion and analysis should be considered with the accompanying audited financial statements.

AGENCY OVERVIEW

The Douglas County Housing Partnership was established in 2003 by the City of Lone Tree, Town of Castle Rock, Town of Parker, and Douglas County due to concerns expressed by the business community, public officials, and others about insufficient housing for moderate—and low-income workers in Douglas County. In 2020, the City of Castle Pines entered the partnership. The Authority's mission is to create economically thriving communities by preserving, providing, and developing housing choices.

Historical Context

Over the years, the Authority has grown to meet the evolving needs of our residents. Below are highlights of impactful changes that occurred over the past five years from 2019 to 2023; the Authority:

- Participated in growing the overall affordable housing stock in Douglas County by 155%, going from 1,841 units to 2,859 units.
- Grew the partnership's affordable housing participation by 221% over five years, going from 842 units to 1,860 units.
- Developed Oakwood Senior II, purchased 15 rental units at Stonecreek Park, and acquired Reyn Rock and Unity on Park Street.
- Entered into six Special Limited Partnerships (SLPs) for affordable developments.

- Issued $152,735,234 in Private Activity Bond Cap (PAB) to four new affordable developments.
- Created an internal property management department to manage Authority owned properties.
- The Authority became a contractor for the State of Colorado to administer a portion of the State's Housing Choice Voucher Program, which Douglas County residents were utilizing, enabling the Authority to designate preferences for households who live or work in Douglas County, older adults, and people with disabilities.
- Secured development commitments through mutual commitment and opt-in of Proposition 123, estimated to result in an additional 6% growth (1,018 units) of affordable housing development over three years.
- Established a robust development pipeline of more than 1,000 potential units through public/private partnerships.

Economic Conditions

The economic conditions for the Douglas County Housing Partnership member jurisdictions were predominately favorable in 2023. Population growth continued, and the job market remained strong, with low unemployment rates and rising area median income. Despite the rapid population growth and gains in jobs, the shortage of housing options and the high costs of housing present a risk to long-term economic stability[1].

- Population growth has skyrocketed since 2000 and continues to grow; from 2019 to 2023, there was a 7.3% increase, with 383,906[2] residents by the end of 2023.
- Employment rose by 3.9% from Q3 2022 to Q3 2023, with leisure and hospitality adding the highest number of jobs[3] (although wages vary based on location and position), the average hourly earnings for leisure and hospitality staff is a low-income wage of $22.00[4] per hour, approximately 50% of the area median income.

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[1] From 2000 to 2022, the Authority member jurisdictions experienced growth in housing cost burden, where a household pays over 30% of their income to housing. The City of Castle Pines' cost burden increased from 73.3% to 73.6%, the Town of Castle Rock increased from 42.8% to 60.2%, Unincorporated Douglas County increased from 33.7% to 42.8%, the City of Lone Tree increased from 33.3% to 42.2%, and the Town of Parker increasing from 37.8% to 54.1% according to the Denver Regional Council of Governments (DRCOG) Housing Needs Assessment, Decennial Census 2000, American Community Services (ACS) 2022 5-Year 2022.
[2] U.S. Census Bureau
[3] Douglas County Economic Development Quarterly Report – 4th Quarter 2023
[4] October 2024 U.S. Bureau of Labor Statistics

- Unemployment was 3.0%[5].
- Incomes continue to rise, with median income growing to $143,150[6].
- Single-family detached home sales fell by 6.3% from 2022 to 2023, with the average home sale of $860,189 due to high inflation and interest rates contributing factors.
- Single-family attached home sales increased by 10.9%, with average sale prices rising slightly to $512,012[7].
- There were 40 foreclosure filings in 2023.
- Residential unit permits saw an increase of 5.2%.

Operational and Programming Performance

The primary sources of Authority revenue in 2023 were Rental Income and associated Management Fees. In 2023, to qualify for affordable housing, a one-person household could earn up to $52,140 annually, 60% of the area median income (AMI[8]), which is (up from $49,260 in 2022), with a corresponding monthly maximum rent limit of $1,319 for a one-bedroom at 60% AMI. Rental Income in 2023 was $1,077,778. The $332,418 in Management Fees that the Authority earned were based on a percentage of rental income or a formula provided by the U.S. Department of Housing and Urban Development (HUD) in 2023. Beyond Rental Income and Management Fees, the Authority relies on Grant funding to maintain our program offerings across the housing continuum.

Over the past two years, the Authority has focused on creating additional cash flow from rental revenue and a development pipeline for future growth. Although rental revenue growth is limited based on Colorado Housing Finance Authority (CHFA) and HUD rent limits, cash flow is primarily driven by achieving maximum occupancy, thereby reducing vacancy loss, adequately managing residential accounts receivable to ensure rents are paid timely, and closely monitoring controllable expenses and accounts payable activities.

[5] Douglas County Economic Development Quarterly Report – 4th Quarter 2023
[6] According to the 2023 American Community Survey 1-Year Estimates
[7] Douglas County Economic Development Quarterly Report – 4th Quarter 2023
[8] Area Median Income (AMI) is a statistic representing the midpoint of a region's income distribution—half of the households in an area earn more than the AMI, and the other half earn less. In this discussion and analysis, the term AMI relates to affordable housing programs.

The Authority proudly partners with private developers through SLPs, generating $219,542 in fees in 2023 and through Private Activity Bond Cap issuance for affordable housing development, which produced conduit loan fees of $220,368 in 2023.

Effective January 1, 2023, the Authority eliminated two third-party management companies. Douglas County Housing Partnership staff now manage Authority-owned rental properties, and Management Fees that previously were paid to the third-party companies now go to the Authority. The added efficiencies of in-house management allowed us to implement efficient technology and utilize property staff to advance the Authority's mission and capacity.

The Authority transitioned to Yardi's financial and residential software, which has a robust compliance platform, in January 2023, providing a greater risk reduction and internal control mechanisms. New internal control methods introduced in 2023 include enhancements to our three-person control system regarding financial processes, accounts receivable and payable for our anticipated new and expanded programs, and our newly self-managed properties. Additionally, three or more staff review compliance and general risks together quarterly. Internal control measures are openly discussed with staff to ensure understanding and adherence. Leadership maintains an open policy regarding discussing concerns and taking recommendations from staff for improvements and risk reduction.

In early 2023, the Authority was awarded a $65K grant through Enterprise Community Partners to support staff in identifying affordable housing preservation opportunities and train staff in preservation best practices. Finally, the added capacity of in-house property management allows leadership to engage with and support member jurisdictions with essential efforts, including taking advantage of new funding opportunities, such as Proposition 123.

OVERVIEW OF PROGRAMS

The Douglas County Housing Partnership offers various housing-related programs designed to achieve economically thriving communities. These programs reach across the housing continuum to first-time home buyers, homeowners struggling or facing foreclosure, older adults, and households earning less than 60% of the AMI.

Programs include:

- Affordable, Income-Aligned Rental Housing Development and Management
- Housing Choice Voucher Programs for Douglas County Residents
- Budget and Credit Improvement Counseling
- Homebuyer Counseling Services and Education
- Home Ownership Program, which includes education and Down Payment Assistance
- Foreclosure Mitigation and Counseling Services
- Home Equity Conversion Mortgage counseling services for Older Adults

Rental Housing Development and Partnerships

We strive to ensure that new developments further the Douglas County Housing Partnership mission. Rental Income comes from Douglas County Housing Partnership-owned and operated assets rented to predominately low-income households. At the end of 2023, the Authority owned and operated 106 units[9] (Oakwood Senior, Oakwood Senior II, Stonecreek, etc.) and was active with 1,860 rental housing units (income-restricted) located within participating jurisdictions—sometimes acting as a conduit to provide private activity bond cap and/or serve as a special limited partner.

Housing programs managed by the Authority include the HOME program, Community Development Block Grant (CDBG), Emergency Temporary Housing through DC Cares[10], and HUD-subsidized housing units (33 units at Reyn Rock) for elderly, disabled, and low-income residents.

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[9] At the end of 2023, the Authority managed a total of 159 units, when including the 53 units at Oakwood Senior II, LLC, a tax credit entity with income and expenses reported independently of the Authority's enclosed financial statements.

[10] DC Cares provides residents with case management and financial assistance to cover a portion of the resident's rent for six to 12 months.

Rental Housing and Development Highlights

Unity on Park Street

In 2022, Douglas County used $6.4 million in American Rescue Plan Act (ARPA) funds to purchase a former motel and conveyed the property to Wellspring (the $6.4 million was ultimately assigned to Unity on Park Street and broken into a $3.4 million carry-back loan, leaving $3 million as a grant to Unity on Park Street). The Douglas County Housing Partnership, as the General Partner, entered into a 50/50 partnership with Wellspring Housing to own and operate the low-income, neuro-diverse community (with a preference for people with disabilities) and complete the adaptive reuse to convert the hotel into 42 residential apartments with community space and an independent living program. In May 2023, the Authority obtained a Mortgage of $4.25 million from MidWestOne Bank (using the Authority’s Bonding Capacity), was awarded $4 million in APRA grant funding from the Colorado Division of Housing, received $650K in fee waivers from the Town of Castle Rock, and a $500K grant from the Mil Levy fund through Developmental Pathways to complete the renovation.

RidgeGate Senior Affordable Apartments

In April 2023, the Douglas County Housing Partnership Board approved the Authority’s entrance into an SLP with Koelbel & Company for the RidgeGate Senior development. In August 2023, the Douglas County Housing Partnership Board authorized the Authority to re-purpose up to $900K in CDBG funds from the revolving Loan Fund to support the RidgeGate Senior development’s impact and tap fees.

The Meadowmark Apartments

In April 2023, the Authority issued $34,849,421 in Private Activity Bond Cap for The Meadowmark Apartments, a 200-unit development for older adults 55 and above. The Authority entered into an SLP for the development.

The Sophia

In August 2023, the Douglas County Housing Partnership Board authorized the Authority’s intent to issue $28,900,000 in Private Activity Bond Cap for The Sophia, Shea Properties' upcoming affordable housing for older adults 55 and above.

Stonecreek Bldg. C Preservation Activities

In August 2023, the Douglas County Housing Partnership Board authorized the Authority to use rental income and cash-in-lieu funds totaling $126,500 for re-painting, balcony and stair replacements.

Reyn Rock Apartments

In October 2023, the Authority acquired Reyn Rock Apartments, a 33-unit HUD-subsidized property for extremely low-income residents who are 62 and above or disabled. The Authority issued governmental bonds and obtained a tax-exempt mortgage of $5.4 million from the Bank of Colorado and a bridge loan of approximately $2.74 million from the Impact Development Fund to fund this transaction. The Authority also provided $400K in Cash in Lieu funds to establish the required reserve funds associated with this property. The Authority re-purposed $950K in HOME funds from the Authority's revolving loan fund and obtained a deferred loan of $1.5 million from Douglas County's ARPA funds to repay the bridge loan.

Rental Vouchers

Beginning in July 2023, the Authority became a contractor for the State of Colorado to administer the Housing Choice Voucher Program for Douglas County. The Authority administered approximately 78 vouchers, generating $19,433 in administrative fees.

HOUSING COUNSELING

The Authority's Housing Counseling programs are predominantly funded by grants from the Colorado Housing Finance Authority (CHFA) and HUD; in 2023, the Authority received $174,095 in grant funding to provide the following impactful services:

Home Ownership Education

Homeownership classes are typically offered monthly and provide valuable educational support to first-time homebuyers. The information provided allows attendees to determine if they are ready to purchase a home and answers questions about the buying process. In 2023, 524 households received homebuyer education.

Down Payment Assistance

In 2023, we were unable to provide down payment assistance (DPA) due to high interest rates and a shortage of entry-level homes for sale. Two clients in this program experienced foreclosures. Six clients paid off their DPA, which resulted in $53,131 in gains on the sales.

Foreclosure Counseling

The Foreclosure Mitigation Program provides an essential service to residents facing housing instability. In 2023, the Authority provided foreclosure counseling services to 98 households seeking to avoid foreclosure after defaulting on their mortgages.

Home Equity Conversion Mortgage (HECM) Counseling

This counseling is provided to households 62 years of age and older considering this option. Demand for this service continues growing. In 2023, there was a decrease in HECM services provided due to counseling staff retiring and the training of new staff; 88 households were provided counseling.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority uses fund accounting to report its financial position and activities. Each fund controls resources that have been segregated for specific activities or objectives. In 2023, the Authority had four funds: General Fund, Loan Fund, Oakwood Apartments, and Reyn Rock Apartments. The General Fund includes general administration, operations, rental income for 18 units, and housing counseling. The Loan Fund includes down payment assistance programs financed by grants and designated Cash in Lieu (CIL) funds received from private developers.

All Authority funds are classified as enterprise funds. Enterprise funds distinguish between operating and nonoperating revenues and expenses. Operating expenses include administrative expenses, repair and maintenance expenses, and depreciation. All revenues and expenses not meeting the operational criteria are reported as nonoperating revenues and expenses. Nonoperating revenues and costs include grant and interest activity.

The Financial Section enclosed consists of three sections: Management Discussion and Analysis, Financial Statements with Notes, and Required Supplementary Information related to the pension plan. The Statement of Net Position reports our assets, deferred outflows of resources, liabilities, deferred inflows, and net position. The revenues and expenses are recorded in the Statement of Revenues, Expenses, and Changes in Net Position. Grant expenditures for federal programs must be audited for compliance with internal controls in accordance with government auditing standards and OMB Uniform Guidance. If we expend over $750,000 in Federal grant awards, a Single Audit is required; in 2023, expenditures were not above the threshold, and a Single Audit was unnecessary.

CHANGE IN NET POSITION

The Authority's Position modestly increased by $38,933 in fiscal year 2023, bringing Total Assets to $25,927,845. This increase reflected balanced operations adjustments amidst the rising liabilities associated with new acquisitions.

Statement of Net Position

	Year Ended Dec 2022	Year Ended Dec 2023	Change	Percentage Change
Assets				
Total Current Assets	$ 7,426,442	$ 8,080,518	$ 654,076	8.81%
Total Noncurrent Assets	$ 9,695,159	$ 17,847,327	$ 8,152,168	84.08%
Total Assets	$ 17,121,601	$ 25,927,845	$ 8,806,244	51.43%
Deferred Outflows of Resources				
Total Deferred Outflows of Resources	$ 56,945	$ 300,019	$ 243,074	426.86%
Liabilities and Net Position				
Total Current Liabilities	$ 818,053	$ 1,568,319	$ 750,266	91.71%
Total Long-Term Liabilities	$ 1,504,128	$ 9,973,711	$ 8,469,583	563.09%
Total Liabilities	$ 2,322,181	$ 11,542,030	$ 9,219,849	397.03%
Deferred Inflows of Resources				
Total Deferred Inflows of Resources	$ 217,304	$ 7,840	$ (209,464)	-96.39%
Net Position				
Net Investment in Capital Assets	$ 4,119,466	$ 3,374,063	$ (745,403)	-18.09%
Restricted	$ 3,942,800	$ 3,982,228	$ 39,428	1.00%
Unrestricted	$ 6,576,795	$ 7,321,703	$ 744,908	11.33%
Total Net Position	$ 14,639,061	$ 14,677,994	$ 38,933	0.27%

In 2022, the Authority's Operating Revenues received a substantial payment of $1,164,000 in Developer Fees for the completion of the Oakwood Senior II development, which contributed to the 19.90% decrease in Operating Revenues and a 67.91% reduction in Net Operating Income in 2023. The following table summarizes the changes in assets, liabilities, and net position between December 31, 2022, and December 31, 2023:

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	Year Ended Dec 2022	Year Ended Dec 2023	Change	Percentage Change
Operating Revenues				
Total Operating Revenues	$ 2,732,975	$ 2,189,044	$ (543,931)	-19.90%
Operating Expenses				
Total Operating Expenses	$ 1,807,500	$ 1,910,033	$ 102,533	5.67%
Net Operating Income (Loss)	$ 925,475	$ 279,011	$ (646,464)	-69.85%
Nonoperating Revenues (Expenses)				
Total Nonoperating Revenues (Expenses)	$ 158,422	$ (240,078)	$ (398,500)	-251.54%
Change in Net Position	$ 1,083,897	$ 38,933	$ (1,044,964)	-96.41%
Net Position, *Beginning of Year*	$ 13,555,164	$ 14,639,061	$ 1,083,897	8.00%
Net Position, *End of Year*	$ 14,639,061	$ 14,677,994	$ 38,933	0.27%

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS	Year Ended Dec 2022	Year Ended Dec 2023	Change	Percentage Change
Land	$ 279,360	$ 279,360	$ -	0.00%
Buildings, Improvements, and Land Improvements	$ 6,838,029	$ 14,055,069	$ 7,217,040	105.54%
Less Accumulated Depreciation	$ (1,468,259)	$ (1,732,241)	$ (263,982)	17.98%
Total Capital Assets, Net	$ 5,649,130	$ 12,602,188	$ 6,953,058	123.08%

CONTACTING THE AUTHORITY FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority’s finances and demonstrate accountability for using funds. Please direct any questions or requests for additional financial information to Douglas County Housing Partnership, 9350 Heritage Hills Circle, Lone Tree, CO 80124.

Basic Financial Statements

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

	General	Loan	Oakwood Apartments	Reyn Rock Apartments	Total
Assets					
Current Assets					
Cash	$ 2,844,431	$ 2,532,867	$ 970,402	$ 67,998	$ 6,415,698
Restricted Cash	-	-	251,401	400,002	651,403
Accounts Receivable	596,898	-	23,778	110,869	731,545
Grants Receivable	59,038	-	-	-	59,038
Other Receivable	163,123	-	-	-	163,123
Prepaid Expenses	28,149	-	28,372	3,190	59,711
Total Current Assets	3,691,639	2,532,867	1,273,953	582,059	8,080,518
Noncurrent Assets					
Investments in Partnerships	874,150	-	-	-	874,150
Accrued Interest Receivable	331,525	-	-	-	331,525
Loans Receivable	2,462,754	1,197,960	-	-	3,660,714
Funds Held by Others	-	-	-	378,750	378,750
Capital Assets, *not being depreciated*	-	-	279,360	-	279,360
Capital Assets, *net of accumulated depreciation*	3,361,830	-	1,789,042	7,171,956	12,322,828
Total Noncurrent Assets	7,030,259	1,197,960	2,068,402	7,550,706	17,847,327
Total Assets	$ 10,721,898	$ 3,730,827	$ 3,342,355	$ 8,132,765	$ 25,927,845
Deferred Outflows of Resources					
Items related to Pensions, *net of accumulated amortization*	$ 285,057	$ -	$ -	$ -	$ 285,057
Items related to OPEB, *net of accumulated amortization*	14,962	-	-	-	14,962
	$ 300,019	$ -	$ -	$ -	$ 300,019
Liabilities					
Current Liabilities					
Accounts Payable	$ 75,657	$ -	$ 6,467	$ -	$ 82,124
Accrued Expenses	198,163	-	854	23,607	222,624
Accrued Interest	-	-	-	23,105	23,105
Unearned Revenues	179,354	-	373	717	180,444
Tenant Security Deposits	9,085	-	19,654	10,815	39,554
Notes Payable, Current Portion	873,043	-	68,668	78,757	1,020,468
Total Current Liabilities	1,335,302	-	96,016	137,001	1,568,319
Long-Term Liabilities					
Accrued Compensated Absences	15,521	-	-	-	15,521
Notes Payable	-	-	1,394,457	8,100,050	9,494,507
Net Pension Liability	435,079	-	-	-	435,079
Net OPEB Liability	28,604	-	-	-	28,604
Total Long-Term Liabilities	479,204	-	1,394,457	8,100,050	9,973,711
Total Liabilities	$ 1,814,506	$ -	$ 1,490,473	$ 8,237,051	$ 11,542,030
Deferred Inflows of Resources					
Items related to Pensions, *net of accumulated amortization*	$ 328	$ -	$ -	$ -	$ 328
Items related to OPEB *net of accumulated amortization*	7,512	-	-	-	7,512
	$ 7,840	$ -	$ -	$ -	$ 7,840
Net Position					
Net Investment in Capital Assets	$ 3,361,830	$ -	$ 605,277	$ (593,044)	$ 3,374,063
Restricted for:					
Home Ownership Program	-	3,730,827	-	-	3,730,827
Replacement Reserves	-	-	251,401	-	251,401
Unrestricted	5,837,741	-	995,204	488,758	7,321,703
Total Net Position	$ 9,199,571	$ 3,730,827	$ 1,851,882	$ (104,286)	$ 14,677,994

See Notes to the Financial Statements.

Douglas County Housing Partnership

(A Multi-Jurisdictional Housing Authority)

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	General	Loan	Oakwood Apartments	Reyn Rock Apartments	Total
Operating Revenues					
Member Assessments	$ 200,000	$ -	$ -	$ -	$ 200,000
Grants	239,095	-	-	-	239,095
Rental Income	313,174	-	579,807	184,797	1,077,778
Management Fees	332,418	-	-	-	332,418
Partnership Distributions	152	-	-	-	152
Conduit Loan Fees	220,368	-	-	-	220,368
Developer Fees	12,103	-	-	-	12,103
Other	11,577	53,289	41,223	1,041	107,130
Total Operating Revenues	1,328,887	53,289	621,030	185,838	2,189,044
Operating Expenses					
Administrative	1,116,101	19	259,894	109,140	1,485,154
Utilities	5,982	-	54,688	10,789	71,459
Repairs and Maintenance	25,582	-	57,294	6,562	89,438
Depreciation	91,480	-	127,418	45,084	263,982
Total Operating Expenses	1,239,145	19	499,294	171,575	1,910,033
Net Operating Income (Loss)	89,742	53,270	121,736	14,263	279,011
Nonoperating Revenues (Expenses)					
Interest Income	186,089	38,888	27,358	3	252,338
Interest Expense	-	-	(49,540)	(442,876)	(492,416)
Total Nonoperating Revenues (Expenses)	186,089	38,888	(22,182)	(442,873)	(240,078)
Net Income (Loss) Before Transfers					
Transfers In (Out)	410,773	(487,749)	(247,348)	324,324	-
Total Transfers	410,773	(487,749)	(247,348)	324,324	-
Change in Net Position	686,604	(395,591)	(147,794)	(104,286)	38,933
Net Position, *Beginning of year*	8,512,967	4,126,418	1,999,676	-	14,639,061
Net Position, *End of year*	$ 9,199,571	$ 3,730,827	$ 1,851,882	$ (104,286)	$ 14,677,994

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

	General	Loan	Oakwood Apartments	Reyn Rock Apartments	Total
Cash Flows from Operating Activities					
Cash Received from Members and Others	$ 929,945	$ 53,289	$ 41,223	$ 1,041	$ 1,025,498
Grants Received	231,534	-	-	-	231,534
Cash Received from Tenants	320,444	-	574,870	85,460	980,774
Cash Payments to Employees	(484,156)	-	(68,336)	(17,724)	(570,216)
Cash Payments to Vendors and Suppliers	(847,381)	(19)	(307,057)	(88,350)	(1,242,807)
Net Cash Provided by Operating Activities	150,386	53,270	240,700	(19,573)	424,783
Cash Flows from Noncapital Financing Activities					
Principal Payments on Loans	(37,500)	-	(66,539)	551,631	447,592
Interest Payments on Loans	-	-	(49,540)	(384,714)	(434,254)
Net Cash Provided by Noncapital Financing Activities	(37,500)	-	(116,079)	166,917	13,338
Cash Flows from Capital and Related Financing Activities					
Payments from (to) Other Funds	410,773	(487,749)	(247,348)	324,324	-
Purchases of Capital Assets	-	-	-	(3,671)	(3,671)
Net Cash Provided by (Used in) Capital and Related Financing Activities	410,773	(487,749)	(247,348)	320,653	(3,671)
Cash Flows from Investing Activities					
Loan Principal Payments Received from Individuals	-	165,281	-	-	165,281
Interest Received	78,352	38,888	27,358	3	144,601
Net Cash Provided by (Used In) Investing Activities	78,352	204,169	27,358	3	309,882
Net Change in Cash	602,011	(230,310)	(95,369)	468,000	744,332
Cash, *Beginning of year*	2,242,420	2,763,177	1,317,172	-	6,322,769
Cash, *End of year*	$ 2,844,431	$ 2,532,867	$ 1,221,803	$ 468,000	$ 7,067,101

(Continued)

Douglas County Housing Partnership

(A Multi-Jurisdictional Housing Authority)

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2023

(Continued)

	General	Loan	Oakwood Apartments	Reyn Rock Apartments	Total
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities					
Net Operating Income (Loss)	$ 89,742	$ 53,270	$ 121,736	$ 14,263	$ 279,011
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	91,480	-	127,418	45,084	263,982
Changes in Assets and Liabilities:					
Accounts, Grants and Other Receivable	152,162	-	(4,525)	(110,869)	36,768
Prepaid Expenses	62,155	-	(5,477)	(3,190)	53,488
Net Pension Benefit	32,639	-	-	-	32,639
Deferred Outflows of Resources, Pension	(235,378)	-	-	-	(235,378)
Deferred Outflows of Resources, OPEB	(7,696)	-	-	-	(7,696)
Accounts Payable	62,882	-	1,106	-	63,988
Accrued Expense	(327,175)	-	854	23,607	(302,714)
Unearned Revenues	179,354	-	(512)	717	179,559
Tenant Security Deposits	7,270	-	100	10,815	18,185
Net Pension Liability	435,079	-	-	-	435,079
Net OPEB Liability	3,086	-	-	-	3,086
Deferred Revenue	(185,750)	-	-	-	(185,750)
Deferred Inflows of Resources, Pension	(209,144)	-	-	-	(209,144)
Deferred Inflows of Resources, OPEB	(320)	-	-	-	(320)
Net Cash Provided by Operating Activities	$ 150,386	$ 53,270	$ 240,700	$ (19,573)	$ 424,783
Non-Cash Investing and Financing Activities					
Notes Payable Issued for Purchases of Investments in Partnerships	$ 873,043	$ -	$ -	$ -	$ 873,043
Notes Payable Issued for Acquisition of Capital Assets	$ -	$ -	$ -	$ 7,213,369	$ 7,213,369
Notes Payable Issued for Funds Held by Others	$ -	$ -	$ -	$ 378,750	$ 378,750

Note 1: Summary of Significant Accounting Policies

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

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

Reporting Entity

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation *(Continued)*

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

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

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

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

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

The *Reyn Rock Apartments Fund* - Is used to account for the activities of the Reyn Rock Apartments, a 33-unit elderly and disable HUD subsidized apartment complex located in the Town of Castle Rock through its wholly owned subsidiary Reyn Rock Participations LLC.

Assets, Liabilities and Net Position

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

Receivables - Receivables are expended as bad debts at the time they are determined to be uncollectible. Management has established an allowance for doubtful accounts for amounts that may not be collectible in the future.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position *(Continued)*

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

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

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

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

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

In-Kind Contributions

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

Risk Management

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

Subsequent Event

We have evaluated subsequent events through December 3, 2024, the date the financial statements were available to be issued.

Note 2: Cash and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2023, the Authority had bank deposits of $6,055,439 collateralized with securities held by the financial institutions' agents but not in the Authority's name.

Note 2: Cash and Investments (Continued)

Investments

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

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

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

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

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

The Authority had no investments at December 31, 2023.

Restricted Cash

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

Note 3: Investments in Partnerships

Castle Highlands Limited Partnership

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

Note 3: Investments in Partnerships (Continued)

Apex Meridian, LLC

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

Auburn Ventures, LP

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

Copper Steppe Apartments, LLC

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

Apex Meridian II, LLC

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

The Audrey LLC

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

Note 3: Investments in Partnerships (Continued)

Parker Leased Housing Associates I, LLLP

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

Lincoln Pointe Enterprise WDP LLC

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

Apex Meridian, LLC

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

RidgeGate Station Affordable, LLC

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

Note 3: Investments in Partnerships (Continued)

Castle View Owner, LLC

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

Unity on Park Street LLLP

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

Note 4: Membership Interest in Limited Liability Company

Oakwood Senior II LLC

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

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

Note 5: Loans Receivable

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

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

General Fund

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

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

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

Note 5: Loans Receivable (Continued)

General Fund *(Continued)*

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

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

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

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

Loan Fund

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

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

Note 6: Capital Assets

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

Governmental Activities	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Capital Assets, *Not Being Depreciated*				
Land	$ 279,360	$ -	$ -	$ 279,360
Capital Assets, *Being Depreciated*				
Buildings	6,248,812	7,213,369	-	13,462,181
Building Improvements	571,818	3,671	-	575,489
Land Improvements	17,399	-	-	17,399
Total Capital Assets, *Being Depreciated*	6,838,029	7,217,040	-	14,055,069
Less Accumulated Depreciation				
Buildings	(1,288,242)	(201,248)	-	(1,489,490)
Building Improvements	(165,687)	(61,452)	-	(227,139)
Land Improvements	(14,330)	(1,282)	-	(15,612)
Total Accumulated Depreciation	(1,468,259)	(263,982)	-	(1,732,241)
Total Capital Assets, *Being Depreciated, net*	5,369,770	6,953,058	-	12,322,828
Governmental Activities Capital Assets, *net*	$ 5,649,130	$ 6,953,058	$ -	$ 12,602,188

Note 7: Long-Term Liabilities

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

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

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23	Due Within One Year
General Fund					
Midwest One Bank	$ -	$ 873,043	$ -	$ 873,043	$ 873,043
Compensated Absences	15,521	-	-	15,521	-
Oakwood Apartments Fund					
FirstBank	1,529,664	-	(66,539)	1,463,125	68,668
Reyn Rock Apartments Fund					
Bank of Colorado	-	5,400,000	-	5,400,000	78,757
Impact Development Fund	-	2,778,807	-	2,778,807	-
Total	$ 1,545,185	$ 9,051,850	$ (66,539)	$ 10,530,496	$ 1,020,468

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

Note 7: Long-Term Liabilities (Continued)

During May 2023, the Authority obtained a loan to finance its capital contribution to the Unity on Park Street LLLP and financing of the Unity on Park Street Apartments real estate project. The loan accrues interest at 4.33% per annum. Monthly payments of interest are due on the 1st of each month until seventeen months after July 1, 2023 (interest only period). On the last payment date of the interest only period, the Authority will make a principal payment of $1,500,000 or an amount to reduce the outstanding principal to $1,500,000. Beginning with the first payment date following the end of the interest only period, monthly payments of principal and interest are due on the 1st of each month principal and interest, amortized over a thirty-year period with a balloon payment due at maturity on June 1, 2038. The loan agreement requires the Authority to maintain or exceed a debt service coverage ratio of 1.00.

During October 2023, the Authority obtained a loan in the amount of $5,400,000 to finance the purchase of its Reyn Rock senior housing project. The loan accrues interest at 4.975% per annum for five years and then the rate adjusts and is reset for the next five years. Monthly payments of principal and interest are due on the 1st of each month over this ten-year period with a balloon payment due at maturity on October 1, 2033. The loan agreement requires the Authority to maintain a debt service coverage ratio of 1.10.

During October 2023, the Authority obtained a loan in the amount of $2,743,750 to finance the purchase of its Reyn Rock senior housing project. The loan includes an interest reserve of $243,750 to account for accrued and unpaid interest as well as $135,000 held by the lender for any future loan draws. The loan accrues interest at 6.50% per annum and is capitalized as part of the loan balance until monthly payments of principal and interest begin. Monthly payments of principal and interest are due on the 1st of each month beginning December 1, 2023 over an eighteen-month period with a balloon payment due at maturity on April 12, 2025. At the lender's discretion, the maturity date may be extended for up to six months without modification of the other terms and conditions of the loan with an extension fee of 0.25% of the outstanding loan balance.

Following is a summary of debt service requirements to maturity:

Year Ended December 31,	Principal	Interest	Total
2024	$ 1,020,468	$ 351,123	$ 1,371,591
2025	2,933,501	580,084	3,513,585
2026	161,388	304,328	465,716
2027	168,385	297,332	465,717
2028	167,985	299,991	467,976
2029-2033	5,394,383	1,574,857	6,969,240
2034-2038	668,865	26,436	695,301
Total	$ 10,514,975	$ 3,434,151	$ 13,949,126

Note 8: Interfund Transactions

During the year ended December 31, 2023, there were $487,749 of transfers from the Loan fund and $232,424 of transfers from Oakwood were transferred to the General Fund. The Reyn Rock fund received transfers of $309,400 from the General fund and $14,924 from Oakwood.

Note 9: Defined Benefit Pension Plan

<u>General Information</u>

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

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

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

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

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned.

Note 9: Defined Benefit Pension Plan (Continued)

General Information *(Continued)*

If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

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

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

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

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

Note 9: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

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

Year Ended December 31,	Total
2024	$ 28,974
2025	169,088
Total	$ 198,062

Note 9: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

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

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

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

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

Note 9: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

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

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

Note 9: Defined Benefit Pension Plan (Continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022
- Benefit payments and contributions were assumed to be made at the middle of the year.

Note 9: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

Note 10: Defined Contribution Pension Plan

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

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

Note 11: Post-Employment Healthcare Benefits

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

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

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

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

Note 11: Post-Employment Healthcare Benefits (Continued)

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

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

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

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

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

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

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

Note 11: Post-Employment Healthcare Benefits (Continued)

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

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

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

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

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

Note 11: Post-Employment Healthcare Benefits (Continued)

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

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

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

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

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

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

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

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

Note 11: Post-Employment Healthcare Benefits (Continued)

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

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

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

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

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

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

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

Note 11: Post-Employment Healthcare Benefits (Continued)

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

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

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

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

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

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

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

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

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

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

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

Note 11: Post-Employment Healthcare Benefits (Continued)

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

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

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

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

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

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

Note 11: Post-Employment Healthcare Benefits (Continued)

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

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

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

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

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

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

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

Note 12: Commitments and Contingencies

Promissory Note

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

Claims and Judgements

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

TABOR Amendment

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

Conduit Debt Obligations

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

Note 12: Commitments and Contingencies (Continued)

Conduit Debt Obligations *(Continued)*

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

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

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

Note 12: Commitments and Contingencies (Continued)

Conduit Debt Obligation *(Continued)*

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

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

Required Supplementary Information

Douglas County Housing Partnership

(A Multi-Jurisdictional Housing Authority)

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

Measurement Date	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Proportionate Share of the Net Pension Liability (Benefit)					
Authority's Proportion of the Net Pension Liability (Benefit)	0.0433966246%	0.0380684009%	0.0362149924%	0.0329494148%	0.0355008374%
Authority's Proportionate Share of the Net Pension Liability (Asset)	$ 435,079	$ (32,639)	$ 188,726	$ 240,989	$ 446,321
Authority's Covered Payroll	$ 355,501	$ 283,261	$ 255,597	$ 226,905	$ 232,848
Authority's Proportionate Share of the Net Pension Liability (Benefit) as a Percentage of Covered Payroll	122%	-12%	74%	106%	192%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Benefit)	83%	101%	91%	86%	76%

Reporting Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Authority Contributions					
Statutorily Required Contribution	$ 86,667	$ 47,826	$ 37,391	$ 33,058	$ 28,772
Contributions in Relation to the Statutorily Required Contribution	(86,667)	(47,826)	(37,391)	(33,058)	(28,772)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll	$ 630,760	$ 355,501	$ 283,261	$ 255,597	$ 226,905
Contributions as a Percentage of Covered Payroll	13.74%	13.45%	13.20%	12.93%	12.68%

This schedule is presented to show information for 10 years.

(Continued)

Douglas County Housing Partnership

(A Multi-Jurisdictional Housing Authority)

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

(Continued)

Measurement Date	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Liability					
Authority's Proportion of the Net Pension Liability	0.0362710507%	0.0399089653%	0.0444411975%	0.0446295634%	0.0466782790%
Authority's Proportionate Share of the Net Pension Liability	$ 403,853	$ 538,907	$ 489,556	$ 400,019	$ 384,125
Authority's Covered Payroll	$ 228,814	$ 241,898	$ 252,391	$ 244,550	$ 249,033
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	176%	223%	194%	164%	154%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79%	74%	77%	81%	78%

Reporting Date	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Authority Contributions					
Statutorily Required Contribution	$ 29,525	$ 29,014	$ 30,257	$ 32,003	$ 31,009
Contributions in Relation to the Statutorily Required Contribution	(29,525)	(29,014)	(30,257)	(32,003)	(31,009)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll	$ 232,848	$ 228,814	$ 241,898	$ 252,392	$ 244,550
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.51%	12.68%	12.68%

This schedule is presented to show information for 10 years.

Douglas County Housing Partnership
(A Multi-Jurisdictional Housing Authority)
Required Supplementary Information
Schedule of Proportionate Share of the OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
For the Year Ended December 31, 2023

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

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

(Continued)

Douglas County Housing Partnership

(A Multi-Jurisdictional Housing Authority)

Required Supplementary Information

Schedule of Proportionate Share of the OPEB Liability and Contributions

Public Employees' Retirement Association of Colorado Health Care Trust Fund

For the Year Ended December 31, 2023

(Continued)

Measurement Date	12/31/19	12/31/18	12/31/17
Proportionate Share of the Net Pension Liability			
Authority's Proportion of the Net OPEB Liability	0.0025235258%	0.0027530964%	0.0028184352%
Authority's Proportionate Share of the Net OPEB Liability	$ 28,364	$ 37,457	$ 36,628
Authority's Covered Payroll	$ 226,905	$ 232,848	$ 228,814
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	13%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24%	17%	18%

Reporting Date	12/31/2020	12/31/2019	12/31/2018
Authority Contributions			
Statutorily Required Contribution	$ 2,607	$ 2,314	$ 2,375
Contributions in Relation to the Statutorily Required Contribution	(2,607)	(2,314)	(2,375)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll	$ 255,597	$ 226,905	$ 232,848
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

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

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

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

Changes in Assumptions and Other Inputs

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

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