

ESTES PARK HOUSING AUTHORITY

BASIC FINANCIAL STATEMENTS

December 31, 2018

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JOHN CUTLER & ASSOCIATES

Board of Commissioners
Estes Park Housing Authority
Estes Park, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Estes Park Housing Authority, as of and for the year ended December 31, 2018, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Estes Park Housing Authority, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of the authority's proportionate share, and schedule of the authority's contributions on pages 36-39 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.

John Luthr & Associates, LLC

March 29, 2019

BASIC FINANCIAL STATEMENTS

ESTES PARK HOUSING AUTHORITY

STATEMENT OF NET POSITION

December 31, 2018

	MANAGEMENT FUND	CLEAVE STREET	THE PINES	PEAK VIEW	LONE TREE
ASSETS					
CURRENT ASSETS					
Cash	\$ 1,733,587	\$ 71,209	\$ 187,378	\$ 26,046	\$ 98,890
Accounts Receivable	140,160	635	-	-	2,344
Prepaid Expense	3,183	-	-	-	-
Assets Held for Resale	631,602	-	-	-	-
TOTAL CURRENT ASSETS	<u>2,508,532</u>	<u>71,844</u>	<u>187,378</u>	<u>26,046</u>	<u>101,234</u>
NON-CURRENT ASSETS					
Restricted Cash - Tenant Security Deposits	-	7,114	16,857	5,513	45,711
Advance to Other Funds	423,473	-	-	-	-
Notes Receivable	1,033,929	-	-	-	-
Accrued Interest Receivable	2,415,030	-	-	-	-
Loan Fees, Net of Amortization	-	1,491	1,133	-	-
Capital Assets, Not Being Depreciated	-	75,000	250,000	573,417	435,600
Capital Assets, Being Depreciated	-	255,312	721,680	204,438	2,500,383
TOTAL NON-CURRENT ASSETS	<u>3,872,432</u>	<u>338,917</u>	<u>989,670</u>	<u>783,368</u>	<u>2,981,694</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to Pensions	128,535	-	-	-	-
Related to OPEB	4,079	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>132,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 6,513,578</u>	<u>\$ 410,761</u>	<u>\$ 1,177,048</u>	<u>\$ 809,414</u>	<u>\$ 3,082,928</u>
CURRENT LIABILITIES					
Accounts Payable	\$ 7,953	\$ 1,491	\$ 1,101	\$ 1,284	\$ 11,442
Accrued Expenses	27,031	-	-	-	2,519
Deposits	5,390	-	-	-	-
Unearned Revenue	-	69	652	-	11,990
Notes Payable - Current Portion	10,837	-	-	-	-
Mortgage Payable - Current Portion	-	16,360	-	7,695	40,805
TOTAL CURRENT LIABILITIES	<u>51,211</u>	<u>17,920</u>	<u>1,753</u>	<u>8,979</u>	<u>66,756</u>
LONG-TERM LIABILITIES					
Tenant Security Deposits	-	6,031	12,174	3,413	43,364
Advance from Other Funds	-	-	-	423,473	-
Net Pension Liability	502,261	-	-	-	-
Net OPEB Liability	45,553	-	-	-	-
Notes Payable	509,163	-	-	-	500,000
Mortgage Payable	-	21,538	-	360,890	1,815,624
TOTAL LONG-TERM LIABILITIES	<u>1,056,977</u>	<u>27,569</u>	<u>12,174</u>	<u>787,776</u>	<u>2,358,988</u>
TOTAL LIABILITIES	<u>1,108,188</u>	<u>45,489</u>	<u>13,927</u>	<u>796,755</u>	<u>2,425,744</u>
DEFERRED INFLOWS OF RESOURCES					
Related to Pensions	144,800	-	-	-	-
Related to OPEB	762	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>145,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	-	292,414	971,680	409,270	579,554
Unrestricted	5,259,828	72,858	191,441	(396,611)	77,630
TOTAL NET POSITION	<u>5,259,828</u>	<u>365,272</u>	<u>1,163,121</u>	<u>12,659</u>	<u>657,184</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 6,513,578</u>	<u>\$ 410,761</u>	<u>\$ 1,177,048</u>	<u>\$ 809,414</u>	<u>\$ 3,082,928</u>

The accompanying notes are an integral part of the financial statements.

TOTALS

	2018		2017
\$	2,117,110	\$	2,063,659
	143,139		263,012
	3,183		-
	631,602		-
	2,895,034		2,326,671
	75,195		70,183
	423,473		423,473
	1,033,929		1,010,880
	2,415,030		2,163,954
	2,624		2,810
	1,334,017		1,334,017
	3,681,813		3,793,967
	8,966,081		8,799,284
	128,535		187,418
	4,079		-
	132,614		187,418
\$	11,993,729	\$	11,313,373
\$	23,271	\$	23,454
	29,550		27,697
	5,390		-
	12,711		10,397
	10,837		-
	64,860		62,262
	146,619		123,810
	64,982		64,078
	423,473		423,473
	502,261		603,902
	45,553		-
	1,009,163		500,000
	2,198,052		2,261,234
	4,243,484		3,852,687
	4,390,103		3,976,497
	144,800		1,745
	762		-
	145,562		1,745
	2,252,918		2,304,488
	5,205,146		5,030,643
	7,458,064		7,335,131
\$	11,993,729	\$	11,313,373

ESTES PARK HOUSING AUTHORITY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2018

	MANAGEMENT FUND	CLEAVE STREET	THE PINES	PEAK VIEW	LONE TREE
OPERATING REVENUES					
Rental	\$ -	\$ 78,684	\$ 168,215	\$ 51,940	\$ 549,613
Developer Fees	-	-	-	-	-
Other	407,546	598	1,773	-	46,542
TOTAL OPERATING REVENUES	407,546	79,282	169,988	51,940	596,155
OPERATING EXPENSES					
General and Administrative	303,632	21,394	151,322	1,361	158,709
Utilities	-	11,905	2,456	7,887	100,802
Maintenance and Operations	208,412	11,919	27,353	10,305	161,865
Amortization	-	122	65	-	-
Depreciation	-	21,171	48,928	5,767	64,526
TOTAL OPERATING EXPENSES	512,044	66,511	230,124	25,320	485,902
INCOME (LOSS) FROM OPERATIONS	(104,498)	12,771	(60,136)	26,620	110,253
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	254,427	37	92	-	-
Grants and Donations	36,925	-	-	-	-
Grant Expense	(3,350)	-	-	-	-
Interest Expense	-	(2,926)	-	(14,773)	(90,900)
NET NON-OPERATING REVENUES (EXPENSES)	288,002	(2,889)	92	(14,773)	(90,900)
INCOME (LOSS) BEFORE TRANSFERS	183,504	9,882	(60,044)	11,847	19,353
TRANSFERS					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL TRANSFERS	-	-	-	-	-
CHANGE IN NET POSITION	183,504	9,882	(60,044)	11,847	19,353
NET POSITION, Beginning, as Restated	5,076,324	355,390	1,223,165	812	637,831
NET POSITION, Ending	\$ 5,259,828	\$ 365,272	\$ 1,163,121	\$ 12,659	\$ 657,184

The accompanying notes are an integral part of the financial statements.

TOTALS

2018	2017
\$ 848,452	\$ 424,113
-	-
456,459	347,419
1,304,911	771,532
636,418	484,768
123,050	41,206
419,854	297,478
187	187
140,392	91,572
1,319,901	915,211
(14,990)	(143,679)
254,556	236,126
36,925	52,554
(3,350)	(6,943)
(108,599)	(29,284)
179,532	252,453
164,542	108,774
-	616,641
-	(616,641)
-	-
164,542	108,774
7,293,522	7,226,357
\$ 7,458,064	\$ 7,335,131

ESTES PARK HOUSING AUTHORITY

STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash
Year Ended December 31, 2018

	MANAGEMENT FUND	CLEAVE STREET	THE PINES	PEAK VIEW	LONE TREE
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Tenants and Others	\$ 453,954	\$ 77,100	\$ 238,766	\$ 50,949	\$ 607,232
Cash Payments to Suppliers	(401,195)	(44,923)	(181,186)	(18,510)	(428,707)
Net Cash Provided (Used) by Operating Activities	<u>52,759</u>	<u>32,177</u>	<u>57,580</u>	<u>32,439</u>	<u>178,525</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	-	(28,239)	-	-	-
Purchase of Assets Held for Resale	(631,602)	-	-	-	-
Payments from Other Funds	-	-	-	-	-
Payments to Other Funds	-	-	-	-	-
Cash Received (Loaned) on Notes Receivable	(23,049)	-	-	-	-
Cash Received from Issuance of Debt	520,000	-	-	-	-
Principal Payments on Notes and Mortgages	-	(15,365)	-	(7,322)	(37,897)
Interest Payments on Notes and Mortgages	-	(2,926)	-	(14,773)	(90,899)
Net Cash Used by Capital and Related Financing Activities	<u>(134,651)</u>	<u>(46,530)</u>	<u>-</u>	<u>(22,095)</u>	<u>(128,796)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Grants and Donations	<u>33,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Income	<u>3,351</u>	<u>37</u>	<u>92</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(44,966)	(14,316)	57,672	10,344	49,729
CASH, Beginning	<u>1,778,553</u>	<u>92,639</u>	<u>146,563</u>	<u>21,215</u>	<u>94,872</u>
CASH, Ending	<u>\$ 1,733,587</u>	<u>\$ 78,323</u>	<u>\$ 204,235</u>	<u>\$ 31,559</u>	<u>\$ 144,601</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Income (Loss) from Operations	(104,498)	12,771	(60,136)	26,620	110,253
Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities					
Depreciation and Amortization	-	21,293	48,993	5,767	64,526
Write Off of Note Payable	-	-	-	-	-
Changes in Assets and Liabilities					
Accounts Receivable	46,408	(635)	70,211	4	3,884
Prepaid Expenses	(3,183)	-	-	-	-
Deferred Outflows/Inflows Related to Pensions and OPEB	198,621	-	-	-	-
Change in Net Pension and OPEB Liability	(97,697)	-	-	-	-
Accounts Payable	6,497	295	(55)	1,043	(7,963)
Accrued Expenses	1,221	-	-	-	632
Deposits	5,390	-	-	-	-
Unearned Revenue	-	(1,589)	(1,183)	-	5,086
Tenant Security Deposits	-	42	(250)	(995)	2,107
Net Cash Provided (Used) by Operating Activities	<u>\$ 52,759</u>	<u>\$ 32,177</u>	<u>\$ 57,580</u>	<u>\$ 32,439</u>	<u>\$ 178,525</u>
NON-CASH TRANSACTIONS					
Loan Forgiveness	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

TOTALS

2018	2017
\$ 1,428,001	\$ 1,232,280
<u>(1,074,521)</u>	<u>(742,888)</u>
353,480	489,392
(28,239)	(3,016,641)
(631,602)	-
-	636,641
-	(636,641)
(23,049)	(3,939)
520,000	2,400,000
(60,584)	(27,219)
<u>(108,598)</u>	<u>(29,284)</u>
(332,072)	(677,083)
33,575	229,183
3,480	(179,924)
58,463	(138,432)
<u>2,133,842</u>	<u>2,272,274</u>
<u>\$ 2,192,305</u>	<u>\$ 2,133,842</u>
(14,990)	(143,679)
140,579	91,759
-	(10,000)
119,872	408,182
(3,183)	-
198,621	(51,102)
(97,697)	144,609
(183)	(2,690)
1,853	(253)
5,390	-
2,314	10,397
904	42,169
<u>\$ 353,480</u>	<u>\$ 489,392</u>
<u>\$ -</u>	<u>\$ 10,000</u>

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The financial reporting entity consists of the Authority and organizations for which the Authority is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Authority. In addition, any legally separate organizations for which the Authority is financially accountable are considered part of the reporting entity. Financial accountability exists if the Authority appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the Authority.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority uses funds to report on its financial position and activities. Fund accounting is designed to segregate transactions related to certain government functions and activities. All of the Authority’s funds are classified as enterprise fund types. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Major individual funds are reported as separate columns in the financial statements.

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

ESTES PARK HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Authority reports the following major proprietary funds:

Management Fund – This fund accounts for the financial activities associated with the Authority's general operations.

Cleave Street Fund– This fund is used to account for the financial activities associated with the Cleave Street Apartments.

The Pines Fund– This fund is used to account for the financial activities associated with The Pines Apartments.

The Peak View Fund– This fund is used to account for the financial activities associated with The Peak View Apartments.

The Lone Tree Fund– This fund is used to account for the financial activities associated with The Lone Tree Village Apartments.

Assets, Liabilities and Fund Balance/Net Position

Cash and Investments – Cash and cash equivalents include amounts in deposit accounts and short-term investments with an original maturity of three months or less. Investments are recorded at fair value.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

Receivables – Receivables are expensed as bad debts at the time they are determined to be uncollectible.

Capital Assets – The Authority capitalizes all assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest is capitalized during the construction phase. Assets held for resale consist of land and improvements for a project currently under constructions and are recorded at historical cost.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: buildings and improvements, 27.5 years; equipment, 5 - 15 years.

Deferred Outflows – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred Inflows – In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position– Net Position is restricted when constraints placed on the net assets are externally imposed.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Authority purchases commercial insurance for these risks of loss. No claims have exceeded insurance coverage for the last three years.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Authority's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Budgetary Information

Budgets are adopted for all funds as a management control device, but are not legally required. Therefore, budgetary information is not presented in the financial statements.

NOTE 3: CASH AND INVESTMENTS

Cash and Investments reported in the December 31, 2018 financial statements consisted of the following:

Cash	\$ 2,117,110
Tenant Security Deposits	<u>75,195</u>
Total	<u>\$ 2,192,305</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2018, State regulatory commissioners have indicated that all financial institutions holding deposits for the Authority are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

ESTES PARK HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits (Continued)

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 uninsured deposits. The Authority has no policy regarding custodial credit risk for deposits.

At December 31, 2018, the Authority had deposits with financial institutions with a carrying amount of \$2,192,305. The bank balances with the financial institutions were \$2,192,276. Of these balances, \$250,000 was covered by federal depository insurance and \$1,942,276 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. Government Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Certain money market funds
- Guaranteed investment contracts

The Authority did not have any investments requiring categorization of credit risk as of December 31, 2018 and had no policy for managing credit risk.

ESTES PARK HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 4: INTERFUND ACTIVITY

Interfund activity as of and for the year ended December 31, 2018 consisted of the following:

The Management Fund has advanced funds in the amount of \$423,473 to the Peak View Fund for the purchase and operation of the Peak View Apartments. These funds are expected to be repaid to the Management Fund from future cash flow available from the Peak View Apartments.

NOTE 5: NOTES RECEIVABLE

At December 31, 2018, notes receivable consisted of the following:

Dry Gulch, LLLP – Talons Pointe	\$ 974,500
Down Payment Assistance	<u>59,429</u>
Total	<u>\$ 1,033,929</u>

Talons Pointe

During 2002, the Authority approved three loans totaling \$974,500 to Dry Gulch, LLLP to finance the development and construction of the Talons Pointe housing project. Interest accrued on the loans at 8% annually. If not paid sooner, principal and interest are due on August 1, 2032.

Down Payment Assistance

The Authority, through the down payment assistance program, has made several loans to individual homeowners since 2010. These notes carry an interest rate of 2% and are payable in 10 years. Monthly principal and interest payments ranging from \$53 to \$97 are due to the Authority through February 2026.

As of December 2018, the balance of the loans made through the down payment assistance program was \$59,429.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 6: CAPITAL ASSETS

Capital Assets activity for the year ended December 31, 2018, is summarized below.

	Balance <u>12/31/17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/18</u>
Capital assets, Not Being Depreciated				
Land	\$ 1,334,017	\$ -	\$ -	\$ 1,334,017
Capital Assets, Being Depreciated				
Buildings	4,704,290	28,239	-	2,732,529
Equipment	<u>7,643</u>	<u>-</u>	<u>-</u>	<u>7,643</u>
Total Capital Assets, Being Depreciated	<u>4,711,933</u>	<u>28,239</u>	<u>-</u>	<u>4,740,172</u>
Accumulated Depreciation				
Buildings	910,323	140,393	-	1,050,716
Equipment	<u>7,643</u>	<u>-</u>	<u>-</u>	<u>7,643</u>
Total Accumulated Depreciation	<u>917,966</u>	<u>140,393</u>	<u>-</u>	<u>1,058,359</u>
Total Capital Assets, Being Depreciated, Net	<u>3,793,967</u>	<u>(112,154)</u>	<u>-</u>	<u>3,681,813</u>
Net Capital Assets	<u>\$ 5,127,984</u>	<u>\$ (112,154)</u>	<u>\$ -</u>	<u>\$ 5,015,830</u>

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 7: LONG-TERM DEBT

Following is a summary of the Authority's long-term debt transactions for the year ended December 31, 2018:

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/18</u>	<u>Due In</u> <u>One Year</u>
Management Fund					
Note Payable – Van Horn	\$ -	\$ 520,000	\$ -	\$ 520,000	\$ 10,837
Cleave Street					
Mortgage Payable	53,263	-	15,365	37,898	16,360
Peak View Apartments					
Mortgage – Bank of Colorado	375,907	-	7,322	368,585	7,695
Lone Tree Apartments					
Note Payable – LHDC	500,000	-	-	500,000	-
Mortgage – Bank of Colorado	<u>1,894,326</u>	<u>-</u>	<u>37,897</u>	<u>1,856,429</u>	<u>40,805</u>
Total	<u>\$ 2,823,496</u>	<u>\$ 520,000</u>	<u>\$ 60,584</u>	<u>\$ 3,282,912</u>	<u>\$ 75,697</u>

Management Fund

Note Payable – The Authority obtained this loan for the purchase of the Castle Ridge land held for resale by the Authority, the purchase price of the land was \$620,000, with an owner carryback in the amount of \$520,000. Quarterly payments in the amount of \$9,140, including principal and interest are required to be paid to the seller, with a final balloon payment due in December 2023. The loan accrues interest at a rate of 5%.

Cleave Street

Mortgage Payable – The Authority has obtained a mortgage loan to finance the Cleave Street project. Monthly payments in the amount of \$1,524, including principal and interest, are required to be paid. The loan accrues interest at 6.25% and matures in March 2021.

Peak View Apartments

Mortgage Payable – Bank of Colorado. This loan was obtained to provide financing for the purchase of the Peak View Apartments. The note requires monthly payments of principal and interest of \$1,841 for the first 60 payments. The monthly principal and interest payments will adjust for an additional 59 payments, with a final payment of principal and interest due on March 15, 2026. The interest rate is based on the five-year Federal Home Loan Bank of Topeka 5 Year Advance rate adjusted for the minimum and maximum rate limitations. The initial interest rate on the loan is 3.89%.

ESTES PARK HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 7: LONG-TERM DEBT (Continued)

Lone Tree Apartments

Note Payable – LHDC. This loan was obtained to provide financing for the purchase of the Lone Tree Village Apartments. The note requires quarterly payments of interest beginning January 1, 2018, with a final payment of principal and interest due on October 1, 2022. The loan accrues interest at a rate of 5.00%.

Mortgage Payable – Bank of Colorado. This loan was obtained to provide financing for the purchase of the Lone Tree Village Apartments. The note requires monthly payments of principal and interest of \$8,059 for the first 60 payments. The monthly principal and interest payments will adjust for an additional 59 payments, with a final payment of principal and interest due on October 1, 2027. The interest rate is based on the five-year Federal Home Loan Bank of Topeka 5 Year Advance rate adjusted for the minimum and maximum rate limitations. The initial interest rate on the loan is 3.15%.

Future debt service of the mortgage loans are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 75,697	\$ 123,282	\$ 198,979
2020	78,552	120,643	199,195
2021	67,397	117,437	184,834
2022	565,017	115,686	680,703
2023	525,631	90,136	615,767
2024-2027	<u>1,970,618</u>	<u>222,797</u>	<u>2,193,415</u>
Total	<u>\$ 3,282,912</u>	<u>\$ 789,981</u>	<u>\$ 4,072,893</u>

NOTE 8: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual 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.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies (Continued)

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the LGDTF for financial reporting purposes be measured using the plan provisions in effect as of the LGDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and December 31, 2018*

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 as of December 31, 2017. 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 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

As of December 31, 2017, 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 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (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.

ESTES PARK HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

Contributions provisions as of December 31, 2018: 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 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rates
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 LGDTF¹	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 \$38,332 for the year ended December 31, 2018.

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

At December 31, 2018, the Authority reported a liability of \$502,261 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. The Authority proportion of the net pension liability was based on Authority's contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

At December 31, 2017, the Authority's proportion was .04511 percent, which was an increase of .00039 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Authority recognized pension expense of \$138,629. At December 31, 2018., the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$31,421	N/A
Changes of assumptions or other inputs	\$5,306	N/A
Net difference between projected and actual earnings on pension plan investments	\$47,174	\$144,800
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$6,302	N/A
Contributions subsequent to the measurement date	\$38,332	N/A
Total	\$128,535	\$144,800

\$38,332 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, 2019 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:	
2019	\$28,761
2020	(\$11,654)
2021	(\$35,504)
2022	(\$36,200)

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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.

ESTES PARK HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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.

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

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset 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%	

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:

- 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%.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

- 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.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Based on the above assumptions and methods, LGDTF's 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. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$799,939	\$502,261	\$254,104

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.

Changes between the measurement date of the net pension liability and December 31, 2018

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

ESTES PARK HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Changes between the measurement date of the net pension liability and December 31, 2018 (Continued)

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, in the Local Government Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

At December 31, 2018, the Authority reported a liability of \$502,261 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule presents an estimate of what the Authority's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Changes between the measurement date of the net pension liability and December 31, 2018 (Continued)

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$ 355,258

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. Eligible employees of the Academy are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. 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.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 9: **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

General Information about the OPEB Plan (Continued)

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

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

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

PERA Benefit Structure

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

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

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

DPS Benefit Structure

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Academy were \$3,083 for the year ended December 31, 2018.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

At December 31, 2018, the Academy reported a liability of \$45,553 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Academy's proportion of the net OPEB liability was based on Academy's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the Academy's proportion was 0.00351%, which was an increase of 0.00007% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Academy recognized OPEB expense of \$3,711. At December 31, 2018, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$215	N/A
Net difference between projected and actual earnings on OPEB plan investments	N/A	\$762
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$781	N/A
Contributions subsequent to the measurement date	\$3,083	N/A
Total	\$4,079	\$762

\$3,083 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Year ended December 31:	
2019	\$5
2020	\$5
2021	\$5
2022	\$7
2023	\$196
2024	\$16

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Healthy mortality assumptions for active members were based on 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 for the State and Local Government Divisions were based on 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.

Healthy, post-retirement mortality assumptions for the Authority and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 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 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 9: **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

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.

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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%	

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%.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$44,300	\$45,553	\$47,063

Discount rate. The discount rate used to measure the total OPEB 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:

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- 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. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- 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.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

Sensitivity of de's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

ESTES PARK HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$51,216	\$45,553	\$40,720

OPEB plan fiduciary net position. Detailed information about the HCTF'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 10: DEVELOPMENT PROJECTS

The Authority was awarded low income housing tax credits in fall of 2014 and began development in 2015, Falcon Ridge Apartments. The Authority will be co-developer with Loveland Housing Authority on this project. An entity controlled by the Authority will be the managing general partner of the Falcon Ridge Apartments LLLP. During 2016, the Authority earned development for this project and was owed \$87,612 as of December 31, 2018.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Management Agreement

The Authority has entered into a management agreement with the Loveland Housing Authority for contracted services. Under the terms of this agreement, the Authority contracts for management and accounting services. The contracted services have been classified as functional expenses for better reporting purposes.

ESTES PARK HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Claims and Judgments

The Authority participates in a number of federal programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of December 31, 2018, significant amounts of grant expenditures have not been audited, but the Authority believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Authority.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The Tabor Amendment is subject to many interpretations, but the Authority believes it is exempt from the provisions of the amendment.

NOTE 12: RESTATEMENT OF NET POSITION

The beginning net position of the Management Fund was decreased by \$41,609 as the Academy implemented Governmental Accounting Standards Board (GASB) Statement 75.

REQUIRED SUPPLEMENTARY INFORMATION

ESTES PARK HOUSING AUTHORITY

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
LOCAL GOVERNMENT DIVISION TRUST FUND

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Authority's proportionate share of the Net Pension Liability	0.0389%	0.0396%	0.0417%	0.0451%	0.0447%
Authority's proportionate share of the Net Pension Liability	\$ 319,916	\$ 355,300	\$ 459,293	\$ 603,902	\$ 502,261
Authority's covered-employee payroll	\$ 207,405	\$ 217,239	\$ 236,790	\$ 271,531	\$ 302,305
Authority's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	154.2%	163.6%	194.0%	222.4%	166.1%
Plan fiduciary net position as a percentage of the total pension liability	77.7%	80.7%	76.9%	73.6%	79.4%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report

ESTES PARK HOUSING AUTHORITY

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
LOCAL GOVERNMENT DIVISION TRUST FUND

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Statutorily required contributions	\$ 26,298	\$ 27,546	\$ 30,024	\$ 34,367	\$ 36,083	\$ 38,332
Contributions in relation to the Statutorily required contributions	<u>26,298</u>	<u>27,546</u>	<u>30,024</u>	<u>34,367</u>	<u>36,083</u>	<u>38,332</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 207,405	\$ 217,239	\$ 236,790	\$ 271,531	\$ 284,568	\$ 302,305
Contributions as a percentage of covered-employee payroll	12.68%	12.68%	12.68%	12.66%	12.68%	12.68%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report

ESTES PARK HOUSING AUTHORITY

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
HEALTH CARE TRUST FUND

Years Ended December 31,

	<u>2016</u>	<u>2017</u>
Authority's proportionate share of the Net OPEB Liability	0.0034%	0.0035%
Authority's proportionate share of the Net OPEB Liability	\$ 44,511	\$ 45,553
Authority's covered-employee payroll	\$ 284,568	\$ 302,305
Authority's proportionate share of the Net OPEB Liability as a percentage of its covered-employee payroll	15.6%	15.1%
Plan fiduciary net position as a percentage of the total OPEB liability	16.7%	17.5%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report

ESTES PARK HOUSING AUTHORITY

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended December 31,

	<u>2017</u>	<u>2018</u>
Statutorily required contributions	\$ 2,903	\$ 3,083
Contributions in relation to the Statutorily required contributions	<u>2,903</u>	<u>3,083</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 284,568	\$ 302,305
Contributions as a percentage of covered-employee payroll	1.02%	1.02%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report