

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



Comprehensive Annual Financial Report

and Single Audit Report

Year Ended December 31, 2010

Denver, Colorado

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Prepared by:
Finance and
Administration Division

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

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INTRODUCTORY SECTION

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May 27, 2011

Mr. Trinidad Rodriguez, Chairperson of the Board of Commissioners
Members of the Board of Commissioners of the Housing Authority
of the City and County of Denver:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the Housing Authority of the City and County of Denver (DHA) for the fiscal year ended December 31, 2010. The U.S. Department of Housing and Urban Development (HUD) requires that all public housing authorities publish within nine months after the fiscal year-end, financial statements presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and audited accordance with auditing standards generally accepted in the United States of America. DHA's financial statements presented here have been audited by Reznick Group, PC, a firm of licensed independent certified public accountants. Reznick Group, PC issued an unqualified opinion on DHA's financial statements for the fiscal year ended December 31, 2010. The purpose of the independent audit is to provide reasonable assurance that the audited financial statements taken as a whole, are free of material misstatement. The data presented in this report is the responsibility of the management of DHA. To the best of our knowledge and belief, the data as presented is accurate in all material aspects; is presented in a manner designed to fairly state the financial position and results of operations of DHA; and all disclosures necessary have been included to enable the reader to gain an understanding of DHA's financial affairs. GAAP requires that management provide a narrative introduction, overview and analysis to complement the basic financial statements in the form of Management's Discussion and Analysis (MD&A). DHA's MD&A can be found immediately following the report of the independent auditors. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

This report is prepared in conformance with standards of financial reporting as established by the Governmental Accounting Standards Board and the Government Finance Officers Association (GFOA). Based on these standards, the CAFR is presented in five sections: introductory, financial, statistical, single audit, and HUD Financial Data Schedule. The introductory section includes this transmittal letter, the GFOA's Certificate of Achievement, DHA's organizational chart, and a list of principal officials. The financial section includes the independent auditors' report on the basic financial statements, MD&A, the basic financial statements, notes to the basic financial statements, and the combining financial schedules. The statistical section includes selected financial and demographic information, presented on a multi-year basis. The HUD Financial Data Schedule includes a summarized version of the unaudited financials as submitted to HUD through the Real Estate Assessment Center (REAC).

DHA is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. It is DHA's policy to require the accounting firm to be independent certified public accountants with specific experience in auditing governmental entities. Information related to this single audit, including the independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*; the independent auditors' report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133; the Schedule of Expenditures of Federal Awards; the Schedule

of Findings and Questioned Costs; and the status of prior year findings are included in the single audit section of this report.

Government Overview

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

DHA is the largest Public Housing Authority in the Rocky Mountain Region. DHA's goals are accomplished through a variety of housing programs and activities. These activities include several programs developed by the U.S. Department of Housing and Urban Development such as the Low Rent Housing Program (Public Housing); the Housing Choice Voucher (Section 8) Programs and the Project Based Section 8 Program. In addition to these federal programs, DHA has established various instrumentalities to explore and develop innovative techniques for providing alternative housing possibilities for the low to moderate-income residents of Denver. These programs have allowed DHA the flexibility to develop several private/public partnerships providing a variety of housing opportunities for Denver residents. DHA provides affordable housing to more than 25,000 low and moderate income residents of Denver between our various affordable housing programs. DHA owns and operates over 3,900 Public Housing units in addition to administering over 6,000 Section 8 Housing Choice Vouchers.

Economic Condition and Outlook

DHA's finances are affected more by Congressional housing legislation and the federal budget than by local economic factors. DHA's primary source of funding is HUD. As with most housing authorities, most of DHA's operating and capital funding comes from federal dollars in the form of operating subsidies, capital grant funds and Section 8 housing assistance payments. In FY 2010, HUD and other federal agencies provided over 82% of DHA's primary government's total revenues. For the Section 8 (Housing Choice Voucher) program, HUD provides housing authorities with a fixed annual budget for Housing Assistance Payments (HAP) and for administration fees. For the Public Housing program, housing authorities receive operating subsidies in accordance with an operating subsidy funding formula. In general, the calculated subsidy amount is the difference between an estimate of operating costs minus an estimate of income from rents. Operating subsidies are subject to annual appropriation by Congress. In 2010, DHA, like all housing authorities nationwide, was funded at 103% of eligibility. Federal funding of the affordable housing programs have remained relatively stable during the recent national economic slowdown.

The federal fiscal year 2011 began on October 1, 2010. Because Congress failed to pass the necessary full-year appropriation bills to fund federal agencies through September 30, 2011, the federal government has been operating under a series of "continuing resolutions (CR)". After much debates and threats of government shutdown, Congress finally passed the bi-partisan budget deal for 2011 and the President signed the federal fiscal year 2011 budget appropriations into law on April 15, 2011. The 2011 budget deal cuts \$38.5 billion in spending. Funding for the major housing programs that PHAs administer were cut drastically from the 2010 levels. The Section 8 program administration fees are estimated to be funded

at 85% of eligibility. Public housing program's operating subsidies are estimated to be funded below 100% of eligibility. DHA is currently assessing ways to offset the federal funding shortages for FY2011.

Major Initiatives

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

At Curtis Park, DHA demolished over 250 distressed public housing units and created a mixed income community consisting of 135 public housing units, 99 affordable housing units and 99 market rate units. DHA is currently in the process of planning for the construction of new single-family units to complement the rental units.

At Park Avenue, there is a planned 812-unit redevelopment under way. By July of 2011, all the four rental phases of this revitalization effort will be completed.

The success of these two redevelopments efforts is the result of DHA receiving HOPE VI grants from HUD. The HOPE VI grant awards from HUD made it possible for DHA to leverage grant dollars with low-income housing tax credit funds and short-term and long-term financings from banking institutions.

DHA was also recently awarded a \$22 million HOPE VI grant for the South Lincoln Homes, a 270-unit public housing family complex. DHA plans to redevelop this site to include a mix of housing products and a range of income levels. The first phase of this redevelopment is under way with the construction of a 100-unit senior housing high-rise building by leveraging \$10 million in American Recovery and Reinvestment Act (ARRA) grant that DHA was competitively awarded in 2009 by HUD.

HUD's ARRA grants provided housing authorities with a one-time opportunity to reinvest in and develop/modernize public housing units. DHA capitalized on this opportunity to seek funding for five housing developments. DHA was awarded \$27,413,482 through an ARRA grant competition process and another \$7,799,206 in formula ARRA grant funding. Three of the five ARRA competitive grants were leveraged with low-income housing tax credits to complete the comprehensive rehabilitation of DHA's 192-unit Westwood Homes public housing complex, new construction of a 90-unit mixed income multi-family rental community at Park Avenue and the new construction of a 100-unit public housing senior/disabled complex at South Lincoln. The completion of the interior and exterior improvement at the Mulroy Community Center and various other public housing capital improvements were made possible with the ARRA funds. HUD rules require that DHA complete the expenditures under the ARRA grants by 2012.

DHA continues to supplement its operating revenues by actively competing for additional federal funds for modernization and resident support activities. In our constant effort to operate more efficiently, DHA is currently implementing an 'Enterprise Content Management (ECM) System' to become more efficient in processing paper throughout DHA.

Financial Information

DHA management is responsible for establishing and maintaining an internal control structure designed to ensure that the Authority's assets are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. DHA has designed its internal control structure to provide reasonable, but not absolute, assurances that these

objectives are met. The concept of reasonable assurance recognizes that: (1) the costs of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgment by management.

Single Audit

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

As part of DHA's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal award programs, as well as to learn whether the DHA has complied with applicable laws, regulations, contracts and grants. The DHA's single audit for the year ended December 31, 2010 found no instances of significant deficiencies or material weakness in the internal control, and no compliance findings. Reports were prepared for this purpose and are included in this CAFR in the Single Audit Section.

Budgetary Controls

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

Debt Administration

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

Financial Policy Oversight

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

Other Information

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DHA for its Comprehensive Annual Financial Report for the year ended December 31, 2009. The Certificate of Achievement is a prestigious

national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year. The Denver Housing Authority has received a Certificate of Achievement for the last twenty consecutive years (fiscal years ended 1988-2009). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The Denver Housing Authority also received the GFOA's Distinguished Budget Presentation Award for its 2010 Comprehensive Budget. DHA has received this award since 1988.

Acknowledgments

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

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

Respectfully submitted,



Ismael Guerrero
Executive Director



Sarasu Zachariah
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing Authority of the City
and County of Denver
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

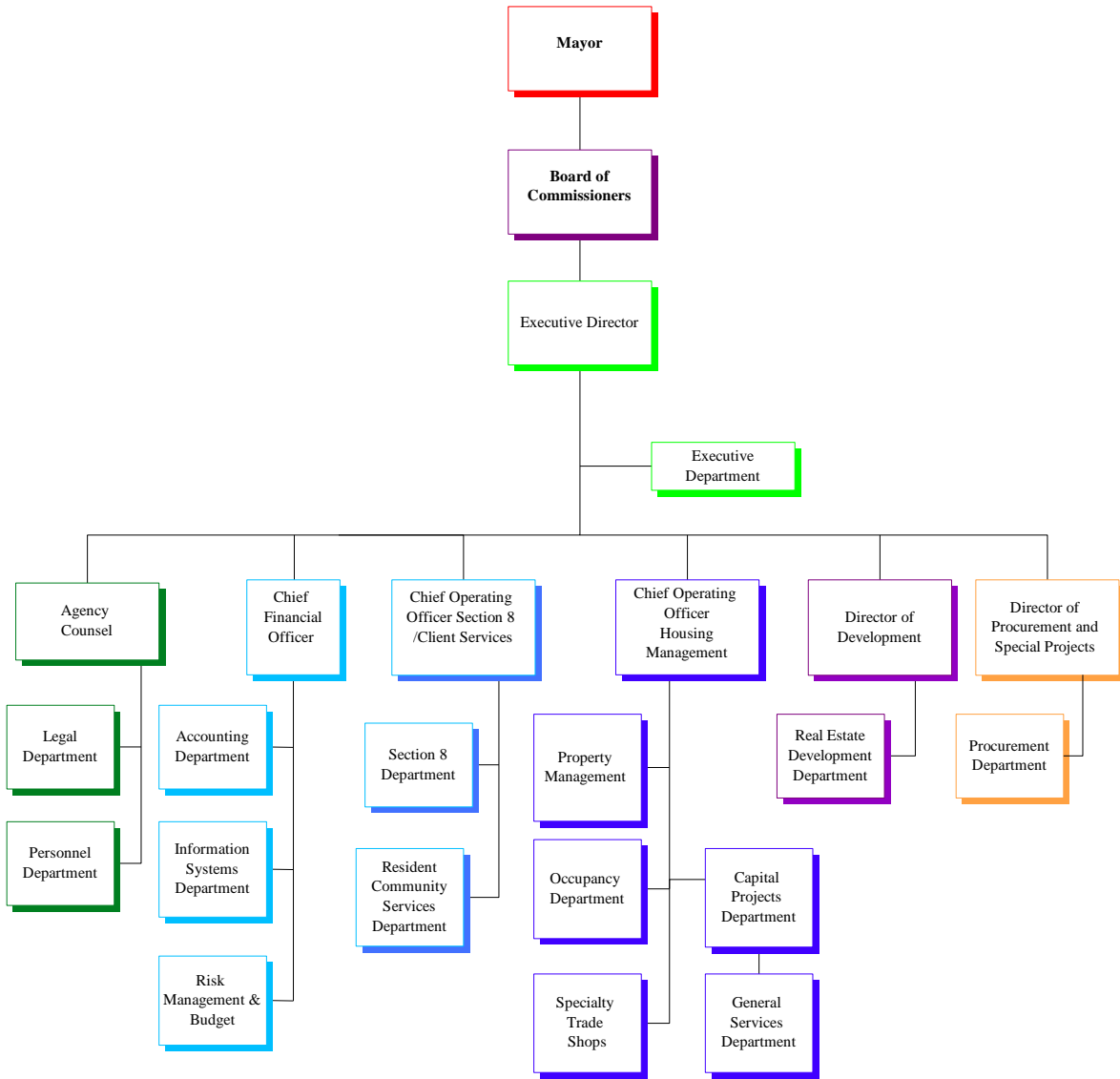


President

Executive Director

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Organizational Chart December 31, 2010



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

List of Principal Officials

December 31, 2010

Mr. Trinidad Rodriguez
Chairperson

Ms. Lisa Flores
Treasurer

Ms. Marian Lawrence
Vice Chairperson

Ms. Myrna Hipp
Commissioner

Mr. Richard James Chavez
Commissioner

Mr. Craig Archibald
Commissioner

Ms. Michelle Harper
Commissioner

Mr. Jeffrey Campos
Commissioner

Vacant
Commissioner

Mr. Ismael Guerrero
Executive Director

Ms. Sarasu Zachariah
Chief Financial Officer

Mr. Robert Prettyman
Chief Operating Officer
Housing Management

Ms. Toni Manjarrez
Chief Operating Officer
Section 8

Mr. Christopher Parr
Director of Development

Ms. Loretta Lovell
Director of Procurement and
Special Projects

Mr. Joshua Crawley
Agency Counsel

FINANCIAL SECTION

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Combining Financial Schedules

INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Housing Authority of the City and County of Denver:

We have audited the accompanying basic financial statements of the Housing Authority of the City and County of Denver as of and for the year ended December 31, 2010, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City and County of Denver as of December 31, 2010, and the changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 27, 2011, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 12 to 17 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and we express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Housing Authority of the City and County of Denver. The introductory section, combining financial schedules, statistical section, and HUD financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. The combining financial schedules, schedule of expenditures of federal awards, and HUD financial data schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statement taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Reznick Group, P.C.

Charlotte, North Carolina
May 27, 2011

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2010

This narrative overview and analysis of the Housing Authority of the City and County of Denver's (DHA) performance through December 31, 2010 is provided as a supplement to DHA's year-end financial statements. Please read it in conjunction with the transmittal letter at the beginning of this report, the basic financial statements following this section, and the notes to the basic financial statements. The management's discussion and analysis is presented in conformance with the Government Accounting Standards Board (GASB) financial reporting model as set forth in GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*.

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

Financial Highlights

- Total net assets increased by \$23.3 million (9.3%) from the prior year. This increase is due to repayment of principal on existing debt, an increase in notes receivable, and the construction of capital assets during the year. Construction was funded by the issuance of construction loans, and capital grants.
- The assets of DHA exceeded liabilities at December 31, 2010 by \$273.8 million (net assets). Of this amount, \$137.8 million (unrestricted net assets) may be used to meet ongoing obligations, \$122.6 million is invested in capital assets, net of related debt, and \$13.4 million is restricted to meet defined obligations.
- Additions to capital assets were completed as budgeted. Overall, capital assets decreased by \$9.7 million due to the disposition of Westwood Homes from the Low Rent program to Westwood Homes, LLLP offset by new construction funded by the American Recovery and Reinvestment Act (ARRA) and the HOPE VI related new construction activities at Park Avenue .
- Total liabilities decreased by \$1.0 million (1.7%) from the prior year due to repayment of principal on existing debt.
- Operating revenues increased approximately \$9.1 million (10.2%) in comparison to the prior year due to higher intergovernmental revenues and increased property management fee revenue in the Other revenues.
- Operating expenses increased approximately \$6.5 million (6.9%) in comparison to the prior year. Increases in administrative expense, maintenance expense and housing assistance payments contributed to this variance.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2010

- Nonoperating revenues, net of nonoperating expenses, increased approximately \$2.9 million (224.5%). This increase is primarily due to increased interest revenue and gains on disposition of assets.

Overview of the Basic Financial Statements

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

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

The *Statements of Revenues, Expenses, and Changes in Net Assets* present information showing how DHA's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported for some items that will only result in cash flows in future years.

The *Statements of Cash Flows* report how DHA's cash was used in and provided by its operating, noncapital financing, capital and related financing, and investing activities during the periods reported. The net of these activities is added to the beginning year cash balance to reconcile to the cash balances at December 31, 2010. The DHA uses the direct method of presenting cash flows, which includes a reconciliation of operating activities to operating income. These statements provide answers to such questions as where did cash come from, how was cash used, and what was the change in the cash balance during the year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2010

Financial Analysis*Net Assets*

Net assets are summarized in the table below:

	<u>2010</u>	<u>2009</u>
Current assets	\$ 58,543,664	57,301,031
Other noncurrent assets	105,297,940	74,469,701
Capital assets, net	<u>165,263,174</u>	<u>174,921,023</u>
Total assets	<u>\$ 329,104,778</u>	<u>306,691,755</u>
Current liabilities	\$ 12,452,492	17,034,570
Current liabilities payable from restricted asset	2,062,204	2,080,238
Noncurrent liabilities	<u>40,842,277</u>	<u>37,208,318</u>
Total liabilities	<u>\$ 55,356,973</u>	<u>56,323,126</u>
Invested in capital assets, net of related debt	\$ 122,582,870	136,016,350
Restricted net assets	13,390,611	12,519,007
Unrestricted net assets	<u>137,774,324</u>	<u>101,833,272</u>
Total net assets	<u>\$ 273,747,805</u>	<u>250,368,629</u>

Total assets of DHA at December 31, 2010 and 2009 amounted to \$329,104,778 and \$306,691,755, respectively. Current assets are comprised of cash, investments, receivables, current portion of notes receivable, inventories, prepaid items, and restricted assets. Current assets are approximately 2.1% higher at December 31, 2010 than December 31, 2009 due primarily to an increase in the current portion of notes receivable.

Total liabilities of DHA, which are segregated between current and noncurrent portions, amounted to \$55,356,973 and \$56,323,126 at December 31, 2010 and 2009, respectively. Current liabilities primarily include accounts payable, compensated absences payable, accrued liabilities, intergovernmental payables, interest payable, and the current portions of the notes and bonds payable. A liability is considered to be current if it is due within one year. Current liabilities decreased 26.9% from 2009 to 2010 primarily due to a decrease in intergovernmental payables. The noncurrent liabilities are primarily comprised of the long-term portion of the notes and bonds payable. The increase in noncurrent liabilities in 2010 over 2009 is primarily due to an increase in the balance on the line of credit net of repayments of principal on DHA debt.

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

Housing Authority of the City and County of Denver

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2010

Total net assets of DHA increased \$23.4 million during the year ended December 31, 2010. The increase in net assets in 2010 represents mostly the increase in unrestricted net assets of DHA.

The DHA's current ratio reflects the relationship between current assets and current liabilities and is a measure of DHA's ability to pay short-term obligations. At December 31, 2010 and 2009, DHA's current ratio is 4.0:1 and 3.0:1, respectively.

Revenues, Expenses, and Changes in Net Assets

Changes in net assets are summarized in the table below:

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Rental revenues	\$ 9,716,663	9,676,040
Intergovernmental revenues	81,736,794	75,342,530
Other revenues	7,565,028	4,830,485
Total operating revenues	<u>99,018,485</u>	<u>89,849,055</u>
Operating expenses:		
Administrative	15,737,461	14,276,017
Utilities	5,789,825	5,339,954
Ordinary and nonroutine maintenance	8,472,397	7,551,036
General	1,789,203	1,954,193
Depreciation	10,633,846	10,333,511
Housing assistance payments	53,180,049	49,811,669
Other operating expenses	5,145,416	4,999,867
Total operating expenses	<u>100,748,197</u>	<u>94,266,247</u>
Operating loss	<u>(1,729,712)</u>	<u>(4,417,192)</u>
Nonoperating revenues:		
Interest revenue	1,519,323	923,706
Net decrease in the fair value of investments	(16,912)	(62,740)
Interest expense	(2,048,240)	(1,966,226)
Amortization expense	(50,645)	(50,645)
Gain (loss) on disposition of assets	2,229,265	(155,548)
Total nonoperating revenues, net	<u>1,632,791</u>	<u>(1,311,453)</u>
(Loss) before capital grants and contributions	(96,921)	(5,728,645)
Capital and other grants	23,476,097	12,415,782
Transfers to (from) discrete component units	<u>—</u>	<u>(120,000)</u>
Change in net assets	23,379,176	6,567,137
Net assets, January 1	<u>250,368,629</u>	<u>243,801,492</u>
Net assets, December 31	<u>\$ 273,747,805</u>	<u>250,368,629</u>

The DHA's operating loss was 60.8% lower in 2010 than 2009. Operating revenues were 10.2% higher in 2010 than 2009 due to increased funding for the Section 8 program and increased property management fee revenue. In 2010 and 2009, Housing Authorities were required by

Housing Authority of the City and County of Denver

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2010

HUD to use a portion of their unused restricted HAP equity for housing assistance payments in the Section 8 program. This resulted in a net operating loss in the Section 8 program for both years 2009. Administrative expenses increased 10.2% in 2010 compared to 2009 due to increased salary and other administrative expenses. Utility expenses in 2010 were 8.4% higher than 2009 reflecting higher utility consumption and increased rates. Housing assistance payments were 6.8% higher than 2009 due to the use of \$1.9 million in restricted HAP equity in 2009 and an increase in the number of vouchers leased in 2010. Depreciation was higher in 2010 than 2009 in concert with the increase in capital assets.

Capital Assets and Debt Administration

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

	<u>2010</u>	<u>2009</u>
Land	\$ 44,452,807	42,817,513
Buildings	228,141,959	241,098,392
Improvements	27,550,229	31,201,726
Machinery and equipment	4,802,298	5,047,300
Construction in process	13,938,459	6,655,323
Total capital assets	318,885,752	326,820,254
Less accumulated depreciation	<u>(153,622,578)</u>	<u>(151,899,231)</u>
Net capital assets	<u>\$ 165,263,174</u>	<u>174,921,023</u>

Capital assets decreased by 5.5% in 2010 primarily due to the disposition of Westwood Homes offset by the new construction funded by the ARRA and HOPE VI grants . Additional information on DHA's capital assets can be found in note 5 to the basic financial statements.

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

	<u>2010</u>	<u>2009</u>
DHC Revenue Bonds	\$ 7,730,000	8,580,000
DHP Note – Lincoln Park	116,767	135,696
DHP Note – Lincoln Park	450,000	450,000
DHP Lincoln Park – First Bank Loan	1,825,025	1,897,296
Line of credit	6,210,000	450,000
Low Rent EPC – CitiCapital Loan	9,436,875	10,101,515
Three Towers EPC – CitiCapital Loan	3,402,578	3,710,165
Three Towers – CFFP Revenue Bonds	13,080,000	13,580,000
DHP Note - Yale Station Apartments	429,059	—
Total outstanding long-term debt	<u>\$ 42,680,304</u>	<u>38,904,672</u>

December 31, 2010

All debt service payments were made in 2010 as scheduled. Standard and Poor's maintained its bond rating for the DHC bonds at "A+" during both 2010 and 2009. Additional information on DHA's long-term debt can be found in note 6 to the basic financial statements.

Economic Factors Affecting DHA's Future

The majority of DHA's funding is from federal agencies in the form of operating subsidies, capital fund grants, Section 8 housing assistance payments, and other smaller grants. Housing authorities across the country continue to be impacted by the continued decline in federal support for housing. After 7 years of underfunding, HUD funded 2010 Low Rent operating subsidies at 103% of eligibility. The operating subsidy for 2011 was budgeted at 90% of 2010 eligibility. Based on HUD's funding letters and contracts with HUD, it is anticipated that most HUD programs will continue to receive renewal funding including the Section 8 program, which is DHA's largest housing program, serving over 5,900 families.

Congress and the federal government continue to cut federal subsidies due to federal budget priorities. The reduced funding shift continues to have an impact on DHA's economic position because federal housing dollars make up the largest source of revenue for DHA. During 2010, DHA earned \$101.9 million in federal dollars for its operating and capital programs. In addition, a majority of DHA's \$165.3 million of net capital assets as of December 31, 2010 were acquired and/or developed over the years with financial assistance from HUD. Such assistance has typically come with use restrictions and generally limits DHA's ability to encumber or leverage debt financing against HUD properties in its portfolio.

Requests for Information

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

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

Housing Authority of the City and County of Denver

BALANCE SHEET

December 31, 2010

Assets	Primary Government	Discretely Presented Component Units
Current assets:		
Cash	\$ 9,367,399	1,414,522
Investments	18,748,502	2,770,501
Receivables, net	2,413,437	119,462
Current portion of notes receivable	6,232,520	—
Due from other funds	5,207,987	55,816
Due from Discretely Presented Component Units (DCU)	1,148,547	—
Inventories	411,617	17,384
Prepaid items	315,840	46,465
Restricted:		
Cash	3,284,799	3,061,437
Investments	11,413,016	79,171
Total current assets	<u>58,543,664</u>	<u>7,564,758</u>
Noncurrent assets:		
Noncurrent portion of notes receivable	98,955,644	—
Due from DCU	5,186,805	—
Deferred financing costs	651,376	1,343,663
Other	504,115	503,663
Capital assets, net:		
Land	44,452,807	679,946
Buildings	93,099,719	135,570,418
Improvements	12,913,550	4,715,517
Machinery and equipment	858,639	844,567
Construction in progress	13,938,459	18,126,700
Total capital assets	<u>165,263,174</u>	<u>159,937,148</u>
Total noncurrent assets	<u>270,561,114</u>	<u>161,784,474</u>
Total assets	<u>\$ 329,104,778</u>	<u>169,349,232</u>

(continued)

Housing Authority of the City and County of Denver

BALANCE SHEET - CONTINUED

December 31, 2010

Liabilities and Net Assets	Primary Government	Discretely Presented Component Units
Current liabilities:		
Accounts payable	\$ 2,132,803	2,982,998
Compensated absences payable	861,299	63,662
Accrued liabilities	2,389,653	395,973
Intergovernmental payables	3,600	—
Accrued interest payable	170,651	55,615
Current portion of notes payable	1,630,683	6,268,018
Due to other funds	5,263,803	—
Due to DHA	—	1,148,547
	<u>12,452,492</u>	<u>10,914,813</u>
Current liabilities payable from restricted assets:		
Accrued interest payable	137,988	—
Current portion of bonds payable	755,000	—
Family Self Sufficiency escrow	597,448	649
Tenant security deposits	432,720	157,492
Escrow held for others	139,048	—
Total current liabilities payable from restricted assets	<u>2,062,204</u>	<u>158,141</u>
Total current liabilities	<u>14,514,696</u>	<u>11,072,954</u>
Noncurrent liabilities:		
Compensated absences payable	117,451	8,282
Due to DHA	—	5,186,805
Accrued liabilities	430,205	8,411,729
Notes and bonds payable, net of current portion	40,294,621	97,298,584
Total noncurrent liabilities	<u>40,842,277</u>	<u>110,905,400</u>
Total liabilities	<u>55,356,973</u>	<u>121,978,354</u>
Net assets:		
Invested in capital assets, net of related debt	122,582,870	56,370,546
Restricted for:		
Housing Assistance Payments – Section 8	3,645,443	—
Operating Reserve Fund	4,043,526	1,094,921
ACC Reserve	1,639,847	864,441
Replacement Reserve	1,922,593	967,051
Debt Service Reserve	1,618,901	—
Other	520,301	56,054
Unrestricted	<u>137,774,324</u>	<u>(11,982,135)</u>
Total net assets	<u>273,747,805</u>	<u>47,370,878</u>
Total liabilities and net assets	<u>\$ 329,104,778</u>	<u>169,349,232</u>

See notes to financial statements

Housing Authority of the City and County of Denver

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Year ended December 31, 2010

	Primary Government	Discretely Presented Component Units
Operating revenues:		
Rental revenues	\$ 9,716,663	4,582,038
Intergovernmental	81,736,794	1,872,133
Property management fee/developer fee revenue	4,559,215	—
Other revenues	3,005,813	281,846
Total operating revenues	<u>99,018,485</u>	<u>6,736,017</u>
Operating expenses:		
Administrative	15,737,461	1,107,832
Management fees	14,429	703,279
Tenant services	720,364	8,937
Utilities	5,789,825	923,185
Ordinary maintenance	7,611,346	1,575,294
General	1,789,203	321,331
Nonroutine maintenance	861,051	95,468
Depreciation	10,633,846	5,896,113
Housing assistance payments	53,180,049	—
Cost of sales and services	1,978,004	—
Other operating expenses	2,432,619	—
Total operating expenses	<u>100,748,197</u>	<u>10,631,439</u>
Operating loss	<u>(1,729,712)</u>	<u>(3,895,422)</u>
Nonoperating revenues (expenses):		
Interest revenue	1,519,323	14,157
Net (decrease) increase in the fair value of investments	(16,912)	825
Interest expense	(2,048,240)	(3,790,556)
Amortization expense	(50,645)	(73,919)
Gain (loss) on disposition of assets	2,229,265	—
Nonoperating revenues, net	<u>1,632,791</u>	<u>(3,849,493)</u>
Loss before capital grants and contributions	(96,921)	(7,744,915)
Capital grants	20,174,985	—
Other grants	3,301,112	—
Capital contributions from general and limited partners	—	13,381,348
Change in net assets	<u>23,379,176</u>	<u>5,636,433</u>
Net assets, January 1	<u>250,368,629</u>	<u>41,734,445</u>
Net assets, December 31	<u>\$ 273,747,805</u>	<u>47,370,878</u>

See notes to financial statements

Housing Authority of the City and County of Denver

STATEMENT OF CASH FLOWS

Year ended December 31, 2010

Cash flows from operating activities:	
Receipts from HUD	\$ 78,291,875
Receipts from tenants and others	16,835,555
Payments to employees	(16,478,299)
Payments to vendors and suppliers	<u>(76,591,143)</u>
Net cash provided by operating activities	<u>2,057,988</u>
Cash flows from capital and related financing activities:	
Issuance of notes and bonds payable and line of credit	7,774,059
Principal payments on debt and line of credit	(3,998,427)
Interest payments	(1,996,683)
Other financing and project development costs	23,395
Capital grants	23,476,097
Acquisition and construction of capital assets	(9,695,834)
Proceeds from sale of assets	<u>12,679,358</u>
Net cash provided by capital and related financing activities	<u>28,261,965</u>
Cash flows from investing activities:	
Issuance of notes receivable	(31,582,114)
Receipt of payment on notes receivable	189,785
Proceeds from sales and maturities of investments	(19,701,396)
Purchase of investments	21,200,158
Investment in partnership	(130)
Interest received	<u>1,502,579</u>
Net cash used in investing activities	<u>(28,391,118)</u>
Net increase in cash and cash equivalents	1,922,835
Cash, January 1	<u>10,723,363</u>
Cash, December 31 (includes restricted cash of \$3,284,799)	<u>\$ 12,646,198</u>

(continued)

Housing Authority of the City and County of Denver

STATEMENT OF CASH FLOWS - CONTINUED

Year ended December 31, 2010

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (1,729,712)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	10,633,846
Changes in operating assets and liabilities:	
Receivables	
Tenants	(26,643)
Intergovernmental	953,704
Other	(254,304)
Due from other funds	3,595,793
Due from DCU	(6,272,678)
Inventories	8,562
Prepaid items	(79,179)
Accounts payable	431,282
Compensated absences payable	(213,622)
Accrued liabilities	131,304
Intergovernmental payable	(4,398,623)
Due to other funds	(799,036)
Family Self Sufficiency escrow	84,264
Tenant security deposits	(7,317)
Escrow held for others	347
	<hr/>
Net cash used in operating activities	\$ <u>2,057,988</u>
Noncash investing, capital, and financing activities:	
Decrease in fair value of investments	\$ (16,914)
Transfer of construction in progress to completed buildings and improvements	11,902,774
Change in capitalization policy	146,197
Loss on disposal of property/equipment	(242,649)

See notes to financial statements

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2010

(1) Summary of Significant Accounting Policies

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

The basic financial statements of DHA have been prepared in conformity with U.S. generally accepted accounting principles (GAAP). Following is a summary of the more significant accounting policies of DHA.

(a) Reporting Entity

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

Blended Component Units

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

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

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

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

Denver Housing Development Partners, Inc. (DHDP) is a corporation created by DHA in 2004 to participate in tax credit partnerships. As of December 31, 2010, DHDP is a limited partner in 16 partnerships and does not control these partnerships. DHDP has no employees and all functions are provided by employees of DHA.

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

DHA Limited Partners, LLC (DLP) is a corporation created by DHA in 2006 to participate in the initial creation of tax credit partnerships during the predevelopment phase up to financial closing. As of December 31, 2010, DLP is not a partner in any partnerships.

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

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

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

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

DHC, GWHI, AHI, AHI II, AHI III, AHI IV, AHI V, 3T, CPH, OHI, WHI, DLIHDC DC, DHDP, and DLP are included in the accompanying basic financial statements as blended component units in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, based on the following factors:

- DHC, GWHI, AHI, AHI II, AHI III, AHI IV, AHI V, 3T, CPH, OHI, WHI, DLIHDC DC, DHDP, and DLP are fiscally dependent upon DHA because DHA approves the respective annual budgets.
- DHA is able to impose its will on DHC, GWHI, AHI, AHI II, AHI III, AHI IV, AHI V, 3T, CPH, OHI, WHI, DLIHDC DC, DHDP, and DLP because DHA can significantly influence the programs, projects, and activities.
- DHC, GWHI, AHI, AHI II, AHI III, AHI IV, AHI V, 3T, CPH, OHI, WHI, DLIHDC DC, DHDP, and DLP provide services almost entirely to DHA.

GWHI entered into two limited partnerships with US Bancorp CDC to form Globeville Redevelopment Partners I LLLP and Globeville Redevelopment Partners II LLLP. DHA is the property manager for the 62 rental units completed by the low-income housing tax credit partnerships. Under GASB Statement No. 14, *The Financial Reporting Entity*, the partnerships are considered discretely presented component units of GWHI because GWHI does not have the ability to control the operations of the partnerships.

AHI entered into a limited partnership with Boston Financial Investment Management (formerly MMA Financial) to form Thomas Bean Towers LP. DHA is the property manager for the 189 rental units. Under GASB Statement No. 14, the partnership is considered a discretely presented component unit of AHI because AHI does not have the ability to control the operations of the partnership.

AHI II entered into a limited partnership with US Bancorp CDC to form Park Avenue Redevelopment (Block 1B). DHA has hired the Ross Management Group to manage the 124 rental units. Under GASB Statement No. 14, the partnership is considered a discretely presented component unit of AHI II because AHI II does not have the ability to control the operations of the partnership.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

AHI III entered into a limited partnership with Wincopin Circle LLLP to form Park Avenue Redevelopment Block 3B, LLLP. The Ross Management Group is the property manager for the 91 rental units. Under GASB Statement No. 14, the partnership is considered a discretely presented component unit of AHI III because AHI III does not have the ability to control the operations of the partnership.

AHI IV entered into a limited partnership with US Bancorp CDC to form Park Avenue Redevelopment Block 4B, LLLP. Ross Management Group is the property manager for the 89 rental units. Under GASB Statement No. 14, the partnership is considered a discretely presented component unit of AHI IV because AHI IV does not have the ability to control the operations of the partnership.

AHI V entered into a limited partnership with Enterprise Neighborhood Partners Fund III LLLP in 2010 to form Park Avenue Redevelopment Block 5B, LLLP. The Ross Management Group will be the property manager for the 89 rental units completed by the low-income housing tax credit partnership. Under GASB Statement No. 14, the partnership is considered a discretely presented component unit of AHI V because AHI V does not have the ability to control the operations of the partnership.

3T entered into a limited partnership with Boston Capital Partners Inc. in 2004 to form Three Towers Partners LLLP. DHA is the property manager for the 359 rental units. Under GASB Statement No. 14, the partnership is considered a discretely presented component unit of 3T because 3T does not have the ability to control the operations of the partnership.

WHI entered into a limited partnership with Richman Group Capital Corporation to form Westwood Homes, LLLP. DHA is the property manager for the 184 rental units. Under GASB Statement No. 14, the partnership is considered a discretely presented component unit of WHI because WHI does not have the ability to control the operations of the partnership.

OHI entered into a limited partnership with U.S.A. Institutional South Lincoln, LLC to form 1099 Osage LLLP. DHA will be the property manager for the 100 rental units completed by the low-income housing tax credit partnership. Under GASB Statement No. 14, the partnership is considered a discretely presented component unit of OHI because OHI does not have the ability to control the operations of the partnership.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

Two members of DHA's board of directors, the Executive Director, and two management staff serve as the board of directors for GWHI, OHI, WHI, AHI, AHI II, AHI III, AHI IV and 3T. GWHI, OHI, WHI, AHI, AHI II, AHI III, AHI IV and 3T are wholly owned by DHA and they serve as the general partner in the housing development partnerships.

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

(b) Basis of Presentation

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

All assets and liabilities associated with the operations of DHA are included on the balance sheet. It is DHA's policy to apply all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued prior to November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The DHA has elected not to follow FASB pronouncements issued after November 30, 1989.

(c) Cash

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

(d) Revenue and Expenses

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

housing services. Nonoperating expenses include interest expense and other expenses not meeting the definition of operating.

(e) Revenue Recognition

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

(f) Investments

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

(g) Inventories

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

(h) Prepaid Items

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

(i) Restricted Assets

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

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

Replacement reserve	\$	1,068,148
Operating reserve		349,780
ACC reserve		1,639,847
Tenant security deposits		436,160
Family Self Sufficiency		597,448
Escrow held for others		139,048
Revenue Fund – DHC		1,529
Bond Fund – DHC		313,705
Escrow Fund – DHC		162,174
Operating Reserve Fund – DHC		3,693,746
Replacement Reserve Fund – DHC		854,445
Debt Service Fund – DHC		1,530,934
Surplus Fund – DHC		148,818
Rebate Fund – DHC		32,055
Debt Service Reserve Fund - CFFP		87,976
Restricted HAP		<u>3,642,002</u>
Total restricted assets	\$	<u><u>14,697,815</u></u>

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

Replacement reserve	\$	967,051
Operating reserves		1,094,921
ACC reserve		864,626
Tenant security deposits		160,700
Family Self Sufficiency		649
Escrow Fund		<u>52,661</u>
Total restricted assets	\$	<u><u>3,140,608</u></u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(j) Notes Receivable

Notes receivable consists of loans made to cooperative and redevelopment partnerships, the proceeds of which were used to construct and rehabilitate affordable housing units. The loans bear interest at rates ranging from 0.5% to 7.5%. The notes are due in full at dates ranging from 2011 to 2055.

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

(k) Capital Assets and Depreciation

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

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

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

(l) Deferred Financing Costs

Bond financing costs and bond discounts on the DHC revenue bonds and Capital Fund Financing Program (CFFP) bonds are amortized over the life of the issue using the straight-line method, which approximates the effective-interest method.

(m) Compensated Absences

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(n) Use of Estimates

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

(o) Impairment of Capital Assets

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. DHA is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. No such events or circumstances were encountered as of December 31, 2010.

(p) New Accounting Standards Adopted

Four new statements issued by the GASB were effective this year. Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, establishes accounting and financial reporting requirements for intangible assets such as easements, water rights, patents, trademarks and computer software. This standard was effective for financial statement periods beginning after June 15, 2009. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, establishes accounting and financial reporting requirements for derivative instruments. This standard was effective for financial statement periods beginning after June 15, 2009. Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, amends Statement No. 45 related to the use of the alternative measurement method. This provision was effective upon issuance. Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, establishes guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. This standard was effective for financial statement periods beginning after June 15, 2009. These statements have not had a material impact on the Authority's financial statements.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

Six other GASB standards will be adopted in future years. Statement No. 54, *Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This standard is effective for financial statements periods beginning after June 15, 2010. Statement No. 59, *Financial Instruments Omnibus*, updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. This standard is effective for financial statement periods beginning after June 15, 2010. Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, amends Statement No. 43 and changes employer reporting requirements relating to actuarial valuations. This provision is effective for financial statements periods beginning after June 15, 2011. Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This standard is effective for financial statements periods beginning after December 15, 2011. Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, is effective for financial statement periods beginning after December 15, 2011. Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, is effective for financial statement periods beginning after June 15, 2012. The Authority will evaluate these new standards and determine to what extent they have an impact on the financial statements.

(2) Deposits and Investments

(a) *Deposits*

Deposits, including those in restricted assets, are defined as cash on deposit with financial institutions. At December 31, 2010, the carrying amount of DHA's deposits was \$12,640,498 and the bank balance was \$13,369,100. The bank deposits are held with financial institutions and are entirely insured or uninsured and collateralized. Of the total bank balance, \$1,262,589 was covered by federal depository insurance, and \$12,106,511 was uninsured and collateralized with securities held by banks in their trust departments not in DHA's name.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

At December 31, 2010, the carrying amount of the discretely presented component units deposits was \$4,474,809 and the bank balance was \$4,474,809. The bank deposits are held with financial institutions and are entirely insured or uninsured and collateralized. Of the total bank balance, \$2,258,777 was covered by federal depository insurance, and \$2,216,032 was uninsured and collateralized with securities held by banks in their trust departments not in the name of the discretely presented component units.

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

For the primary government, cash consists of the following at December 31, 2010:

Cash – unrestricted	\$	9,367,399
Cash – current restricted		<u>3,284,799</u>
Total cash		12,652,198
Less: Cash on hand		<u>(11,700)</u>
Total deposits	\$	<u><u>12,640,498</u></u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

For the discretely presented component units, cash consists of the following at December 31, 2010:

Cash – unrestricted	\$ 1,414,522
Cash – current restricted	<u>3,061,437</u>
Total cash	4,475,959
Less: Cash on hand	<u>(1,150)</u>
Total deposits	<u><u>\$ 4,474,809</u></u>

(b) *Investments*

DHA’s investment policies require that all investments be made in accordance with the stated objectives of capital preservation, optimum liquidity, and return while conforming to all applicable statutes and regulations. DHA has established a maximum maturity of three years, and no more than 30% of the total portfolio may be invested over one year.

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

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

Investments held by DHA are as follows at December 31, 2010:

	<u>DHA</u>	Discretely Presented Component Units	<u>Combined</u>
U.S. government agencies	\$ 18,770,119	2,281,670	21,051,789
Investment pool – COLOTRUST	4,653,992	568,003	5,221,995
Repurchase agreements	<u>6,737,407</u>	<u>—</u>	<u>6,737,407</u>
	<u><u>\$ 30,161,518</u></u>	<u><u>2,849,673</u></u>	<u><u>33,011,191</u></u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of failure of the counterparty to a transaction, DHA will not be able to recover the value of the investments. As of December 31, 2010, none of the investments were exposed to custodial credit risk.

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

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

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

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

	<u>Credit quality</u>	
Fannie Mae (Federal National Mortgage Association)	Aaa	2%
Federal Home Loan Bank notes	Aaa	3
U.S. Treasury Bills	Aaa	9
U.S. Treasury notes	Aaa	44
FDIC Government Backed Corporate	Aaa	6
COLOTRUST	Aaa	16
Repurchase Agreements		20
		<u>100%</u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

DHC's investments in repurchase agreements are held in a trustee account by Wells Fargo Bank. The repurchase agreements are then invested with HSBC Bank USA and earn a specified interest rate and accrue interest on a monthly basis. The repurchase agreements do not have a credit quality rating.

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

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

	<u>Fair value</u>	<u>Maturities (in years)</u>	
		<u>Less than 1</u>	<u>1 - 2</u>
Fannie Mae (Federal National Mortgage Association)	\$ 505,156	—	505,156
Freddie Mac (Federal Home Loan Mortgage Association)	1,000,938	1,000,938	—
U.S. Treasury bills	2,994,613	2,994,613	—
U.S. Treasury notes	14,543,897	8,529,513	6,014,384
FDIC Government Backed Corporate	2,007,185	2,007,185	—
Total	<u>\$ 21,051,789</u>	<u>14,532,249</u>	<u>6,519,540</u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(3) Receivables

Receivables for the primary government at December 31, 2010 consist of the following:

Tenants	\$	108,678
Interest		136,666
Intergovernmental		1,739,925
Other		<u>428,168</u>
Total receivables	\$	<u><u>2,413,437</u></u>

The tenants receivable is net of allowance for doubtful accounts of \$9,240 at December 31, 2010. Other receivables are net of allowance for doubtful accounts of \$87,622.

Receivables for the discretely presented component units at December 31, 2010 consist of the following:

Tenants	\$	31,450
Intergovernmental		8
Other		<u>88,004</u>
Total receivables	\$	<u><u>119,462</u></u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

The tenants receivable is net of allowance for doubtful accounts of \$6,559 at December 31, 2010. Other receivables are net of allowance for doubtful accounts of \$7,132.

(4) Notes Receivable

Changes in notes receivable during 2010 were as follows:

	December 31, 2009	Additions	Receipts	December 31, 2010
Upper Lawrence Cooperative Mortgage Note	\$ 107,935	—	107,935	—
Studebaker Building, Ltd. Promissory Note	856,362	—	—	856,362
Curtis Park Redevelopment Partnership Phase I, Second Mortgage Note	4,045,210	—	—	4,045,210
Curtis Park Redevelopment Partnership Phase I, Third Mortgage Note	1,300,000	—	—	1,300,000
Curtis Park Redevelopment Partnership Phase II, Second Mortgage Note	4,385,979	—	—	4,385,979
Hope VI Redevelopment Homeownership Mortgage Loans	1,184,272	39,045	124,849	1,098,468
Curtis Park Redevelopment Partnership Phase III, 1 st Mortgage Note	2,173,000	—	—	2,173,000
Curtis Park Redevelopment Partnership Phase III, 2 nd Mortgage Note	200,000	—	—	200,000
Hughes Brothers Development Mortgage Note	108,520	—	—	108,520
Thomas Bean Towers, Mortgage Notes	11,159,666	—	—	11,159,666
Three Towers, Revolving Line of Credit	4,134,364	147,416	—	4,281,780
Three Towers, DHA Capital Fund Financing	14,600,000	—	—	14,600,000
Three Towers, DHA Program Fund Financing	16,547,746	—	—	16,547,746

Table continued on following page

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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	December 31, 2009	Additions	Receipts	December 31, 2010
Park Avenue Redevelopment Block 1B, Mortgage Notes	\$ 3,900,000	—	—	3,900,000
Park Avenue Redevelopment Block 3B, Mortgage Notes	4,791,721	349,189	—	5,140,910
Park Avenue Redevelopment Block 3B, Line of Credit	—	5,760,000	—	5,760,000
Park Avenue Redevelopment Block 4B, Mortgage Notes	3,200,000	1,954,500	—	5,154,500
Park Avenue Redevelopment Block 5B, Mortgage Notes	—	6,095,056	—	6,095,056
Globeville Redevelopment Partners I Promissory Notes	791,162	—	—	791,162
Globeville III Mortgage Note	241,145	—	—	241,145
Westwood Mortgage Notes	—	11,746,335	—	11,746,335
1099 Osage, 3rd Mortgage Note	—	2,876,514	—	2,876,514
Yale Station Apartments, 2nd Mortgage Note	—	429,059	—	429,059
Cecil Development Promissory Note	—	68,752	—	68,752
Habitat for Humanity Promissory Note	—	2,228,000	—	2,228,000
Total	<u>73,727,082</u>	<u>\$ 31,693,866</u>	<u>232,784</u>	<u>105,188,164</u>
Less amount due within one year	<u>486,784</u>			<u>6,232,520</u>
Noncurrent portion	<u>\$ 73,240,298</u>			<u>98,955,644</u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(a) *Upper Lawrence Cooperative Mortgage Note*

In 1987, DHA coordinated the formation of Upper Lawrence Cooperative (the Cooperative) and executed a mortgage note receivable with the Cooperative in the amount of \$374,000 for the sale of the 44 low-income housing units at Upper Lawrence. Payment of the loan was scheduled for 30 years with an interest rate of 2.595% per annum. Monthly principal and interest payments were \$1,408. The mortgage was scheduled to mature on March 1, 2017 but was paid in full in 2010.

(b) *Studebaker Building, Ltd. Promissory Note*

This promissory note in the amount of \$856,362 is from the Studebaker Building, Ltd., a Colorado limited partnership, which was formed to acquire, construct, own, and operate a low-income housing complex of 33 units in Denver. This note is subordinate to the first deed of trust and is secured by a second deed of trust and assignment of rents. Interest, at 7.5%, is payable periodically from “surplus cash” as defined in the Note Agreement. Unpaid principal and interest are due on December 31, 2019. No principal payments were due or received in 2010.

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

In 2002, DHA loaned a third-party developer \$4,045,210 for its part of a multi-lender mixed financing arrangement for new construction of 155 rental housing units, 62 of which are designated for public housing. The note matures on March 31, 2041 and carries an interest rate of 5.43%, which is payable monthly only in the event the development has “surplus cash” as defined in the Note Agreement. The note is secured by a second mortgage on the property. No principal payments were due or received in 2010.

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

In 2002, DHA loaned a third-party developer \$1,300,000 for its part of a multi-lender mixed financing arrangement for new construction of 155 rental housing units, 62 of which are designated for public housing. The note matures on April 18, 2043 and carries an interest rate of 0.5%, which is payable monthly only in the event the development has “surplus cash” as defined in the Note Agreement. The note is secured by a third mortgage on the property. No interest or principal payments on this note were due or received in 2010.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

In 2002, DHA loaned a third-party developer \$2,777,182 and, in 2003, an additional \$1,620,018 for its part of a multi-lender mixed financing arrangement for new construction of 125 rental housing units, 50 of which are designated for public housing. The note matures on April 2, 2042 and carries an interest rate of 5.62%, which is payable monthly only in the event the development has “surplus cash” as defined in the Note Agreement. The note is secured by a second mortgage on the property. Since inception of the note, \$11,221 in principal has been paid and the balance at December 31, 2010 is \$4,385,979. No interest or principal payments were due or received in 2010.

(f) *HOPE VI Redevelopment Homeownership Mortgage Loans*

These are loans made to individual low-income homebuyers in 2002 and 2003 under DHA’s Curtis Park HOPE VI Redevelopment efforts and in 2004 and 2005, under DHA’s Park Avenue HOPE VI Redevelopment effort. Payments on these second mortgages begin between 2009 and 2014, and the interest rates are 3% or 0%. Interest accrues on these loans on the unpaid principal balance from the date of the first principal and interest payment. The balance as of December 31, 2010 is \$1,098,468.

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

In 2003, DHA loaned a third-party developer \$1,362,495 and, in 2004, an additional \$810,505 for its part of a multi-lender mixed financing arrangement for new construction of 43 units, 23 of which are designated for public housing. The note matures on March 31, 2053 and carries an interest rate of 4.9%, which is payable monthly only in the event the development has “surplus cash” as defined in the Note Agreement. The note is secured by a first mortgage on the property. No principal payments on this note were due or received in 2010. In 2010, an interest payment of \$87,478 was received. The balance as of December 31, 2010 is \$2,173,000.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

In 2004, DHA loaned a third-party developer \$199,896 and in 2005, an additional \$104 for its part of a multi-lender mixed financing arrangement for new construction of 43 units, 23 of which are designated for public housing. The note matures on March 31, 2055 and carries an interest rate of 4.8%, which is payable monthly only in the event the development has "surplus cash" as defined in the Note Agreement. The note is secured by a second mortgage on the property. No interest or principal payments on this note were due or received in 2010. The balance as of December 31, 2010 is \$200,000.

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

In 2007, DHA loaned a third-party developer \$461,000 in order to purchase land owned by DHA under the Curtis Park HOPE VI redevelopment plan. The note matured on December 31, 2009, and did carry an interest rate of 0%. The default interest rate is 8%. In 2009, DHA acquired three of the parcels secured by the note receivable reducing the note receivable by the amounts associated with each parcel. The balance of \$108,520 was due on December 31, 2009; however, it was not received. Management does not believe that an allowance for the outstanding balance is necessary as the note is secured by a deed of trust on the remaining three parcels. The balance of accrued interest was \$8,802 as of December 31, 2010. The interest is fully allowed.

(j) *Thomas Bean Towers Mortgage Notes*

The outstanding balance of the first mortgage note as of December 31, 2010 is \$8,400,000. The loan matures on November 1, 2059. Annual payments of \$437,247 are due on October 15, but only to the extent of available cash flow, which is generally defined as cash receipts less cash expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. The annual interest on the note accrues at 4.79%. In 2010 an interest payment of \$130,213 was received.

The outstanding balance of the second mortgage note as of December 31, 2010 is \$2,759,666. The interest rate is 0.1% compounded annually. The loan matures on November 1, 2056. Annual payments of \$53,209 are due on October 15, but only to the extent of available cash flow as defined above. A payment of all outstanding principal and accrued interest is payable on the maturity date.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

The outstanding balance of the Revolving Energy Performance Contract Line of Credit as of December 31, 2010 is \$4,281,780. Up to \$5,078,827 can be advanced from this line of credit. The line of credit does not accrue interest and it matures on December 13, 2047. Payments on the line of credit will be made from proceeds from the U.S. Department of Housing and Urban Development (HUD) subsidy. A payment of all outstanding principal is payable on the maturity date.

(l) *Three Towers Capital Fund Financing*

The balance of the DHA Capital Fund Financing Program (CFFP) Note as of December 31, 2010 is \$14,600,000. The interest rate is 2.2% compounded annually. The loan matures on December 12, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(m) *Three Towers Program Fund Financing*

The balance of the DHA Program Funds Note as of December 31, 2010 is \$16,547,746. The interest rate is 4.72% compounded annually. The loan matures on December 13, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

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

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

The outstanding balance of the second mortgage note as of December 31, 2010 is \$3,000,000. The interest rate is 4.33% compounded annually. The loan matures on July 1, 2055. Annual payments are due on June 30, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2010 is \$900,000. The interest rate is 4.33% compounded annually. The loan matures on July 1, 2055. Annual payments are due on June 30, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

No payments were made on either of these mortgage notes during 2010 as there was no available cash flow.

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

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

The outstanding balance of the second mortgage note as of December 31, 2010 is \$2,471,999. The interest rate is 5.5% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2010, is \$1,688,911. The interest rate is 5.36% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2010, is \$980,000. The interest rate is 5.36% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(p) Park Avenue Redevelopment Block 3B, Line of Credit

DHA extended a line of credit to Park Avenue Redevelopment block 3B as interim financing until the closing of permanent financing in March 2011. Interest of \$127,827 was paid on the line of credit in 2010. The balance as of December 31, 2010 is \$5,760,000.

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

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

The outstanding balance of the second mortgage note as of December 31, 2010 is \$1,750,000. The interest rate is 4.46% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2010 is \$1,150,000. The interest rate is 4.46% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2010 is \$1,254,500. The interest rate is 4.40% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fifth mortgage note as of December 31, 2010 is \$1,000,000. No interest accrues on the fifth mortgage note. The note is payable in full fifteen years after project completion.

(r) *Park Avenue Redevelopment Block 5B, Mortgage Notes*

DHA has three mortgage notes receivable from Park Avenue Redevelopment Block 5B. The outstanding balance of the second mortgage note as of December 31, 2010 is \$512,565. The interest rate is .025% compounded annually. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2010 is \$5,357,696. No interest accrues on this loan. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

The outstanding balance of the fourth mortgage loan as of December 31, 2010 is \$224,795. The interest rate is 0.25% compounded annually. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(s) ***Globeville Redevelopment Partners I, Promissory Notes***

DHA has two promissory notes receivable from Globeville Redevelopment Partners I, LLLP. The first note had a balance of \$364,000 as of December 31, 2010, which is payable in full upon demand. This note does not accrue interest. The second note had a balance of \$427,162 as of December 31, 2010. This note accrues interest at a fixed rate of 5.01%. Payments on the promissory note to DHA are made from 75% remaining cash flows, which are generally defined as net income determined on a cash basis. The entire balance of the \$427,162 promissory note is due on December 31, 2034.

(t) ***Globeville Redevelopment Partners II***

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

(u) ***Westwood Homes LLLP***

DHA has two promissory notes and an improvements purchase note receivable from Westwood Homes LLLP. The outstanding balance of the second mortgage note as of December 31, 2010 is \$2,626,708. No interest accrues on this note. The loan matures on August 31, 2065. A payment of all outstanding principal is payable on the maturity date. The note is secured by the DHA Second Leasehold Deed of Trust.

The outstanding balance of the third mortgage note as of December 31, 2010 is \$47,127. No interest accrues on this note. The loan matures on August 31, 2065. The entire amount of principal shall be due and payable on the maturity date. The note is secured by the DHA Second Leasehold Deed of Trust.

The outstanding balance of the improvements purchase note as of December 31, 2010 is \$9,072,500. The interest rate is 10.0% compounded annually. The loan matures on September 1, 2012. A payment of all outstanding principal and accrued interest is payable on the maturity date.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(v) ***1099 Osage LLLP - Mortgage Note***

DHA has a mortgage note receivable from 1099 Osage LLLP. The outstanding balance of the third mortgage note as of December 31, 2010 is \$2,876,514. The interest rate is 4.0% compounded annually. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(w) ***Yale Station Apartments - Promissory Note***

This promissory note was executed in November 2010. The Loan was made with grant funds provided by FirstBank. The note bears interest equal to one-quarter of one percent per annum and is due December 31, 2050. The amount due at December 31, 2010 is \$429,059. Receipts from this note will be used to repay the corresponding debt (see Note 6).

(x) ***Cecil Development - Promissory Note***

This promissory note was executed in January 2010. Installments are due when certain market rate units are sold. No interest accrues on this note. The note is due and payable in full on December 31, 2012. The amount due at December 31, 2010 is \$68,752.

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

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

A promissory note in the amount of \$948,000. No interest accrues on this note. Principal payments in the amount of \$237,000 are due each year commencing December 31, 2012. Funds from this note are allowed to be used as loans to purchasers of individual units in the Project. The entire principal balance shall be due and payable December 31, 2015.

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

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

There were no notes receivable at December 31, 2010 for the discretely presented component units.

(5) Capital Assets

Changes in capital assets for the primary government during 2010 were as follows:

	<u>December 31, 2009</u>	<u>Additions</u>	<u>Transfer/ retirements</u>	<u>December 31, 2010</u>
Capital assets not depreciated:				
Land	\$ 42,817,513	1,940,280	304,986	44,452,807
Construction in progress	7,010,493	7,016,916	88,950	13,938,459
Total capital assets not depreciated	<u>49,828,006</u>	<u>8,957,196</u>	<u>393,936</u>	<u>58,391,266</u>
Capital assets being depreciated:				
Buildings	240,743,222	5,301,302	17,902,565	228,141,959
Improvements	31,201,726	30,525	3,682,022	27,550,229
Machinery and equipment	5,047,300	417,052	662,054	4,802,298
Total capital assets being depreciated	<u>276,992,248</u>	<u>5,748,879</u>	<u>22,246,641</u>	<u>260,494,486</u>
Accumulated depreciation:				
Buildings	133,184,526	8,984,849	7,127,135	135,042,240
Improvements	14,658,978	1,282,160	1,304,459	14,636,679
Machinery and equipment	4,055,727	381,492	493,560	3,943,659
Total accumulated depreciation	<u>151,899,231</u>	<u>10,648,501</u>	<u>8,925,154</u>	<u>153,622,578</u>
Total capital assets	<u>\$ 174,921,023</u>	<u>4,057,574</u>	<u>13,715,423</u>	<u>165,263,174</u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

Changes in capital assets for the discretely presented component units during 2010 were as follows:

	December 31, 2009	Additions	Transfer/ retirements	December 31, 2010
Capital assets not depreciated:				
Land	\$ 629,321	50,625	—	679,946
Construction in progress	18,679,407	17,753,359	18,306,066	18,126,700
Total capital assets not depreciated	<u>19,308,728</u>	<u>17,803,984</u>	<u>18,306,066</u>	<u>18,806,646</u>
Capital assets being depreciated:				
Buildings	119,743,123	32,107,444	—	151,850,567
Improvements	5,229,884	653,292	—	5,883,176
Machinery and equipment	1,492,005	468,432	1,777	1,958,660
Total capital assets being depreciated	<u>126,465,012</u>	<u>33,229,168</u>	<u>1,777</u>	<u>159,692,403</u>
Accumulated depreciation:				
Buildings	9,528,193	6,751,956	—	16,280,149
Improvements	810,649	357,009	—	1,167,658
Machinery and equipment	706,438	409,103	1,447	1,114,094
Total accumulated depreciation	<u>11,045,280</u>	<u>7,518,068</u>	<u>1,447</u>	<u>18,561,901</u>
Total capital assets	<u>\$ 134,728,460</u>	<u>43,515,084</u>	<u>18,306,396</u>	<u>159,937,148</u>

Construction in Progress

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

The following schedule shows the components of DHA's construction in progress at December 31, 2010:

<u>Type of funds</u>	
Modernization funds – Capital grants	\$ 8,844,805
Modernization funds – HOPE VI grants	1,272,457
Denver Housing Program	<u>3,821,197</u>
Total	<u>\$ 13,938,459</u>

Construction commitments at December 31, 2010 totaled approximately \$16.8 million.

The following schedule shows the breakout of construction in progress at December 31, 2010 for the discretely presented component units:

<u>Type of funds</u>	
Park Avenue Development Block 5B	\$ 7,963,519
Three Towers Partners	996,472
Westwood Partners	4,587,134
1099 Osage Partners	<u>4,579,575</u>
Total	<u>\$ 18,126,700</u>

(6) Long-Term Debt

DHA's debt is comprised of DHC Revenue Bonds, Capital Fund revenue bonds for Three Towers, two CitiCapital loans for Low Rent EPC and Three Towers EPC, two notes payable to the City and County of Denver for Lincoln Park, a bank loan for Lincoln Park, a bank loan for Yale Station Apartments, and a secured line of credit.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

A summary of changes in DHA's long-term debt for the year ended December 31, 2010 is presented below:

	Balance at December 31, 2009	Additions	Reductions	Balance at December 31, 2010	Due Within One Year
DHC Revenue Bonds	\$ 8,580,000	—	850,000	7,730,000	755,000
DHP Note Lincoln Park	135,696	—	18,929	116,767	19,510
DHP Note Lincoln Park	450,000	—	—	450,000	—
DHP Lincoln Park – First Bank loan	1,897,296	—	72,271	1,825,025	76,960
Line of credit	450,000	7,345,000	1,585,000	6,210,000	—
Low Rent EPC – CitiCapital Loan	10,101,515	—	664,640	9,436,875	717,814
Three Towers EPC – CitiCapital Loan	3,710,165	—	307,587	3,402,578	296,399
Three Towers – CFP Revenue Bonds	13,580,000	—	500,000	13,080,000	520,000
DHP - First Bank	—	429,059	—	429,059	—
Total debt	38,904,672	<u>\$ 7,774,059</u>	<u>3,998,427</u>	42,680,304	<u>2,385,683</u>
Less amount due within one year	<u>3,264,249</u>			<u>2,385,683</u>	
Long-term portion \$	<u>35,640,423</u>			<u>40,294,621</u>	

(a) DHC Revenue Bonds

On July 15, 1997, DHC issued \$19.1 million in General Obligation Bonds in two series for the purpose of refunding existing revenue bonds. Tax Exempt Series 1997A Bonds were issued to refund in whole the outstanding principal amount of the DHC's Section 8 Assisted Housing Revenue Bonds, 1978 Series A and 1978 Series B. The prior bonds were originally issued to provide permanent financing for a total of eight multifamily residential rental projects for persons and families of low income (the Projects). The Taxable Series 1997B Bonds were issued to provide funds for capital improvements with respect to the Projects, fund replacement reserve escrows with respect to the Projects, and pay the costs of issuing and selling the Bonds.

Series 1997A bonds have interest rates ranging from 5.35% to 5.55% and mature on October 1, 2012, April 1, 2016, and October 1, 2019. Principal and interest are payable semiannually. The bonds maturing on and after October 1, 2012 are subject to optional redemption, in whole or in part, in integral multiples of \$5,000, in such a manner as the trustee shall determine. Bonds are subject to optional early redemption at prices ranging from 100.00% to 101.00% of par. The bonds are secured by a deed of trust on the property.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

The future maturity schedule for the DHC Revenue Bonds is as follows at December 31, 2010:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 755,000	414,366	1,169,366
2012	780,000	373,706	1,153,706
2013	830,000	331,000	1,161,000
2014	870,000	284,800	1,154,800
2015	915,000	236,400	1,151,400
2016 – 2019	<u>3,580,000</u>	<u>411,135</u>	<u>3,991,135</u>
Total	<u>\$ 7,730,000</u>	<u>2,051,407</u>	<u>9,781,407</u>

(b) DHP Notes for Lincoln Park

During 2005, DHA purchased 57 units at Lincoln Park. DHA assumed three loans for the property. Two of the loans are from the City and County of Denver. These loans have balances of \$116,767 and \$450,000, respectively, at December 31, 2010. The first loan of \$116,767 bears interest at 3% and matures November 1, 2017. The second loan of \$450,000 at 0% interest is deferred while under compliance with the agreement and will be forgiven on February 1, 2032. The third loan was refinanced in 2006 (see First Bank Loan). Terms and conditions for compliance include maintaining the property as low-income housing.

The future maturity schedule for the City and County of Denver loan is as follows at December 31, 2010:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 19,510	3,279	22,789
2012	20,103	2,686	22,789
2013	20,731	2,058	22,789
2014	21,371	1,418	22,789
2015	22,030	759	22,789
2016	<u>13,022</u>	<u>131</u>	<u>13,153</u>
	<u>\$ 116,767</u>	<u>10,331</u>	<u>127,098</u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(c) **First Bank Loan**

The First Bank note had a balance of \$1,825,025 outstanding as of December 31, 2010. This note has a 20-year term and accrues interest at a fixed rate of 5.15%. The proceeds of this loan were used to pay the Compass Bank loan that DHA assumed when the property was purchased.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 76,960	93,451	170,411
2012	80,816	89,595	170,411
2013	85,399	85,012	170,411
2014	89,966	80,445	170,411
2015	94,778	75,633	170,411
2016 – 2020	555,170	296,883	852,053
2021 – 2025	720,715	131,338	852,053
2026	121,221	2,566	123,787
Total	<u>\$ 1,825,025</u>	<u>854,923</u>	<u>2,679,948</u>

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

(d) **Line of Credit**

DHA has a \$15,000,000 secured Line of Credit (LOC) from Key Bank National Association with a maturity date of July 15, 2011. The interest rate on the LOC is prime rate minus 1.60%. The LOC principal balance outstanding as of December 31, 2010 was \$6,210,000. The funds were used to provide interim financing for Lincoln Park 57 in the amount of \$450,000 and Park Avenue Block 3B in the amount of \$5,760,000 which was paid with proceeds from the permanent loan closing on March 3, 2011. As of the date of the audit, the outstanding balance on the LOC is \$450,000. The line of credit is secured by non-HUD revenues.

(e) **CitiCapital Loans**

In August 2007, DHA entered into an agreement with CitiCapital to fund the Energy Performance Contract for the low rent properties. The balance outstanding on this loan at December 31, 2010 was \$9,436,875. The loan has an interest rate at 4.34% and matures on June 15, 2020.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

Future principal and interest repayment requirements are as follows on the CitiCapital loan at December 31, 2010:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 717,814	395,521	1,113,335
2012	774,054	363,262	1,137,316
2013	833,517	328,499	1,162,016
2014	896,370	291,088	1,187,458
2015	962,783	250,879	1,213,662
2016 – 2020	<u>5,252,337</u>	<u>548,164</u>	<u>5,800,501</u>
	<u>\$ 9,436,875</u>	<u>2,177,413</u>	<u>11,614,288</u>

In December 2007, DHA entered into an agreement with CitiCapital to fund the Energy Performance Contract for the Three Towers Rehabilitation Project. DHA executed a \$5,078,827 revolving line of credit promissory note that bears no interest with Three Towers Partners, LLLP at the same time. The balance of the note is less than the total payments to CitiCapital, because of the interest income earned by DHA on the money held in escrow. The balance outstanding on this contract at December 31, 2010 was \$3,402,578. The note has an interest rate at 4.13% and matures on January 12, 2021.

Future principal and interest repayment requirements are as follows on the CitiCapital note at December 31, 2010:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 296,399	134,920	431,319
2012	283,085	122,926	406,011
2013	267,474	111,525	378,999
2014	285,638	100,196	385,834
2015	308,052	87,979	396,031
2016 – 2020	1,924,190	221,469	2,145,659
2021	<u>37,740</u>	<u>130</u>	<u>37,870</u>
	<u>\$ 3,402,578</u>	<u>779,145</u>	<u>4,181,723</u>

These loans are secured by the improvements made to the properties.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(f) Capital Fund Program Revenue Bonds

In December 2007, DHA issued \$14.6 million in Revenue Bonds. The Tax Exempt Series 2007 Bonds were issued to partially finance the Three Towers Rehabilitation Project. DHA executed a \$14.6 million loan agreement with Three Towers Partners, LLLP at the same time. This bond issue has a debt rating of “Aa3” by Moody’s Investors Service. The serial bonds totaling \$2,580,000 have an interest rate of 4.00% and mature on November 1, 2012. The term bonds totaling \$12,020,000 have interest rates ranging from 4.55% to 5.20% and mature on November 1, 2017, November 1, 2023, and November 1, 2027. Interest on the serial and term bonds is payable semiannually. The bonds are repayable from payments of Capital Fund Program moneys received by DHA from HUD. The balance outstanding on these bonds at December 31, 2010 was \$13,080,000.

The future maturity schedule for the Capital Fund Program Revenue Bonds is as follows at December 31, 2010:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 520,000	632,525	1,152,525
2012	540,000	611,525	1,151,525
2013	565,000	588,955	1,153,955
2014	590,000	563,020	1,153,020
2015	615,000	535,834	1,150,834
2016 – 2020	3,550,000	2,214,021	5,764,021
2021 – 2025	4,535,000	1,226,285	5,761,285
2026 – 2027	2,165,000	42,610	2,207,610
	<u>\$ 13,080,000</u>	<u>6,414,775</u>	<u>19,494,775</u>

(g) DHP Note for Yale Station Apartments

In November 2010, DHA executed a promissory note payable to FirstBank, a Colorado banking corporation to help finance the development of an affordable housing project in Denver, Colorado known as Yale Station Apartments. The principal amount of this note shall be forgiven in its entirety on the 15th anniversary of the date of project completion. The balance outstanding on December 31, 2010 was \$429,059.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

A summary of changes in DHA's discretely presented component units' long-term debt for the year ended December 31, 2010 is presented below:

	Balance at December 31, 2009	Additions	Reductions	Balance at December 31, 2010	Due Within One Year
Globeville I Key Bank loan	\$ 2,122,652	—	33,947	2,088,705	36,172
Globeville I DHA Loans	791,162	—	—	791,162	364,000
Globeville II Key Bank loan	1,236,275	—	15,243	1,221,032	16,323
Globeville II DHA Loan	241,145	—	—	241,145	—
Arrowhead Housing II, Inc.	5,399,439	—	50,016	5,349,423	53,150
Arrowhead Housing III, Inc.	5,265,000	—	5,265,000	—	—
Arrowhead Housing IV, Inc.	13,692,670	—	13,692,670	—	—
Thomas Bean Towers					
1st Mortgage	8,400,000	—	—	8,400,000	—
2nd Mortgage	2,759,666	—	—	2,759,666	—
Park Avenue Block 1B					
DHA 2nd Mortgage	3,000,000	—	—	3,000,000	—
DHA 3rd Mortgage	900,000	—	—	900,000	—
Park Avenue Block 3B					
Line of Credit	—	5,760,000	—	5,760,000	5,760,000
DHA 2nd Mortgage	2,122,810	349,189	—	2,471,999	—
DHA 3rd Mortgage	1,688,911	—	—	1,688,911	—
DHA 4th Mortgage	980,000	—	—	980,000	—
Park Avenue Block 4B					
CHFA 1st Mortgage	—	4,100,000	—	4,100,000	24,357
DHA 2nd Mortgage	1,750,000	—	—	1,750,000	—
DHA 3rd Mortgage	1,150,000	—	—	1,150,000	—
DHA 4th Mortgage	300,000	954,500	—	1,254,500	—
DHA 5th Mortgage	—	1,000,000	—	1,000,000	—
Three Towers EPC					
Line of Credit	4,134,364	147,416	—	4,281,780	—
DHA CFFP	14,600,000	—	—	14,600,000	—
DHA Program Funds Note	16,547,746	—	—	16,547,746	—
Park Avenue Block 5B					
Construction Loan	—	218,297	—	218,297	—
DHA 2nd Mortgage	—	512,565	—	512,565	—
DHA 3rd Mortgage	—	5,357,696	—	5,357,696	—
DHA 4th Mortgage	—	224,794	—	224,794	—
Westwood					
Construction Loan	—	703,592	—	703,592	—
DHA 2nd Mortgage	—	2,626,708	—	2,626,708	—
DHA 3rd Mortgage	—	47,127	—	47,127	—
DHA 4th Mortgage	—	9,072,500	—	9,072,500	—
1099 Osage 3rd Mortgage	—	2,876,514	—	2,876,514	—
Studebaker	—	1,590,740	—	1,590,740	14,016
Total debt	87,081,840	\$ 35,541,638	19,056,876	103,566,602	6,268,018
Less amount due within one year	19,420,825			6,268,018	
Long-term portion	\$ 67,661,015			97,298,584	

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NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(a) ***Globeville I Key Bank Loan***

The Key Bank note had a balance of \$2,088,705 outstanding as of December 31, 2010. This note has payments based on a 30-year term, with a balloon payment due on June 1, 2020, and accrues interest at a fixed rate of 6.375%. The loan is secured by a deed of trust on the property.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 36,172	133,921	170,093
2012	38,197	131,896	170,093
2013	41,124	128,969	170,093
2014	43,862	126,231	170,093
2015	46,783	123,310	170,093
2016 – 2020	1,882,567	504,839	2,387,406
Total	<u>\$ 2,088,705</u>	<u>1,149,166</u>	<u>3,237,871</u>

(b) ***Globeville I DHA Loans***

The Partnership also has a \$364,000 promissory note to DHA, which is payable in full upon demand and, accordingly, is included in current liabilities. This note does not accrue interest. In addition, the Partnership has a \$427,162 promissory note to DHA. This note accrues interest at a fixed rate of 5.01%. Payments on the promissory note to DHA are made from 75% remaining cash flows, which are generally defined as net income determined on a cash basis. The entire balance of the \$427,162 promissory note is due on December 31, 2034.

(c) ***Globeville II Key Bank Loan***

The Key Bank note had a balance of \$1,221,031 outstanding as of December 31, 2010. This note has payments based on a 30-year term, with a balloon payment due on September 1, 2021, and accrues interest at a fixed rate of 6.875%. The loan is secured by a deed of trust on the property.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 16,323	84,581	100,904
2012	17,254	83,650	100,904
2013	18,740	82,164	100,904
2014	20,088	80,816	100,904
2015	21,534	79,370	100,904
2016 – 2020	132,768	371,754	504,522
2021	994,325	51,271	1,045,596
Total	<u>\$ 1,221,032</u>	<u>833,606</u>	<u>2,054,638</u>

(d) *Globeville II DHA Loan*

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

(e) *Arrowhead Housing II, Inc.*

Arrowhead Housing II, Inc. has two CHFA loans. The first loan with CHFA (HOF note) is for \$5,000,000 bearing interest at 6.7% per year, is repayable over 20 years, and has a balance as of December 31, 2010 of \$4,891,716. The annual payment on this loan is \$370,770 payable monthly with a balloon payment of \$3,502,562 due in February 2028. The second loan with CHFA (Smart note) is for \$480,000 bearing interest at 3.0% per year, is repayable over 20 years, and has a balance as of December 31, 2010 of \$457,707. The annual payment on this loan is \$22,167 payable monthly with a balloon payment of \$267,497 due in February 2028.

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NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 44,577	326,193	370,770
2012	47,657	323,113	370,770
2013	50,950	319,820	370,770
2014	54,471	316,299	370,770
2015	58,234	312,536	370,770
2016 – 2020	357,383	1,496,465	1,853,848
2021 – 2025	499,135	1,354,713	1,853,848
2026 – 2028	3,779,309	529,569	4,308,878
Total	<u>\$ 4,891,716</u>	<u>4,978,708</u>	<u>9,870,424</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 8,573	13,594	22,167
2012	8,834	13,333	22,167
2013	9,102	13,065	22,167
2014	9,379	12,788	22,167
2015	9,664	12,503	22,167
2016 – 2020	52,914	57,923	110,837
2021 – 2025	61,466	49,371	110,837
2026 – 2028	297,775	18,398	316,173
Total	<u>\$ 457,707</u>	<u>190,975</u>	<u>648,682</u>

(f) ***Thomas Bean Towers***

The outstanding balance of the first mortgage note as of December 31, 2010 is \$8,400,000. The loan matures on November 1, 2059. Annual payments of \$437,247 are due on October 15, but only to the extent of available cash flow, which is generally defined as cash receipts less cash expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date. The annual interest on the note accrues at 4.79%.

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NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

The outstanding balance of the second mortgage note as of December 31, 2010 is \$2,759,666. The interest rate is 0.1% compounded annually. The loan matures on November 1, 2056. Annual payments of \$53,209 are due on October 15, but only to the extent of available cash flow as defined above. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(g) Park Avenue Redevelopment Block 1B

The outstanding balance of the second mortgage note as of December 31, 2010 is \$3,000,000. The interest rate is 4.33% compounded annually. The loan matures on July 1, 2055. Annual payments are due on June 30, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2010 is \$900,000. The interest rate is 4.33% compounded annually. The loan matures on July 1, 2055. Annual payments are due on June 30, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(h) Park Avenue Redevelopment Block 3B

The outstanding balance of the second mortgage note as of December 31, 2010 is \$2,471,999. The interest rate is 5.5% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2010 is \$1,688,911. The interest rate is 5.36% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2010 is \$980,000. The interest rate is 5.36% compounded annually. The loan matures on June 28, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

During 2010, a line of credit in the amount of \$5,760,000 was extended as interim financing until the closing of the permanent loan in March, 2011.

(i) ***Park Avenue Redevelopment Block 4B LLLP.***

Park Avenue Redevelopment Block 4B LLLP has two CHFA loans. The first loan with CHFA (HOF note) is for \$350,000 bearing interest at 3.0% per year, is repayable over 40 years, and has a balance as of December 31, 2010 of \$350,000. The annual payment on this loan is \$1,253 payable monthly due in December, 2050. The second loan with CHFA (Smart note) is for \$3,750,000 bearing interest at 6.6% per year, is repayable over 40 years, and has a balance as of December 31, 2010 of \$3,750,000. The annual payment on this loan is \$22,222 payable monthly due in December 2050.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 4,598	10,437	15,035
2012	4,738	10,297	15,035
2013	4,882	10,153	15,035
2014	5,031	10,004	15,035
2015	5,184	9,851	15,035
2016 – 2020	28,382	46,795	75,177
2021 – 2025	32,969	42,208	75,177
2026 – 2030	38,297	36,880	75,177
2031 – 2035	44,487	30,690	75,177
2036 – 2040	51,677	23,500	75,177
2041 – 2045	60,029	15,148	75,177
2046 – 2050	69,726	5,447	75,173
Total	\$ <u>350,000</u>	<u>251,410</u>	<u>601,410</u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 19,759	246,909	266,668
2012	21,103	245,565	266,668
2013	22,538	244,130	266,668
2014	24,072	242,596	266,668
2015	25,709	240,959	266,668
2016 – 2020	157,289	1,176,051	1,333,340
2021 – 2025	218,587	1,114,753	1,333,340
2026 – 2030	303,772	1,029,568	1,333,340
2031 – 2035	422,156	911,184	1,333,340
2036 – 2040	586,674	746,666	1,333,340
2041 – 2045	815,308	518,032	1,333,340
2046 – 2050	1,133,033	200,297	1,333,330
Total	\$ <u>3,750,000</u>	<u>6,916,710</u>	<u>10,666,710</u>

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

The outstanding balance of the second mortgage note as of December 31, 2010 is \$1,750,000. The interest rate is 4.46% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the third mortgage note as of December 31, 2010 is \$1,150,000. The interest rate is 4.46% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage note as of December 31, 2010 is \$1,254,500. The interest rate is 4.40% compounded annually. The loan matures on July 1, 2058. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

The outstanding balance of the fifth mortgage note as of December 31, 2010 is \$1,000,000. No interest accrues on the fifth mortgage note. The note is payable in full fifteen years after project completion.

(j) *Three Towers*

The outstanding balance of the Revolving Energy Performance Contract (EPC) Line of Credit as of December 31, 2010 is \$4,281,780. Up to \$5,078,827 can be advanced from this line of credit. The line of credit does not accrue interest and it matures on December 13, 2047. Payments on the line of credit will be made from proceeds from the U.S. Department of Housing and Urban Development (HUD) subsidy. A payment of all outstanding principal is payable on the maturity date.

The balance of the DHA Capital Fund Financing Program (CFFP) Note as of December 31, 2010 is \$14,600,000. The interest rate is 2.2% compounded annually. The loan matures on December 12, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The balance of the DHA Program Funds Note as of December 31, 2010 is \$16,547,746. The interest rate is 4.72% compounded annually. The loan matures on December 13, 2047. Payments are made only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(k) *Park Avenue Redevelopment Block 5B*

The outstanding balance of the construction loan with Key Bank as of December 31, 2010 is \$218,297. The interest rate is 3.75% compounded annually. The loan matures on June 3, 2012.

The outstanding balance of the second mortgage note as of December 31, 2010 is \$512,565. The interest rate is .025% compounded annually. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

The outstanding balance of the third mortgage note as of December 31, 2010 is \$5,357,696. No interest accrues on this loan. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the fourth mortgage loan as of December 31, 2010 is \$224,794. The interest rate is 0.25% compounded annually. The loan matures on June 3, 2050. Annual payments are due on July 12, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(l) Westwood

The outstanding balance of the construction loan as of December 31, 2010 is \$703,592. The interest rate is LIBOR plus 305 basis points multiplied by 70%, which was 2.35% at December 31, 2010. Interest payments are due monthly. The loan matures on August 31, 2012. A payment of all outstanding principal and accrued interest is payable on the maturity date.

The outstanding balance of the second mortgage note as of December 31, 2010 is \$2,626,708. No interest accrues on this note. The loan matures on August 31, 2065. A payment of all outstanding principal is payable on the maturity date. The note is secured by the DHA Second Leasehold Deed of Trust.

The outstanding balance of the third mortgage note as of December 31, 2010 is \$47,127. No interest accrues on this note. The loan matures on August 31, 2065. The entire amount of principal shall be due and payable on the maturity date. The note is secured by the DHA Second Leasehold Deed of Trust.

The outstanding balance of the improvements purchase note as of December 31, 2010 is \$9,072,500. The interest rate is 10.0% compounded annually. The loan matures on September 1, 2012. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(m) 1099 Osage

The outstanding balance of the third mortgage note as of December 31, 2010 is \$2,876,514. The interest rate is 4.00% compounded annually. The loan matures on September 17, 2065. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(n) **Studebaker Building Ltd.**

Studebaker Building Ltd. has a mortgage payable to GMAC Commercial Mortgage with an outstanding balance as of December 31, 2010 of \$734,378. The interest rate is 5.875% compounded annually. The loan matures on April 1, 2015. Payments are due monthly. The mortgage is secured by assignment of rents and guarantees by Studebaker Building, Ltd. I.

Future debt service requirements are as follows on the GMAC mortgage:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 14,016	42,768	56,784
2012	14,790	41,994	56,784
2013	15,683	41,101	56,784
2014	16,629	40,155	56,784
2015	<u>673,260</u>	<u>13,138</u>	<u>686,398</u>
	<u>\$ 734,378</u>	<u>179,156</u>	<u>913,534</u>

Additionally, there is a note payable to DHA with an outstanding balance as of December 31, 2010 of \$856,362. The interest rate is 7.5% compounded annually. The loan matures on December 31, 2019. Annual payments are due, but only to the extent of available cash flow, which is generally defined as cash receipts less expenses. A payment of all outstanding principal and accrued interest is payable on the maturity date.

(7) **Compensated Absences**

The compensated absence balance as of December 31, 2010 is as follows:

Compensated absences at December 31, 2009	\$ 1,251,872
Decrease during 2010	<u>(273,122)</u>
Compensated absences at December 31, 2010	<u>\$ 978,750</u>
Current portion of compensated absences at December 31, 2010	\$ 861,299
Noncurrent portion of compensated absences at December 31, 2010	<u>117,451</u>
	<u>\$ 978,750</u>

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(8) Employee Retirement Plan

DHA provides eligible employees with a defined contribution employee retirement plan. The plan and the contributions to it are authorized by DHA's Board of Commissioners. Under this plan, DHA makes employer regular and employer additional contributions into the pension fund for each eligible employee. A total of 10% of employee salaries is contributed by DHA toward pension. Contributions are made to and maintained by the plan administrator, ICMA-RC, which maintains an individual account for each participant. All regular full-time employees participate in the plan once they have successfully completed a six-month introductory period.

In 2010, DHA paid \$14,693,148 in total salaries. Of this amount, \$12,302,309 was covered under the plan. DHA's required and actual contributions in 2010 were:

<u>Rate</u>	<u>Salary</u>	<u>Employer regular pension contribution</u>	<u>Employer additional pension contribution</u>	<u>Total employer contribution</u>
10%	\$ 12,302,309	615,120	615,120	1,230,240

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

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

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(9) Deferred Compensation Plan

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

(10) Postemployment Benefits

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

(11) Risk Management

The DHA faces three major types of risk: 1) third-party liability claims, 2) property and casualty loss claims, and 3) workers' compensation claims. DHA has purchased insurance coverage to cover these risks. DHA property insurance coverage has a Total Insurable Value (TIV) of \$494,499,934 with a stop-loss limit of \$100,000,000 and with a deductible of \$10,000 per occurrence or 2% per building for wind and/or hail as of December 31, 2010 and \$468,288,659 TIV with a stop-loss limit of \$100,000,000 and with a deductible of \$10,000 per occurrence or 2% per building for wind and/or hail as of December 31, 2009. DHA participates in the Housing Authority Risk Retention Group (HARRG) in order to obtain stable and affordable general liability insurance coverage. General liability coverage provided is \$10,000,000 per year with a deductible of \$5,000 per occurrence. DHA also maintains a number of other insurance policies necessary and appropriate in the normal course of business including boiler and steam machinery, comprehensive automobile, workers' compensation, employee fidelity, and directors and officers' insurance. DHA has accrued a liability for a self-insurance retention (SIR) for future deductibles and the Worker's Compensation retrospective premiums to cover the future years' financial risks to DHA for current claims and potential claims resulting from incidents Incurred But Not Reported (IBNR). Amounts funded in 2010 and 2009 totaled \$1,268,450 and \$1,002,000, respectively. In addition, DHA maintains insurance policies on all its instrumentalities and partnerships.

DHA's economic risk as a participant in HARRG is limited to the paid-in surplus contribution of \$84,126 and the payment of annual premiums for its general liability insurance coverage. Also, DHA's risk in Housing Authority Property Insurance, A Mutual Company (HAPI) is limited to the paid-in and recapitalization surplus of \$101,760 and \$101,760 for 2010 and 2009, respectively. Although the underwriting experience of

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

HARRG and HAPI may result in increased annual premium charges and/or assessments against each participant's surplus contribution accounts, DHA's exposure to any net loss allocation is restricted to its surplus contribution account balances.

No claims or settlements were in excess of the insurance coverage for 2010 and 2009 or any of the three prior years.

Changes in the balances of claims liabilities for December 31, 2010 is as follows:

Unpaid claims, beginning of year	\$ 1,002,000
Incurred claims (including IBNRs)	443,548
Claim payments	<u>(322,148)</u>
Unpaid claims, end of year	<u>\$ 1,123,400</u>

These amounts are included in accrued liabilities in the accompanying balance sheet.

(12) Litigation and Contingencies

DHA is a party to numerous pending or threatened lawsuits, under which it may be required to pay certain amounts upon final disposition of these matters. After consulting with legal counsel, DHA's management has concluded that no significant adverse effect on the December 31, 2010 basic financial statements should result upon final disposition of these proceedings.

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

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

Housing Authority of the City and County of Denver

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

(13) TABOR Amendment

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

(14) Income Taxes

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

(15) Subsequent Event

In January 2011, DHA renewed its \$15 million Line of Credit (LOC) with Key Bank, NA (“Key”) through March 15, 2011 and then further extended it to May 15, 2011. On April 14, 2011 the Board of Commissioners authorized the selection and negotiation of a new \$15 million LOC with Key Bank, NA to replace the current LOC due to expire on May 15, 2011.

On March 3, 2011, the Park Avenue Redevelopment block 3B LLLP (“Block 3B”) closed on the permanent financing with CitiBank, NA (“Citi”) and Colorado Housing and Finance Authority (“CHFA”). Proceeds from the \$4,559,000 first mortgage with Citi, the \$870,757 second mortgage with CHFA, and Capital equity installment from Enterprise Community in the amount of \$1,629,211 were used to fund the Block 3B Partnership reserves, pay closing and other related Block 3B costs, and pay off the Block 3B \$5,760,000 DHA Line of Credit Note. On March 4, 2011, DHA paid down \$5,760,000 on the December 31, 2010 Kay LOC balance of \$6,210,000.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Combining Financial Schedule

December 31, 2010

Assets	General administrative	Low rent	Denver housing program	Component units	Section 8	Grants	Internal services	Combining entries	Total
Current assets:									
Cash	\$ 6,311,020	3,047,263	1,365	5,551	2,000	—	200	—	9,367,399
Investments	713,946	16,262,504	785,799	484,981	501,272	—	—	—	18,748,502
Receivables:									
Tenants	—	91,615	11,541	5,522	—	—	—	—	108,678
Interest	42,694	—	—	93,972	—	—	—	—	136,666
Intergovernmental	—	1,478,939	88,596	—	102,211	70,179	—	—	1,739,925
Other	198,485	98,630	21,014	24,605	70,885	1,995	12,554	—	428,168
Current portion of notes receivable	—	—	6,232,520	—	—	—	—	—	6,232,520
Due from other funds	—	54,123	3,568,780	—	—	—	1,585,084	—	5,207,987
Due from DCU	16,542	180,483	882,548	68,974	—	—	—	—	1,148,547
Inventories	7,514	157,997	—	56,274	—	—	189,832	—	411,617
Assets held for sale	—	—	—	—	—	—	—	—	—
Prepaid items	244,431	37,054	1,337	2,804	2,715	—	27,499	—	315,840
Restricted:									
Cash	—	2,134,968	161,682	988,149	—	—	—	—	3,284,799
Investments	—	698,382	12,200	6,861,431	3,841,003	—	—	—	11,413,016
Total current assets	<u>7,534,632</u>	<u>24,241,958</u>	<u>11,767,382</u>	<u>8,592,263</u>	<u>4,520,086</u>	<u>72,174</u>	<u>1,815,169</u>	<u>—</u>	<u>58,543,664</u>
Noncurrent assets:									
Noncurrent portion of notes receivable	—	89,166,304	8,160,195	1,629,145	—	—	—	—	98,955,644
Due from DCU	490	1,299,256	3,829,980	57,079	—	—	—	—	5,186,805
Deferred amount on financing	—	430,205	—	221,171	—	—	—	—	651,376
Other	185,886	—	—	318,229	—	—	—	—	504,115
Restricted Investments	—	—	—	—	—	—	—	—	—
Capital assets:									
Land	—	21,342,167	21,403,394	1,707,246	—	—	—	—	44,452,807
Buildings	—	198,880,655	6,473,684	22,787,620	—	—	—	—	228,141,959
Accumulated depreciation – buildings	—	(127,228,875)	(2,425,943)	(5,387,422)	—	—	—	—	(135,042,240)
Improvements	—	27,210,471	143,284	196,474	—	—	—	—	27,550,229
Accumulated depreciation – improvements	—	(14,593,201)	(25,544)	(17,934)	—	—	—	—	(14,636,679)
Machinery and equipment	716,153	2,177,942	19,450	85,374	236,268	—	1,567,111	—	4,802,298
Accumulated depreciation – machinery and equipment	(561,875)	(1,813,016)	(1,881)	(53,018)	(206,666)	—	(1,307,203)	—	(3,943,659)
Construction in progress	—	10,117,262	3,821,197	—	—	—	—	—	13,938,459
Total capital assets	<u>154,278</u>	<u>116,093,405</u>	<u>29,407,641</u>	<u>19,318,340</u>	<u>29,602</u>	<u>—</u>	<u>259,908</u>	<u>—</u>	<u>165,263,174</u>
Total noncurrent assets	<u>340,654</u>	<u>206,989,170</u>	<u>41,397,816</u>	<u>21,543,964</u>	<u>29,602</u>	<u>—</u>	<u>259,908</u>	<u>—</u>	<u>270,561,114</u>
Total assets	<u>\$ 7,875,286</u>	<u>231,231,128</u>	<u>53,165,198</u>	<u>30,136,227</u>	<u>4,549,688</u>	<u>72,174</u>	<u>2,075,077</u>	<u>—</u>	<u>329,104,778</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Combining Financial Schedule

December 31, 2010

Liabilities and Net Assets	General administrative	Low rent	Denver housing program	Component units	Section 8	Grants	Internal services	Combining entries	Total
Current liabilities:									
Accounts payable	\$ 138,007	1,774,912	26,272	142,725	19,858	172	30,857	—	2,132,803
Current portion of compensated absences payable	285,118	315,838	47,209	45,467	91,423	—	76,244	—	861,299
Accrued liabilities	1,318,886	796,094	48,387	70,491	69,067	25,253	61,475	—	2,389,653
Intergovernmental payables	—	—	—	—	3,600	—	—	—	3,600
Accrued interest payable	—	135,260	35,391	—	—	—	—	—	170,651
Current portion of long-term debt	—	1,534,213	96,470	—	—	—	—	—	1,630,683
Due to other funds	1,466,859	940,455	10,000	2,719,300	80,440	46,749	—	—	5,263,803
Due to DHA	—	—	—	—	—	—	—	—	—
	<u>3,208,870</u>	<u>5,496,772</u>	<u>263,729</u>	<u>2,977,983</u>	<u>264,388</u>	<u>72,174</u>	<u>168,576</u>	<u>—</u>	<u>12,452,492</u>
Current liabilities payable from restricted assets:									
Accrued interest payable	—	—	—	137,988	—	—	—	—	137,988
Current portion of long-term debt	—	—	—	755,000	—	—	—	—	755,000
Family Self Sufficiency escrow	—	401,888	—	—	195,560	—	—	—	597,448
Tenant security deposits	—	296,494	12,200	124,026	—	—	—	—	432,720
Escrow held for others	—	139,048	—	—	—	—	—	—	139,048
Total current liabilities payable from restricted assets	<u>—</u>	<u>837,430</u>	<u>12,200</u>	<u>1,017,014</u>	<u>195,560</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,062,204</u>
Total current liabilities	<u>3,208,870</u>	<u>6,334,202</u>	<u>275,929</u>	<u>3,994,997</u>	<u>459,948</u>	<u>72,174</u>	<u>168,576</u>	<u>—</u>	<u>14,514,696</u>
Noncurrent liabilities:									
Compensated absences payable	38,880	43,069	6,438	6,200	12,467	—	10,397	—	117,451
Accrued liabilities	—	430,205	—	—	—	—	—	—	430,205
Notes and bonds payable	—	24,385,240	8,934,381	6,975,000	—	—	—	—	40,294,621
Total noncurrent liabilities	<u>38,880</u>	<u>24,858,514</u>	<u>8,940,819</u>	<u>6,981,200</u>	<u>12,467</u>	<u>—</u>	<u>10,397</u>	<u>—</u>	<u>40,842,277</u>
Total liabilities	<u>3,247,750</u>	<u>31,192,716</u>	<u>9,216,748</u>	<u>10,976,197</u>	<u>472,415</u>	<u>72,174</u>	<u>178,973</u>	<u>—</u>	<u>55,356,973</u>
Net assets:									
Invested in capital assets, net of related debt	154,278	90,173,952	20,376,790	11,588,340	29,602	—	259,908	—	122,582,870
Restricted for:									
Housing Assistance Payments – Section 8	—	—	—	—	3,645,443	—	—	—	3,645,443
Operating Reserve Fund	—	—	—	4,043,526	—	—	—	—	4,043,526
ACC Reserve	—	1,001,478	—	638,369	—	—	—	—	1,639,847
Replacement Reserve	—	994,433	73,715	854,445	—	—	—	—	1,922,593
Debt Service Reserve	—	—	87,967	1,530,934	—	—	—	—	1,618,901
Other	—	9	—	520,292	—	—	—	—	520,301
Unrestricted	<u>4,473,258</u>	<u>107,868,540</u>	<u>23,409,978</u>	<u>(15,876)</u>	<u>402,228</u>	<u>—</u>	<u>1,636,196</u>	<u>—</u>	<u>137,774,324</u>
Total net assets	<u>4,627,536</u>	<u>200,038,412</u>	<u>43,948,450</u>	<u>19,160,030</u>	<u>4,077,273</u>	<u>—</u>	<u>1,896,104</u>	<u>—</u>	<u>273,747,805</u>
Total liabilities and net assets	<u>\$ 7,875,286</u>	<u>231,231,128</u>	<u>53,165,198</u>	<u>30,136,227</u>	<u>4,549,688</u>	<u>72,174</u>	<u>2,075,077</u>	<u>—</u>	<u>329,104,778</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Component Units Combining Schedule

December 31, 2010

Assets	Denver Housing Corporation	Globeville Workforce Housing	Arrowhead Housing Inc.	Arrowhead Housing II Inc.	Arrowhead Housing III Inc.	Arrowhead Housing IV Inc.	Arrowhead Housing V Inc.	Three Towers Partners	Curtis Park Housing Inc.	DLIHDC DC	Denver Housing Development Partners Inc.	DHA Limited Partners	Westwood Housing Inc.	1099 Osage Housing Inc.	Total
Current assets:															
Cash	\$ 5,551	—	—	—	—	—	—	—	—	—	—	—	—	—	5,551
Investments	423,641	—	2,453	2,413	4,351	3,973	1,078	5,570	2,279	33,690	—	2,067	1,864	1,602	484,981
Receivables:															
Tenants	5,522	—	—	—	—	—	—	—	—	—	—	—	—	—	5,522
Interest	93,972	—	—	—	—	—	—	—	—	—	—	—	—	—	93,972
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	4,796	803	—	—	—	—	—	—	—	—	19,006	—	—	—	24,605
Current portion of notes receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Due from DCU	—	—	68,974	—	—	—	—	—	—	—	—	—	—	—	68,974
Inventories	56,274	—	—	—	—	—	—	—	—	—	—	—	—	—	56,274
Assets held for sale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Prepaid items	2,804	—	—	—	—	—	—	—	—	—	—	—	—	—	2,804
Restricted:															
Cash	—	—	865,443	122,706	—	—	—	—	—	—	—	—	—	—	988,149
Investments	6,861,431	—	—	—	—	—	—	—	—	—	—	—	—	—	6,861,431
Total current assets	<u>7,453,991</u>	<u>803</u>	<u>936,870</u>	<u>125,119</u>	<u>4,351</u>	<u>3,973</u>	<u>1,078</u>	<u>5,570</u>	<u>2,279</u>	<u>33,690</u>	<u>19,006</u>	<u>2,067</u>	<u>1,864</u>	<u>1,602</u>	<u>8,592,263</u>
Noncurrent assets:															
Noncurrent portion of notes receivable	—	1,629,145	—	—	—	—	—	—	—	—	—	—	—	—	1,629,145
Due from DCU	—	—	57,079	—	—	—	—	—	—	—	—	—	—	—	57,079
Deferred amount on financing	221,171	—	—	—	—	—	—	—	—	—	—	—	—	—	221,171
Other	182,089	200	100	100	10	1,122	100	100	126,595	—	7,703	—	100	10	318,229
Restricted:															
Cash	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital assets:															
Land	1,707,246	—	—	—	—	—	—	—	—	—	—	—	—	—	1,707,246
Buildings	22,787,620	—	—	—	—	—	—	—	—	—	—	—	—	—	22,787,620
Accumulated depreciation – buildings	(5,387,422)	—	—	—	—	—	—	—	—	—	—	—	—	—	(5,387,422)
Improvements	196,474	—	—	—	—	—	—	—	—	—	—	—	—	—	196,474
Accumulated depreciation – improvements	(17,934)	—	—	—	—	—	—	—	—	—	—	—	—	—	(17,934)
Machinery and equipment	85,374	—	—	—	—	—	—	—	—	—	—	—	—	—	85,374
Accumulated depreciation – machinery and equipment	(53,018)	—	—	—	—	—	—	—	—	—	—	—	—	—	(53,018)
Construction in progress	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total capital assets	<u>19,318,340</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,318,340</u>
Total noncurrent assets	<u>19,721,600</u>	<u>1,629,345</u>	<u>57,179</u>	<u>100</u>	<u>10</u>	<u>1,122</u>	<u>100</u>	<u>100</u>	<u>126,595</u>	<u>—</u>	<u>7,703</u>	<u>—</u>	<u>100</u>	<u>10</u>	<u>21,543,964</u>
Total assets	\$ <u>27,175,591</u>	<u>1,630,148</u>	<u>994,049</u>	<u>125,219</u>	<u>4,361</u>	<u>5,095</u>	<u>1,178</u>	<u>5,670</u>	<u>128,874</u>	<u>33,690</u>	<u>26,709</u>	<u>2,067</u>	<u>1,964</u>	<u>1,612</u>	<u>30,136,227</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Component Units Combining Schedule

December 31, 2010

Liabilities and Net Assets	Denver Housing Corporation	Globeville Workforce Housing	Arrowhead Housing Inc.	Arrowhead Housing II Inc.	Arrowhead Housing III Inc.	Arrowhead Housing IV Inc.	Arrowhead Housing V Inc.	Three Towers Partners	Curtis Park Housing Inc.	DLIHDC DC	Denver Housing Development Partners Inc.	DHA Limited Partner	Westwood Housing Inc.	1099 Osage Housing Inc.	Total
Current liabilities:															
Accounts payable	\$ 135,692	6,331	—	—	—	—	—	—	—	702	—	—	—	—	142,725
Current portion of compensated absences payable	45,467	—	—	—	—	—	—	—	—	—	—	—	—	—	45,467
Accrued liabilities	69,095	793	—	—	—	—	—	—	—	—	603	—	—	—	70,491
Intergovernmental payables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Accrued interest payable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	2,637,270	—	—	—	—	—	—	—	—	82,030	—	—	—	2,719,300
	<u>250,254</u>	<u>2,644,394</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>702</u>	<u>82,633</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,977,983</u>
Current liabilities payable from restricted assets:															
Accrued interest payable	137,988	—	—	—	—	—	—	—	—	—	—	—	—	—	137,988
Current portion of long-term debt	755,000	—	—	—	—	—	—	—	—	—	—	—	—	—	755,000
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Tenant security deposits	124,026	—	—	—	—	—	—	—	—	—	—	—	—	—	124,026
Escrow held for others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total current liabilities payable from restricted assets	<u>1,017,014</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,017,014</u>
Total current liabilities	<u>1,267,268</u>	<u>2,644,394</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>702</u>	<u>82,633</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,994,997</u>
Noncurrent liabilities:															
Compensated absences payable	6,200	—	—	—	—	—	—	—	—	—	—	—	—	—	6,200
Accrued liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Notes and bonds payable	6,975,000	—	—	—	—	—	—	—	—	—	—	—	—	—	6,975,000
Total noncurrent liabilities	<u>6,981,200</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,981,200</u>
Total liabilities	<u>8,248,468</u>	<u>2,644,394</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>702</u>	<u>82,633</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,976,197</u>
Net assets:															
Invested in capital assets, net of related debt	11,588,340	—	—	—	—	—	—	—	—	—	—	—	—	—	11,588,340
Restricted for:															
Housing Assistance Payments - Section 8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating Reserve Fund	3,693,746	—	349,780	—	—	—	—	—	—	—	—	—	—	—	4,043,526
ACC Reserve	—	—	515,663	122,706	—	—	—	—	—	—	—	—	—	—	638,369
Replacement Reserve	854,445	—	—	—	—	—	—	—	—	—	—	—	—	—	854,445
Debt Service Reserve	1,530,934	—	—	—	—	—	—	—	—	—	—	—	—	—	1,530,934
Other	520,292	—	—	—	—	—	—	—	—	—	—	—	—	—	520,292
Unrestricted	739,366	(1,014,246)	128,606	2,513	4,361	5,095	1,178	5,670	128,874	32,988	(55,924)	2,067	1,964	1,612	(15,876)
Total net assets	<u>18,927,123</u>	<u>(1,014,246)</u>	<u>994,049</u>	<u>125,219</u>	<u>4,361</u>	<u>5,095</u>	<u>1,178</u>	<u>5,670</u>	<u>128,874</u>	<u>32,988</u>	<u>(55,924)</u>	<u>2,067</u>	<u>1,964</u>	<u>1,612</u>	<u>19,160,030</u>
Total liabilities and net assets	<u>\$ 27,175,591</u>	<u>1,630,148</u>	<u>994,049</u>	<u>125,219</u>	<u>4,361</u>	<u>5,095</u>	<u>1,178</u>	<u>5,670</u>	<u>128,874</u>	<u>33,690</u>	<u>26,709</u>	<u>2,067</u>	<u>1,964</u>	<u>1,612</u>	<u>30,136,227</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Grants Combining Schedule

December 31, 2010

Assets	Service coordinator grant	Housing Counseling grant	Resident opportunity and support services	CHFA NFMC grant	WIA Youth Program	Xcel Energy Efficiency grant	Front Range Earth Force	Total
Current assets:								
Cash	\$ —	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—
Receivables:								
Tenants	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Intergovernmental	7,419	—	22,122	—	40,638	—	—	70,179
Other	—	—	—	1,995	—	—	—	1,995
Current portion of notes receivable	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	—
Assets held for sale	—	—	—	—	—	—	—	—
Prepaid items	—	—	—	—	—	—	—	—
Restricted:								
Cash	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—
Total current assets	<u>7,419</u>	<u>—</u>	<u>22,122</u>	<u>1,995</u>	<u>40,638</u>	<u>—</u>	<u>—</u>	<u>72,174</u>
Noncurrent assets:								
Noncurrent portion of notes receivable	—	—	—	—	—	—	—	—
Deferred amount on bond refunding	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Restricted:								
Cash	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—
Capital assets:								
Land	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—
Accumulated depreciation – buildings	—	—	—	—	—	—	—	—
Improvements	—	—	—	—	—	—	—	—
Accumulated depreciation – improvements	—	—	—	—	—	—	—	—
Machinery and equipment	—	—	—	—	—	—	—	—
Accumulated depreciation – machinery and equipment	—	—	—	—	—	—	—	—
Construction in progress	—	—	—	—	—	—	—	—
Total capital assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total noncurrent assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets	<u>\$ 7,419</u>	<u>—</u>	<u>22,122</u>	<u>1,995</u>	<u>40,638</u>	<u>—</u>	<u>—</u>	<u>72,174</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Grants Combining Schedule

December 31, 2010

Liabilities and Net Assets	Service coordinator grant	Housing Counseling grant	Resident opportunity and support services	CHFA NFMC grant	WIA Youth Program	Xcel Energy Efficiency grant	Front Range Earth Force	Total
Current liabilities:								
Accounts payable	\$ 147	—	—	—	25	—	—	172
Current portion of compensated absences payable	—	—	—	—	—	—	—	—
Accrued liabilities	3,117	—	11,616	—	10,520	—	—	25,253
Intergovernmental payables	—	—	—	—	—	—	—	—
Accrued interest payable	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—
Due to other funds	4,155	—	10,506	1,995	30,093	—	—	46,749
	<u>7,419</u>	<u>—</u>	<u>22,122</u>	<u>1,995</u>	<u>40,638</u>	<u>—</u>	<u>—</u>	<u>72,174</u>
Current liabilities payable from restricted assets:								
Accrued interest payable	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—
Tenant security deposits	—	—	—	—	—	—	—	—
Escrow held for others	—	—	—	—	—	—	—	—
Total current liabilities payable from restricted assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total current liabilities	<u>7,419</u>	<u>—</u>	<u>22,122</u>	<u>1,995</u>	<u>40,638</u>	<u>—</u>	<u>—</u>	<u>72,174</u>
Noncurrent liabilities:								
Compensated absences payable	—	—	—	—	—	—	—	—
Notes and bonds payable	—	—	—	—	—	—	—	—
Total noncurrent liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>7,419</u>	<u>—</u>	<u>22,122</u>	<u>1,995</u>	<u>40,638</u>	<u>—</u>	<u>—</u>	<u>72,174</u>
Net assets:								
Invested in capital assets, net of related debt	—	—	—	—	—	—	—	—
Restricted	—	—	—	—	—	—	—	—
Unrestricted	—	—	—	—	—	—	—	—
Total net assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities and net assets	\$ <u>7,419</u>	<u>—</u>	<u>22,122</u>	<u>1,995</u>	<u>40,638</u>	<u>—</u>	<u>—</u>	<u>72,174</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Discretely Presented Component Units Combining Schedule

December 31, 2010

Assets	Globeville Redevelopment Partnership I	Globeville Redevelopment Partnership II	Thomas Bean Towers	Park Ave Redevelopment Block 1B	Park Ave Redevelopment Block 3B	Park Ave Redevelopment Block 4B	Park Ave Redevelopment Block 5B	Three Towers Partners	Westwood Partners	1099 Osage Partners	Stuebaker Building Ltd.	Total
Current assets:												
Cash	\$ 200	—	250	361,299	474,751	521,920	—	250	200	—	55,652	1,414,522
Investments	64,922	37,092	262,755	133,641	219,133	667,396	—	1,261,559	124,003	—	—	2,770,501
Receivables:												
Tenants	8,048	2,044	6,720	2,042	3,543	101	—	6,432	264	—	2,256	31,450
Interest	—	—	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	8	—	—	—	—	—	—	—	8
Other	—	—	45,963	168	18,750	—	—	22,068	1,055	—	—	88,004
Current portion of notes receivable	—	—	—	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	45,816	—	—	10,000	—	—	—	55,816
Due from DCU	—	—	—	—	—	—	—	—	—	—	—	—
Inventories	—	—	394	—	—	—	—	13,090	3,900	—	—	17,384
Assets held for sale	—	—	—	—	—	—	—	—	—	—	—	—
Prepaid items	—	—	—	43,509	—	—	—	723	2,233	—	—	46,465
Restricted:												
Cash	227,787	110,439	294,052	473,364	73,517	76,782	—	1,654,376	—	—	151,120	3,061,437
Investments	26,912	12,515	10,860	—	—	—	—	19,374	9,510	—	—	79,171
Total current assets	<u>327,869</u>	<u>162,090</u>	<u>620,994</u>	<u>1,014,031</u>	<u>835,510</u>	<u>1,266,199</u>	<u>—</u>	<u>2,987,872</u>	<u>141,165</u>	<u>—</u>	<u>209,028</u>	<u>7,564,758</u>
Noncurrent assets:												
Noncurrent portion of notes receivable	—	—	—	—	—	—	—	—	—	—	—	—
Deferred amount on financing	—	—	—	—	393,596	211,351	173,284	—	380,838	135,799	48,795	1,343,663
Other	—	—	—	—	195,250	93,708	65,593	—	74,935	74,177	—	503,663
Restricted:												
Cash	—	—	—	—	—	—	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—	—	—	—	—
Capital assets:												
Land	542,161	87,160	—	—	—	—	—	—	—	—	50,625	679,946
Buildings	5,708,032	3,114,165	20,260,042	18,435,485	19,805,162	19,062,224	—	52,763,440	9,451,146	—	3,250,871	151,850,567
Accumulated depreciation – buildings	(1,244,301)	(566,114)	(3,616,986)	(2,681,525)	(1,419,070)	(681,777)	—	(4,367,312)	(79,623)	—	(1,623,441)	(16,280,149)
Improvements	986,005	153,348	868,778	1,190,980	1,325,800	653,292	—	704,973	—	—	—	5,883,176
Accumulated depreciation – improvements	(215,128)	(27,881)	(284,674)	(317,595)	(173,625)	(42,837)	—	(105,919)	—	—	—	(1,167,659)
Machinery and equipment	100,471	44,131	285,356	303,444	206,998	236,316	—	560,417	117,451	—	104,077	1,958,661
Accumulated depreciation – machinery and equipment	(100,471)	(43,916)	(273,441)	(236,774)	(82,257)	(44,973)	—	(252,929)	(8,461)	—	(70,872)	(1,114,094)
Construction in progress	—	—	—	—	—	—	7,963,519	996,472	4,587,134	4,579,575	—	18,126,700
Total capital assets	<u>5,776,769</u>	<u>2,760,893</u>	<u>17,239,075</u>	<u>16,694,015</u>	<u>19,663,008</u>	<u>19,182,245</u>	<u>7,963,519</u>	<u>50,299,142</u>	<u>14,067,647</u>	<u>4,579,575</u>	<u>1,711,260</u>	<u>159,937,148</u>
Total noncurrent assets	<u>5,776,769</u>	<u>2,760,893</u>	<u>17,239,075</u>	<u>16,694,015</u>	<u>20,251,854</u>	<u>19,487,304</u>	<u>8,202,396</u>	<u>50,299,142</u>	<u>14,523,420</u>	<u>4,789,551</u>	<u>1,760,055</u>	<u>161,784,474</u>
Total assets	\$ <u>6,104,638</u>	<u>2,922,983</u>	<u>17,860,069</u>	<u>17,708,046</u>	<u>21,087,364</u>	<u>20,753,503</u>	<u>8,202,396</u>	<u>53,287,014</u>	<u>14,664,585</u>	<u>4,789,551</u>	<u>1,969,083</u>	<u>169,349,232</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Discretely Presented Component Units Combining Schedule

December 31, 2010

Liabilities and Net Assets	Globeville Redevelopment Partnership I	Globeville Redevelopment Partnership II	Thomas Bean Towers	Park Ave Redevelopment Block 1B	Park Ave Redevelopment Block 3B	Park Ave Redevelopment Block 4B	Park Ave Redevelopment Block 5B	Three Towers Partners	Westwood Partners	1099 Osage Partners	Studebaker Building Ltd.	Total
Current liabilities:												
Accounts payable	\$ 5,052	4,206	57,742	4,264	294,923	55,611	816,099	50,011	1,186,701	508,279	110	2,982,998
Current portion of compensated absences payable	3,206	1,655	5,951	1,203	880	851	—	28,970	20,946	—	—	63,662
Accrued liabilities	5,600	3,719	27,762	20,092	148,456	23,608	73,010	58,187	35,539	—	—	395,973
Intergovernmental payables	—	—	—	—	—	—	—	—	—	—	—	—
Accrued interest payable	—	—	—	28,438	—	21,500	659	—	1,423	—	3,595	55,615
Current portion of long-term debt	400,172	16,323	—	53,150	5,760,000	24,357	—	—	—	—	14,016	6,268,018
Due to other funds	—	—	—	—	—	—	—	—	—	—	—	—
Due to DHA	—	3,388	68,973	32,876	50,416	96,747	9,618	123,025	282,057	481,447	—	1,148,547
	<u>414,030</u>	<u>29,291</u>	<u>160,428</u>	<u>140,023</u>	<u>6,254,675</u>	<u>222,674</u>	<u>899,386</u>	<u>260,193</u>	<u>1,526,666</u>	<u>989,726</u>	<u>17,721</u>	<u>10,914,813</u>
Current liabilities payable from restricted assets:												
Accrued interest payable	—	—	—	—	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	—	—	—	—	—	—	—	—	—	—	—
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—	649	—	—	649
Tenant security deposits	26,912	12,515	10,860	22,900	16,700	15,300	—	19,374	8,861	—	24,070	157,492
Escrow held for others	—	—	—	—	—	—	—	—	—	—	—	—
Total current liabilities payable from restricted assets	<u>26,912</u>	<u>12,515</u>	<u>10,860</u>	<u>22,900</u>	<u>16,700</u>	<u>15,300</u>	<u>—</u>	<u>19,374</u>	<u>9,510</u>	<u>—</u>	<u>24,070</u>	<u>158,141</u>
Total current liabilities	<u>440,942</u>	<u>41,806</u>	<u>171,288</u>	<u>162,923</u>	<u>6,271,375</u>	<u>237,974</u>	<u>899,386</u>	<u>279,567</u>	<u>1,536,176</u>	<u>989,726</u>	<u>41,791</u>	<u>11,072,954</u>
Noncurrent liabilities:												
Compensated absences payable	437	226	812	—	—	—	—	3,951	2,856	—	—	8,282
Due to DHA	—	248,695	57,080	198,159	1,157,405	1,458,072	143,740	1,047,697	875,957	—	—	5,186,805
Accrued liabilities	172,299	77,136	2,437,742	929,219	786,776	353,638	118	2,658,525	—	20,291	975,985	8,411,729
Notes and bonds payable	2,479,695	1,445,854	11,159,666	9,196,273	5,140,911	9,230,143	6,313,352	35,429,526	12,449,926	2,876,514	1,576,724	97,298,584
Total noncurrent liabilities	<u>2,652,431</u>	<u>1,771,911</u>	<u>13,655,300</u>	<u>10,323,651</u>	<u>7,085,092</u>	<u>11,041,853</u>	<u>6,457,210</u>	<u>39,139,699</u>	<u>13,328,739</u>	<u>2,896,805</u>	<u>2,552,709</u>	<u>110,905,400</u>
Total liabilities	<u>3,093,373</u>	<u>1,813,717</u>	<u>13,826,588</u>	<u>10,486,574</u>	<u>13,356,467</u>	<u>11,279,827</u>	<u>7,356,596</u>	<u>39,419,266</u>	<u>14,864,915</u>	<u>3,886,531</u>	<u>2,594,500</u>	<u>121,978,354</u>
Net assets:												
Invested in capital assets, net of related debt	2,896,902	1,298,716	6,079,409	7,444,592	8,762,097	9,927,745	1,650,167	14,869,616	1,617,721	1,703,061	120,520	56,370,546
Restricted for:												
Housing Assistance Payments - Section 8	—	—	—	—	—	—	—	—	—	—	—	—
Operating Reserve Fund	163,948	78,460	—	308,332	85	100	—	466,127	—	—	77,869	1,094,921
ACC Reserve	—	—	—	—	—	—	—	864,441	—	—	—	864,441
Replacement Reserve	63,839	31,979	294,052	135,503	55,651	22,255	—	323,808	—	—	39,964	967,051
Debt Service Reserve	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	6,629	1,081	39,127	—	—	—	—	9,217	56,054
Unrestricted	(113,424)	(299,889)	(2,339,980)	(673,584)	(1,088,017)	(515,551)	(804,367)	(2,656,244)	(1,818,051)	(800,041)	(872,987)	(11,982,135)
Total net assets	<u>3,011,265</u>	<u>1,109,266</u>	<u>4,033,481</u>	<u>7,221,472</u>	<u>7,730,897</u>	<u>9,473,676</u>	<u>845,800</u>	<u>13,867,748</u>	<u>(200,330)</u>	<u>903,020</u>	<u>(625,417)</u>	<u>47,370,878</u>
Total liabilities and net assets	<u>\$ 6,104,638</u>	<u>2,922,983</u>	<u>17,860,069</u>	<u>17,708,046</u>	<u>21,087,364</u>	<u>20,753,503</u>	<u>8,202,396</u>	<u>53,287,014</u>	<u>14,664,585</u>	<u>4,789,551</u>	<u>1,969,083</u>	<u>169,349,232</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Combining Financial Schedule

Year ended December 31, 2010

	<u>General administrative</u>	<u>Low rent</u>	<u>Denver housing program</u>	<u>Component units</u>	<u>Section 8</u>	<u>Grants</u>	<u>Internal services</u>	<u>Combining entries</u>	<u>Total</u>
Operating revenues:									
Rental revenues	\$ —	8,152,656	88,400	1,475,607	—	—	—	—	9,716,663
Intergovernmental	—	19,712,762	519,579	3,477,660	56,879,221	1,147,572	—	—	81,736,794
Property management fee revenue	6,784,257	—	2,643,347	—	—	—	—	(4,868,389)	4,559,215
Other revenues	1,157,403	1,208,298	289,676	186,414	82,071	456	17,067	(176,186)	2,765,199
Charges for services	61,237	—	—	—	—	—	2,463,410	(2,284,033)	240,614
Total operating revenues	<u>8,002,897</u>	<u>29,073,716</u>	<u>3,541,002</u>	<u>5,139,681</u>	<u>56,961,292</u>	<u>1,148,028</u>	<u>2,480,477</u>	<u>(7,328,608)</u>	<u>99,018,485</u>
Operating expenses:									
Administrative	5,828,713	4,576,537	1,428,642	616,980	2,636,502	933,874	—	(283,787)	15,737,461
Management fees	—	2,882,563	308,328	331,841	1,360,086	—	—	(4,868,389)	14,429
Tenant services	—	571,630	144	7,080	—	154,295	—	(12,785)	720,364
Utilities	—	5,099,172	32,024	658,629	—	—	—	—	5,789,825
Ordinary maintenance	2,425	7,977,415	185,823	1,476,876	—	12,843	—	(2,044,036)	7,611,346
General	103,262	1,254,180	42,338	299,051	44,774	—	45,598	—	1,789,203
Nonroutine maintenance	2,156	598,739	67,454	145,345	—	47,453	—	(96)	861,051
Depreciation	39,514	9,074,540	243,861	1,158,488	23,913	—	93,530	—	10,633,846
Housing assistance payments	—	—	—	—	53,180,049	—	—	—	53,180,049
Cost of sales and services	—	—	—	—	—	—	2,097,519	(119,515)	1,978,004
Other operating expenses	—	2,432,619	—	—	—	—	—	—	2,432,619
Total operating expenses	<u>5,976,070</u>	<u>34,467,395</u>	<u>2,308,614</u>	<u>4,694,290</u>	<u>57,245,324</u>	<u>1,148,465</u>	<u>2,236,647</u>	<u>(7,328,608)</u>	<u>100,748,197</u>
Operating (loss) income	<u>2,026,827</u>	<u>(5,393,679)</u>	<u>1,232,388</u>	<u>445,391</u>	<u>(284,032)</u>	<u>(437)</u>	<u>243,830</u>	<u>—</u>	<u>(1,729,712)</u>
Nonoperating revenues (expenses):									
Intergovernmental	—	—	—	—	—	—	—	—	—
Interest revenue	34,334	777,017	314,950	353,170	39,852	—	—	—	1,519,323
Net (decrease) increase in the fair value of investments	(188)	(5,701)	(3,288)	3,025	(10,760)	—	—	—	(16,912)
Interest expense	—	(1,264,079)	(291,740)	(492,421)	—	—	—	—	(2,048,240)
Amortization expense	—	(25,368)	—	(25,277)	—	—	—	—	(50,645)
Loss on assets held for sale	—	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	1,791,345	485,299	(63,429)	—	—	16,050	—	2,229,265
Nonoperating revenues (expenses), net	<u>34,146</u>	<u>1,273,214</u>	<u>505,221</u>	<u>(224,932)</u>	<u>29,092</u>	<u>—</u>	<u>16,050</u>	<u>—</u>	<u>1,632,791</u>
Income (loss) before other revenues, expenses, gains, losses, and transfers	<u>2,060,973</u>	<u>(4,120,465)</u>	<u>1,737,609</u>	<u>220,459</u>	<u>(254,940)</u>	<u>(437)</u>	<u>259,880</u>	<u>—</u>	<u>(96,921)</u>
Transfers in (out)	(538,072)	66,947	251,319	219,806	—	—	—	—	—
Equity transfer	—	—	105,915	178,741	—	(284,656)	—	—	—
Capital grants	—	20,174,985	—	—	—	—	—	—	20,174,985
Other grants	—	2,100,174	1,194,648	—	—	6,290	—	—	3,301,112
Capital contributions from general and limited partners	—	—	—	—	—	—	—	—	—
Changes in net assets	<u>1,522,901</u>	<u>18,221,641</u>	<u>3,289,491</u>	<u>619,006</u>	<u>(254,940)</u>	<u>(278,803)</u>	<u>259,880</u>	<u>—</u>	<u>23,379,176</u>
Net assets, January 1	<u>3,104,635</u>	<u>181,816,771</u>	<u>40,658,959</u>	<u>18,541,024</u>	<u>4,332,213</u>	<u>278,803</u>	<u>1,636,224</u>	<u>—</u>	<u>250,368,629</u>
Net assets, December 31	\$ <u>4,627,536</u>	<u>200,038,412</u>	<u>43,948,450</u>	<u>19,160,030</u>	<u>4,077,273</u>	<u>—</u>	<u>1,896,104</u>	<u>—</u>	<u>273,747,805</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Component Units Combining Schedules

Year ended December 31, 2010

	Denver Housing Corporation	Globeville Workforce Housing	Arrowhead Housing Inc.	Arrowhead Housing II Inc.	Arrowhead Housing III Inc.	Arrowhead Housing IV Inc.	Arrowhead Housing V Inc.	Three Towers Partners	Curtis Park Housing Inc.	DLIHDC DC	Denver Housing Development Partners Inc.	DHA Limited Partners	Westwood Housing Inc.	1099 Osage Housing Inc.	Total
Operating revenues:															
Rental revenues	\$ 1,475,607	—	—	—	—	—	—	—	—	—	—	—	—	—	1,475,607
Intergovernmental	3,477,660	—	—	—	—	—	—	—	—	—	—	—	—	—	3,477,660
Property Management fee revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other revenues	69,952	45,571	—	—	—	—	—	—	—	25,500	45,391	—	—	—	186,414
Charges for services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total operating revenues	5,023,219	45,571	—	—	—	—	—	—	—	25,500	45,391	—	—	—	5,139,681
Operating expenses:															
Administrative	568,568	19,220	10	10	10	10	—	10	9	5,108	24,015	10	—	—	616,980
Management fees	299,911	14,430	—	—	—	—	—	—	—	—	17,500	—	—	—	331,841
Tenant services	7,080	—	—	—	—	—	—	—	—	—	—	—	—	—	7,080
Utilities	625,500	33,129	—	—	—	—	—	—	—	—	—	—	—	—	658,629
Ordinary maintenance	1,421,275	55,601	—	—	—	—	—	—	—	—	—	—	—	—	1,476,876
General	187,509	91,666	1,851	1,851	1,268	1,389	1,822	1,796	1,851	3,772	1,850	—	1,038	1,388	299,051
Nonroutine maintenance	144,819	526	—	—	—	—	—	—	—	—	—	—	—	—	145,345
Depreciation	1,158,488	—	—	—	—	—	—	—	—	—	—	—	—	—	1,158,488
Housing assistance payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	4,413,150	214,572	1,861	1,861	1,278	1,399	1,822	1,806	1,860	8,880	43,365	10	1,038	1,388	4,694,290
Operating income (loss)	610,069	(169,001)	(1,861)	(1,861)	(1,278)	(1,399)	(1,822)	(1,806)	(1,860)	16,620	2,026	(10)	(1,038)	(1,388)	445,391
Nonoperating revenues (expenses):															
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest revenue	351,942	40	893	72	22	20	—	26	10	133	—	12	—	—	353,170
Net increase (decrease) in the fair value of investments	(324)	3,295	1	1	6	5	—	2	1	5	32	(1)	2	—	3,025
Interest expense	(470,765)	(21,225)	—	—	—	—	—	—	—	—	(431)	—	—	—	(492,421)
Amortization expense	(25,277)	—	—	—	—	—	—	—	—	—	—	—	—	—	(25,277)
Loss on assets held for sale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	(55)	(63,374)	—	—	—	—	—	—	—	—	—	—	—	—	(63,429)
Nonoperating (expenses) revenues, net	(144,479)	(81,264)	894	73	28	25	—	28	11	138	(399)	11	2	—	(224,932)
Income (loss) before other revenues, expenses, gains, losses, and transfers	465,590	(250,265)	(967)	(1,788)	(1,250)	(1,374)	(1,822)	(1,778)	(1,849)	16,758	1,627	1	(1,036)	(1,388)	220,459
Transfers in (out)	—	66,753	129,053	3,000	2,000	2,500	3,000	4,500	3,000	—	—	—	3,000	3,000	219,806
Equity transfer	178,741	—	—	—	—	—	—	—	—	—	—	—	—	—	178,741
Capital grants	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital contributions from general and limited partners	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in net assets	644,331	(183,512)	128,086	1,212	750	1,126	1,178	2,722	1,151	16,758	1,627	1	1,964	1,612	619,006
Net assets, January 1	18,282,792	(830,734)	865,963	124,007	3,611	3,969	—	2,948	127,723	16,230	(57,551)	2,066	—	—	18,541,024
Net assets, December 31	\$ 18,927,123	(1,014,246)	994,049	125,219	4,361	5,095	1,178	5,670	128,874	32,988	(55,924)	2,067	1,964	1,612	19,160,030

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Grants Combining Schedule

Year ended December 31, 2010

	Service coordinator grant	Housing Counseling grant	Resident opportunity and support services	CHFA NFMC grant	WIA Youth Program	Xcel Energy Efficiency grant	Front Range Earth Force	Total
Operating revenues:								
Rental revenues	\$ —	—	—	—	—	—	—	—
Intergovernmental	99,594	21,748	808,467	5,488	199,844	—	12,431	1,147,572
Property Management fee revenue	—	—	—	—	—	—	—	—
Other revenues	—	—	—	—	—	456	—	456
Charges for services	—	—	—	—	—	—	—	—
Total operating revenues	99,594	21,748	808,467	5,488	199,844	456	12,431	1,148,028
Operating expenses:								
Administrative	99,369	21,748	600,051	5,488	193,894	893	12,431	933,874
Management fees	—	—	—	—	—	—	—	—
Tenant services	225	—	148,120	—	5,950	—	—	154,295
Utilities	—	—	—	—	—	—	—	—
Ordinary maintenance	—	—	12,843	—	—	—	—	12,843
General	—	—	—	—	—	—	—	—
Nonroutine maintenance	—	—	47,453	—	—	—	—	47,453
Depreciation	—	—	—	—	—	—	—	—
Housing assistance payments	—	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—	—
Total operating expenses	99,594	21,748	808,467	5,488	199,844	893	12,431	1,148,465
Operating loss	—	—	—	—	—	(437)	—	(437)
Nonoperating revenues (expenses):								
Intergovernmental	—	—	—	—	—	—	—	—
Interest revenue	—	—	—	—	—	—	—	—
Net increase in the fair value of investments	—	—	—	—	—	—	—	—
Interest expense	—	—	—	—	—	—	—	—
Loss on assets held for sale	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	—	—	—	—	—	—	—
Nonoperating revenues (expenses), net	—	—	—	—	—	—	—	—
Income (loss) before other revenues, expenses, gains, losses, and transfers	—	—	—	—	—	(437)	—	(437)
Transfers in (out)	—	—	—	—	—	—	—	—
Equity transfer	—	—	—	—	—	(284,656)	—	(284,656)
Capital grants	—	—	—	—	—	—	—	—
Other grants	—	—	—	—	—	6,290	—	6,290
Capital contributions from general and limited partners	—	—	—	—	—	—	—	—
Changes in net assets	—	—	—	—	—	(278,803)	—	(278,803)
Net assets, January 1	—	—	—	—	—	278,803	—	278,803
Net assets, December 31	\$ —	—	—	—	—	—	—	—

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Discretely Presented Component Units Combining Schedule

Year ended December 31, 2010

	Globeville Redevelopment Partnership I	Globeville Redevelopment Partnership II	Thomas Bean Towers	Park Ave Redevelopment Block 1B	Park Ave Redevelopment Block 3B	Park Ave Redevelopment Block 4B	Park Ave Redevelopment Block 5B	Three Towers Partners	Westwood Partners	1099 Osage Partners	Stuebaker Building Ltd.	Total
Operating revenues:												
Rental revenues	\$ 330,796	203,914	605,376	904,856	689,666	572,217	—	881,987	91,451	—	301,775	4,582,038
Intergovernmental	—	—	311,552	78,847	75,540	82,098	—	1,042,852	281,244	—	—	1,872,133
Property management fee revenue	—	—	—	—	—	—	—	—	—	—	—	—
Other revenues	4,776	1,952	52,284	21,025	77,789	18,558	—	85,993	13,089	—	6,380	281,846
Charges for services	—	—	—	—	—	—	—	—	—	—	—	—
Total operating revenues	<u>335,572</u>	<u>205,866</u>	<u>969,212</u>	<u>1,004,728</u>	<u>842,995</u>	<u>672,873</u>	<u>—</u>	<u>2,010,832</u>	<u>385,784</u>	<u>—</u>	<u>308,155</u>	<u>6,736,017</u>
Operating expenses:												
Administrative	33,202	22,024	184,402	151,609	119,377	129,281	—	369,628	86,160	—	12,149	1,107,832
Management fees	38,527	21,499	102,691	62,825	54,303	41,575	—	313,599	23,133	—	45,127	703,279
Tenant services	—	—	2,348	—	—	—	—	4,974	1,615	—	—	8,937
Utilities	5,300	8,699	212,482	110,920	94,754	81,156	—	317,627	91,781	—	466	923,185
Ordinary maintenance	61,175	26,782	283,128	160,078	127,587	72,940	—	585,075	111,804	—	146,725	1,575,294
General	22,552	11,507	49,498	55,879	43,875	38,510	—	96,248	1,620	—	1,642	321,331
Nonroutine maintenance	—	—	7,200	25,891	—	—	—	56,426	5,951	—	—	95,468
Depreciation	243,420	125,086	851,718	810,469	850,356	769,587	—	2,077,672	88,083	—	79,722	5,896,113
Housing assistance payments	—	—	—	—	—	—	—	—	—	—	—	—
Cost of sales and services	—	—	—	—	—	—	—	—	—	—	—	—
Other operating expenses	—	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	<u>404,176</u>	<u>215,597</u>	<u>1,693,467</u>	<u>1,377,671</u>	<u>1,290,252</u>	<u>1,133,049</u>	<u>—</u>	<u>3,821,249</u>	<u>410,147</u>	<u>—</u>	<u>285,831</u>	<u>10,631,439</u>
Operating (loss) income	<u>(68,604)</u>	<u>(9,731)</u>	<u>(724,255)</u>	<u>(372,943)</u>	<u>(447,257)</u>	<u>(460,176)</u>	<u>—</u>	<u>(1,810,417)</u>	<u>(24,363)</u>	<u>—</u>	<u>22,324</u>	<u>(3,895,422)</u>
Nonoperating revenues (expenses):												
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—	—
Interest revenue	527	257	2,013	2,044	363	1,329	—	7,349	—	—	275	14,157
Net (decrease) increase in the fair value of investments	(64)	(4)	(159)	(111)	285	869	—	138	(129)	—	—	825
Interest expense	(164,746)	(111,491)	(508,590)	(554,830)	(480,762)	(384,125)	—	(1,223,520)	(254,761)	—	(107,731)	(3,790,556)
Amortization expense	—	—	—	—	(13,946)	(45,115)	—	—	(3,377)	—	(11,481)	(73,919)
Loss on assets held for sale	—	—	—	—	—	—	—	—	—	—	—	—
Gain (loss) on disposition of assets	—	—	—	—	—	—	—	—	—	—	—	—
Nonoperating revenues (expenses), net	<u>(164,283)</u>	<u>(111,238)</u>	<u>(506,736)</u>	<u>(552,897)</u>	<u>(494,060)</u>	<u>(427,042)</u>	<u>—</u>	<u>(1,216,033)</u>	<u>(258,267)</u>	<u>—</u>	<u>(118,937)</u>	<u>(3,849,493)</u>
Income (loss) before other revenues, expenses, gains, losses, and transfers	<u>(232,887)</u>	<u>(120,969)</u>	<u>(1,230,991)</u>	<u>(925,840)</u>	<u>(941,317)</u>	<u>(887,218)</u>	<u>—</u>	<u>(3,026,450)</u>	<u>(282,630)</u>	<u>—</u>	<u>(96,613)</u>	<u>(7,744,915)</u>
Transfers in (out)	—	—	—	—	—	—	—	—	—	—	—	—
Equity transfer	—	—	—	—	—	—	—	—	—	—	—	—
Capital grants	—	—	—	—	—	—	—	—	—	—	—	—
Other grants	—	—	—	—	—	—	—	—	—	—	—	—
Capital contributions from general and limited partners	—	—	(14,468)	—	—	10,309,772	845,800	1,302,197	82,300	903,020	(47,273)	13,381,348
Changes in net assets	<u>(232,887)</u>	<u>(120,969)</u>	<u>(1,245,459)</u>	<u>(925,840)</u>	<u>(941,317)</u>	<u>9,422,554</u>	<u>845,800</u>	<u>(1,724,253)</u>	<u>(200,330)</u>	<u>903,020</u>	<u>(143,886)</u>	<u>5,636,433</u>
Net assets, January 1	<u>3,244,152</u>	<u>1,230,235</u>	<u>5,278,940</u>	<u>8,147,312</u>	<u>8,672,214</u>	<u>51,122</u>	<u>—</u>	<u>15,592,001</u>	<u>—</u>	<u>—</u>	<u>(481,531)</u>	<u>41,734,445</u>
Net assets, December 31	<u>\$ 3,011,265</u>	<u>1,109,266</u>	<u>4,033,481</u>	<u>7,221,472</u>	<u>7,730,897</u>	<u>9,473,676</u>	<u>845,800</u>	<u>13,867,748</u>	<u>(200,330)</u>	<u>903,020</u>	<u>(625,417)</u>	<u>47,370,878</u>

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Combining Financial Schedule
Year ended December 31, 2010

	General administrative	Low rent	Denver housing program	Component units	Section 8	Grants	Internal services	Combining entries	Total
Cash flows from operating activities:									
Receipts from HUD	\$ —	18,991,423	1,915,977	3,477,660	52,442,910	1,463,905	—	—	78,291,875
Receipts from tenants and others	7,888,480	9,194,341	2,999,335	1,596,312	15,187	2,585	2,467,923	(7,328,608)	16,835,555
Payments to employees	(5,214,987)	(6,228,294)	(1,285,103)	(803,388)	(1,915,818)	(900,702)	(130,007)	—	(16,478,299)
Payments to vendors and suppliers	(519,232)	(19,629,075)	(2,027,803)	(3,812,986)	(55,203,121)	(566,225)	(2,161,309)	7,328,608	(76,591,143)
Net cash (used in) provided by operating activities	2,154,261	2,328,395	1,602,406	457,598	(4,660,842)	(437)	176,607	—	2,057,988
Cash flows from noncapital financing activities:									
Intergovernmental operating subsidy and grants	—	—	—	—	—	—	—	—	—
Advances between funds	—	—	—	—	—	—	—	—	—
Transfers in (out)	(538,072)	66,947	251,319	219,806	—	—	—	—	—
Net cash (used in) provided by noncapital financing activities	(538,072)	66,947	251,319	219,806	—	—	—	—	—
Cash flows from capital and related financing activities:									
Issuance of notes and bonds payable	—	1,584,999	6,189,059	—	—	—	—	—	7,774,058
Principal payments on debt	—	(3,057,227)	(91,200)	(850,000)	—	—	—	—	(3,998,427)
Interest payments	—	(1,266,334)	(259,541)	(492,749)	—	—	—	21,941	(1,996,683)
Other financing and project development costs	—	—	23,396	—	—	—	—	—	23,396
Capital grants	—	22,275,159	1,194,648	—	—	6,290	—	—	23,476,097
Acquisition and construction of capital assets	(73,108)	(9,062,699)	(253,629)	(106,239)	(1,649)	(5,853)	(192,657)	—	(9,695,834)
Proceeds from capital contributions	—	—	—	—	—	—	—	—	—
Proceeds from sale of assets	—	9,580,500	569,022	2,513,231	555	—	16,050	—	12,679,358
Net cash (used in) provided by capital and related financing activities	(73,108)	20,054,398	7,348,359	1,087,639	(1,094)	437	(176,607)	21,941	28,261,965
Cash flows from investing activities:									
Issuance of notes receivable	—	(20,579,006)	(9,615,108)	(1,388,000)	—	—	—	—	(31,582,114)
Receipt of payments on notes receivable	—	81,850	107,935	—	—	—	—	—	189,785
Short-term loan	—	—	—	—	—	—	—	—	—
Proceeds from sales and maturities of investments	26,762,109	7,566,948	8,362,299	15,836,316	9,593,474	—	177,458	(88,000,000)	(19,701,396)
Purchase of investments	(25,244,146)	(7,194,406)	(8,270,859)	(16,553,214)	(9,359,759)	—	(177,458)	88,000,000	21,200,158
Investment in partnership	—	—	—	(130)	—	—	—	—	(130)
Purchase of partnership interest	—	—	—	—	—	—	—	—	—
Interest received	55,934	777,017	314,950	336,767	39,852	—	—	(21,941)	1,502,579
Net cash provided by (used in) investing activities	1,573,897	(19,347,597)	(9,100,783)	(1,768,261)	273,567	—	—	(21,941)	(28,391,118)
Net increase (decrease) in cash and cash equivalents	3,116,978	3,102,143	101,301	(3,218)	(4,388,369)	—	—	—	1,928,835
Cash, January 1	3,194,042	2,080,088	61,746	996,918	4,390,369	—	200	—	10,723,363
Cash, December 31	\$ 6,311,020	5,182,231	163,047	993,700	2,000	—	200	—	12,652,198
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ 2,026,827	(5,393,679)	1,232,388	445,391	(284,032)	(437)	243,830	—	(1,729,712)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:									
Depreciation	39,514	9,074,540	243,861	1,158,488	23,913	—	93,530	—	10,633,846
Changes in operating assets and liabilities:									
Accounts receivable:									
Tenants	—	(15,736)	(9,601)	(1,306)	—	—	—	—	(26,643)
Intergovernmental	—	(721,339)	1,396,398	—	(37,688)	316,333	—	—	953,704
Other	(114,417)	(44,637)	(10,420)	(7,521)	(66,884)	2,129	(12,554)	—	(254,304)
Due from other funds	—	73,350	3,649,229	—	—	—	(126,786)	—	3,595,793
Due from DCU	(17,032)	(1,479,739)	(4,712,528)	(63,379)	—	—	—	—	(6,272,678)
Inventories	(6,771)	15,655	—	(5,786)	—	—	5,464	—	8,562
Prepaid items	(180,234)	(5,103)	—	(593)	(1,482)	29,625	(11,804)	—	(79,179)
Accounts payable	(25,026)	826,538	(268,388)	(12,154)	(11,526)	(71,510)	(6,572)	—	431,282
Compensated absences payable	(59,176)	(93,783)	(16,123)	(5,023)	(22,039)	—	—	—	(17,478)
Accrued liabilities	155,316	(38,259)	468	4,306	10,014	(9,618)	9,077	—	131,304
Intergovernmental payable	—	—	—	—	(4,398,623)	—	—	—	(4,398,623)
Due to other funds	335,260	100,973	8,400	(1,057,150)	80,440	(266,959)	—	—	(799,036)
Family Self Sufficiency escrow	—	37,199	—	—	47,065	—	—	—	84,264
Tenant security deposits	—	(7,932)	(1,690)	2,305	—	—	—	—	(7,317)
Escrow held for others	—	347	—	—	—	—	—	—	347
Net cash (used in) provided by operating activities	\$ 2,154,261	2,328,395	1,602,406	457,598	(4,660,842)	(437)	176,607	—	2,057,988
Noncash investing, capital, and financing activities:									
Increase (decrease) in fair value of investments	\$ (188)	(5,701)	(3,288)	3,025	(10,760)	—	—	—	(16,912)
Transfer of CIP	—	11,902,774	—	—	—	—	—	—	11,902,774
Change in capitalization policy	2,647	105,054	—	15,985	20,457	—	2,054	—	146,197
Gain (loss) on disposal of property/equipment	—	43,000	(188)	(189)	(616)	(284,656)	—	—	(242,649)
Building Transfer	—	—	105,915	178,741	—	(284,656)	—	—	—

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Component Units Combining Schedule

Year ended December 31, 2010

	Denver Housing Corporation	Globeville Workforce Housing	Arrowhead Housing Inc.	Arrowhead Housing II Inc.	Arrowhead Housing III Inc.	Arrowhead Housing IV Inc.	Arrowhead Housing V Inc.	Three Towers Housing Inc.	Curtis Park Housing Inc.	DLIHDC DC	Denver Housing Development Partners Inc.	DHA Limited Partners	Westwood Housing Inc.	1099 Osage Housing Inc.	Total
Cash flows from operating activities:															
Receipts from HUD	\$ 3,477,660	—	—	—	—	—	—	—	—	—	—	—	—	—	3,477,660
Receipts from tenants and others	1,552,291	(17,906)	—	—	—	—	—	—	—	25,500	36,427	—	—	—	1,596,312
Payments to employees	(794,843)	(112)	—	—	—	—	—	—	—	—	(8,433)	—	—	—	(803,388)
Payments to vendors and suppliers	(2,482,530)	(1,155,861)	(127,914)	(1,861)	2,323	1,448	(1,822)	(1,806)	(1,860)	(13,092)	(27,575)	(10)	(1,038)	(1,388)	(3,812,986)
Net cash (used in) provided by operating activities	1,752,578	(1,173,879)	(127,914)	(1,861)	2,323	1,448	(1,822)	(1,806)	(1,860)	12,408	419	(10)	(1,038)	(1,388)	457,598
Cash flows from noncapital financing activities:															
Intergovernmental operating subsidy and grants	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Advances between funds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers in (out)	—	66,753	129,053	3,000	2,000	2,500	3,000	4,500	3,000	—	—	—	3,000	3,000	219,806
Net cash (used in) provided by noncapital financing activities	—	66,753	129,053	3,000	2,000	2,500	3,000	4,500	3,000	—	—	—	3,000	3,000	219,806
Cash flows from capital and related financing activities:															
Issuance of notes and bonds payable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Principal payments on debt	(850,000)	—	—	—	—	—	—	—	—	—	—	—	—	—	(850,000)
Interest payments	(471,093)	(21,225)	—	—	—	—	—	—	—	—	(431)	—	—	—	(492,749)
Other financing and project development costs	23,496	—	—	—	—	—	—	(100)	—	—	—	—	—	—	23,396
Capital grants	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Acquisition and construction of capital assets	(106,239)	—	—	—	—	—	—	—	—	—	—	—	—	—	(106,239)
Proceeds from capital contributions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds from sale of assets	215	2,513,016	—	—	—	—	—	—	—	—	—	—	—	—	2,513,231
Net cash (used in) provided by capital and related financing activities	(1,403,621)	2,491,791	—	—	—	—	(100)	—	—	—	(431)	—	—	—	1,087,639
Cash flows from investing activities:															
Issuance of notes receivable	—	(1,388,000)	—	—	—	—	—	—	—	—	—	—	—	—	(1,388,000)
Receipt of payments on notes receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short-term loan	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds from sales and maturities of investments	12,027,375	3,723,144	—	—	88	—	—	—	—	—	85,575	134	—	—	15,836,316
Purchase of investments	(12,716,031)	(3,719,849)	(1,151)	(1,150)	(4,433)	(3,968)	(1,078)	(2,720)	(1,150)	(12,541)	(85,543)	(136)	(1,862)	(1,602)	(16,553,214)
Investment in partnership	—	—	—	—	—	—	—	—	—	—	(20)	—	(100)	(10)	(130)
Purchase of partnership interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest received	335,539	40	893	72	22	20	—	26	10	133	—	12	—	—	336,767
Net cash provided by (used in) investing activities	(353,117)	(1,384,665)	(258)	(1,078)	(4,323)	(3,948)	(1,078)	(2,694)	(1,140)	(12,408)	12	10	(1,962)	(1,612)	(1,768,261)
Net increase (decrease) in cash and cash equivalents	(4,160)	—	881	61	—	—	—	—	—	—	—	—	—	—	(3,218)
Cash, January 1	9,711	—	864,562	122,645	—	—	—	—	—	—	—	—	—	—	996,918
Cash, December 31	\$ 5,551	—	865,443	122,706	—	—	—	—	—	—	—	—	—	—	993,700
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:															
Operating income (loss)	\$ 610,069	(169,001)	(1,861)	(1,861)	(1,278)	(1,399)	(1,822)	(1,806)	(1,860)	16,620	2,026	(10)	(1,038)	(1,388)	445,391
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:															
Depreciation and amortization	1,158,488	—	—	—	—	—	—	—	—	—	—	—	—	—	1,158,488
Changes in operating assets and liabilities:															
Accounts receivable:															
Tenants	(1,306)	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,306)
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	2,246	(803)	—	—	—	—	—	—	—	—	(8,964)	—	—	—	(7,521)
Due from other funds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Due from DCU	—	62,674	(126,053)	—	—	—	—	—	—	—	—	—	—	—	(63,379)
Inventories	(5,786)	—	—	—	—	—	—	—	—	—	—	—	—	—	(5,786)
Prepaid items	(593)	—	—	—	—	—	—	—	—	—	—	—	—	—	(593)
Accounts payable	(12,638)	4,804	—	—	—	—	—	—	—	(4,212)	(88)	—	—	—	(12,134)
Compensated absences payable	(5,023)	—	—	—	—	—	—	—	—	—	—	—	—	—	(5,023)
Accrued liabilities	4,816	(1,113)	—	—	—	—	—	—	—	—	603	—	—	—	4,306
Intergovernmental payable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	(1,070,440)	—	—	3,601	2,847	—	—	—	—	6,842	—	—	—	(1,057,150)
Family Self-Sufficiency escrow	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Tenant security deposits	2,305	—	—	—	—	—	—	—	—	—	—	—	—	—	2,305
Escrow held for others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net cash (used in) provided by operating activities	\$ 1,752,578	(1,173,879)	(127,914)	(1,861)	2,323	1,448	(1,822)	(1,806)	(1,860)	12,408	419	(10)	(1,038)	(1,388)	457,598
Noncash investing, capital, and financing activities:															
Increase (decrease) in fair value of investments	\$ (324)	3,295	1	1	6	5	—	2	1	5	32	(1)	2	—	3,025
Transfer of CIP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Change in capitalization policy	15,985	—	—	—	—	—	—	—	—	—	—	—	—	—	15,985
Gain (loss) on disposal of property/equipment	(189)	—	—	—	—	—	—	—	—	—	—	—	—	—	(189)
Building Transfer	178,741	—	—	—	—	—	—	—	—	—	—	—	—	—	178,741

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Grants Combining Schedule

Year ended December 31, 2010

	Service coordinator grant	Housing Counseling grant	Resident opportunity and support services	CHFA NEMC grant	WIA Youth Program	Front Range Earth Force	Xcel Energy Efficiency grant	Total
Cash flows from operating activities:								
Receipts from HUD	\$ 99,784	32,600	888,031	5,488	185,184	252,818	—	1,463,905
Receipts from tenants and others	—	—	—	2,129	—	—	456	2,585
Payments to employees	(92,970)	(21,748)	(573,818)	(7,569)	(193,973)	(8,446)	(2,178)	(900,702)
Payments to vendors and suppliers	(6,814)	(10,852)	(314,213)	(48)	8,789	(244,372)	1,285	(566,225)
Net cash (used in) provided by operating activities	—	—	—	—	—	—	(437)	(437)
Cash flows from noncapital financing activities:								
Intergovernmental operating subsidy and grants	—	—	—	—	—	—	—	—
Advances between funds	—	—	—	—	—	—	—	—
Transfers in (out)	—	—	—	—	—	—	—	—
Net cash (used in) provided by noncapital financing activities	—	—	—	—	—	—	—	—
Cash flows from capital and related financing activities:								
Issuance of notes and bonds payable	—	—	—	—	—	—	—	—
Principal payments on debt	—	—	—	—	—	—	—	—
Interest payments	—	—	—	—	—	—	—	—
Capital grants	—	—	—	—	—	—	6,290	6,290
Acquisition and construction of capital assets	—	—	—	—	—	—	(5,853)	(5,853)
Proceeds from capital contributions	—	—	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—	—	—
Net cash (used in) provided by capital and related financing activities	—	—	—	—	—	—	437	437
Cash flows from investing activities:								
Issuance of notes receivable	—	—	—	—	—	—	—	—
Receipt of payments on notes receivable	—	—	—	—	—	—	—	—
Short-term loan	—	—	—	—	—	—	—	—
Proceeds from sales and maturities of investments	—	—	—	—	—	—	—	—
Purchase of investments	—	—	—	—	—	—	—	—
Investment in partnership	—	—	—	—	—	—	—	—
Purchase of partnership interest	—	—	—	—	—	—	—	—
Interest received	—	—	—	—	—	—	—	—
Net cash provided by (used in) investing activities	—	—	—	—	—	—	—	—
Net increase (decrease) in cash and cash equivalents	—	—	—	—	—	—	—	—
Cash, January 1	—	—	—	—	—	—	—	—
Cash, December 31	\$ —	—	—	—	—	—	—	—
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$ —	—	—	—	—	—	(437)	(437)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:								
Depreciation and amortization	—	—	—	—	—	—	—	—
Changes in operating assets and liabilities:								
Accounts receivable:								
Tenants	—	—	—	—	—	—	—	—
Intergovernmental	190	10,852	79,564	—	(14,660)	240,387	—	316,333
Other	—	—	—	2,129	—	—	—	2,129
Due from other funds	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	—
Prepaid items	825	—	28,800	—	—	—	—	29,625
Accounts payable	(172)	—	(16,392)	—	(200)	(54,746)	—	(71,510)
Compensated absences payable	—	—	—	—	—	—	—	—
Accrued liabilities	152	—	(9,360)	(2,082)	2,957	(1,285)	—	(9,618)
Intergovernmental payable	—	—	—	—	—	—	—	—
Due to other funds	(995)	(10,852)	(82,612)	(47)	11,903	(184,356)	—	(266,959)
Family Self Sufficiency escrow	—	—	—	—	—	—	—	—
Tenant security deposits	—	—	—	—	—	—	—	—
Escrow held for others	—	—	—	—	—	—	—	—
Net cash (used in) provided by operating activities	\$ —	—	—	—	—	—	(437)	(437)
Noncash investing, capital, and financing activities:								
Increase (decrease) in fair value of investments	\$ —	—	—	—	—	—	—	—
Transfer of CIP	—	—	—	—	—	—	—	—
Change in capitalization policy	—	—	—	—	—	—	—	—
Gain (loss) on disposal of property/equipment	—	—	—	—	—	—	(284,656)	(284,656)
Building Transfer	—	—	—	—	—	—	(284,656)	(284,656)

See accompanying independent auditors' report.

Housing Authority of the City and County of Denver
NOTES TO COMBINING FINANCIAL SCHEDULES

December 31, 2010

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

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

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

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

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

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

Component Units

Denver Housing Corporation - Used to account for the financing of low-income housing units under Section 8 of the U.S. Department of Housing and Urban Development's New Construction Program.

Globeville Workforce Housing Inc. - Used to account for the activities associated with the development of the Globeville Townhomes and two low income housing tax credit partnerships.

Arrowhead Housing, Inc. - Used to account for activities under Phase I of the DHA's Park Avenue HOPE VI redevelopment grant.

Arrowhead Housing II, Inc. - Used to account for activities under Phase II of the DHA's Park Avenue HOPE VI redevelopment grant.

Arrowhead Housing III, Inc. - Used to account for activities under Phase V of the DHA's Park Avenue HOPE VI redevelopment grant.

Arrowhead Housing IV, Inc. - Used to account for activities under Phase VII of the DHA's Park Avenue HOPE VI redevelopment grant.

Arrowhead Housing V, Inc. - Used to account for activities under Phase IX of the DHA's Park Avenue HOPE VI redevelopment grant.

Three Towers Housing Inc. - Used to account for activities associated with the rehabilitation of three public housing high-rise buildings. **Curtis Park Housing, Inc.** - Used to account for

Housing Authority of the City and County of Denver

NOTES TO COMBINING FINANCIAL SCHEDULES - CONTINUED

December 31, 2010

activities associated with three tax credit partnerships in the Curtis Park HOPE VI redevelopment grant.

DLIHDC Development Corporation - Used to account for activities for the corporation that is a limited partner in the Studebaker partnership.

Denver Housing Development Partners, Inc. - Used to account for activities for the corporation that is a limited partner in tax credit partnerships.

DHA Limited Partners, LLC - Used to account for activities associated with creating the initial partnerships associated with the development and/or redevelopment of low-income/affordable housing.

Westwood Housing, Inc. - Used to account for activities associated with the redevelopment of a public housing property.

1099 Osage Housing, Inc. - Used to account for activities associated with the development of a low income housing tax credit partnership.

Discrete Component Units

Globeville Redevelopment Partnership I - Used to account for the activities of a low income housing tax credit partnership.

Globeville Development Partnership II - Used to account for the activities of a low income housing tax credit partnership.

Thomas Bean Towers - Used to account for activities of a low income housing tax credit partnership.

Park Avenue Redevelopment Block 1B - Used to account for activities of a low income housing tax credit partnership.

Park Avenue Redevelopment Block 3B - Used to account for activities of a low income housing tax credit partnership.

Park Avenue Redevelopment Block 4B - Used to account for activities of a low income housing tax credit partnership.

Park Avenue Redevelopment Block 5B - Used to account for activities of a low income housing tax credit partnership.

Housing Authority of the City and County of Denver

NOTES TO COMBINING FINANCIAL SCHEDULES - CONTINUED

December 31, 2010

Three Towers Partners - Used to account for activities of a low income housing tax credit partnership.

Westwood Partners - Used to account for activities of a low income housing tax credit partnership.

1099 Osage Partners - Used to account for activities of a low income housing tax credit partnership. for the corporation that is a limited partner in the Studebaker partnership.

Studebaker Building Ltd. - Used to account for activities for the corporation that is a limited partner in tax credit partnerships.

Housing Authority of the City and County of Denver

NOTES TO COMBINING FINANCIAL SCHEDULES - CONTINUED

December 31, 2010

Grants

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

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

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

CHFA NFMC Grant - Used to provide foreclosure mitigation counseling.

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

TANF Summer Youth - Used to account for employment opportunities for youths.

Xcel Energy Grant - Used to for energy improvements in DHC and Lincoln Park properties.

Front Range Earth Force Grant - Used to account for a summer youth service learning based camp.

STATISTICAL SECTION

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Statistical Section

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

Contents	Tables
Financial Trends	1 - 2
<i>These schedules contain trend information to help the reader understand how DHA's financial performance and well-being have changed overtime.</i>	
Revenue Capacity	3 - 4
<i>These schedules contain information to help the reader assess DHA's most significant revenue sources.</i>	
Debt Capacity	5 - 6
<i>These schedules present information to help the reader assess the affordability of DHA's current levels of outstanding debt and ability to issue additional debt in the future.</i>	
Demographic and Economic Information	7 - 8
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which DHA's financial activities take place.</i>	
Operating Information	9 - 11
<i>These schedules contain data to help the reader understand how the information in DHA's financial report relates to the services DHA provides and the activities it performs.</i>	

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

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

Net Assets
Last Ten Fiscal Years
(Unaudited)

Fiscal year	Invested in capital assets, net of related related debt	Restricted assets	Unrestricted assets	Total
2002	\$ 161,584,385	3,094,523	29,437,396	194,116,304
2003	159,681,921	3,253,743	30,315,351	193,251,015
2004	158,217,883	5,187,243	33,413,212	196,818,338
2005	179,408,666	5,415,021	32,243,817	217,067,504
2006	187,975,015	8,046,918	32,549,680	228,571,613
2007	216,298,141	17,054,996	29,743,362	263,096,499
2008	222,399,507	13,802,998	34,941,339	271,143,844
2009	243,028,773	14,660,467	34,895,360	292,584,600
2010	122,582,870	13,390,611	137,774,324	273,747,805

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

Note: Data prior to 2002 is not available in this format due to a change in the reporting model in 2002.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Changes in Net Assets

Last Ten Fiscal Years

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Operating revenue:									
Rental revenue	\$ 11,569,685	11,342,008	10,883,232	10,903,563	10,433,358	11,069,707	11,778,650	12,910,836	9,716,663
Intergovernmental	48,160,776	56,890,735	58,496,381	58,801,921	59,811,079	62,500,312	53,838,717	56,941,923	81,736,794
Property management fee revenue	—	—	—	—	—	1,940,978	2,682,498	1,701,894	4,559,215
Other revenues	1,397,692	1,081,249	1,264,721	1,933,587	3,309,797	1,924,555	2,606,632	2,707,340	2,765,199
Charges for services	—	—	—	—	—	—	—	—	240,614
Total operating revenue	61,128,153	69,313,992	70,644,334	71,639,071	73,554,234	77,435,552	70,906,497	74,261,993	99,018,485
Operating expenses:									
Administrative	10,222,047	9,660,609	10,678,302	11,050,406	11,116,363	14,043,152	13,995,471	15,076,107	15,737,461
Utilities	4,943,165	5,270,812	5,476,841	6,357,661	6,329,158	6,161,078	6,545,651	6,034,343	5,789,825
Ordinary maintenance	7,409,240	6,496,501	6,087,932	6,561,531	5,868,304	7,214,331	7,518,980	7,798,568	7,611,346
General expenses	4,400,468	4,505,403	4,109,106	4,246,600	4,889,861	1,790,011	1,524,109	2,299,028	1,789,203
Depreciation	10,670,564	10,754,594	10,868,067	11,078,822	11,943,174	11,896,606	13,364,857	15,278,934	10,633,846
Housing assistance payments	37,480,725	46,575,425	49,392,363	49,388,048	48,534,715	46,671,457	48,699,692	49,811,669	53,180,049
Other operating expenses	1,481,730	2,185,551	2,017,642	2,089,873	2,963,834	4,134,743	3,665,844	4,123,356	6,006,467
Total operating expenses	76,607,939	85,448,895	88,630,253	90,772,941	91,645,409	91,911,378	95,314,604	100,422,005	100,748,197
Operating loss	(15,479,786)	(16,134,903)	(17,985,919)	(19,133,870)	(18,091,175)	(14,475,826)	(24,408,107)	(26,160,012)	(1,729,712)
Nonoperating revenue and expenses:									
Intergovernmental	10,770,236	9,425,920	13,951,887	11,209,666	13,704,963	14,757,614	16,056,861	18,438,635	—
Interest revenue	908,812	868,495	741,610	1,577,473	1,484,926	1,764,934	2,517,406	747,513	1,519,323
Net increase (decrease) in the fair value of investments	28,535	(227,819)	(107,556)	(85,389)	74,267	81,648	38,578	(65,237)	(16,912)
Interest expense	(901,831)	(861,879)	(835,550)	(1,188,077)	(1,673,516)	(2,252,014)	(3,172,530)	(4,725,797)	(2,048,240)
Amortization expense	—	—	—	(340,978)	(265,630)	(96,050)	—	(104,201)	(50,645)
Loss on assets held for sale	—	—	—	(340,978)	(265,630)	(96,050)	—	—	—
Gain (loss) on disposition of assets	96,324	(1,046,040)	(1,807,425)	8,158,174	4,399,979	10,570,414	(686,578)	(155,548)	2,229,265
Nonoperating revenues – net	10,902,076	8,158,677	11,942,966	19,330,869	17,724,989	24,826,546	14,753,737	14,135,365	1,632,791
Net gain (loss)	(4,577,710)	(7,976,226)	(6,042,953)	196,999	(366,186)	10,350,720	(9,654,370)	(12,024,647)	(96,921)
Capital contributions	12,395,580	7,110,937	9,610,276	20,052,167	11,870,295	24,174,166	17,701,715	33,465,403	23,476,097
Change in net assets	7,817,870	(865,289)	3,567,323	20,249,166	11,504,109	34,524,886	8,047,345	21,440,756	23,379,176
Net assets at beginning of year	186,298,434	194,116,304	193,251,015	196,818,338	217,067,504	228,571,613	263,096,499	271,143,844	250,368,629
Net assets at end of year	\$ 194,116,304	193,251,015	196,818,338	217,067,504	228,571,613	263,096,499	271,143,844	292,584,600	273,747,805

Note: Data prior to 2002 is not available in this format due to a change in the reporting model for DHA in fiscal year 2002.

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

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Operating Revenues by Source

Last Ten Fiscal Years

(Unaudited)

Fiscal year	Rental income		Intergovernmental revenue		Other		Total	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
2001	\$ 12,258,678	24.22%	\$ 35,237,655	69.64%	\$ 3,108,387	6.14%	\$ 50,604,720	100.00%
2002	11,569,685	18.93	48,160,776	78.78	1,397,692	2.29	61,128,153	100.00
2003	11,342,008	16.36	56,890,735	82.08	1,081,249	1.56	69,313,992	100.00
2004	10,883,232	15.41	58,496,381	82.80	1,264,721	1.79	70,644,334	100.00
2005	10,903,563	15.22	58,801,921	82.08	1,933,587	2.70	71,639,071	100.00
2006	10,433,358	14.18	59,811,079	81.32	3,309,797	4.50	73,554,234	100.00
2007	11,069,707	14.30	62,500,312	80.71	3,865,533	4.99	77,435,552	100.00
2008	11,778,650	16.61	53,838,717	75.93	5,289,130	7.46	70,906,497	100.00
2009	12,910,836	17.39	56,941,923	76.67	4,409,234	5.94	74,261,993	100.00
2010	9,716,663	9.81	81,736,794	82.55	7,565,028	7.64	99,018,485	100.00

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

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Nonoperating Revenues by Source

Last Ten Fiscal Years

(Unaudited)

Fiscal year	Intergovernmental		Interest revenue		Gain (loss) on assets		Total	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
2001	\$ 24,079,263	88.64%	\$ 1,194,705	4.40%	\$ 1,889,937	6.96%	27,163,905	100.00%
2002	10,770,236	91.46	908,812	7.72	96,324	0.82	11,775,372	100.00
2003	9,425,920	101.92	868,495	9.39	(1,046,040)	(11.31)	9,248,375	100.00
2004	13,951,887	108.27	741,610	5.76	(1,807,425)	(14.03)	12,886,072	100.00
2005	11,209,666	53.52	1,577,473	7.53	8,158,174	38.95	20,945,313	100.00
2006	13,704,963	69.96	1,484,926	7.58	4,399,979	22.46	19,589,868	100.00
2007	14,757,614	54.47	1,764,934	6.51	10,570,414	39.02	27,092,962	100.00
2008	16,056,861	89.77	2,517,406	14.07	(686,578)	(3.84)	17,887,689	100.00
2009	18,438,635	96.89	747,513	3.93	(155,548)	(0.82)	19,030,600	100.00
2010	—	—	1,519,323	40.53	2,229,265	59.47	3,748,588	100.00

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

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Debt Service Coverage

Last Ten Years

(Unaudited)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues	\$ 76,943,918	84,425,809	84,583,606	92,197,576	111,022,107	103,149,518	126,436,265	103,361,949	121,862,761	124,127,373
Expenses (excluding depreciation)	57,904,161	65,937,375	74,694,301	77,762,186	79,694,119	79,702,235	80,014,772	81,949,747	85,143,071	90,114,351
Revenue available for debt service	\$ <u>19,039,757</u>	<u>18,488,434</u>	<u>9,889,305</u>	<u>14,435,390</u>	<u>31,327,988</u>	<u>23,447,283</u>	<u>46,421,493</u>	<u>21,412,202</u>	<u>36,719,690</u>	<u>34,013,022</u>
Debt service requirements:										
Principal	\$ 863,050	899,664	951,327	2,088,040	2,266,458	1,145,141	2,062,432	2,584,727	21,471,074	2,385,683
Interest	911,045	871,807	829,619	784,356	1,070,364	964,102	2,157,996	2,472,467	2,350,149	1,674,062
Total	\$ <u>1,774,095</u>	<u>1,771,471</u>	<u>1,780,946</u>	<u>2,872,396</u>	<u>3,336,822</u>	<u>2,109,243</u>	<u>4,220,428</u>	<u>5,057,194</u>	<u>23,821,223</u>	<u>4,059,745</u>
Debt service coverage	10.73	10.44	5.55	5.03	9.39	11.12	11.00	4.23	1.54	8.38

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

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Ratio of Debt to Capital Assets

Last Ten Fiscal Years

(Unaudited)

Fiscal year		Notes payable	Bonds payable	Line of credit	Total debt	Capital assets	Ratio of total debt to capital assets
2001	\$	2,478,361	16,145,000	—	18,623,361	181,991,573	10.23%
2002		2,425,310	15,335,000	—	17,760,310	179,344,695	9.90
2003		2,370,646	14,490,000	—	16,860,646	176,542,567	9.55
2004		6,530,140	13,595,000	1,100,000	21,225,140	178,551,542	11.89
2005		11,553,231	12,665,000	—	24,218,231	203,626,897	11.89
2006		18,470,247	11,690,000	2,529,086	32,689,333	220,664,348	14.81
2007		26,630,522	25,577,035	300,000	52,507,557	249,953,724	21.01
2008		39,345,729	36,273,319	550,000	76,169,048	298,568,555	25.51
2009		44,010,708	22,160,000	450,000	66,620,708	309,649,481	21.51
2010		15,660,304	20,810,000	6,210,000	42,680,304	165,263,174	25.83

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

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

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Resident Demographics: Population Statistics

Last Ten Fiscal Years

(Unaudited)

Public Housing and Non-HUD Housing Programs				
Fiscal year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (age 62+)	Total number of residents
2001	4,710	3,922	1,395	10,027
2002	4,556	3,935	1,467	9,958
2003	4,243	3,694	1,435	9,372
2004	4,174	3,586	1,387	9,147
2005	4,221	3,652	1,399	9,272
2006	4,035	3,464	1,381	8,880
2007	4,368	3,560	1,372	9,300
2008	4,207	3,470	1,357	9,034
2009	4,625	3,853	1,485	9,963
2010	4,732	3,970	1,565	10,267

Section 8 Program				
Fiscal year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (age 62+)	Total number of residents
2001	6,368	4,335	953	11,656
2002	7,196	4,946	1,037	13,179
2003	8,172	5,629	1,099	14,900
2004	8,120	5,783	1,153	15,056
2005	7,735	5,624	1,158	14,517
2006	7,630	5,646	1,190	14,466
2007	7,729	5,858	1,224	14,811
2008	7,639	5,775	1,232	14,646
2009	8,093	6,401	1,254	15,748
2010	7,754	6,385	1,292	15,431

Source: DHA budget documents for the related year.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Other Demographics/Statistics (1)

(Unaudited)

Year	Denver population	DHA residents	Denver unemployment rate
2001	560,365	21,683	5.7
2002	560,882	23,137	5.3
2003	566,173	24,272	4.5
2004	568,913	24,203	4.9
2005	571,848	23,789	5.2
2006	579,744	23,346	4.4
2007	592,052 (2)	24,111	4.4
2008	598,707 (3)	23,680	7.0
2009	610,345 (3)	25,711	8.3
2010	Not Available	25,698	8.9

1. Includes all DHA housing programs.
2. Estimated by Denver Regional Council of Governments.
3. Estimated by U.S. Census Bureau.

Sources: DHA budget documents for the related year.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Number of DHA Dwelling Rental Units

December 31, 2010

(Unaudited)

<u>Fiscal year</u>	<u>Low rent housing</u>	<u>Section 8 program</u>	<u>Globeville units</u>	<u>*Bean Towers & Park Ave</u>	<u>DHC</u>	<u>DHP</u>	<u>Total</u>
2010	3,916	5,909	62	243	568	57	10,755
2009	3,882	5,756	62	184	568	109	10,561
2008	3,863	5,644	62	123	568	107	10,367
2007	3,863	5,522	62	123	568	107	10,245
2006	3,833	5,523	62	29	568	183	10,198
2005	3,873	5,372	41	—	568	126	9,980
2004	3,901	5,362	—	—	568	124	9,955
2003	3,851	4,947	—	—	568	279	9,645
2002	3,789	4,889	—	—	568	280	9,526
2001	3,788	4,570	—	—	568	282	9,208
2000	3,790	4,214	—	—	568	83	8,655

Source: DHA comprehensive operating budget document.

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

TABLE 10

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Property Characteristics and Unit Composition
(Includes Nondwelling Units)

December 31, 2010

(Unaudited)

Name of development	Address	Number of units	Year built or acquired
Public Housing Units:			
Columbine Homes	201 S. Yuma	200	1953
Westridge Homes	3537 W. 13th Ave.	200	1952
Quigg Newton Homes	4407 Mariposa St.	380	1952
Sun Valley Homes	990 Alcott Way	333	1952
The Villages at Curtis Park	1107 27th Street	135	2002
South Lincoln Homes/Annex	1000 Navajo Street	270	1954
Westwood Homes	3401 W. Kentucky	192	1953
Walsh Manor	1790 W. Mosier Pl.	89	1963
Walsh Manor Annex	1775 W. Mosier Pl.	100	1971
Hirschfeld Towers	333 W. Ellsworth	209	1967
Barney Ford	2024 Clarkson St.	147	1968
Mulroy Apts.	3550 W. 13th Ave.	50	1969
Thomas Connole	1710 Williams St.	100	1971
North Lincoln – Midrise/Row Type	1425 Mariposa St.	206	1995
Thomas Bean LP (ACC units only)	2350 Cleveland Pl.	160	2005
Park Ave 1B (ACC units only)	2300-2380 Court St &	30	2006
Park Ave 3B (ACC units only)	2301-2381 Cleveland	30	2008
Park Ave 4B (ACC units only)	2301-2381 Cleveland	30	2009
Dispersed East	Scattered Sites	340	1890 – 1988
Dispersed West	Scattered Sites	323	1890 – 1985
Dispersed Southwest	Scattered Sites	419	1911 – 1986
Total public housing units		3,943	
Denver Housing Corporation (DHC/DHCRPs):			
Syracuse Plaza	4333 S Syracuse	100	1979
Pacific Place	2020 S Vallejo St.	25	1979
Mountain View	1212 S Federal	154	1979
Casa Loma	3850 Alcott St.	83	1980
Elliott Elderly	1222 S Federal	100	1979
Goldsmith Village	4343 S Syracuse	35	1979
Dispersed New Const. & Rehab	Various	74	1904 – 1979
Total DHC/DHCRPs		571	
Denver Housing Program (DHP):			
*Lincoln Park 57	Various	57	1981 – 1982
Total DHP		57	
Globeville:			
351 East 51st Avenue	351 East 51st Avenue	41	2004
351 East 51st Avenue	351 East 51st Avenue	21	2005
Total globeville		62	
Bean Towers LP (tax credit only units)	2350 Cleveland Pl.	29	2005
Park Ave 1B (tax credit and market rate only)	2300-2380 Court St &	94	2007
Park Ave 3B (tax credit and market rate only)		61	2008
Park Ave 4B (tax credit and market rate only)	2301-2381 Cleveland	59	2009
Total units		4,876	

Source: DHA comprehensive operating budget document.

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

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Staff Headcount by Division
 Last Ten Fiscal Years
 (Unaudited)

Fiscal year	Executive		Finance/administration		Housing management		Section 8/client services		Total	
	Regular	Temporary	Regular	Temporary	Regular	Temporary	Regular	Temporary	Regular	Temporary
2001	30	1	18	—	160	30	34	46	242	77
2002	30	2	18	—	158	30	37	40	243	72
2003	31	—	18	—	155	33	40	25	244	58
2004	30	—	17	—	153	35	40	40	240	75
2005	30	—	18	—	148	32	40	43	236	75
2006	29	—	20	—	152	31	39	27	240	58
2007	24	—	20	—	160	27	30	41	234	68
2008	24	—	20	—	165	28	31	55	240	83
2009	20	3	20	—	165	36	32	41	237	80
2010	23	1	21	—	164	28	34	36	242	65

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

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

SINGLE AUDIT SECTION

Independent Auditors' Reports

Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs

Status of Prior Year Findings

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the Housing Authority of the City and County of Denver as of and for the year ended December 31, 2010, and have issued our report thereon dated May 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City and County of Denver's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reznick Group, P.C.

Charlotte, North Carolina
May 27, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the Housing Authority of the City and County of Denver's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The Housing Authority of the City and County of Denver's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the City and County of Denver's management. Our responsibility is to express an opinion on the Housing Authority of the City and County of Denver's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City and County of Denver's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority of the City and County of Denver's compliance with those requirements.

In our opinion, the Housing Authority of the City and County of Denver complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the Housing Authority of the City and County of Denver is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of the City and County of Denver's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City and County of Denver's internal control over compliance.

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

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

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reznick Group, P.C.

Charlotte, North Carolina
May 27, 2011

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2010

	<u>CFDA number</u>	<u>Pass-through grantor's number</u>	<u>Federal expenditures</u>
U.S. Department of Housing and Urban Development:			
Section 8 housing choice voucher program	14.871		\$ <u>55,702,597</u>
Section 8 project-based cluster:			
Lower income housing assistance program	14.856		549,078
Section 8 moderate rehabilitation	14.249		555,773
Section 8 New Construction/Substantial Rehabilitation	14.182		<u>3,997,239</u>
Total Section 8 project-based cluster			<u>5,102,090</u>
Disaster Voucher Program	14.DVP		22,807
Multifamily housing service coordinators	14.191		99,594
Housing counseling grant	14.169		21,748
Resident opportunity and support of services	14.870		808,467
Low rent subsidy	14.850		17,548,043
HOPE VI	14.866		2,100,174
HUD Veterans Affairs Supportive Housing Program	14.VSH		308,985
Capital Fund cluster:			
Public housing capital fund - ARRA Formula Grant	14.885		5,909,677
Public Housing capital fund - ARRA Competitive Grant	14.884		12,295,975
Public housing capital fund	14.872		<u>4,134,052</u>
Total Capital Fund cluster			<u>22,339,704</u>
U.S. Department of Housing and Urban Development:			
Passed through from the State of Colorado			
HOME Investments Partnerships Program	14.239	H0HOM10042	<u>194,648</u>
			<u>194,648</u>
Total U.S. Department of Housing and Urban Development			<u>104,248,857</u>
U.S. Department of Labor:			
Passed through from the City and County of Denver:			
WIA cluster:			
WIA Youth Program	17.259	GE 90756	108,238
WIA Youth Program	17.259	GE 01193	91,606
Total WIA cluster			<u>199,844</u>
Total U.S. Department of Labor			<u>199,844</u>
Corporation for National & Community Service			
Planning & Program Development Grants			
Front Range Earth Force	94.007		12,431
			<u>12,431</u>
U.S. Department of the Treasury			
Passed through from Colorado Housing and Finance Authority			
National Foreclosure Mitigation Counseling Program	21.000		5,488
Total U.S. Department of the Treasury			<u>5,488</u>
Total federal expenditures			\$ <u><u>104,466,620</u></u>

See accompanying notes to schedule of expenditures of federal awards.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2010

(1) General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City and County of Denver (Denver Housing Authority). The Denver Housing Authority's reporting entity is defined in note 1 to the Denver Housing Authority's basic financial statements.

(2) Basis of Accounting

The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. Revenues are recognized when program costs have been incurred or when revenues have otherwise been earned.

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

Operating intergovernmental revenues	\$ 81,731,306
Capital grants	20,174,985
Capital grants	3,306,600
	<hr/>
	105,212,891
Use of restricted HAP	871,151
Surplus 2010 Disaster Housing Assistance Program funds	(3,000)
Surplus 2010 Disaster Voucher Program funds	(143)
Surplus 2010 VASH funds	(607,989)
Local funds	(1,006,290)
	<hr/>
Total federal expenditures	\$ <u>104,466,620</u>

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2010

Section I - Summary of Auditors' Results

- A. The type of report issued on the basic financial statements:
Unqualified Opinion
- B. Significant deficiencies in internal control disclosed by the audit of the basic financial statements:
None reported
Material weaknesses: **No**
- C. Noncompliance that is material to the basic financial statements: **None reported**
- D. Significant deficiencies in internal control over major programs: **None reported**
Material weaknesses: **No**
- E. The type of report issued on compliance for major programs: **Unqualified Opinion**
- F. Any audit findings that are required to be reported under Section 510(a) of OMB Circular A-133:
No
- G. Major programs:
Low rent subsidy (CFDA No. 14.850)
Section 8 housing choice voucher program (CFDA No. 14.871)
Section 8 new construction/substantial rehabilitation (CFDA No. 14.182)
Public housing capital fund (CFDA No. 14.872)
Public housing capital fund – ARRA Formula Grant (CFDA No. 14.885)
Public housing capital fund – ARRA Competitive Grant (CFDA No. 14.884)
- H. Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- I. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **No**

Section II - Findings Relating to the Basic Financial Statements Reported in Accordance with Government Auditing Standards

No findings relating to the basic financial statements to be reported in accordance with Government Auditing Standards identified.

(continued)

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended December 31, 2010

Section III - Findings and Questioned Costs Relating to Federal Awards

No findings relating to the federal awards to be reported in accordance with OMB Circular A-133 identified.

(continued)

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Status of Prior Year Findings
Year ended December 31, 2010

Finding number		Status
2009-01	Capitalization of assets	This finding has been cleared.
2009-02	Section 8 eligibility	This finding has been cleared.
2009-03	Capital Fund ARRA grant reporting	This finding has been cleared.
2009-04	Workforce Investment Act Youth Program Cluster (ARRA) procurement	This finding has been cleared.

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

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Financial Data Schedule

December 31, 2010

Line item #	Account description	Public Housing and Capital Fund	Central Office Cost Center	Section 8 mod rehab CO001 MR0004	Section 8 mod rehab CO001 MR0005	Section 8 mod rehab SRO
111	Cash – unrestricted	\$ 3,047,263	6,311,220	—	—	—
113	Cash – other restricted	1,133,490	—	—	—	—
114	Cash – tenant security deposits	—	—	—	—	—
100	Total cash	<u>4,180,753</u>	<u>6,311,220</u>	<u>—</u>	<u>—</u>	<u>—</u>
122	Accounts receivable – HUD other projects	220,018	—	66,299	—	14,701
124	Accounts receivable – other government	—	—	—	—	—
125	Accounts receivable – miscellaneous	—	211,039	—	—	—
126	Accounts receivable – tenants – dwelling rents	91,616	—	—	—	—
126.1	Allowance for doubtful accounts – dwelling rents	—	—	1,440	—	—
126.2	Allowance for doubtful accounts – other	—	—	(1,440)	—	—
127	Notes, loans, and mortgages receivable – current	—	—	—	—	—
128	Fraud recovery	177,833	—	—	—	—
128.1	Allowance for doubtful accounts – fraud	(79,204)	—	—	—	—
129	Accrued interest receivable	—	42,694	—	—	—
120	Total receivables, net of allowances for doubtful accounts	<u>410,263</u>	<u>253,733</u>	<u>66,299</u>	<u>—</u>	<u>14,701</u>
131	Investments – unrestricted	15,791,251	713,945	—	159	—
132	Investments restricted	—	—	—	—	—
135	Investments – rest. for payment of currant liab	698,382	—	—	—	—
142	Prepaid expenses and other assets	37,055	271,930	—	—	—
143	Inventories	168,156	206,988	—	—	—
143.1	Allowance for obsolete inventories	(10,158)	(9,641)	—	—	—
144	Interprogram due from	1,510,697	1,822,151	—	—	—
150	Total current assets	<u>22,786,399</u>	<u>9,570,326</u>	<u>66,299</u>	<u>159</u>	<u>14,701</u>
161	Land	20,300,944	—	—	—	—
162	Buildings	198,880,657	—	—	—	—
163	Furniture, equipment, and machinery – dwellings	195,466	—	—	—	—
164	Furniture, equipment, and machinery – administration	1,982,476	2,283,264	—	—	—
165	Leasehold improvements	27,210,471	—	—	—	—
166	Accumulated depreciation	(143,635,090)	(1,869,078)	—	—	—
167	Construction in progress	8,844,806	—	—	—	—
160	Total fixed assets, net of accumulated depreciation	<u>113,779,730</u>	<u>414,186</u>	<u>—</u>	<u>—</u>	<u>—</u>
171	Notes, loans, and mortgages receivable – noncurrent	87,612,836	—	—	—	—
174	Other assets	430,205	—	—	—	—
176	Investments in joint ventures	—	185,886	—	—	—
180	Total noncurrent assets	<u>201,822,771</u>	<u>600,072</u>	<u>—</u>	<u>—</u>	<u>—</u>
190	Total assets	<u>224,609,170</u>	<u>10,170,398</u>	<u>66,299</u>	<u>159</u>	<u>14,701</u>
312	Accounts payable <= 90 days	521,233	168,864	35	—	60
321	Accrued wage/payroll taxes payable	192,481	256,961	—	—	—
322	Accrued compensated absences – current portion	315,837	361,362	—	—	—
325	Accrued interest payable	132,254	—	—	—	—
331	Accounts payable – HUD PHA programs	—	—	—	159	—
341	Tenant security deposits	296,494	—	—	—	—
342	Deferred revenues	39,684	—	—	—	—
343	Current portion of long-term debt	1,534,212	—	—	—	—
345	Other current liabilities	401,888	—	—	—	—
346	Accrued liabilities – other	569,635	1,123,400	—	—	—
347	Interprogram due to	90,027	1,686,894	66,122	—	14,318
310	Total current liabilities	<u>4,093,745</u>	<u>3,597,481</u>	<u>66,157</u>	<u>159</u>	<u>14,378</u>
351	Long-term debt, net of current	24,385,240	—	—	—	—
353	Noncurrent liabilities – other	569,253	—	—	—	—
354	Accrued compensated absences – noncurrent	43,068	49,277	—	—	—
350	Total noncurrent liabilities	<u>24,997,561</u>	<u>49,277</u>	<u>—</u>	<u>—</u>	<u>—</u>
300	Total liabilities	<u>29,091,306</u>	<u>3,646,758</u>	<u>66,157</u>	<u>159</u>	<u>14,378</u>
508.1	Invested in capital assets, net of related debt	87,860,278	414,186	—	—	—
511.1	Restricted net assets	994,442	—	—	—	—
512.1	Unrestricted net assets	106,663,144	6,109,454	142	—	323
513	Total equity/net assets	<u>195,517,864</u>	<u>6,523,640</u>	<u>142</u>	<u>—</u>	<u>323</u>
600	Total liabilities and equity/net assets	<u>\$ 224,609,170</u>	<u>10,170,398</u>	<u>66,299</u>	<u>159</u>	<u>14,701</u>

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

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

See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Financial Data Schedule

December 31, 2010

Line item #	Account description	Housing choice vouchers	Disaster housing assistance program	Disaster voucher program	Veterans Affairs Supportive Housing	Revitalization of severely distressed public housing
111	Cash – unrestricted	2,000	—	—	—	—
113	Cash – other restricted	—	—	—	—	1,001,478
114	Cash – tenant security deposits	—	—	—	—	—
100	Total cash	2,000	—	—	—	1,001,478
122	Accounts receivable – HUD other projects	—	—	21,211	—	267,672
124	Accounts receivable – other government	—	—	—	—	—
125	Accounts receivable – miscellaneous	70,885	—	—	—	—
126	Accounts receivable – tenants – dwelling rents	7,800	—	—	—	—
126.1	Allowance for doubtful accounts – dwelling rents	(7,800)	—	—	—	—
126.2	Allowance for doubtful accounts – other	—	—	—	—	—
127	Notes, loans, and mortgages receivable – current	—	—	—	—	—
128	Fraud recovery	—	—	—	—	—
128.1	Allowance for doubtful accounts – fraud	—	—	—	—	—
129	Accrued interest receivable	—	—	—	—	—
120	Total receivables, net of allowances for doubtful accounts	70,885	—	21,211	—	267,672
131	Investments – unrestricted	399,642	101,471	—	—	471,254
132	Investments restricted	2,727,922	—	5,342	908,738	—
135	Investments – rest. for payment of currant liab	195,560	3,441	—	—	—
142	Prepaid expenses and other assets	2,715	—	—	—	—
143	Inventories	—	—	—	—	—
143.1	Allowance for obsolete inventories	—	—	—	—	—
144	Interprogram due from	—	—	—	—	23,166
150	Total current assets	3,398,724	104,912	26,553	908,738	1,763,570
161	Land	—	—	—	—	1,041,223
162	Buildings	—	—	—	—	—
163	Furniture, equipment, and machinery – dwellings	—	—	—	—	—
164	Furniture, equipment, and machinery – administration	236,268	—	—	—	—
165	Leasehold improvements	—	—	—	—	—
166	Accumulated depreciation	(206,666)	—	—	—	—
167	Construction in progress	—	—	—	—	1,272,457
160	Total fixed assets, net of accumulated depreciation	29,602	—	—	—	2,313,680
171	Notes, loans, and mortgages receivable – noncurrent	—	—	—	—	1,553,468
174	Other assets	—	—	—	—	—
176	Investments in joint ventures	—	—	—	—	—
180	Total noncurrent assets	29,602	—	—	—	3,867,148
190	Total assets	3,428,326	104,912	26,553	908,738	5,630,718
312	Accounts payable <= 90 days	555	—	19,208	—	257,258
321	Accrued wage/payroll taxes payable	69,067	—	—	—	—
322	Accrued compensated absences – current portion	91,423	—	—	—	—
325	Accrued interest payable	—	—	—	—	3,005
331	Accounts payable – HUD PHA programs	—	3,441	—	—	—
341	Tenant security deposits	—	—	—	—	—
342	Deferred revenues	—	—	—	—	—
343	Current portion of long-term debt	—	—	—	—	—
345	Other current liabilities	195,560	—	—	—	—
346	Accrued liabilities – other	—	—	—	—	—
347	Interprogram due to	—	—	—	—	849,894
310	Total current liabilities	356,605	3,441	19,208	—	1,110,157
351	Long-term debt, net of current	—	—	—	—	—
353	Noncurrent liabilities – other	—	—	—	—	—
354	Accrued compensated absences – noncurrent	12,467	—	—	—	—
350	Total noncurrent liabilities	12,467	—	—	—	—
300	Total liabilities	369,072	3,441	19,208	—	1,110,157
508.1	Invested in capital assets, net of related debt	29,602	—	—	—	2,313,680
511.1	Restricted net assets	2,727,922	3,441	5,342	908,738	1,001,478
512.1	Unrestricted net assets	301,730	98,030	2,003	—	1,205,403
513	Total equity/net assets	3,059,254	101,471	7,345	908,738	4,520,561
600	Total liabilities and equity/net assets	3,428,326	104,912	26,553	908,738	5,630,718

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See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Financial Data Schedule

December 31, 2010

Line item #	Account description	HOME	N/C S/R Section 8	WIA Youth Program	Multifamily housing service coordinators	Resident opportunity and self sufficiency
111	Cash – unrestricted	—	5,551	—	—	—
113	Cash – other restricted	—	73,715	—	—	—
114	Cash – tenant security deposits	—	—	—	—	—
100	Total cash	—	79,266	—	—	—
122	Accounts receivable – HUD other projects	—	—	—	7,419	22,122
124	Accounts receivable – other government	10,000	60,030	40,638	—	—
125	Accounts receivable – miscellaneous	—	10,707	—	—	—
126	Accounts receivable – tenants – dwelling rents	—	—	—	—	—
126.1	Allowance for doubtful accounts – dwelling rents	—	6,592	—	—	—
126.2	Allowance for doubtful accounts – other	—	—	—	—	—
127	Notes, loans, and mortgages receivable – current	—	—	—	—	—
128	Fraud recovery	—	13,320	—	—	—
128.1	Allowance for doubtful accounts – fraud	—	(8,418)	—	—	—
129	Accrued interest receivable	—	93,972	—	—	—
120	Total receivables, net of allowances for doubtful accounts	10,000	176,203	40,638	7,419	22,122
131	Investments – unrestricted	—	859,222	—	—	—
132	Investments restricted	—	6,737,406	—	—	—
135	Investments – rest. for payment of currant liab	—	136,226	—	—	—
142	Prepaid expenses and other assets	—	3,819	—	—	—
143	Inventories	—	61,204	—	—	—
143.1	Allowance for obsolete inventories	—	(4,930)	—	—	—
144	Interprogram due from	—	—	—	—	—
150	Total current assets	10,000	8,048,416	40,638	7,419	22,122
161	Land	—	2,478,450	—	—	—
162	Buildings	—	27,040,824	—	—	—
163	Furniture, equipment, and machinery – dwellings	—	9,619	—	—	—
164	Furniture, equipment, and machinery – administration	—	81,104	—	—	—
165	Leasehold improvements	—	316,395	—	—	—
166	Accumulated depreciation	—	(6,659,999)	—	—	—
167	Construction in progress	—	—	—	—	—
160	Total fixed assets, net of accumulated depreciation	—	23,266,393	—	—	—
171	Notes, loans, and mortgages receivable – noncurrent	4,001,146	—	—	—	—
174	Other assets	—	403,261	—	—	—
176	Investments in joint ventures	—	—	—	—	—
180	Total noncurrent assets	4,001,146	23,669,654	—	—	—
190	Total assets	4,011,146	31,718,070	40,638	7,419	22,122
312	Accounts payable <= 90 days	—	132,350	25	148	—
321	Accrued wage/payroll taxes payable	—	30,629	10,520	3,116	11,616
322	Accrued compensated absences – current portion	—	54,602	—	—	—
325	Accrued interest payable	—	4,306	—	—	—
331	Accounts payable – HUD PHA programs	—	—	—	—	—
341	Tenant security deposits	—	136,226	—	—	—
342	Deferred revenues	—	7,267	—	—	—
343	Current portion of long-term debt	—	851,470	—	—	—
345	Other current liabilities	—	106,099	—	—	—
346	Accrued liabilities – other	—	45,803	—	—	—
347	Interprogram due to	10,000	—	30,093	4,155	10,506
310	Total current liabilities	10,000	1,368,752	40,638	7,419	22,122
351	Long-term debt, net of current	—	9,720,322	—	—	—
353	Noncurrent liabilities – other	—	31,889	—	—	—
354	Accrued compensated absences – noncurrent	—	7,446	—	—	—
350	Total noncurrent liabilities	—	9,759,657	—	—	—
300	Total liabilities	10,000	11,128,409	40,638	7,419	22,122
508.1	Invested in capital assets, net of related debt	—	12,694,601	—	—	—
511.1	Restricted net assets	—	6,673,133	—	—	—
512.1	Unrestricted net assets	4,001,146	1,221,927	—	—	—
513	Total equity/net assets	4,001,146	20,589,661	—	—	—
600	Total liabilities and equity/net assets	4,011,146	31,718,070	40,638	7,419	22,122

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HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Financial Data Schedule

December 31, 2010

Line item #	Account description	Housing Counseling	Front Range Earth Force	CHFA grant	Xcel grant	Business activities
111	Cash – unrestricted	—	—	—	—	1,365
113	Cash – other restricted	—	—	—	—	87,967
114	Cash – tenant security deposits	—	—	—	—	—
100	Total cash	—	—	—	—	89,332
122	Accounts receivable – HUD other projects	—	—	—	—	—
124	Accounts receivable – other government	—	—	—	—	18,566
125	Accounts receivable – miscellaneous	—	—	1,995	—	10,200
126	Accounts receivable – tenants – dwelling rents	—	—	—	—	10,471
126.1	Allowance for doubtful accounts – dwelling rents	—	—	—	—	—
126.2	Allowance for doubtful accounts – other	—	—	—	—	6,232,520
127	Notes, loans, and mortgages receivable – current	—	—	—	—	—
128	Fraud recovery	—	—	—	—	—
128.1	Allowance for doubtful accounts – fraud	—	—	—	—	—
129	Accrued interest receivable	—	—	—	—	—
120	Total receivables, net of allowances for doubtful accounts	—	—	1,995	—	6,271,757
131	Investments – unrestricted	—	—	—	—	350,218
132	Investments restricted	—	—	—	—	—
135	Investments – rest. for payment of currant liab	—	—	—	—	—
142	Prepaid expenses and other assets	—	—	—	—	322
143	Inventories	—	—	—	—	—
143.1	Allowance for obsolete inventories	—	—	—	—	—
144	Interprogram due from	—	—	—	—	8,281,307
150	Total current assets	—	—	1,995	—	14,992,936
161	Land	—	—	—	—	20,632,191
162	Buildings	—	—	—	—	2,220,480
163	Furniture, equipment, and machinery – dwellings	—	—	—	—	—
164	Furniture, equipment, and machinery – administration	—	—	—	—	14,102
165	Leasehold improvements	—	—	—	—	23,364
166	Accumulated depreciation	—	—	—	—	(1,251,743)
167	Construction in progress	—	—	—	—	3,821,197
160	Total fixed assets, net of accumulated depreciation	—	—	—	—	25,459,591
171	Notes, loans, and mortgages receivable – noncurrent	—	—	—	—	4,159,047
174	Other assets	—	—	—	—	—
176	Investments in joint ventures	—	—	—	—	—
180	Total noncurrent assets	—	—	—	—	29,618,638
190	Total assets	—	—	1,995	—	44,611,574
312	Accounts payable <= 90 days	—	—	—	—	19,765
321	Accrued wage/payroll taxes payable	—	—	—	—	42,276
322	Accrued compensated absences – current portion	—	—	—	—	38,075
325	Accrued interest payable	—	—	—	—	31,085
331	Accounts payable – HUD PHA programs	—	—	—	—	—
341	Tenant security deposits	—	—	—	—	—
342	Deferred revenues	—	—	—	—	—
343	Current portion of long-term debt	—	—	—	—	—
345	Other current liabilities	—	—	—	—	—
346	Accrued liabilities – other	—	—	—	—	1,356
347	Interprogram due to	—	—	1,995	—	—
310	Total current liabilities	—	—	1,995	—	132,557
351	Long-term debt, net of current	—	—	—	—	6,189,059
353	Noncurrent liabilities – other	—	—	—	—	—
354	Accrued compensated absences – noncurrent	—	—	—	—	5,192
350	Total noncurrent liabilities	—	—	—	—	6,194,251
300	Total liabilities	—	—	1,995	—	6,326,808
508.1	Invested in capital assets, net of related debt	—	—	—	—	19,270,532
511.1	Restricted net assets	—	—	—	—	87,967
512.1	Unrestricted net assets	—	—	—	—	18,926,267
513	Total equity/net assets	—	—	—	—	38,284,766
600	Total liabilities and equity/net assets	—	—	1,995	—	44,611,574

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HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Financial Data Schedule

December 31, 2010

Line item #	Account description	ARRA Formula Grant	ARRA Competitive Grant	Component units	Elimination	Total
111	Cash – unrestricted	—	—	1,414,522	—	10,781,921
113	Cash – other restricted	—	—	3,967,409	—	6,264,059
114	Cash – tenant security deposits	—	—	82,178	—	82,178
100	Total cash	—	—	5,464,109	—	17,128,158
122	Accounts receivable – HUD other projects	231,673	759,574	8	—	1,610,697
124	Accounts receivable – other government	—	—	—	—	129,234
125	Accounts receivable – miscellaneous	—	—	101,760	—	406,586
126	Accounts receivable – tenants – dwelling rents	—	—	38,008	—	147,895
126.1	Allowance for doubtful accounts – dwelling rents	—	—	(6,559)	—	(6,327)
126.2	Allowance for doubtful accounts – other	—	—	—	—	6,231,080
127	Notes, loans, and mortgages receivable – current	—	—	—	—	—
128	Fraud recovery	—	—	13,185	—	204,338
128.1	Allowance for doubtful accounts – fraud	—	—	(7,132)	—	(94,754)
129	Accrued interest receivable	—	—	—	—	136,666
120	Total receivables, net of allowances for doubtful accounts	231,673	759,574	139,270	—	8,765,415
131	Investments – unrestricted	—	—	2,831,842	—	21,519,004
132	Investments restricted	—	—	—	—	10,379,408
135	Investments – rest. for payment of currant liab	—	—	79,170	—	1,112,779
142	Prepaid expenses and other assets	—	—	46,464	—	362,305
143	Inventories	—	—	19,097	—	455,445
143.1	Allowance for obsolete inventories	—	—	(1,712)	—	(26,441)
144	Interprogram due from	—	—	181,869	(11,819,190)	—
150	Total current assets	231,673	759,574	8,760,109	(11,819,190)	59,696,073
161	Land	—	—	679,946	—	45,132,754
162	Buildings	—	—	151,850,568	—	379,992,529
163	Furniture, equipment, and machinery – dwellings	—	—	1,230,151	—	1,435,236
164	Furniture, equipment, and machinery – administration	—	—	728,508	—	5,325,722
165	Leasehold improvements	—	—	5,883,176	—	33,433,406
166	Accumulated depreciation	—	—	(18,561,901)	—	(172,184,477)
167	Construction in progress	—	—	18,126,700	—	32,065,160
160	Total fixed assets, net of accumulated depreciation	—	—	159,937,148	—	325,200,330
171	Notes, loans, and mortgages receivable – noncurrent	—	—	1,629,145	—	98,955,642
174	Other assets	—	—	1,847,327	—	2,680,793
176	Investments in joint ventures	—	—	136,141	—	322,027
180	Total noncurrent assets	—	—	163,549,761	—	427,158,792
190	Total assets	231,673	759,574	172,309,870	(11,819,190)	486,854,865
312	Accounts payable <= 90 days	231,140	759,574	3,109,054	—	5,219,269
321	Accrued wage/payroll taxes payable	—	—	51,310	—	667,976
322	Accrued compensated absences – current portion	—	—	63,663	—	924,962
325	Accrued interest payable	—	—	55,616	—	226,266
331	Accounts payable – HUD PHA programs	—	—	—	—	3,600
341	Tenant security deposits	—	—	157,492	—	590,212
342	Deferred revenues	—	—	74,218	—	121,169
343	Current portion of long-term debt	—	—	6,268,017	—	8,653,699
345	Other current liabilities	—	—	649	—	704,196
346	Accrued liabilities – other	—	—	152,817	—	1,893,011
347	Interprogram due to	533	—	9,054,653	(11,819,190)	—
310	Total current liabilities	231,673	759,574	18,987,489	(11,819,190)	19,004,360
351	Long-term debt, net of current	—	—	97,298,584	—	137,593,205
353	Noncurrent liabilities – other	—	—	8,411,729	—	9,012,871
354	Accrued compensated absences – noncurrent	—	—	8,281	—	125,731
350	Total noncurrent liabilities	—	—	105,718,594	—	146,731,807
300	Total liabilities	231,673	759,574	124,706,083	(11,819,190)	165,736,167
508.1	Invested in capital assets, net of related debt	—	—	56,370,547	—	178,953,426
511.1	Restricted net assets	—	—	3,970,616	—	16,373,079
512.1	Unrestricted net assets	—	—	(12,737,376)	—	125,792,193
513	Total equity/net assets	—	—	47,603,787	—	321,118,698
600	Total liabilities and equity/net assets	231,673	759,574	172,309,870	(11,819,190)	486,854,865

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HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Financial Data Schedule

December 31, 2010

Line item #	Account description	Public Housing and Capital Fund	Central Office Cost Center	Section 8 mod rehab CO001 MR0004	Section 8 mod rehab CO001 MR0005	Section 8 mod rehab SRO
70300	Net tenant rental revenue	\$ 8,152,656	—	—	—	—
70400	Tenant revenue – other	348,694	39,159	—	—	—
70500	Total tenant revenue	8,501,350	39,159	—	—	—
70600	HUD PHA grants	18,680,421	—	549,078	—	555,773
70610	Capital grants	3,001,674	—	—	—	—
70700	Fee revenue	—	7,890,888	—	—	—
70800	Other government grants	—	—	—	—	—
71100	Investment income – unrestricted	97,418	34,146	—	—	—
71200	Mortgage interest income	580,870	—	—	—	—
71300	Proceeds from dispositions of assets held for sale	9,580,500	—	—	—	—
71310	Cost of sale of assets	(4,672,982)	—	—	—	—
71400	Fraud recovery	—	—	—	—	—
71500	Other revenue	906,250	2,553,331	—	—	—
71600	Gain (loss) on sale of capital assets	(3,073,175)	16,050	—	—	—
72000	Investment income – restricted	1,015	—	—	—	—
70000	Total revenue	33,603,341	10,533,574	549,078	—	555,773
91100	Administrative salaries	1,383,511	3,845,520	19,062	—	32,277
91200	Auditing fees	54,410	10,619	151	—	261
91300	Management fee	2,148,574	—	7,128	—	12,432
91310	Book-keeping fee	280,241	—	4,455	—	7,770
91500	Employee benefit contributions – administrative	445,914	945,532	5,222	—	8,902
91600	Office expenses	700,345	500,603	2,232	—	3,536
91700	Legal expense	24,699	59,850	112	—	168
91800	Travel	45,576	106,833	92	—	138
91900	Other	1,044,888	523,341	1,644	—	2,467
92000	Asset management fee	401,480	—	—	—	—
92100	Tenant services – salaries	287,543	—	—	—	—
92300	Employee benefit contributions – tenant services	54,712	—	—	—	—
92400	Tenant services – other	113,155	—	—	—	—
93100	Water	819,921	—	—	—	—
93200	Electricity	2,196,266	—	—	—	—
93300	Gas	1,610,923	—	—	—	—
93600	Sewer	470,525	—	—	—	—
93800	Other utilities expense	1,536	—	—	—	—
94100	Ordinary maintenance and operations – labor	2,858,677	—	—	—	—
94200	Ordinary maintenance and operations – materials	2,645,591	2,409	—	—	—
94300	Ordinary maintenance and operations – contract costs	1,502,614	1,852,718	—	—	—
94500	Employee benefit contributions – ordinary maint.	871,007	—	—	—	—
95200	Protective services – other contract costs	42,298	—	—	—	—
96100	Insurance premiums	949,625	196,501	705	—	1,106
96200	Other general expenses	40,200	—	—	—	—
96210	Compensated absences	32,062	26,093	144	—	244
96300	Payments in lieu of taxes	171,440	—	—	—	—
96400	Bad debt – tenant rents	98,306	—	—	—	—
96500	Bad debt – mortgages	—	—	—	—	—
96710	Interest of mortgage (or bonds) payable	1,220,296	—	—	—	—
96730	Amortization of bond issue costs	25,368	—	—	—	—
96900	Total operating expenses	22,541,703	8,070,019	40,947	—	69,301
97000	Excess operating revenue over operating expenses	11,061,638	2,463,555	508,131	—	486,472
97100	Extraordinary maintenance	393,357	9,656	—	—	—
97200	Casualty losses – noncapitalized	256,074	—	—	—	—
97300	Housing assistance payments	—	—	508,131	—	486,472
97400	Depreciation expense	9,074,541	133,044	—	—	—
97800	Dwelling units rent expense	560,487	—	—	—	—
90000	Total expenses	32,826,162	8,212,719	549,078	—	555,773
10010	Operating transfers in	2,310,289	—	—	—	—
10020	Operating transfers out	(2,090,290)	(538,072)	—	—	—
10040	Operating transfers from/to component unit	(2,011,685)	—	—	—	—
10100	Total other financing sources (uses)	(1,791,686)	(538,072)	—	—	—
10000	Excess (deficiency) of operating revenue over (under) expenses	\$ (1,014,507)	1,782,783	—	—	—
11020	Required annual debt principal payments	\$ 1,472,226	—	—	—	—
11030	Beginning equity	179,359,065	4,740,857	142	—	323
11040	Prior period adj, equity transfers, and corrections	17,173,306	—	—	—	—
11170	Admin fee equity	—	—	—	—	—
11180	Housing assistance payments equity	—	—	—	—	—
11190	Unit months available	36,776	—	624	—	1,056
11210	Number of unit months leased	36,590	—	593	—	1,035
11270	Excess cash	14,943,567	—	—	—	—

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HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

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Line item #	Account description	Housing choice vouchers	Disaster housing assistance program	Disaster voucher program	Veterans Affairs Supportive Housing	Revitalization of severely distressed public housing
70300	Net tenant rental revenue	—	—	—	—	—
70400	Tenant revenue – other	—	—	—	—	—
70500	Total tenant revenue	—	—	—	—	—
70600	HUD PHA grants	54,831,446	3,000	22,950	916,974	—
70610	Capital grants	—	—	—	—	2,100,174
70700	Fee revenue	—	—	—	—	—
70800	Other government grants	—	—	—	—	—
71100	Investment income – unrestricted	1,830	—	—	1,180	2,456
71200	Mortgage interest income	—	—	—	—	87,638
71300	Proceeds from dispositions of assets held for sale	—	—	—	—	—
71310	Cost of sale of assets	—	—	—	—	—
71400	Fraud recovery	38,332	—	—	—	—
71500	Other revenue	59,130	—	—	—	4,065
71600	Gain (loss) on sale of capital assets	—	—	—	—	(43,000)
72000	Investment income – restricted	18,731	—	—	3,896	1,927
70000	Total revenue	54,949,469	3,000	22,950	922,050	2,153,260
91100	Administrative salaries	1,392,196	—	—	15,823	—
91200	Auditing fees	31,620	—	—	—	—
91300	Management fee	811,200	—	288	5,928	—
91310	Book-keeping fee	507,000	—	180	3,705	—
91500	Employee benefit contributions – administrative	379,814	—	—	4,279	—
91600	Office expenses	229,178	—	—	452	25
91700	Legal expense	10,832	—	—	112	—
91800	Travel	9,350	—	—	—	—
91900	Other	455,946	—	—	868	151
92000	Asset management fee	—	—	—	—	—
92100	Tenant services – salaries	—	—	—	—	—
92300	Employee benefit contributions – tenant services	—	—	—	—	—
92400	Tenant services – other	—	—	—	—	—
93100	Water	—	—	—	—	—
93200	Electricity	—	—	—	—	—
93300	Gas	—	—	—	—	—
93600	Sewer	—	—	—	—	—
93800	Other utilities expense	—	—	—	—	—
94100	Ordinary maintenance and operations – labor	—	—	—	—	—
94200	Ordinary maintenance and operations – materials	—	—	—	—	—
94300	Ordinary maintenance and operations – contract costs	—	—	—	—	—
94500	Employee benefit contributions – ordinary maint.	—	—	—	—	—
95200	Protective services – other contract costs	—	—	—	—	—
96100	Insurance premiums	60,892	—	—	652	—
96200	Other general expenses	11,936	—	—	—	32,942
96210	Compensated absences	10,680	—	—	120	—
96300	Payments in lieu of taxes	—	—	—	—	—
96400	Bad debt – tenant rents	—	—	—	—	—
96500	Bad debt – mortgages	—	—	—	—	—
96710	Interest of mortgage (or bonds) payable	—	—	—	—	43,786
96730	Amortization of bond issue costs	—	—	—	—	—
96900	Total operating expenses	3,910,644	—	468	31,939	76,904
97000	Excess operating revenue over operating expenses	51,038,825	3,000	22,482	890,111	2,076,356
97100	Extraordinary maintenance	—	—	—	—	—
97200	Casualty losses – noncapitalized	—	—	—	—	—
97300	Housing assistance payments	51,886,061	—	22,339	277,046	—
97400	Depreciation expense	23,913	—	—	—	—
97800	Dwelling units rent expense	—	—	—	—	—
90000	Total expenses	55,820,618	—	22,807	308,985	76,904
10010	Operating transfers in	—	—	—	—	—
10020	Operating transfers out	—	—	—	—	—
10040	Operating transfers from/to component unit	—	—	—	—	(13,500)
10100	Total other financing sources (uses)	—	—	—	—	(13,500)
10000	Excess (deficiency) of operating revenue over (under) expenses	(871,149)	3,000	143	613,065	2,062,856
11020	Required annual debt principal payments	—	—	—	—	—
11030	Beginning equity	3,930,403	98,471	7,202	295,673	2,457,705
11040	Prior period adj, equity transfers, and corrections	—	—	—	—	—
11170	Admin fee equity	336,672	—	—	—	—
11180	Housing assistance payments equity	2,722,582	—	—	—	—
11190	Unit months available	68,464	—	24	1,680	—
11210	Number of unit months leased	69,629	—	24	504	—
11270	Excess cash	—	—	—	—	—

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

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See accompanying independent auditors' report.

HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Financial Data Schedule

December 31, 2010

Line item #	Account description	HOME	N/C S/R Section 8	WIA Youth Program	Multifamily housing service coordinators	Resident opportunity and self sufficiency
70300	Net tenant rental revenue	—	1,564,007	—	—	—
70400	Tenant revenue – other	—	5,625	—	—	—
70500	Total tenant revenue	—	1,569,632	—	—	—
70600	HUD PHA grants	—	3,997,239	—	99,594	808,467
70610	Capital grants	—	—	—	—	—
70700	Fee revenue	—	—	—	—	—
70800	Other government grants	194,648	—	199,844	—	—
71100	Investment income – unrestricted	—	354,013	—	—	—
71200	Mortgage interest income	—	—	—	—	—
71300	Proceeds from dispositions of assets held for sale	—	—	—	—	—
71310	Cost of sale of assets	—	—	—	—	—
71400	Fraud recovery	—	—	—	—	—
71500	Other revenue	—	163,888	—	—	—
71600	Gain (loss) on sale of capital assets	—	(55)	—	—	—
72000	Investment income – restricted	—	192	—	—	—
70000	Total revenue	194,648	6,084,909	199,844	99,594	808,467
91100	Administrative salaries	—	283,926	156,586	71,933	466,166
91200	Auditing fees	—	13,414	—	—	—
91300	Management fee	—	338,852	—	—	—
91310	Book-keeping fee	—	—	—	—	—
91500	Employee benefit contributions – administrative	—	81,218	25,386	19,084	90,198
91600	Office expenses	—	111,844	7,484	6,248	25,407
91700	Legal expense	—	2,059	—	—	—
91800	Travel	—	4,458	—	—	1,820
91900	Other	—	126,362	2,274	1,203	43,839
92000	Asset management fee	—	—	—	—	—
92100	Tenant services – salaries	—	—	—	—	—
92300	Employee benefit contributions – tenant services	—	—	—	—	—
92400	Tenant services – other	—	7,080	5,950	225	148,120
93100	Water	—	133,255	—	—	—
93200	Electricity	—	326,992	—	—	—
93300	Gas	—	101,789	—	—	—
93600	Sewer	—	91,084	—	—	—
93800	Other utilities expense	—	—	—	—	—
94100	Ordinary maintenance and operations – labor	—	410,198	—	—	—
94200	Ordinary maintenance and operations – materials	—	593,000	—	—	—
94300	Ordinary maintenance and operations – contract costs	—	432,832	—	—	12,843
94500	Employee benefit contributions – ordinary maint.	—	103,760	—	—	—
95200	Protective services – other contract costs	—	27,421	—	—	—
96100	Insurance premiums	—	207,737	1,935	888	5,774
96200	Other general expenses	—	3,523	—	—	—
96210	Compensated absences	—	5,045	229	13	502
96300	Payments in lieu of taxes	—	—	—	—	—
96400	Bad debt – tenant rents	—	(3,110)	—	—	—
96500	Bad debt – mortgages	—	—	—	—	—
96710	Interest of mortgage (or bonds) payable	—	587,236	—	—	—
96730	Amortization of bond issue costs	—	25,277	—	—	—
96900	Total operating expenses	—	4,015,252	199,844	99,594	794,669
97000	Excess operating revenue over operating expenses	194,648	2,069,657	—	—	13,798
97100	Extraordinary maintenance	—	174,807	—	—	13,798
97200	Casualty losses – noncapitalized	—	84,688	—	—	—
97300	Housing assistance payments	—	—	—	—	—
97400	Depreciation expense	—	1,365,180	—	—	—
97800	Dwelling units rent expense	—	—	—	—	—
90000	Total expenses	—	5,639,927	199,844	99,594	808,467
10010	Operating transfers in	—	—	—	—	—
10020	Operating transfers out	—	—	—	—	—
10040	Operating transfers from/to component unit	—	—	—	—	—
10100	Total other financing sources (uses)	—	—	—	—	—
10000	Excess (deficiency) of operating revenue over (under) expenses	194,648	444,982	—	—	—
11020	Required annual debt principal payments	—	941,200	—	—	—
11030	Beginning equity	5,130,847	18,535,674	—	—	—
11040	Prior period adj, equity transfers, and corrections	(1,324,349)	1,609,005	—	—	—
11170	Admin fee equity	—	—	—	—	—
11180	Housing assistance payments equity	—	—	—	—	—
11190	Unit months available	—	7,500	—	—	—
11210	Number of unit months leased	—	7,422	—	—	—
11270	Excess cash	—	—	—	—	—

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HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Financial Data Schedule

December 31, 2010

Line item #	Account description	Housing Counseling	Front Range Earth Force	CHFA grant	Xcel grant	Business activities
70300	Net tenant rental revenue	—	—	—	—	—
70400	Tenant revenue – other	—	—	—	—	8,137
70500	Total tenant revenue	—	—	—	—	8,137
70600	HUD PHA grants	21,748	—	—	—	—
70610	Capital grants	—	—	—	—	—
70700	Fee revenue	—	—	—	—	—
70800	Other government grants	—	12,431	5,488	6,290	—
71100	Investment income – unrestricted	—	—	—	—	20,884
71200	Mortgage interest income	—	—	—	—	204,479
71300	Proceeds from dispositions of assets held for sale	—	—	—	—	440,000
71310	Cost of sale of assets	—	—	—	—	(97,311)
71400	Fraud recovery	—	—	—	—	—
71500	Other revenue	—	—	—	457	3,956,147
71600	Gain (loss) on sale of capital assets	—	—	—	—	142,611
72000	Investment income – restricted	—	—	—	—	118
70000	Total revenue	21,748	12,431	5,488	6,747	4,675,065
91100	Administrative salaries	15,711	7,758	4,556	610	917,382
91200	Auditing fees	—	—	—	—	—
91300	Management fee	—	—	—	—	269,387
91310	Book-keeping fee	—	—	—	—	—
91500	Employee benefit contributions – administrative	5,753	593	846	270	218,097
91600	Office expenses	—	2,771	—	—	69,892
91700	Legal expense	—	—	—	—	13,297
91800	Travel	—	—	—	—	14,383
91900	Other	—	1,213	—	—	120,071
92000	Asset management fee	—	—	—	—	—
92100	Tenant services – salaries	—	—	—	—	—
92300	Employee benefit contributions – tenant services	—	—	—	—	—
92400	Tenant services – other	—	—	—	—	144
93100	Water	—	—	—	—	42
93200	Electricity	—	—	—	—	(215)
93300	Gas	—	—	—	—	791
93600	Sewer	—	—	—	—	3,788
93800	Other utilities expense	—	—	—	—	—
94100	Ordinary maintenance and operations – labor	—	—	—	—	—
94200	Ordinary maintenance and operations – materials	—	—	—	—	9,168
94300	Ordinary maintenance and operations – contract costs	—	—	—	—	23,013
94500	Employee benefit contributions – ordinary maint.	—	—	—	—	—
95200	Protective services – other contract costs	—	—	—	—	—
96100	Insurance premiums	191	96	52	9	38,808
96200	Other general expenses	—	—	—	—	173
96210	Compensated absences	93	—	34	5	6,360
96300	Payments in lieu of taxes	—	—	—	—	—
96400	Bad debt – tenant rents	—	—	—	—	—
96500	Bad debt – mortgages	—	—	—	—	—
96710	Interest of mortgage (or bonds) payable	—	—	—	—	175,096
96730	Amortization of bond issue costs	—	—	—	—	—
96900	Total operating expenses	21,748	12,431	5,488	894	1,879,677
97000	Excess operating revenue over operating expenses	—	—	—	5,853	2,795,388
97100	Extraordinary maintenance	—	—	—	—	—
97200	Casualty losses – noncapitalized	—	—	—	—	—
97300	Housing assistance payments	—	—	—	—	—
97400	Depreciation expense	—	—	—	—	37,170
97800	Dwelling units rent expense	—	—	—	—	—
90000	Total expenses	21,748	12,431	5,488	894	1,916,847
10010	Operating transfers in	—	—	—	—	318,073
10020	Operating transfers out	—	—	—	—	—
10040	Operating transfers from/to component unit	—	—	—	—	(66,753)
10100	Total other financing sources (uses)	—	—	—	—	251,320
10000	Excess (deficiency) of operating revenue over (under) expenses	—	—	—	5,853	3,009,538
11020	Required annual debt principal payments	—	—	—	—	—
11030	Beginning equity	—	—	—	278,803	35,275,228
11040	Prior period adj, equity transfers, and corrections	—	—	—	(284,656)	—
11170	Admin fee equity	—	—	—	—	—
11180	Housing assistance payments equity	—	—	—	—	—
11190	Unit months available	—	—	—	—	—
11210	Number of unit months leased	—	—	—	—	—
11270	Excess cash	—	—	—	—	—

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HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER

Financial Data Schedule

December 31, 2010

Line item #	Account description	ARRA Formula Grant	ARRA Competitive Grant	Component units	Elimination	Total
70300	Net tenant rental revenue	—	—	4,582,037	—	14,298,700
70400	Tenant revenue – other	—	—	54,031	—	455,646
70500	Total tenant revenue	—	—	4,636,068	—	14,754,346
70600	HUD PHA grants	506,672	525,674	—	—	81,519,036
70610	Capital grants	5,403,005	11,770,301	—	—	22,275,154
70700	Fee revenue	—	—	—	(7,152,422)	738,466
70800	Other government grants	—	—	—	—	418,701
71100	Investment income – unrestricted	—	—	16,379	—	528,306
71200	Mortgage interest income	—	—	—	—	872,987
71300	Proceeds from dispositions of assets held for sale	—	—	2,568,000	—	12,588,500
71310	Cost of sale of assets	—	—	(2,631,374)	—	(7,401,667)
71400	Fraud recovery	—	—	—	—	38,332
71500	Other revenue	—	—	13,950,889	(176,186)	21,417,971
71600	Gain (loss) on sale of capital assets	—	—	—	—	(2,957,569)
72000	Investment income – restricted	—	—	3,178	—	29,057
70000	Total revenue	5,909,677	12,295,975	18,543,140	(7,328,608)	144,821,620
91100	Administrative salaries	—	—	541,237	—	9,154,254
91200	Auditing fees	—	—	128,860	—	239,335
91300	Management fee	—	—	419,007	(3,611,290)	401,506
91310	Book-keeping fee	—	—	51,668	(803,348)	51,671
91500	Employee benefit contributions – administrative	—	—	152,520	—	2,383,628
91600	Office expenses	—	—	175,570	(158,134)	1,677,453
91700	Legal expense	—	—	42,649	(38,107)	115,671
91800	Travel	—	—	5,245	—	187,895
91900	Other	423,654	494,216	323,597	(189,424)	3,376,310
92000	Asset management fee	—	—	44,680	(401,480)	44,680
92100	Tenant services – salaries	68,262	26,468	—	—	382,273
92300	Employee benefit contributions – tenant services	14,756	4,990	—	—	74,458
92400	Tenant services – other	—	—	8,938	(12,785)	270,827
93100	Water	—	—	117,863	—	1,071,081
93200	Electricity	—	—	586,133	—	3,109,176
93300	Gas	—	—	169,535	—	1,883,038
93600	Sewer	—	—	82,784	—	648,181
93800	Other utilities expense	—	—	—	—	1,536
94100	Ordinary maintenance and operations – labor	—	—	424,134	—	3,693,009
94200	Ordinary maintenance and operations – materials	—	—	402,595	(2,036,824)	1,615,939
94300	Ordinary maintenance and operations – contract costs	—	—	683,864	(77,216)	4,430,668
94500	Employee benefit contributions – ordinary maint.	—	—	112,164	—	1,086,931
95200	Protective services – other contract costs	—	—	188	—	69,907
96100	Insurance premiums	—	—	335,433	—	1,800,404
96200	Other general expenses	—	—	279,952	—	368,726
96210	Compensated absences	—	—	4,861	—	86,485
96300	Payments in lieu of taxes	—	—	—	—	171,440
96400	Bad debt – tenant rents	—	—	43,779	—	138,975
96500	Bad debt – mortgages	—	—	62,674	—	62,674
96710	Interest of mortgage (or bonds) payable	—	—	3,532,755	—	5,559,169
96730	Amortization of bond issue costs	—	—	73,919	—	124,564
96900	Total operating expenses	506,672	525,674	8,806,604	(7,328,608)	44,281,864
97000	Excess operating revenue over operating expenses	5,403,005	11,770,301	9,736,536	—	100,539,756
97100	Extraordinary maintenance	—	—	70,607	—	662,225
97200	Casualty losses – noncapitalized	—	—	250,643	—	591,405
97300	Housing assistance payments	—	—	—	—	53,180,049
97400	Depreciation expense	—	—	5,896,113	—	16,529,961
97800	Dwelling units rent expense	—	—	—	—	560,487
90000	Total expenses	506,672	525,674	15,023,967	(7,328,608)	115,805,991
10010	Operating transfers in	—	—	—	—	2,628,362
10020	Operating transfers out	—	—	—	—	(2,628,362)
10040	Operating transfers from/to component unit	—	—	2,091,938	—	—
10100	Total other financing sources (uses)	—	—	2,091,938	—	—
10000	Excess (deficiency) of operating revenue over (under) expenses	5,403,005	11,770,301	5,611,111	—	29,015,629
11020	Required annual debt principal payments	—	—	112,425	—	2,525,851
11030	Beginning equity	—	—	42,474,207	—	292,584,600
11040	Prior period adj., equity transfers, and corrections	(5,403,005)	(11,770,301)	(481,531)	—	(481,531)
11170	Admin fee equity	—	—	—	—	336,672
11180	Housing assistance payments equity	—	—	—	—	2,722,582
11190	Unit months available	—	—	11,821	—	127,945
11210	Number of unit months leased	—	—	10,948	—	126,745
11270	Excess cash	—	—	—	—	14,943,567

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