

**HOUSING AUTHORITY OF THE
TOWN OF CHEYENNE WELLS, COLORADO**

Financial Statements

For the Year Ended March 31, 2016



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By Justin L. Smith at 12:02 pm, Oct 14, 2016

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HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Housing Authority of the Town of Cheyenne Wells
Cheyenne Wells, Colorado 80810

We have audited the accompanying financial statements of the governmental activities of the Housing Authority of the Town of Cheyenne Wells, as of and for the year ended March 31, 2016, which collectively comprise the Authority's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Housing Authority of the Town of Cheyenne Wells, as of March 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the current fiscal year, the Authority adopted Governmental Accounting Standards Board No. 68, Accounting and Financial Reporting for Pension Plans - an amendment to GASB No. 27. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages a-g and 14-15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board and HUD, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. For the management discussion & analysis we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

WINFREY, COUNTY & HAYS, PC
Certified Public Accountants



by: Gerald County, CPA

October 15, 2016

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued

March 31, 2016

(Unaudited)

This section of the Housing Authority of the Town of Cheyenne Wells, Colorado's (Authority) annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on March 31, 2016. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL HIGHLIGHTS

- At the beginning of the fiscal year the Authority implemented GASB No. 68, Accounting and Financial Reporting for Pension Plans. As a result of that statement the Authority recognized a net pension liability of \$112,616, plus deferred outflows of \$22,455 and deferred inflows of \$2,803. There was also a reduction in net position to set up the net pension liability as of March 31, 2015 of \$80,925.
- The term "net position" refers to the difference between assets and liabilities. The Authority's total net position as of March 31, 2016 was \$201,437. The net position decreased by \$94,893, a decrease of 32.0% from the prior year.
- Revenues and contributions for the Authority were \$186,923 for the year ended March 31, 2016. This was a decrease of \$8,575 or 4.4% from the prior year.
- Expenses for the Authority were \$200,891 for the year ended March 31, 2016. This was an increase of \$5,216 or 2.7% over the prior year.
- Rental revenue for the Authority was \$108,234 for the year ended March 31, 2016, an increase of \$3,875 or 3.7% over the prior year. HUD operating grants for the Authority was \$54,815 for the year ended March 31, 2016, a decrease of \$15,519 or 22.1% from the prior year. Revenue reported from capital contributions for the year ended March 31, 2016 was \$14,093, an increase of \$4,837 or 52.3% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued

March 31, 2016

(Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Required Financial Statements

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended March 31, 2016 and is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets exceeded liabilities by \$201,437 at the close of the year ended March 31, 2016 down from \$296,330 in fiscal year 2015. The decrease in net position of \$94,893 was due to an increase in total liabilities, which was partially offset by an increase in total assets as noted below.

- Current and other assets include cash, investments, receivables, and prepaid expenses. Of the \$3,649 increase in this category, cash and investments increased \$22,384, receivables decreased \$18,787, and prepaid expenses increased \$52.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued
March 31, 2016
(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

- Capital assets decreased \$2,177 because current year depreciation expense exceeded current year capital asset additions. Change in capital assets is explained in section titled "Capital Assets" of this analysis.
- Deferred outflows increased \$22,455 due to implementation of GASB No. 68.
- Current liabilities increased \$3,680 due to a \$4,592 increase in the current portion of accrued compensated absences and a \$450 increase in tenant security deposits. This was partially offset by a \$1,190 decrease in accounts payable, \$38 decrease in tenant prepaid rents, and \$134 decrease in accrued wages and payroll taxes payable.
- Noncurrent liabilities increased \$112,337 due to an increase in net pension liability of \$112,616 that was recorded due to implementation of GASB No. 68.
- Deferred inflows increased \$2,803 due to implementation of GASB No. 68.

CONDENSED STATEMENTS OF NET POSITION

	<u>FY 2016</u>	<u>FY 2015</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current assets	\$ 119,947	\$ 116,298	\$ 3,649	3.1%
Capital assets	<u>193,091</u>	<u>195,268</u>	<u>(2,177)</u>	-1.1%
Total Assets	<u>313,038</u>	<u>311,566</u>	<u>1,472</u>	0.5%
 Deferred Outflows	 <u>22,455</u>	 <u>-</u>	 <u>22,455</u>	 100.0%
TOTAL	\$ <u>335,493</u>	\$ <u>311,566</u>	\$ <u>23,927</u>	7.7%
 Current liabilities	\$ 18,120	\$ 14,440	\$ 3,680	25.5%
Noncurrent liabilities	<u>113,133</u>	<u>796</u>	<u>112,337</u>	14112.7%
Total Liabilities	<u>131,253</u>	<u>15,236</u>	<u>116,017</u>	761.5%
 Deferred Inflows	 <u>2,803</u>	 <u>-</u>	 <u>2,803</u>	 100.0%
 Net Position				
Net investment in capital assets	193,091	195,268	(2,177)	-1.1%
Unrestricted	<u>8,346</u>	<u>101,062</u>	<u>(92,716)</u>	-91.7%
Total Net Position	<u>201,437</u>	<u>296,330</u>	\$ <u>(94,893)</u>	-32.0%
TOTAL	\$ <u>335,493</u>	\$ <u>311,566</u>	\$ <u>23,927</u>	7.7%

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued

March 31, 2016

(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

The unrestricted net position was \$8,346 as of March 31, 2016. This amount may be used to meet the Authority's ongoing obligations. The Authority did not have any net position classified as restricted that is subject to external restrictions on how they may be used. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

The largest portion of the Authority's net position reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

The 2013 approved capital grant (501-13) totals \$32,349 and was 100.0% expended as of March 31, 2016. The following is a summary of individual grant line items, budget amount, percent expended as of 3/31/16, and development account:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Development Account</u>
1406	\$ 20,402	100.0%	Operations
1410	\$ 597	100.0%	Administration
1460	\$ 11,350	100.0%	Dwelling Structures

The 2014 approved capital grant (501-14) totals \$35,819 and was 100.0% expended as of March 31, 2016. The following is a summary of individual grant line items, budget amount, percent expended as of 3/31/16, and development account:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Development Account</u>
1406	\$ 35,819	100.0%	Operations

The 2015 approved capital grant (501-15) totals \$37,013 and was 61.4% expended as of March 31, 2016. The following is a summary of individual grant line items, budget amount, percent expended as of 3/31/16, and development account:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Development Account</u>
1406	\$ 20,000	100.0%	Operations
1408	\$ 3,500	47.4%	Management Improvements
1410	\$ 791	0.0%	Administration
1460	\$ 11,528	9.3%	Dwelling Structures
1475	\$ 1,194	0.0%	Non-Dwelling Equipment

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued

March 31, 2016

(Unaudited)

While the Statement of Net Position shows the change in financial position of net position, the Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

**CONDENSED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

	<u>FY 2016</u>	<u>FY 2015</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues and Contributions				
Operating - non-operating - capital contributions:				
Rental revenue	\$ 108,234	\$ 104,359	\$ 3,875	3.7%
HUD operating grants	54,815	70,334	(15,519)	-22.1%
Interest and investment earnings	249	238	11	4.6%
Capital contributions	14,093	9,256	4,837	52.3%
Gain (loss) on sale of fixed assets	(490)	(1,536)	1,046	68.1%
Other revenues	<u>10,022</u>	<u>12,847</u>	<u>(2,825)</u>	-22.0%
Total Revenues & Contributions	<u>186,923</u>	<u>195,498</u>	<u>(8,575)</u>	-4.4%
Expenses				
Administrative	87,293	66,496	20,797	31.3%
Tenant services	72	-	72	100.0%
Utilities	33,810	30,507	3,303	10.8%
Maintenance and operations	28,633	36,119	(7,486)	-20.7%
Insurance	16,574	17,600	(1,026)	-5.8%
Other general expenses	9,935	13,724	(3,789)	-27.6%
Depreciation	<u>24,574</u>	<u>31,229</u>	<u>(6,655)</u>	-21.3%
Total Expenses	<u>200,891</u>	<u>195,675</u>	<u>5,216</u>	2.7%
Change in net position	<u>(13,968)</u>	<u>(177)</u>	<u>(13,791)</u>	
Beginning net position	296,330	296,507	(177)	
Prior period adjustments	<u>(80,925)</u>	-	<u>(80,925)</u>	
Beginning net position, adjusted	<u>215,405</u>	<u>296,507</u>	<u>(81,102)</u>	
Ending net position	\$ <u>201,437</u>	\$ <u>296,330</u>	\$ <u>(94,893)</u>	

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued

March 31, 2016

(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

As can be seen in the table on the previous page, total revenues and contributions decreased \$8,575 due to the reasons noted below.

- Rental revenue increased \$3,875 or 3.7% from FY 2015 due to an increase in the average rental charge per unit of \$14.82 or 4.1%.
- Of the \$15,519 decrease in HUD operating grants, operating subsidy received from HUD increased \$300 and capital fund grants used for operating expenditures decreased \$15,819.
- Interest & investment earnings increased \$11 from FY 2015.
- Capital contributions increased \$4,837 from FY 2015. The Agency is allocated capital fund grants each year as determined by HUD and the amount remains relatively consistent from year to year. Capital contributions during the year will depend upon timing of projects as outlined in the HUD approved capital grant budget.
- The Authority had a loss on disposal of fixed assets of \$490 during FY 2016 and a loss on disposal of fixed assets of \$1,536 during FY 2015.
- Other revenues decreased \$2,825 or 22.0% mainly due to a decrease in other tenant charges of \$2,914 or 24.7%.

Total expenses decreased \$5,216 due to the reasons noted below.

- Administrative expenses increased \$20,797 or 31.3% primarily due to an increase in administrative wages and benefits of \$18,687 or 33.8% and an increase in office expenses of \$1,135 or 30.7%.
- Tenant services increased \$72 from FY 2015.
- Utilities increased \$3,303 or 10.8% from FY 2015 mostly due to an increase in water of \$2,618 or 96.5% and an increase in electricity of \$845 or 7.8%.
- Maintenance and operations decreased \$7,486 or 20.7% mainly due to a decrease in contracted maintenance services of \$9,796 or 33.6%. This was partially offset by an increase in maintenance labor and benefits of \$2,785 or 11.1%.
- Insurance decreased \$1,026 or 5.8% from FY 2015 primarily due to a decrease in property and liability insurance of \$1,178 or 7.5%.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued

March 31, 2016

(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

- Other general expenses decreased \$3,789 or 27.6% from FY 2015 due to a \$3,587 decrease in bad debt expense and a \$202 decrease in expense for compensated absences.
- The Authority had a \$6,655 or 21.3% decrease in Depreciation which is the write-off of capital assets over their estimated useful life.

The Public Housing occupancy rate for fiscal year ended March 31, 2016 was 95.3%, down slightly from 95.7% in FY 2015. The Authority currently has 10 one-bedroom units, 2 two-bedroom units, 10 three-bedroom units and 3 four-bedroom units.

CAPITAL ASSETS

Capital Assets - The Housing Authority of the Town of Cheyenne Wells, Colorado's investment in capital assets, net of related debt, as of March 31, 2016 amounts to \$193,091 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, equipment and construction in progress.

The total decrease in the Authority's capital assets for the current fiscal year was 1.1% in terms of net book value. Actual expenditures to purchase or construct capital assets from revenues and contributions were \$22,887 for the year. The Authority has various contract commitments with contractors for the implementation of the HUD capital grants as outlined by the HUD approved Capital Grant Budget. Depreciation charges for the year totaled \$24,574. The Authority has \$14,286 available in capital funds to draw down and spend in the future. Additional information on the Authority's capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Disposal	Ending
Capital assets	\$195,268	\$22,887	\$(24,574)	\$(490)	\$193,091

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2017 Public Housing budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on occupied units and approved vacancies, utility consumption and rates, approved add-ons, formula income, and transition funding. The amount of funding is also established and approved by HUD. Formula income is based on rental income from the Authority's rent roll records for the period specified by HUD. Operating expenses are expected to increase by the economy's inflation rate.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Sandra Roberts, Executive Director, Housing Authority of the Town of Cheyenne Wells, Colorado address.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Statement of Net Position
At March 31, 2016

	Low Rent <u>Program</u>	Capital Fund <u>Program</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash	54,514.72	0.00	54,514.72
Tenant Security Deposit Fund	6,150.00	0.00	6,150.00
Accounts Receivable - HUD	2,853.00	0.00	2,853.00
Tenant Accounts Receivable	315.50	0.00	315.50
Allowance for Doubtful Accounts	0.00	0.00	0.00
Certificates of Deposit	54,614.80	0.00	54,614.80
Accrued Interest	30.79	0.00	30.79
Prepaid expenses	<u>1,467.64</u>	<u>0.00</u>	<u>1,467.64</u>
Total Current Assets	119,946.45	0.00	119,946.45
Deferred Outflows of Resources	22,455.41	0.00	22,455.41
Fixed Assets			
Land	14,277.85	0.00	14,277.85
Buildings	1,216,921.25	13,014.63	1,229,935.88
Equipment - dwellings	33,159.26	0.00	33,159.26
Equipment - administration & maintenance	76,337.93	579.98	76,917.91
Leasehold improvements	<u>249,351.01</u>	<u>0.00</u>	<u>249,351.01</u>
Total Fixed Assets	1,590,047.30	13,594.61	1,603,641.91
Accumulated depreciation	<u>(1,410,302.48)</u>	<u>(248.74)</u>	<u>(1,410,551.22)</u>
Net Fixed Assets	<u>179,744.82</u>	<u>13,345.87</u>	<u>193,090.69</u>
TOTAL ASSETS	322,146.68	13,345.87	335,492.55
LIABILITIES			
Current Liabilities			
Accounts Payable	1,054.88	0.00	1,054.88
Wages/Payroll Taxes Payable	2,153.79	0.00	2,153.79
Accrued Compensated Absences - current	6,305.41	0.00	6,305.41
Unearned Revenue	4.00	0.00	4.00
Other Accrued Liabilities	2,451.62	0.00	2,451.62
Tenant Security Deposits	<u>6,150.00</u>	<u>0.00</u>	<u>6,150.00</u>
Total Current Liabilities	18,119.70	0.00	18,119.70
Non Current Liabilities			
Accrued Compensated Absences	516.74	0.00	516.74
Net Pension Liability	<u>112,615.67</u>	<u>0.00</u>	<u>112,615.67</u>
TOTAL LIABILITIES	131,252.11	0.00	131,252.11
Deferred Inflows of Resources	2,803.44	0.00	2,803.44
Net Position			
Invested in capital assets	179,744.82	13,345.87	193,090.69
Unrestricted	<u>8,346.31</u>	<u>0.00</u>	<u>8,346.31</u>
TOTAL NET POSITION	<u>188,091.13</u>	<u>13,345.87</u>	<u>201,437.00</u>

See auditor's report and notes to the financial statements.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Combined Statement of Revenues, Expenses, and Changes in Net Position
 Year Ended March 31, 2016

	Low Rent Program	Capital Funding Program	Total
Operating Revenues			
Dwelling rental	108,234.00		108,234.00
Other income	<u>8,865.75</u>	<u>0.00</u>	<u>8,865.75</u>
Total Tenant Revenue	117,099.75	0.00	117,099.75
HUD PHA Operating Grants	34,815.00	20,000.00	54,815.00
Capital Funding	0.00	14,093.24	14,093.24
Investment Income - Unrestricted	248.94		248.94
Other Revenue	1,156.27		1,156.27
Gain (Loss) on fixed assets	<u>(489.98)</u>	<u>0.00</u>	<u>(489.98)</u>
Total Revenue	152,829.98	34,093.24	186,923.22
Operating Expenses			
Administrative	87,293.49		87,293.49
Tenant Services	71.96		71.96
Utilities	33,809.86		33,809.86
Maintenance & Operations	28,632.78		28,632.78
Insurance	16,574.24		16,574.24
General	9,934.61		9,934.61
Unallocated Depreciation	<u>24,325.40</u>	<u>248.74</u>	<u>24,574.14</u>
Total Expenses	<u>200,642.34</u>	<u>248.74</u>	<u>200,891.08</u>
Operating Income (Loss)	(47,812.36)	33,844.50	(13,967.86)
Equity Transfers	<u>32,152.19</u>	<u>(32,152.19)</u>	<u>0.00</u>
Change in Net Position	(15,660.17)	1,692.31	(13,967.86)
Net Position - Beginning	284,676.24	11,653.56	296,329.80
Prior Year Adjustment	<u>(80,924.94)</u>	<u>0.00</u>	<u>(80,924.94)</u>
Net Position - Ending	<u>188,091.13</u>	<u>13,345.87</u>	<u>201,437.00</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Statement of Cash Flows
Year Ended March 31, 2016

	<u>Low Rent</u> <u>Program</u>	<u>Capital Fund</u> <u>Program</u>	<u>Total</u>
Cash Flows From Operating Activities			
Rental receipts	107,913.50		107,913.50
Excess utilities	2,771.00		2,771.00
Interest income	244.07		244.07
Operating subsidy	53,889.48		53,889.48
Capital Funding	0.00	34,093.24	34,093.24
Operating transfers	21,078.61	(21,078.61)	0.00
Other income	<u>7,251.02</u>	<u>0.00</u>	<u>7,251.02</u>
Total Receipts	193,147.68	13,014.63	206,162.31
Administrative	(13,469.11)		(13,469.11)
Utilities	(31,924.81)		(31,924.81)
Salaries	(58,016.69)		(58,016.69)
Benefits	(24,566.34)		(24,566.34)
Maintenance & operating	(16,633.82)		(16,633.82)
Insurance	(16,626.33)		(16,626.33)
General	<u>(104.23)</u>	<u>0.00</u>	<u>(104.23)</u>
Total Expenditures	<u>(161,341.33)</u>	<u>0.00</u>	<u>(161,341.33)</u>
Cash Provided (Used) by Operating Activities	31,806.35	13,014.63	44,820.98
Cash Flows From Capital and Related Financing Activities			
Purchase of fixed assets	(9,872.00)	(13,014.63)	(22,886.63)
Cash Flows From Investing Activities			
(Increase) decrease in certificates of deposit	<u>(200.97)</u>	<u>0.00</u>	<u>(200.97)</u>
Increase (Decrease) in cash	21,733.38	(0.00)	21,733.38
Cash Balance - Beginning of Year	<u>32,781.34</u>	<u>0.00</u>	<u>32,781.34</u>
Cash Balance - End of Year	<u>54,514.72</u>	<u>(0.00)</u>	<u>54,514.72</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Statement of Cash Flows
Year Ended March 31, 2016
(continued)

	Low Rent <u>Program</u>	Capital Fund <u>Program</u>	Total <u>(Memo Only)</u>
Cash Flows From Operating Activities			
Increase (Decrease) in Net Position	(15,660.17)	1,692.31	(13,967.86)
Adjustments to reconcile increase in net position to net cash provided by operating activities			
Depreciation	24,325.40	248.74	24,574.14
Gain (Loss) on assets	489.98	0.00	489.98
Non cash benefit expense	12,038.76	0	12,038.76
Equity transfers	(11,073.58)	11,073.58	0.00
Decrease (increase) in A/R - HUD	19,074.48	0.00	19,074.48
Decrease (increase) in accounts receivable	(282.50)	0.00	(282.50)
(Decrease) increase in allowance for doubtful accounts	0.00	0.00	0.00
Decrease (increase) in accrued interest	(4.87)	0.00	(4.87)
Decrease (increase) in prepaid expenses	(52.09)	0.00	(52.09)
(Decrease) increase in accounts payable	(1,190.13)	0.00	(1,190.13)
(Decrease) increase in accrued liabilities	4,179.07	0.00	4,179.07
(Decrease) increase in deferred revenue	<u>(38.00)</u>	<u>0.00</u>	<u>(38.00)</u>
Net Cash Provided by Operations	<u>31,806.35</u>	<u>13,014.63</u>	<u>44,820.98</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2016

(1) Summary of Significant Accounting Policies:

The financial statements of the Housing Authority of the Town of Cheyenne Wells, Colorado have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The following is a summary of the more significant policies:

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles as applicable to government entities. The more significant of the Authority's accounting policies are described below.

- A. Reporting Entity - The Housing Authority is considered to be a primary government because it is legally separate and is fiscally independent from any other entity. The Authority is governed by a board of 5 members who are nominated by existing members and then approved by the Council of the Town of Cheyenne Wells. That council does not impose its will upon the board of the Authority.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consist of (a) the primary government, (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these criteria, there are no additional agencies or entities which should be included in the financial statements of the Authority.

The HUD Project Number is CO-026001.

B. Basis of Presentation

The Authority operates as a proprietary fund. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Authority applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary management accountability.

The government considers all revenues available if they are collected within 60 days after year end. Expenses are recorded when the related fund liability is incurred.

C. Assets, Liabilities and Equity

1. Deposits

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Authority to deposit funds in institutions who are members of the Federal Deposit Insurance Corporation to the extent that the deposit is or is secured by pledge of eligible collateral as required by CRS 11-10.5-107

2. Fixed Assets

Property, plant and equipment are recorded at cost. Assets donated to these fund types are recorded at their fair value at the date of donation.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2016
(continued)

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	3-10
Buildings	10-40

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

3. Compensated Absences

All permanent employees earn sick leave at the rate of one day per each calendar month worked. Sick leave may be accumulated up to 180 hours for half-time employees and 360 hours for full time employees. At retirement or termination, the employee shall be paid an amount equal to fifty percent (50%) of their accumulated sick leave.

4. Cash Equivalents

For the statement of cash flows, all unrestricted investment instruments with original maturities of three months or less are cash equivalents.

5. Unrestricted Net Assets - none of the Authority's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets under SFAS No. 117.

6. Current Vulnerability Due to Certain Concentrations

The Authority's only assets are apartments. The Authority's operations are concentrated in the multifamily real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

7. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

8. The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. Allowance for uncollectible accounts is used when tenants are more than 90 days old and management is uncertain of collectability.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgetary integration is employed as a management control device during the year. There is no requirement, however, that the budget be legally adopted.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2016
(continued)

- B. Encumbrance accounting where purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the Authority.
- C. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Authority believes it is in compliance with the requirements of the amendment. However, the Authority has made certain interpretations of the amendment's language in order to determine its compliance.
- D. For the fiscal ended March 31, 2016, the Authority implemented GASB 68, reporting for pensions. As a result, a prior year adjustment was required that included the amount of \$112,616 of net pension liability for the Authority as computed by PERA, less the amount of \$1,744 the Authority submitted to PERA after PERA's year end. The net prior year adjustment is \$80,925.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

- A. Deposits - all are in a single financial institution. Deposits are displayed on the balance sheets as "Cash" and "Certificate of Deposit" and are carried at cost.

The Colorado Public Deposit Protection Act (PDPA) requires that all political subdivisions of the State deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or be held in trust. The market value of the collateral must be at least equal to 102% of aggregate uninsured deposits.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At March 31, 2016, the Authority's cash deposits were all covered by FDIC.

Custodial Credit Risk - the risk that, in the event of bank failure, the Authority's deposits may not be returned to it. The Authority does not have a written deposit policy for custodial credit risk.

- B. Changes in General Fixed Assets - a summary of changes in the general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Accumulated Depreciation</u>	<u>Net Fixed Assets</u>
Land	14,278	-0-	-0-	14,278	0	14,278
Buildings	1,212,015	17,921	-0-	1,229,936	1,113,722	116,214
Equipment-dwellings	36,579	2,697	6,116	33,160	14,112	19,048
Equipment-admin	12,287	395	1,198	11,484	9,897	1,587
Equipment-maintenance	48,319	391	-0-	48,710	47,402	1,308
Equipment-community	5,574	-0-	250	5,324	5,245	79
Vehicles	11,400	-0-	-0-	11,400	11,400	-0-
Leasehold improvements	<u>247,868</u>	<u>1,483</u>	<u>-0-</u>	<u>249,351</u>	<u>208,773</u>	<u>40,578</u>
Total	1,588,320	22,887	7,564	1,603,643	1,410,551	193,092

(4) OTHER INFORMATION

- A. Risk Management - The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2016
(continued)

B. Subsequent events have been evaluated through May 23, 2016.

(5). DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

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

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

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living (COLAs), referred to as annual increased in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2016
(continued)

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

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

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

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

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Authority were \$7,339 for the year ended March 31, 2016.

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

At March 31, 2016, the Authority reported a liability of \$112,616 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year 2014 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2015, the Authority's portion was 0.0101919317 percent, which was an increase of 0.001497743 percent from its proportion measured as of December 31, 2014.

For the year ended March 31, 2016, the Authority recognized pension expense of \$12,039. At March 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2016
(continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	842	4
Changes of assumptions or other inputs	-0-	2,200
Net difference between projected and actual earnings on pension plan investments	12,529	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-0-	-0-
Contributions subsequent to the measurement date	9,084	599
Total	22,455	2,803

There is \$12,039 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended March 31, 2016	
2017 March 31, 2017	6,113
2018 March 31, 2018	6,113
2019 March 31 2019	5,574
2020 March 31, 2020	5,403
2021 March 311, 2021	-0-
Thereafter	-0-

Actuarial assumptions - The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2016
(continued)

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the LTDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Authority proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease <u>(6.50%)</u>	Current Discount <u>Rate (7.50%)</u>	1% Increase <u>(8.50%)</u>
Proportionate share of the net pension liability	172,125	112,272	62,631

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2016
(continued)

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

Other Post-Employment Benefits.

Health Care Trust Fund

Plan Description - The Authority contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorized disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Authority is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Authority are established under Title 24, Article 51 Part 4 of the C.R.S, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the year ended March 31, 2016 and March 31, 2015 were \$590 and \$140, equal to their required contributions for each year.

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OTHER INFORMATION

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO

Other Information
 Budgetary Comparison Schedule
 Low Rent Program
 Year Ended March 31, 2016

	<u>Budget (Non-GAAP)</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		<u>Favorable- (Unfavorable)</u>
Revenues				
Dwelling Rental	93,560.00	93,560.00	108,234.00	14,674.00
Excess Utilities	2,580.00	2,580.00	2,771.00	191.00
Interest Income	230.00	230.00	248.94	18.94
Laundry	500.00	500.00	422.25	(77.75)
Other Income	9,250.00	9,250.00	6,828.77	(2,421.23)
Gain (Loss) on Fixed Assets	0.00	0.00	(489.98)	(489.98)
Current Year Operating Subsidy	<u>38,280.00</u>	<u>38,280.00</u>	<u>34,815.00</u>	<u>(3,465.00)</u>
Total Revenues	144,400.00	144,400.00	152,829.98	8,429.98
Expenses				
Administrative				
Salaries	55,030.00	55,030.00	49,802.03	5,227.97
Benefits	11,510.00	11,510.00	24,094.31	(12,584.31)
Training & Travel	1,750.00	1,750.00	12.08	1,737.92
Accounting	2,950.00	2,950.00	2,455.00	495.00
Auditing	3,250.00	3,250.00	2,942.59	307.41
Sundry	1,800.00	1,800.00	2,783.32	(983.32)
Advertising & Marketing	450.00	450.00	320.58	129.42
Office Expenses	2,750.00	2,750.00	2,713.28	36.72
Telephone	2,000.00	2,000.00	1,928.00	72.00
Membership Dues	100.00	100.00	80.00	20.00
Services Contract	<u>0.00</u>	<u>0.00</u>	<u>162.30</u>	<u>(162.30)</u>
Total Administrative Expenses	81,590.00	81,590.00	87,293.49	(5,703.49)
Tenant Services	100.00	100.00	71.96	28.04
Utilities				
Water	2,750.00	2,750.00	5,331.11	(2,581.11)
Electricity	12,500.00	12,500.00	11,657.25	842.75
Gas & Heat	15,000.00	15,000.00	14,346.50	653.50
Other Utilities	<u>3,450.00</u>	<u>3,450.00</u>	<u>2,475.00</u>	<u>975.00</u>
Total Utilities	33,700.00	33,700.00	33,809.86	(109.86)

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO

Other Information
 Budgetary Comparison Schedule
 Low Rent Program
 Year Ended March 31, 2016
 (continued)

	<u>Budget (Non-GAAP)</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		<u>Favorable- (Unfavorable)</u>
Maintenance & Operations				
Labor	0.00	0.00	2,563.35	(2,563.35)
Benefits	490.00	490.00	472.03	17.97
Materials	8,000.00	8,000.00	6,265.17	1,734.83
Contract Costs	34,500.00	34,500.00	17,269.73	17,230.27
Garbage & Trash Removal	<u>3,000.00</u>	<u>3,000.00</u>	<u>2,062.50</u>	<u>937.50</u>
Total Maintenance & Operations	45,990.00	45,990.00	28,632.78	17,357.22
General Expenses				
Insurance	17,400.00	17,400.00	16,574.24	825.76
Employee Benefits	0.00	0.00	9,830.38	(9,830.38)
Collection Losses	<u>800.00</u>	<u>800.00</u>	<u>104.23</u>	<u>695.77</u>
Total General Expenses	<u>18,200.00</u>	<u>18,200.00</u>	<u>26,508.85</u>	<u>(8,308.85)</u>
Total Expenses Prior to Depreciation	<u>179,580.00</u>	<u>179,580.00</u>	<u>176,316.94</u>	<u>3,263.06</u>
Depreciation			<u>24,325.40</u>	
Total Expenditures			<u>200,642.34</u>	
Revenues over (under) Expenditures			(47,812.36)	
Equity Transfers			32,152.19	
Net Position - Beginning			<u>284,676.24</u>	
Prior Year Adjustment			<u>(80,924.94)</u>	
Net Position - Ending			<u>188,091.13</u>	

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Cheyenne Wells, Colorado
 Schedule of Authority's Proportionate Share of the Net Pension Liability
 Last 10 Years

Proportion (percentage) of the collective net pension liability	<u>2015</u>	<u>2014</u>
	0.0101919317%	0.0100421574%
Proportionate share of the collective net pension liability	112,272	90,009
Covered payroll	57,882	4,586
Proportionate share of the net pension liability as a percentage of its covered employee payroll	193.97%	1962.87%
Plan fiduciary net position as a percentage of the total pension liability	76.90%	80.70%

The amounts presented for each year were determined as of December 31.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Cheyenne Wells, Colorado
 Schedule of Contributions and Related Ratios
 Last 10 Fiscal Years

As of March 31	<u>2016</u>	<u>2015</u>
Statutorily required contributions	7,339	2,326
Contributions in relation to the statutorily required contribution	<u>7,339</u>	<u>2,326</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>
Covered-employee payroll	57,882	18,342
Contributions as a percentage of covered-employee payroll	12.68%	12.68%

The Authority became a member of PERA as of December 1, 2014

OTHER INFORMATION

FINANCIAL DATA SCHEDULES

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Financial Data Schedule - Balance Sheet Data
 Year Ended March 31, 2016

	<u>Low Rent</u>	<u>Capital Funding</u>	<u>Total</u>
ASSETS			
Current Assets			
111	54,514.72	0.00	54,514.72
114	<u>6,150.00</u>	<u>0.00</u>	<u>6,150.00</u>
100	60,664.72	0.00	60,664.72
Receivables			
122	2,853.00		2,853.00
126	315.50		315.50
126.1	0.00		0.00
129	<u>30.79</u>	<u>0.00</u>	<u>30.79</u>
120	3,199.29	0.00	3,199.29
131	54,614.80		54,614.80
142	<u>1,467.64</u>	<u>0.00</u>	<u>1,467.64</u>
150	119,946.45	0.00	119,946.45
DEFERRED OUTFLOWS OF RESOURCES			
	22,455.41	0.00	22,455.41
Noncurrent Assets			
161	14,277.85		14,277.85
162	1,216,921.25	13,014.63	1,229,935.88
163	33,159.26	0.00	33,159.26
164	76,337.93	579.98	76,917.91
165	249,351.01	0.00	249,351.01
166	<u>(1,410,302.48)</u>	<u>(248.74)</u>	<u>(1,410,551.22)</u>
160	<u>179,744.82</u>	<u>13,345.87</u>	<u>193,090.69</u>
190	<u>322,146.68</u>	<u>13,345.87</u>	<u>335,492.55</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Financial Data Schedule - Balance Sheet Data
 Year Ended March 31, 2016
 (continued)

	<u>Low Rent</u>	<u>Capital Funding</u>	<u>Total</u>
LIABILITIES, DEFERRED INFLOWS AND EQUITY			
Current Liabilities			
312	Accounts Payable	1,054.88	1,054.88
321	Accrued Wages/Payroll Taxes	2,153.79	2,153.79
322	Accrued Compensated Absences	6,305.41	6,305.41
341	Tenant Security Deposits	6,150.00	6,150.00
342	Deferred Revenue	4.00	4.00
346	Accrued Liabilities - Other	<u>2,451.62</u>	<u>2,451.62</u>
310	Total Current Liabilities	18,119.70	18,119.70
Non Current Liabilities			
354	Accrued Compensated Absences	516.74	516.74
	Net Pension Liability	<u>112,615.67</u>	<u>112,615.67</u>
300	TOTAL LIABILITIES	131,252.11	131,252.11
	DEFERRED INFLOWS OF RESOURCES	2,803.44	2,803.44
Equity			
508.4	Invested In Capital Assets	179,744.82	13,345.87
512.4	Unrestricted Net Assets	<u>8,346.31</u>	<u>0.00</u>
513	Total Net Assets	<u>188,091.13</u>	<u>13,345.87</u>
600	TOTAL LIABILITIES AND NET ASSETS	<u>322,146.68</u>	<u>335,492.55</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Financial Data Schedule - Revenues and Expenses
 Year Ended March 31, 2016

		<u>Low Rent</u>	<u>Capital Funding</u>	<u>Total</u>
REVENUES				
70300	Net Tenant Rental Revenue	108,234.00		108,234.00
70400	Tenant Revenue - Other	<u>8,865.75</u>		<u>8,865.75</u>
70500	Total Tenant Revenue	117,099.75	0.00	117,099.75
70600	HUD PHA Operating Grants	34,815.00	20,000.00	54,815.00
70610	HUD Capital Funding	0.00	14,093.24	14,093.24
71100	Investment Income - Unrestricted	248.94		248.94
71500	Other Revenue	1,156.27		1,156.27
71600	Gain (Loss) on Fixed Assets	<u>(489.98)</u>	<u>0.00</u>	<u>(489.98)</u>
70000	TOTAL REVENUE	152,829.98	34,093.24	186,923.22
EXPENSES				
Administrative				
91100	Salaries	49,802.03		49,802.03
91200	Auditing Costs	2,942.59		2,942.59
91400	Advertising & Marketing	320.58		320.58
91500	Employee Benefits	24,094.31		24,094.31
91600	Office Expenses	4,828.58		4,828.58
91700	Legal	55.00		55.00
91800	Travel	12.08		12.08
91900	Other	5,238.32		5,238.32
92400	Tenant Services	71.96		71.96
Utilities				
93100	Water	5,331.11		5,331.11
93200	Electricity	11,657.25		11,657.25
93300	Gas	14,346.50		14,346.50
93600	Sewer	2,475.00		2,475.00
Ordinary Maintenance & Operations				
94100	Labor	2,563.35		2,563.35
94200	Materials & Other	6,265.17		6,265.17
94300-010	Garbage & Trash Removal	2,062.50		2,062.50
94300-030	Landscape & Grounds Contract	6,990.00		6,990.00
94300-050	Unit Turnaround	125.00		125.00
94300-060	Electrical Contracts	876.02		876.02
94300-070				

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Financial Data Schedule - Revenues and Expenses
 Year Ended March 31, 2016
 (continued)

	<u>Low Rent</u>	<u>Capital Funding</u>	<u>Total</u>
94300-080	Plumbing Contracts	1,123.00	1,123.00
94300-090	Exterminating Contracts	2,100.00	2,100.00
94300-100	Janitorial Contracts	4,053.73	4,053.73
94300-120	Miscellaneous Contracts	2,001.98	2,001.98
94500	Employee Benefits	472.03	472.03
	General Expenses		
96110	Property Insurance	12,529.92	12,529.92
96120	Liability Insurance	2,033.06	2,033.06
96130	Worker's Compensation	1,708.28	1,708.28
96140	Other Insurance	302.98	302.98
96210	Compensated Absences	9,830.38	9,830.38
96400	Bad Debts	<u>104.23</u>	<u>0.00</u> <u>104.23</u>
96900	Total Operating Expenses	<u>176,316.94</u>	<u>0.00</u> <u>176,316.94</u>
97000	Excess Operating Revenue Over Operating Expenses	(23,486.96)	34,093.24 10,606.28
97400	Depreciation Expense	<u>24,325.40</u>	<u>248.74</u> <u>24,574.14</u>
90000	Total Expenses	<u>200,642.34</u>	<u>248.74</u> <u>200,891.08</u>
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(47,812.36)	33,844.50 (13,967.86)
11030	Beginning Equity	284,676.24	11,653.56 296,329.80
11040	Equity Transfer	32,152.19	(32,152.19) 0.00
	Prior Year Adjustment	<u>(80,924.94)</u>	<u>0.00</u> <u>(80,924.94)</u>
	Ending Equity	<u>188,091.13</u>	<u>13,345.87</u> <u>201,437.00</u>