



GARFIELD COUNTY HOUSING AUTHORITY

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

December 31, 2017

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March 29, 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

February 13, 2018

Board of Commissioners
Garfield County Housing Authority
Rifle, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of Garfield County Housing Authority as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express 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 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 assessments, the auditor considers internal control relevant to the Authority’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 Authority’s internal control. Accordingly, we express no such opinion. An audit also includes assessing 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.



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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Garfield County Housing Authority as of December 31, 2017, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2018 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, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Chadwick, Steinkirchner, Davis & Co., P.C.

Management’s Discussion and Analysis (MD&A)

The following is designed to provide a discussion and analysis of the Garfield County Housing Authority’s (GCHA’s) financial condition and operating results for FY 2016 and FY 2017 (for the years ended December 31st), including supplemental information regarding GCHA financial issues and activities. It is intended to accompany the GCHA’s financial statements that follow this MD&A.

HIGHLIGHTS—Business-type Activities

- In 2017, net position decreased by \$69,728, while the increase for 2016 was \$9,447.
- Total operating revenues decreased by \$97,333 (or 2.6%) to \$3,776,428 for the year.
- Total operating expenses (excluding depreciation) decreased by \$24,484 (.63%) to \$3,821,551 versus 2016.
- Net capital assets increased by \$16,951 during 2017.
- Non-current liabilities decreased by \$176,724 to \$1,221,477 ~13%) in 2017 despite continuing increases in the PERA pension liabilities.

USING THIS ANNUAL REPORT

The Garfield County Housing Authority was established in May 1985 under State of Colorado Statute and is governed by a five member Board of Commissioners. As required by US GAAP, these financial statements present the activities of the Authority. The following statements and schedules are included:

- Statement of Net Position—reports GCHA’s current financial resources (short-term spendable resources) with capital assets and deferred outflows of resources and long-term obligations and deferred inflows of resources. (See page 8)
- Statement of Revenues, Expenses, and Changes in Net Position—reports GCHA’s operating and non-operating revenues by major source along with operating and non-operating expenses. (See page 9)
- Statement of Cash Flows—reports GCHA’s cash flows from operating, investing, capital and non-capital activities. (See page 10)

STATEMENT OF NET POSITION

The following table shows the condensed statement of net position for the past two (2) years.

Years ended December 31,	2016	2017
Current assets	674,266	\$636,663
Restricted assets	367,554	112,646
Note receivable	298,439	299,938
Capital assets (net of depreciation)	219,923	236,874
Deferred outflows or resources	164,675	192,245
Total assets and deferred outflows of resources	1,724,857	\$1,478,366

Years ended December 31,	2016	2017
Current liabilities	33,664	36,987
Non-current liabilities	796,723	501,509
Total liabilities before pension	830,387	538,496
Pension liability (New: GASB68)	601,478	719,968
Total liabilities	1,431,865	1,258,464
Deferred inflows of resources	11,723	8,361
Total liabilities and deferred inflows of resources	1,443,588	1,266,825
Net position		
Net investment in capital assets	(237,998)	(214,432)
Restricted	360,651	360,006
Unrestricted	158,616	65,967
Total net position	\$281,269	\$211,541

The net position of GCHA decreased to \$211,541; however, before accounting for the Pension liability, total net position would be \$931,509. (Not accounting for the pension liability, the FY 2016 total net position would have been \$882,747.)

The net position restricted is for: debt service related to USDA RD; reserve for the nonprofit Uncle Bob Foundation, a blended component unit; Housing Choice Voucher program HAP payments; and loans in the Down Payment Assistance program.

REVIEW OF REVENUES

Years ended December 31,	2016	2017
Operating revenues		
Tenant rent income	46,862	42,549
Rent income – HUD	3,566,826	3,432,258
Other administrative income	237,951	228,472
Other operating income	22,122	73,149
Grants	–	–
Total operating revenues	\$3,873,761	\$3,776,428
Non-operating revenues		
Interest income	7,388	916
Interest subsidy	34,439	34,439
Total non-operating revenues	41,827	35,355
Total revenues	\$3,915,588	\$3,811,783

In 2017, operating revenues were down \$97,333 (or -2.6%) from 2016 because of the decreased Admin Fee from HUD based on the number of vouchers issued; decrease in HAP based on lower FMR's; and, decreased revenue from VSH with one unit off-line.

Non-operating revenues decreased \$6,472(or -15.5%) from 2016. The decrease in non-operating revenues is attributed to lower interest income from the down payment assistance program.

REVIEW OF EXPENSES

Years ended December 31,	2016	2017
Operating expenses		
General and administration	726,888	732,425
Housing assistance payments	3,073,963	3,009,494
Maintenance and operations	45,184	79,632
Depreciation	18,418	18,844
Total operating expenses	3,864,453	3,840,394
Non-operating expenses		
Interest expense	41,688	41,117
Total expenses	3,906,141	3,881,511
Change in net position	9,447	(69,728)
Beginning net position	271,822	281,269
Ending net position	281,269	211,541

Operating expenses for GCHA decreased \$24,059 (or -.63%) from 2016 to 2017 primarily due to lower HAP payments to landlords, and lower admin fees.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets increased \$16,951 from 2016 to 2017.

Years ended December 31,	2016	2017
Land (non-depreciable)	\$21,286	\$21,286
Construction in progress (non-depreciable)	-	-
Buildings and improvements	609,830	609,830
Furniture and equipment	29,512	65,307
Total accumulated depreciation	(440,705)	(459,549)
Total	\$219,923	\$236,874

Change (increase) in capital assets is due primarily to the installation of new boilers at VSH.

DEBT OUTSTANDING

The Authority has two mortgages payable to the U.S. Department of Agriculture, Office of Rural Development (formerly FMHA). The first mortgage has a monthly installment due of \$320, including subsidized interest at \$235 per month, with an annual interest rate at 9.5%. This mortgage is collateralized by a lien on the apartments, on the real property and a security interest in rents, profits and reserve accounts. The second mortgage has a monthly installment due of \$3,658, including subsidized interest at \$2,635 per month, with an annual interest rate of 9%. This mortgage is collateralized by a lien on the apartment, on the real property and a security interest in rents, profits and reserve accounts.

ECONOMIC AND OTHER FACTORS

The latest population figures for Garfield County are estimated at approximately 58,000 persons in 2017 and projected to grow at a rate of 1.9% by the Colorado State Demographer for the next few years. In Glenwood Springs, apartments and rentals comprise 42.66% of the housing units. In the past four years, the rental vacancy rate in Glenwood Springs has hovered around 2 to 3 percent - down from more than 10 percent as recently as 2013 - while average rents have gone up around \$200 a month during that time.

The Median "asked for rent" in 2017 was \$1,800. Average rental costs for all unit types in all of Garfield County are somewhat lower at approximately \$1,382.

HCV Rental Occupancy in 2015 was 94%, then reached 100.0% in 2016, but then dropped to 98.2% in 2017 because of HUD-lowered Fair Market Rents. In Garfield County, the HUD provided fair market rent for a 2-bedroom unit dropped to \$1,019 until October when the new FMR's increased to \$1,112. GCHA paid an average subsidy of \$588 per unit night for all unit types.

The population growth in the County is the major variable in keeping our waiting list to approximately two (2) years.

In 2017 HUD increased our HAP funding budget authority, but decreased our prorated share of the Admin fee; therefore, lower lease-up rates and lowered FMRs for the first three quarters resulted in both a decrease in HAP to landlords and administrative income.

FINANCIAL CONTACT

The Housing Authority's financial statements are designed to present interested parties (landlords, tenants, creditors, and the community) with a general overview of the Housing Authority's finances and to demonstrate its accountability to all interested parties. If you have any questions concerning this report or need additional financial information, please contact the Garfield County Housing Authority, 1430 Railroad Avenue, Unit F, Rifle, CO 81650 or at (970) 625-3589.

Garfield County Housing Authority

STATEMENT OF NET POSITION

December 31, 2017

ASSETS		
Current assets		
Cash and investments		\$ 619,025
Accounts receivable, less allowance of \$44,265		8,454
Prepays and deposits		9,184
	Total current assets	636,663
Noncurrent assets		
Restricted assets		
Tenant security deposits		4,956
Loan reserves		17,921
Other		89,769
	Total restricted assets	112,646
Capital assets		236,874
Notes receivable		299,938
	Total noncurrent assets	649,458
	Total assets	1,286,121
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows		192,245
	Total deferred outflows of resources	192,245
LIABILITIES		
Current liabilities		
Accounts payable		8,009
Security deposits held		4,956
Compensated absences, current portion		17,172
Current maturity of long-term debt		6,850
	Total current liabilities	36,987
Noncurrent liabilities		
Unearned revenue		45,499
Compensated absences		11,554
Long-term debt		444,456
Net pension liability		719,968
	Total noncurrent liabilities	1,221,477
	Total liabilities	1,258,464
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows		8,361
	Total deferred inflows of resources	8,361
NET POSITION		
Net investment in capital assets		(214,432)
Restricted for debt service, housing expenses, vouchers, and revolving loans		360,006
Unrestricted		65,967
	Total net position	\$ 211,541

The accompanying notes are an integral part of this statement.

Garfield County Housing Authority

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Year ended December 31, 2017

Operating revenue		
Tenant rent income	\$	42,549
Rent income - HUD/USDA		3,432,258
Other administrative income		228,472
Other operating income		73,149
	Total operating revenue	<u>3,776,428</u>
Operating expenses		
General and administrative		732,425
Housing assistance payments		3,009,494
Maintenance and operations		79,632
Depreciation		18,844
	Total operating expenses	<u>3,840,394</u>
	Net operating income (loss)	(63,966)
Non-operating revenue (expense)		
Interest income		916
Interest expense		(41,117)
Interest subsidy		34,439
	Total non-operating revenue (expense)	<u>(5,762)</u>
	Change in net position	(69,728)
Net position at beginning of year		<u>281,269</u>
Net position at end of year		<u><u>\$ 211,541</u></u>

The accompanying notes are an integral part of this statement.

Garfield County Housing Authority

STATEMENT OF CASH FLOWS

Year ended December 31, 2017

Cash flows from operating activities		
Cash received from housing assistance and rent payments		\$ 3,185,495
Other operating receipts		298,961
Tenant security deposits received/refunded		1,855
Cash paid to suppliers		(3,493,725)
Cash paid to employees		(242,874)
	Net cash provided (used) by operating activities	(250,288)
Cash flows from noncapital financing activities		
Interest subsidy received		34,439
	Net cash provided (used) by noncapital financing activities	34,439
Cash flows from capital and related financing activities		
Principal payments on debt		(6,615)
Purchase of capital assets		(35,795)
Interest paid		(41,117)
	Net cash provided (used) by capital and related financing activities	(83,527)
Cash flows from investing activities		
Interest received		916
	Net cash provided (used) by investing activities	916
	Increase (decrease) in cash and cash equivalents	(298,460)
Cash and cash equivalents at beginning of year		1,030,131
Cash and cash equivalents at end of year		\$ 731,671
 <u>Reconciliation of net operating income (loss) to net cash provided (used) by operating activities:</u>		
Net operating income (loss)		\$ (63,966)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		18,844
(Increase) decrease in accounts receivable		(3,264)
(Increase) decrease in prepaids and deposits		(4,184)
Increase (decrease) in accounts payable		1,403
Increase (decrease) in unearned revenue		(288,708)
Increase (decrease) in compensated absences		174
Increase (decrease) in pension related items		87,558
Increase (decrease) in security deposits		1,855
	Total adjustments	(186,322)
Net cash provided (used) by operating activities		\$ (250,288)

The accompanying notes are an integral part of this statement.

Garfield County Housing Authority
NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Garfield County Housing Authority, Rifle, Colorado (Authority), conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to governments. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

1. Reporting Entity

The Garfield County Housing Authority was established in May 1985 under State of Colorado statute and is governed by a five member Board of Commissioners. As required by US GAAP, these financial statements present the activities of the Authority.

The Authority provides for low and moderate income housing within Garfield County, Colorado and surrounding counties. The Authority operates Valley Senior Housing, a 12 unit low income project; administers vouchers under the HUD Rental Assistance Program; administers a housing rehabilitation loan; administers affordable housing programs; administers a contract for the Valley Senior Center, and administers a down payment assistance loan program.

The Authority also maintains the day-to-day operations of the Uncle Bob Foundation. This is a not-for-profit organization under Internal Revenue Code Section 501(c)(3). The Authority created this nonprofit corporation in 1995 to solicit grants and donations to aid low and moderate income families to purchase housing, to facilitate the development of low and moderate income housing. The Foundation is a blended component unit of the Authority.

The Board of Commissioners is appointed by the Garfield County Board of Commissioners and has total control of financial resources, can buy or sell property, enter into contracts and acquire indebtedness on behalf of the Authority. The Authority is the primary government.

2. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Authority are organized and operated on the basis of a proprietary fund. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Since the operations of the Authority are accounted for on a fund basis in a single enterprise fund, it is the only fund presented. A description of the fund type used by the Authority follows:

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Proprietary Fund – is used to account for those operations that are financed and operated in a manner similar to private business. Activities of the Authority 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.

Basis of accounting refers to when revenues or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Proprietary (enterprise) funds are presented on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of a fund are included on the statement of net position. Net position is categorized as net investment in capital assets, restricted for debt service, housing expenses, vouchers, revolving loans, and foundation expenses, and unrestricted. Fund operating statements present increases (e.g., revenues and contributions) and decreases (e.g., expenses) in net position. Proprietary funds are presented on an accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. The Authority uses the accrual basis of accounting. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first.

Operating revenues and expenses for enterprise funds are those that result from providing services and producing and delivering goods and/or services within the scope of the enterprise operation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Revenues from grants are recognized in the year in which all eligibility requirements have been satisfied.

3. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Cash and cash equivalents

The Authority's cash and cash equivalents are considered to be unrestricted and restricted cash on hand and demand deposits.

Fair Value of Financial Instruments

The Authority's financial instruments include cash and cash equivalents, prepaid expenses, accounts and notes receivable, accounts payable, and debt. The Authority estimates that the fair value of all financial instruments at December 31, 2016, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments or the nature of the debt.

Garfield County Housing Authority
NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Restricted Assets – Cash and Cash Equivalents

Certain cash accounts of the Authority are classified as restricted since their use requires the permission of the U.S. Department of Agriculture, Rural Development Administration (RDA), is donor restricted, represents security deposits, or represents escrows.

Accounts Receivable

Management of the Authority considers accounts receivable to be fully collectible, except for fraud recovery receivables in the Voucher program; accordingly, the allowance for doubtful accounts is \$0 for all receivables, except those in the Voucher program for which the allowance is \$44,265. If amounts become uncollectible, they will be charged to operations when that determination is made for all other receivables.

Capital Assets

Capital assets of the Authority are recorded at cost if purchased or constructed. Capital assets per the Authority's capitalization policy have a life greater than one year and an original value of greater than \$5,000. Donated assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over their estimated useful lives of 3 to 40 years.

Compensated Absences

The Authority's policy is to allow employees to accumulate up to 45 days (360 hours) of earned but unused consolidated annual leave (CAL), which will be taken after the year end or paid upon termination.

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; and natural disasters for which the Authority carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years.

Estimates

The preparation of financial statements in accordance with US GAAP involves the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenues and expenditures during the reporting period. These estimates are based upon management's best judgment, after considering past and current events and assumptions about future events. Actual results could differ from those estimates.

Garfield County Housing Authority
NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pensions

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

NOTE B – CASH AND INVESTMENTS

Cash

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

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest. The Authority is authorized to invest in obligations of the (1) U.S. Treasury, (2) obligations unconditionally guaranteed by U.S. agencies, (3) certain international agency securities, (4) types of bonds of U.S. local government entities, (5) bankers' acceptances of certain banks, (6) commercial paper, (7) written repurchase agreements collateralized by certain authorized securities, (8) certain money market funds, and (9) guaranteed investment contracts.

Garfield County Housing Authority
NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE B – CASH AND INVESTMENTS – CONTINUED

Cash and investments consist of the following at December 31, 2017:

Cash in banks	\$ 730,500
Cash on hand	<u>1,171</u>
	731,671
Less amounts restricted for tenant deposits, specific expenditures, loan reserve, and revolving loan funds	<u>112,646</u>
	<u>\$ 619,025</u>

Restricted loan reserves

In accordance with the terms of the mortgage loans received by the Authority, 10% of the original face amount of the loans was required to be funded into a cash reserve within ten years. The reserve requirement of \$52,150 was originally met. Through approved uses of the reserve, the amount is \$17,921 at December 31, 2017.

NOTE C – RESTRICTED NET POSITION

Debt service, housing expenses, unused HAP, down payment revolving loan funds – the amounts represent the current balance of reserves mandated by the US Department of Agriculture (USDA) for debt service, donors for specific Foundation expenses, HUD for the Vouchers program unused HAP, and donors for a revolving loan fund for down payment assistance.

NOTE D – CAPITAL ASSETS

At December 31, 2017 capital asset transactions and balances include the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Non-depreciable assets:				
Land	\$ 21,286	\$ –	\$ –	\$ 21,286
Construction in progress	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total capital assets, not being depreciated	21,286	–	–	21,286
Depreciable assets:				
Buildings and improvements	609,830	–	–	609,830
Furniture and equipment	<u>29,512</u>	<u>35,795</u>	<u>–</u>	<u>65,307</u>
Total capital assets, being depreciated	639,342	35,795	–	675,137
Less accumulated depreciation for:				
Buildings and improvements	(420,106)	(14,729)	–	(434,835)
Furniture and equipment	<u>(20,599)</u>	<u>(4,115)</u>	<u>–</u>	<u>(24,714)</u>
Total accumulated depreciation	<u>(440,705)</u>	<u>(18,844)</u>	<u>–</u>	<u>(459,549)</u>
Total capital assets, being depreciated	198,637	16,951	–	215,588
Total capital assets, net	<u>\$ 219,923</u>	<u>\$ 16,951</u>	<u>\$ –</u>	<u>\$ 236,874</u>

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE E – NOTES RECEIVABLE

The Authority has a \$45,499 note receivable from an individual, with interest on the unpaid principal balance at 7% compounded annually. Payments are due monthly based on a percentage of the individual’s income, not to exceed the amount due under an amortization of the note. The principal balance and any unpaid accrued interest are due July 1, 2025. The note is collateralized with a deed of trust.

The Authority received funds to provide a down payment assistance revolving loan program. The funds are loaned to eligible participants, not to exceed \$10,000 per loan. \$254,439 in loans are outstanding at December 31, 2017. Interest is to be determined based on the appreciation in the value of the purchased property. The notes and any accrued interest are due and payable in 15 years from the date of the notes, unless certain events occur that would accelerate the payments.

NOTE F – LONG-TERM DEBT

The Authority has two mortgages payable to the U. S. Department of Agriculture, Office of Rural Development (formerly FMHA). The first mortgage has a monthly installment due of \$320, including subsidized interest at \$235 per month, with an annual interest rate at 9.5%. This mortgage is collateralized by a lien on the apartments, on the real property and a security interest in rents, profits and reserve accounts. The second mortgage has a monthly installment due of \$3,658, including subsidized interest at \$2,635 per month, with an annual interest rate at 9%. This mortgage is collateralized by a lien on the apartments, on the real property and a security interest in rents, profits and reserve accounts.

	Loan Balance December 31, 2016	Additions	Reductions	Loan Balance December 31, 2017	Due in one year
84-001	\$ 422,358	\$ —	\$ 6,134	\$ 416,224	\$ 6,428
84-002	35,563	—	481	35,082	422
Totals	<u>\$ 457,921</u>	<u>\$ —</u>	<u>\$ 6,615</u>	<u>\$ 451,306</u>	<u>\$ 6,850</u>

Maturities of the mortgage notes are as follows:

Year ending December 31,

	Principal	Interest	Total
2018	\$ 6,850	\$ 40,882	\$ 47,732
2019	7,495	40,238	47,733
2020	8,201	39,533	47,734
2021	8,972	38,760	47,732
2022	9,817	37,916	47,733
2023 – 2027	64,815	173,846	238,661
2028 – 2032	101,642	137,019	238,661
2033 – 2037	159,401	79,260	238,661
2038 – 2039	84,113	8,205	92,318
Total	<u>\$ 451,306</u>	<u>\$ 595,659</u>	<u>\$ 1,046,965</u>

Garfield County Housing Authority
NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE G – GRANTS

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 of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

NOTE H – OPERATING SUBSIDY – HUD

Existing Section 8 Voucher projects operate under annual contribution contracts with HUD whereby HUD reimburses the project for rent subsidy payments made for eligible participants and certain administrative expenses. Rent subsidy payments are determined under HUD guidelines, which require that an eligible participant pay rent only equal to a percentage of their income. The difference between the participant's actual cost of rent and the calculated maximum is paid by HUD through the project.

NOTE I – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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

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

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

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

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

In all cases the service retirement benefit is limited to 100% 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% or 100% 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 adjustments, referred to as annual increases 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%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% 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% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF.

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.

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

Contributions. Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8% 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 LGDTF 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 \$41,899 for the year ended December 31, 2017.

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

At December 31, 2017, the Authority reported a liability of \$719,968 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The Authority proportion of the net pension liability was based on the Authority contributions to the LGDTF for the calendar year 2016 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2016, the Authority proportion was .05332%, which was a decrease of .00128 from its proportion measured as of December 31, 2015.

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

For the year ended December 31, 2017, the Authority recognized pension expense of \$129,457. At December 31, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 12,812	\$ –
Changes of assumptions or other inputs	51,069	2,082
Net difference between projected and actual earnings on pension plan investments	86,465	–
Changes in proportion and differences between contributions recognized and proportionate share of contributions	–	6,279
Contributions subsequent to the measurement date	41,899	–
Total	\$ 192,245	\$ 8,361

\$41,899 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2017:	
2018	79,243
2019	37,691
2020	24,228
2021	823
2022	–
Thereafter	–

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
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
Discount rate	7.50 percent
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

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA’s Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
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 used in the December 31, 2015 valuation 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. Active member mortality was based upon the same mortality rates but adjusted to 55% of the base rate for males and 40% of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

The actuarial assumptions used in the December 31, 2015 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.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

Garfield County Housing Authority
 NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

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

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, 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	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

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

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

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

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

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate, and therefore, the discount rate was 7.50 percent, 0.25 percent higher compared to the current 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 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$1,061,559	\$719,968	\$437,092

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.

NOTE J – DEFINED CONTRIBUTION PENSION PLAN – VOLUNTARY INVESTMENT PROGRAM

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

Funding Policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition the Authority has agreed to match employee contributions up to 5% or 8% percent of covered salary as determined by the Internal Revenue Service. Employees are immediately invested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2017, program members contributed \$15,158 and the Authority recognized pension expense of \$15,158 for the Voluntary Investment Program.

Garfield County Housing Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE K – 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 authorize 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% 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 years ending December 31, 2017, 2016, and 2015, the Authority contributions to the HCTF were \$3,370, \$3,296, and \$3,163, respectively, equal to their required contributions for each year.

NOTE K – TAX, SPENDING AND DEBT LIMITATIONS

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.

REQUIRED SUPPLEMENTAL INFORMATION

Garfield County Housing Authority

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

December 31, 2017

<u>Measurement date:</u>	<u>Employer proportion of NPL</u>	<u>Employer proportionate share of NPL</u>	<u>Employer covered payroll</u>	<u>Employer proportionate share of NPL as a percentage of covered payroll</u>	<u>Pension plan's fiduciary net position as a percentage of total pension liability</u>
December 31, 2014	0.05471%	\$ 490,411	\$ 299,812	164%	59.8%
December 31, 2015	0.05460%	601,478	310,093	194%	76.9%
December 31, 2016	0.05332%	719,968	323,169	223%	73.6%

Garfield County Housing Authority

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

December 31, 2017

	Required employer contribution	Employer contributions recognized by the plan	Difference	Employer covered payroll	Contributions as a percentage of employer covered payroll
December 31, 2015	\$ 39,320	\$ 39,320	\$ -	\$ 310,093	12.68%
December 31, 2016	40,978	40,978	-	323,169	12.68%
December 31, 2017	41,899	41,899	-	330,432	12.68%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1: Factors that Significantly Affect Trends in the Amounts Reported

For the measurement period ended December 31, 2016, the discount rate changed from 7.5% to 7.25%. This change significantly affected the total plan net pension liability and the employer share of the net pension liability. There were no other changes in benefit terms, size or composition of the population covered by the benefit terms, or assumptions used that significantly affect trends in the amounts reported.

SUPPLEMENTAL INFORMATION

SCHEDULE OF NET

	December 31,	
	General Administration	Valley Senior Housing
ASSETS		
Current assets		
Cash and investments	\$ 578,274	\$ 12,424
Accounts receivable	4,113	4,326
Due from other funds	66,672	-
Prepaid expenses and deposits	8,500	-
	<u>657,559</u>	<u>16,750</u>
Tenant security deposits	-	4,956
Restricted cash and investments		
Loan reserves	-	17,921
Other	2,102	-
	<u>2,102</u>	<u>17,921</u>
	Total restricted assets	17,921
Capital assets	5,225	195,213
Notes receivable	-	-
	<u>-</u>	<u>-</u>
	Total assets	234,840
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	192,245	-
	<u>192,245</u>	<u>-</u>
	Total deferred outflows of resources	-
LIABILITIES		
Current liabilities		
Accounts payable	125	1,059
Security deposits held	-	4,956
Due to other funds	3,877	66,461
Compensated absences, current portion	17,172	-
Current portion of long-term debt	-	6,850
	<u>21,174</u>	<u>79,326</u>
	Total current liabilities	79,326
Unearned revenue	-	-
Compensated absences, long-term	11,554	-
Long-term debt, net of current portion	-	444,456
Net pension liability	719,968	-
	<u>752,696</u>	<u>523,782</u>
	Total liabilities	523,782
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows	8,361	-
	<u>8,361</u>	<u>-</u>
	Total deferred inflows of resources	-
NET POSITION		
Net investment in capital assets	5,225	(256,093)
Restricted for debt service, housing expenses, vouchers, and revolving loans	2,102	17,921
Unrestricted	88,747	(50,770)
	<u>88,747</u>	<u>(50,770)</u>
	Total net position	\$ (288,942)

Housing Authority

POSITION - ALL PROGRAMS

2017

Section 8 Vouchers	Rehabilitation	Valley Senior Center	Down Payment Assistance	Eliminating Entries	Total
\$ 15,861	\$ 11,951	\$ 515	\$ -	\$ -	\$ 619,025
15	-	-	-	-	8,454
3,877	-	-	-	(70,549)	-
684	-	-	-	-	9,184
<u>20,437</u>	<u>11,951</u>	<u>515</u>	<u>-</u>	<u>(70,549)</u>	<u>636,663</u>
-	-	-	-	-	4,956
-	-	-	-	-	17,921
38,261	-	-	49,406	-	89,769
<u>38,261</u>	<u>-</u>	<u>-</u>	<u>49,406</u>	<u>-</u>	<u>107,690</u>
-	-	36,436	-	-	236,874
-	45,499	-	254,439	-	299,938
<u>58,698</u>	<u>57,450</u>	<u>36,951</u>	<u>303,845</u>	<u>(70,549)</u>	<u>1,286,121</u>
-	-	-	-	-	192,245
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,245</u>
6,825	-	-	-	-	8,009
-	-	-	-	-	4,956
211	-	-	-	(70,549)	-
-	-	-	-	-	17,172
-	-	-	-	-	6,850
<u>7,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,549)</u>	<u>36,987</u>
-	45,499	-	-	-	45,499
-	-	-	-	-	11,554
-	-	-	-	-	444,456
-	-	-	-	-	719,968
<u>7,036</u>	<u>45,499</u>	<u>-</u>	<u>-</u>	<u>(70,549)</u>	<u>1,258,464</u>
-	-	-	-	-	8,361
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,361</u>
-	-	36,436	-	-	(214,432)
36,138	-	-	303,845	-	360,006
15,524	11,951	515	-	-	65,967
<u>\$ 51,662</u>	<u>\$ 11,951</u>	<u>\$ 36,951</u>	<u>\$ 303,845</u>	<u>\$ -</u>	<u>\$ 211,541</u>

Garfield County

SCHEDULE OF
REVENUES, EXPENSES,

	Year ended		
	General Administration	Valley Senior Housing	Section 8 Vouchers
Operating revenue			
Tenant rent income	\$ -	\$ 42,549	\$ -
Rent income - HUD/USDA	-	58,981	3,373,277
Other administrative income	257,898	390	-
Other operating income	-	30,832	18,486
Total operating revenue	257,898	132,752	3,391,763
Operating expenses			
General and administrative	208,851	35,789	501,742
Housing assistance payments	-	-	3,009,494
Maintenance and operations	-	37,472	2,362
Depreciation	3,689	13,330	-
Total operating expenses	212,540	86,591	3,513,598
Net operating income (loss)	45,358	46,161	(121,835)
Non-operating revenue (expense)			
Grants in (out)	(155,700)	-	120,000
Interest income	772	3	70
Interest expense	-	(41,117)	-
Interest subsidy	-	34,439	-
Total non-operating revenue (expense)	(154,928)	(6,675)	120,070
Change in net position	(109,570)	39,486	(1,765)
Net position at beginning of year	205,644	(328,428)	53,427
Net position at end of year	\$ 96,074	\$ (288,942)	\$ 51,662

Housing Authority

INDIVIDUAL PROGRAM
AND CHANGES IN NET POSITION

December 31, 2017

Rehabilitation	Valley Senior Center	Down Payment Assistance	Eliminating Entries	Total
\$ -	\$ -	\$ -	\$ -	\$ 42,549
-	-	-	-	3,432,258
-	-	-	(29,816)	228,472
1,416	20,075	2,340	-	73,149
<u>1,416</u>	<u>20,075</u>	<u>2,340</u>	<u>(29,816)</u>	<u>3,776,428</u>
-	-	50	(14,007)	732,425
-	-	-	-	3,009,494
-	55,606	-	(15,808)	79,632
-	1,825	-	-	18,844
-	<u>57,431</u>	<u>50</u>	<u>(29,816)</u>	<u>3,840,394</u>
1,416	(37,356)	2,290	-	(63,966)
-	35,700	-	-	-
11	-	60	-	916
-	-	-	-	(41,117)
-	-	-	-	34,439
<u>11</u>	<u>35,700</u>	<u>60</u>	<u>-</u>	<u>(5,762)</u>
1,427	(1,656)	2,350	-	(69,728)
<u>10,524</u>	<u>38,607</u>	<u>301,495</u>	<u>-</u>	<u>281,269</u>
<u>\$ 11,951</u>	<u>\$ 36,951</u>	<u>\$ 303,845</u>	<u>\$ -</u>	<u>\$ 211,541</u>

Garfield County Housing Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2017

<u>C.F.D.A PROGRAM TITLE</u>	<u>C.F.D.A PROGRAM NUMBER</u>	<u>AMOUNT OF EXPENDITURES</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Section 8 Housing Choice Vouchers	14.871	\$ 3,385,697
U.S. DEPARTMENT OF AGRICULTURE		
Rural Rental Housing Loans (includes interest subsidy of \$34,439)	10.415	492,360
Rural Rental Assistance Payments	10.427	<u>58,981</u>
Total Federal Financial Assistance Expended		<u>\$ 3,937,038</u>

The accompanying notes are an integral part of this schedule.

Garfield County Housing Authority

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2017

NOTE A - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activities of the Garfield County Housing Authority. The Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

NOTE C - FEDERAL LOAN AND INSURANCE PROGRAMS

The Authority also participates in the following Rural Housing Service loan program, a direct program, through the U.S. Department of Agriculture-Rural Development Division:

	<u>CFDA Program Number</u>	<u>Balance of Direct Loans</u>
Rural Rental Housing Loans (balance at December 31, 2017)	10.415	\$ 451,306

NOTE D - INDIRECT COST RATE

The Organization did not elect to use the 10 percent de minimus indirect cost rate.



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

February 13, 2018

Board of Commissioners
Garfield County Housing Authority
Rifle, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Garfield County Housing Authority (the Authority) as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated February 13, 2018.

Internal Control Over Financial Reporting

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

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



Board of Commissioners
Garfield County Housing Authority
Rifle, Colorado

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

Purpose of this Report

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

Chadwick, Steinkirchner, Davis & Co., P.C.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

February 13, 2018

Board of Commissioners
Garfield County Housing Authority
Rifle, Colorado

Report on Compliance for Each Major Federal Program

We have audited Garfield County Housing Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2017. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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



Board of Commissioners
Garfield County Housing Authority
Rifle, Colorado

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

Opinion on Each Major Federal Program

In our opinion, Garfield County Housing Authority complied, in all material respects, with the types of 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, 2017.

Report on Internal Control over Compliance

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

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



Board of Commissioners
Garfield County Housing Authority
Rifle, Colorado

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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Chadwick, Steinkirchner, Davis & Co., P.C.

Garfield County Housing Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		<u>Unmodified Opinion</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <input checked="" type="checkbox"/>	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported

Type of auditor's report issued on compliance for major programs:		<u>Unmodified Opinion</u>		
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____	yes	_____ <input checked="" type="checkbox"/>	no
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Identification of major programs:		
<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	
14.871	Section 8 Housing Choice Vouchers	

Dollar threshold used to distinguish between Type A and Type B programs:		\$ 750,000
Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/>	yes _____ no

SECTION II – FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

There are no findings required to be reported under generally accepted government auditing standards.

SECTION III - FINDINGS AND QUESTIONED COST UNDER THE UNIFORM GUIDANCE

There are no findings or questioned costs for Federal awards as defined in the Uniform Guidance.

Garfield County Housing Authority

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year ended December 31, 2017

There were no prior year findings or questioned costs.



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION

March 23, 2018

Board of Commissioners
Garfield County Housing Authority
Rifle, Colorado

We have audited the basic financial statements of the Garfield County Housing Authority for the year ended December 31, 2017, and have issued our report thereon dated February 13, 2018. Our audit of such financial statements was made in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying HUD REAC Electronic Submission Hard Copy Schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.

**Garfield County Housing Authority (CO095)
Rifle, CO**

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$12,424		\$15,861	\$580,740	\$619,025		\$619,025
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted	\$17,921		\$38,261	\$51,508	\$107,690		\$107,690
114 Cash - Tenant Security Deposits	\$4,956				\$4,956		\$4,956
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$35,301	\$0	\$54,122	\$642,248	\$731,671	\$0	\$731,671
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government			\$3,877	\$4,324	\$8,201	-\$4,088	\$4,113
125 Accounts Receivable - Miscellaneous			\$15		\$15		\$15
126 Accounts Receivable - Tenants	\$4,326				\$4,326		\$4,326
126.1 Allowance for Doubtful Accounts - Tenants	\$0				\$0		\$0
126.2 Allowance for Doubtful Accounts - Other			\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery			\$44,265		\$44,265		\$44,265
128.1 Allowance for Doubtful Accounts - Fraud			-\$44,265		-\$44,265		-\$44,265
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,326	\$0	\$3,892	\$4,324	\$12,542	-\$4,088	\$8,454
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets			\$684	\$8,500	\$9,184		\$9,184
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From				\$86,461	\$86,461	-\$86,461	\$0
145 Assets Held for Sale							
150 Total Current Assets	\$39,627	\$0	\$58,698	\$721,533	\$819,858	-\$70,549	\$749,309
161 Land	\$5,000			\$16,286	\$21,286		\$21,286

162 Buildings	\$536,834			\$72,996	\$609,830		\$609,830
163 Furniture, Equipment & Machinery - Dwellings	\$42,869				\$42,869		\$42,869
164 Furniture, Equipment & Machinery - Administration	\$3,995			\$18,444	\$22,439		\$22,439
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$393,485			-\$88,065	-\$459,550		-\$459,550
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$195,213	\$0	\$0	\$41,661	\$236,874	\$0	\$236,874
171 Notes, Loans and Mortgages Receivable - Non-Current				\$299,938	\$299,938		\$299,938
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets							
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$195,213	\$0	\$0	\$341,599	\$536,812	\$0	\$536,812
200 Deferred Outflow of Resources				\$192,245	\$192,245		\$192,245
290 Total Assets and Deferred Outflow of Resources	\$234,840	\$0	\$58,698	\$1,255,377	\$1,548,915	-\$70,549	\$1,478,366
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$1,059		\$7,036	\$4,002	\$12,097	-\$4,088	\$8,009
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable							
322 Accrued Compensated Absences - Current Portion				\$17,172	\$17,172		\$17,172
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government							
341 Tenant Security Deposits	\$4,956				\$4,956		\$4,956
342 Unearned Revenue				\$45,499	\$45,499		\$45,499
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$6,850				\$6,850		\$6,850
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To	\$68,461				\$68,461	-\$68,461	\$0
348 Loan Liability - Current							
310 Total Current Liabilities	\$79,326	\$0	\$7,036	\$68,673	\$153,035	-\$70,549	\$82,486

351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$444,456				\$444,456		\$444,456
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current				\$11,554	\$11,554		\$11,554
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities				\$719,968	\$719,968		\$719,968
350 Total Non-Current Liabilities	\$444,456	\$0	\$0	\$731,522	\$1,175,978	\$0	\$1,175,978
300 Total Liabilities	\$523,782	\$0	\$7,036	\$798,195	\$1,329,013	-\$70,549	\$1,258,464
400 Deferred Inflow of Resources				\$8,361	\$8,361		\$8,361
508.4 Net Investment in Capital Assets	-\$256,093			\$41,681	-\$214,432		-\$214,432
511.4 Restricted Net Position	\$17,921		\$36,138	\$305,947	\$380,006		\$380,006
512.4 Unrestricted Net Position	-\$50,770	\$0	\$15,524	\$101,213	\$65,967		\$65,967
513 Total Equity - Net Assets / Position	-\$288,942	\$0	\$51,662	\$448,821	\$211,541	\$0	\$211,541
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$234,840	\$0	\$58,698	\$1,255,377	\$1,548,915	-\$70,549	\$1,478,366

**Garfield County Housing Authority (CO095)
Rifle, CO**

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$42,549				\$42,549		\$42,549
70400 Tenant Revenue - Other	\$822				\$822		\$822
70500 Total Tenant Revenue	\$43,371	\$0	\$0	\$0	\$43,371	\$0	\$43,371
70600 HUD PHA Operating Grants	\$34,439		\$3,373,277		\$3,407,716		\$3,407,716
70610 Capital Grants							
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants	\$30,400	\$58,981	\$120,000		\$209,381	-\$120,000	\$89,381
71100 Investment Income - Unrestricted	\$3		\$70	\$843	\$916		\$916
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery			\$18,486		\$18,486		\$18,486
71500 Other Revenue				\$281,729	\$281,729	-\$29,816	\$251,913
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	\$108,213	\$58,981	\$3,511,833	\$282,572	\$3,961,599	-\$149,816	\$3,811,783
91100 Administrative Salaries			\$269,049	\$61,556	\$330,605		\$330,605
91200 Auditing Fees		\$922	\$7,666	\$852	\$9,440		\$9,440
91300 Management Fee		\$8,810			\$8,810	-\$8,810	\$0
91310 Book-keeping Fee	\$100				\$100		\$100
91400 Advertising and Marketing							
91500 Employee Benefit contributions - Administrative			\$104,768	\$108,343	\$213,111		\$213,111
91600 Office Expenses		\$1,880	\$108,464	\$16,192	\$124,516		\$124,516

91700 Legal Expense			\$367	\$155	\$522		\$522
91800 Travel	\$626		\$2,210	\$2,170	\$5,006		\$5,006
91810 Allocated Overhead							
91900 Other			\$3,557	\$132,972	\$136,529	-\$121,466	\$15,063
91000 Total Operating - Administrative	\$726	\$11,592	\$494,081	\$322,240	\$828,639	-\$130,276	\$698,363
92000 Asset Management Fee							
92100 Tenant Services - Salaries		\$14,007			\$14,007	-\$14,007	\$0
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services		\$5,533			\$5,533	-\$5,533	\$0
92400 Tenant Services - Other							
92500 Total Tenant Services	\$0	\$19,540	\$0	\$0	\$19,540	-\$19,540	\$0
93100 Water	\$300	\$4,038			\$4,338		\$4,338
93200 Electricity	\$1,606				\$1,606		\$1,606
93300 Gas	\$4,002				\$4,002		\$4,002
93400 Fuel							
93500 Labor							
93600 Sewer	\$2,441				\$2,441		\$2,441
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	\$8,349	\$4,038	\$0	\$0	\$12,387	\$0	\$12,387
94100 Ordinary Maintenance and Operations - Labor		\$7,581			\$7,581		\$7,581
94200 Ordinary Maintenance and Operations - Materials and Other		\$10,251	\$4,756	\$333	\$15,340		\$15,340
94300 Ordinary Maintenance and Operations Contracts	\$1,274	\$5,979		\$55,987	\$63,240		\$63,240
94500 Employee Benefit Contributions - Ordinary Maintenance							
94000 Total Maintenance	\$1,274	\$23,811	\$4,756	\$56,320	\$86,161	\$0	\$86,161
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$2,556				\$2,556		\$2,556
98120 Liability Insurance				\$5,003	\$5,003		\$5,003
98130 Workmen's Compensation	\$365		\$4,214	\$743	\$5,322		\$5,322
98140 All Other Insurance	\$1,010		\$1,053	\$201	\$2,264		\$2,264
98100 Total Insurance Premiums	\$3,931	\$0	\$5,267	\$5,947	\$15,145	\$0	\$15,145

96200 Other General Expenses							
96210 Compensated Absences							
96300 Payments in Lieu of Taxes							
96400 Bad debt - Tenant Rents							
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$41,117				\$41,117		\$41,117
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs							
96700 Total Interest Expense and Amortization Cost	\$41,117	\$0	\$0	\$0	\$41,117	\$0	\$41,117
88900 Total Operating Expenses	\$55,397	\$58,981	\$504,104	\$384,507	\$1,002,989	-\$149,816	\$853,173
97000 Excess of Operating Revenue over Operating Expenses	\$52,816	\$0	\$3,007,729	-\$101,935	\$2,958,610	\$0	\$2,958,610
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			\$3,009,494		\$3,009,494		\$3,009,494
97350 HAP Portability-In							
97400 Depreciation Expense	\$13,330		\$0	\$5,514	\$18,844		\$18,844
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$68,727	\$58,981	\$3,513,598	\$390,021	\$4,031,327	-\$149,816	\$3,881,511
10010 Operating Transfer In							
10020 Operating transfer Out							
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							

10093 Transfers between Program and Project - In							
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$39,488	\$0	-\$1,765	-\$107,449	-\$69,728	\$0	-\$69,728
11020 Required Annual Debt Principal Payments	\$6,615	\$0	\$0	\$0	\$6,615		\$6,615
11030 Beginning Equity	-\$328,428	\$0	\$53,427	\$556,270	\$281,269		\$281,269
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity			\$15,524		\$15,524		\$15,524
11180 Housing Assistance Payments Equity			\$36,138		\$36,138		\$36,138
11190 Unit Months Available	132	0	5125	0	5257		5257
11210 Number of Unit Months Leased	125	0	5116	0	5241		5241
11270 Excess Cash							
11610 Land Purchases							
11620 Building Purchases							
11630 Furniture & Equipment - Dwelling Purchases							
11640 Furniture & Equipment - Administrative Purchases							
11650 Leasehold Improvements Purchases							
11660 Infrastructure Purchases							
13510 CFFP Debt Service Payments							
13901 Replacement Housing Factor Funds							