GARFIELD COUNTY HOUSING AUTHORITY

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2018

CONTENTS

Chadwick, Steinkirchner, Davis & Co., P.C. Consultants and Certified Public Accountants

CSD

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

February 21, 2019

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, 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 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.

2499 Hwy 6 & 50
Grand Junction, CO 81505-1106
www.csdcpa.com
e-mail info@csdcpa.com
970/245-3000
Fax 970/242-4716
Toll Free 877/245-8080

Board of Commissioners
Garfield County Housing Authority
Page Two

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, 2018, 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, pension schedules and OPEB schedules 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.

Board of Commissioners
Garfield County Housing Authority
Page Three

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 21, 2019 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 2017 and FY 2018 (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 2018, net position decreased by $138,096, while the decrease for 2017 was $69,728.
- Total operating revenues increased by $117,327 (or 3.11%) to $3,893,755 for the year.
- Total operating expenses (excluding depreciation) increased by $137,731 (3.6%) to $3,959,281versus 2017.
- Net capital assets increased by $4,174 during 2018.
- Non-current liabilities decreased by $93,766 to $1,127,711 (~8%) in 2018 despite continuing increases in the PERA pension and OPEB 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,	**2017**	**2018**
Current assets	$636,663	$631,174
Restricted assets	112,646	147,601
Note receivable	299,938	251,760
Capital assets (net of depreciation)	236,874	241,048
Deferred outflows or resources	192,245	89,703
Total assets and deferred outflows of resources	$1,478,366	$1,361,286
Years ended December 31,	**2017**	**2018**
Current liabilities	36,987	39,552

Non-current liabilities	501,509	491,581
Total liabilities before pension and OPEB	538,496	531,133
Pension and OPEB liabilities (New: GASB68/75)	719,968	636,100
Total liabilities	1,258,464	1,167,233
Deferred inflows of resources	8,361	120,608
Total liabilities and deferred inflows of resources	1,266,825	1,287,841
Net position		
Net investment in capital assets	(214,432)	(203,520)
Restricted	360,006	343,452
Unrestricted	65,967	(66,487)
Total net position	$211,541	$ 73,445

The net position of GCHA decreased to $73,445; however, before accounting for the Pension and OPEB liabilities, total net position would be $709,545. (Not accounting for the pension liability, the FY 2017 total net position would have been $931,509.)

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,	**2017**	**2018**
Operating revenues		
Tenant rent income	42,549	36,949
Rent income – HUD	3,432,258	3,595,742
Other administrative income	228,472	226,129
Other operating income	73,149	34,935
Grants	–	–
Total operating revenues	$3,776,428	$3,893,755
Non-operating revenues		
Interest income	916	7,212
Interest subsidy	34,439	34,439
Total non-operating revenues	35,355	41,651
Total revenues	$3,811,783	$3,935,406

In 2018, operating revenues were up $117,327 (or +3.11%) over 2017 because of the increased rent income from HUD (increased HAP and administrative fees.) Revenue from VSH continues to be negatively affected with the ADA unit off-line.

Non-operating revenues increased $6,296 (or +17.81%) from 2017. The increase in non-operating revenues is attributed to higher interest income.

REVIEW OF EXPENSES

Years ended December 31,	2017	2018
Operating expenses		
General and administration	732,425	789,862
Housing assistance payments	3,009,494	3,139,256
Maintenance and operations	79,632	30,163
Depreciation	18,844	23,531
Total operating expenses	3,840,394	3,982,812
Non-operating expenses		
Interest expense	41,117	40,995
Total expenses	3,881,511	4,023,807
Change in net position	(69,728)	(88,401)
Beginning net position, restated	281,269	161,846
Ending net position	211,541	73,445

Operating expenses for GCHA increased $142,296 (or +3.67%) from 2017 to 2018 primarily due to increased HAP payments to landlords, increased general and administrative expenses related to the allowance for bad debts in the Down Payment Assistance Program, increased depreciation, and a continued increase in expenses from the implementation of the pension and OPEB standards.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets increased $4,174 from 2017 to 2018.

Years ended December 31,	2017	2018
Land (non-depreciable)	$21,286	$21,286
Construction in progress (non-depreciable)	–	–
Buildings and improvements	609,830	637,535
Furniture and equipment	65,307	65,307
Total accumulated depreciation	(459,549)	(483,080)
Total	$236,874	$241,048

Change (increase) in capital assets is due primarily to the increase in buildings and improvements with associate increase in total accumulated depreciation.

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 apartments, 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 over 59,000 persons in 2018 and has slowed to a modest growth rate of .74% in the past few years; however, according to the Colorado State Demographer, the transitions affecting the county for the next few years include an aging population, a slowing labor force growth, an increase in racial and ethnic diversity, and slowing income growth. In Garfield County, 38 percent of residents are in the low-wage earning group ($21,700 to 37,800.)

Fair Market Rent prices in Garfield County are very high compared to the national average. For example, in 2018 FMRs for a two-bedroom apartment in Garfield County were $1,112 per month, with a median rent for a 2-bedroom unit throughout the county at $1,245. With a Payment Standard of 10% higher than FMR, GCHA was able to achieve an 85% lease-up success rate and a 99.9% HCV Rental Occupancy. GCHA paid an average subsidy of $603 per unit night for all unit types which was a 2.5% increase in subsidy over the prior year.

In Glenwood Springs the rental vacancy rate dropped to 2.1% in 2018, due in part to an increase in VBRO activity, a low turnover rate, and lagging construction growth. The 2018 regional housing study shows that Glenwood Springs has a deficit of housing for both low- and moderate-income households. This deficit is being met in part by housing "affordability" migrating to towns in western Garfield County, where there are fewer services. Approximately 56% of GCHA vouchers are in Rifle and Parachute because of affordability, with only 4% in Carbondale, 19% in Glenwood Springs, 5% in New Castle and 8% in Silt.

The population growth in the County has been a major variable in keeping our waiting list to approximately two (2) years, but with increased Waiting List management and a "locals" preference in the Administrative Plan, the wait time on the list has dropped to around 18 months.

HUD increased our HAP funding budget authority and our prorated share of the Admin fee in 2018; therefore, higher lease-up rates and higher FMRs resulted in both an increase 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, 2018

ASSETS		
Current assets		
Cash and investments	$	614,478
Accounts receivable, less allowance of $72,239		9,137
Prepaids and deposits		7,559
Total current assets		631,174
Noncurrent assets		
Restricted assets		
Tenant security deposits		5,512
Loan reserves		19,167
Other		122,922
Total restricted assets		147,601
Capital assets		241,048
Notes receivable, less allowance of $33,595		251,760
Total noncurrent assets		640,409
Total assets		1,271,583
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows		85,968
OPEB related deferred outflows		3,735
Total deferred outflows of resources		89,703
LIABILITIES		
Current liabilities		
Accounts payable		11,311
Security deposits held		5,512
Compensated absences, current portion		15,234
Current maturity of long-term debt		7,495
Total current liabilities		39,552
Noncurrent liabilities		
Unearned revenue		45,499
Compensated absences		9,009
Long-term debt		437,073
Net pension liability		583,204
Net OPEB liability		52,896
Total noncurrent liabilities		1,127,681
Total liabilities		1,167,233
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows		119,477
OPEB related deferred inflows		1,131
Total deferred inflows of resources		120,608
NET POSITION		
Net investment in capital assets		(203,520)
Restricted for debt service, housing expenses, vouchers, and revolving loans		343,452
Unrestricted		(66,487)
Total net position	$	73,445

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, 2018

Operating revenue		
Tenant rent income		$ 36,949
Rent income - HUD/USDA		3,595,742
Other administrative income		226,129
Other operating income		34,935
	Total operating revenue	3,893,755
Operating expenses		
General and administrative		789,862
Housing assistance payments		3,139,256
Maintenance and operations		30,163
Depreciation		23,531
	Total operating expenses	3,982,812
	Net operating income (loss)	(89,057)
Non-operating revenue (expense)		
Interest income		7,212
Interest expense		(40,995)
Interest subsidy		34,439
	Total non-operating revenue (expense)	656
	Change in net position	(88,401)
Net position at beginning of year		211,541
Change in accounting principle		(49,695)
Net position at beginning of year, restated		161,846
Net position at end of year		$ 73,445

The accompanying notes are an integral part of this statement.

Garfield County Housing Authority

STATEMENT OF CASH FLOWS

Year ended December 31, 2018

Cash flows from operating activities	
Cash received from housing assistance and rent payments	$ 3,682,846
Other operating receipts	258,404
Tenant security deposits received/refunded	556
Cash paid to suppliers	(3,601,248)
Cash paid to employees	(276,363)
Net cash provided (used) by operating activities	64,195
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	(6,738)
Purchase of capital assets	(27,705)
Interest paid	(40,995)
Net cash provided (used) by capital and related financing activities	(75,438)
Cash flows from investing activities	
Interest received	7,212
Net cash provided (used) by investing activities	7,212
Increase (decrease) in cash and cash equivalents	30,408
Cash and cash equivalents at beginning of year	731,671
Cash and cash equivalents at end of year	$ 762,079

<u>Reconciliation of net operating income (loss) to net cash provided (used) by operating activities:</u>

Net operating income (loss)	$ (89,057)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	23,531
Bad debts	34,995
(Increase) decrease in accounts receivable	12,500
(Increase) decrease in prepaids and deposits	1,625
Increase (decrease) in accounts payable	3,302
Increase (decrease) in compensated absences	(4,483)
Increase (decrease) in pension and OPEB related items	81,226
Increase (decrease) in security deposits	556
Total adjustments	153,252
Net cash provided (used) by operating activities	$ 64,195

The accompanying notes are an integral part of this statement.

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:

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, 2018, 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.

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 and certain notes receivable in the Down Payment Assistance (DPA) program; accordingly, the allowance for doubtful accounts is $0 for all receivables, except those in the Voucher program for which the allowance is $72,239 and in the DPA program for which the allowance is $33,595. 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pensions

Garfield County Housing Authority (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.

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.*

Adoption of GASB 75

For the year ended December 31, 2018, the Authority adopted the provisions of Statement of Governmental Accounting Standards (GASB Statement) No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

Defined Benefit Other Post Employment Benefit Plan (OPEB)

The Authority 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 the 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.

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.

Cash and investments consist of the following at December 31, 2018:

Cash in banks	$ 760,958
Cash on hand	1,121
	762,079
Less amounts restricted for tenant deposits, specific expenditures, loan reserve, and revolving loan funds	147,601
	$ 614,478

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 $19,167 at December 31, 2018.

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, 2018 capital asset transactions and balances include the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable assets:				
Land	$ 21,286	$ –	$ –	$ 21,286
Construction in progress	–	–	–	–
Total capital assets, not being depreciated	21,286	–	–	21,286
Depreciable assets:				
Buildings and improvements	609,830	27,705	–	637,535
Furniture and equipment	65,307	–	–	65,307
Total capital assets, being depreciated	675,137	27,705	–	702,842
Less accumulated depreciation for:				
Buildings and improvements	(434,835)	(14,729)	–	(449,564)
Furniture and equipment	(24,714)	(8,802)	–	(33,516)
Total accumulated depreciation	(459,549)	(23,531)	–	(483,080)
Total capital assets, being depreciated	215,588	4,174	–	219,762
Total capital assets, net	$ 236,874	$ 4,174	$ –	$ 241,048

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. $239,856 in loans are outstanding at December 31, 2018 and there is an allowance for doubtful accounts of $33,595. 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.

NOTE F – LONG-TERM DEBT – CONTINUED

	Loan Balance December 31, 2017	Additions	Reductions	Loan Balance December 31, 2018	Due in one year
84-001	$ 416,224	$ –	$ 6,209	$ 410,015	$ 7,031
84-002	35,082	–	529	34,553	464
Totals	$ 451,306	$ –	$ 6,738	$ 444,568	$ 7,495

Maturities of the mortgage notes are as follows:

Year ending December 31,

	Principal	Interest	Total
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	10,741	36,991	47,732
2024 – 2028	70,917	167,743	238,660
2029 – 2033	111,213	127,448	238,661
2034 – 2038	174,411	64,250	238,661
2039	42,801	1,898	44,699
Total	$ 444,568	$ 554,777	$ 999,345

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 Garfield County Housing Authority (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.

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.

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

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.

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 LGDTF[1]	**12.68%**

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

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

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 $43,332 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 $583,204 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 contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2017, the Authority proportion was 0.05238 percent, which was a decrease of 0.00094 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Authority recognized pension expense of $123,962. At December 31, 2018, 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	$36,485	$–
Changes of assumptions or other inputs	6,161	–
Net difference between projected and actual earnings on pension plan investments	–	113,361
Changes in proportion and differences between contributions recognized and proportionate share of contributions	–	6,116
Contributions subsequent to the measurement date	43,322	N/A
Total	$85,968	$119,477

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

$43,322 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, 2018	
2019	21,017
2020	(14,588)
2021	(41,227)
2022	(42,033)
2023	–
Thereafter	–

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.

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

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 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.

NOTE I – DEFINED BENEFIT PENSION PLAN – 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%.

- 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.

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

- 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.

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 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:

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$928,855	$583,204	$295,054

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.

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.

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

At December 31, 2018, the Authority reported a liability of $583,204 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 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.

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%	$ 412,510

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, 2018, program members contributed $17,580 and the Authority recognized pension expense of $13,823 for the Voluntary Investment Program.

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND

General Information about the OPEB Plan

Plan description. Eligible employees of the Authority 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.

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.

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – CONTINUED

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 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.

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 Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Authority were $3,485 for the year ended December 31, 2018.

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – CONTINUED

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

At December 31, 2018, the Authority reported a liability of $52,895 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 Authority proportion of the net OPEB liability was based on Authority 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 Authority proportion was 0.00407 percent, which was a decrease of 0.00002 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Authority recognized OPEB expense of $4,082. At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$250	$–
Net difference between projected and actual earnings on OPEB plan investments	–	885
Changes in proportion and differences between contributions recognized and proportionate share of contributions	–	246
Contributions subsequent to the measurement date	3,485	N/A
Total	$3,735	$1,131

$3,485 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:

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – CONTINUED

Year ended June 30, 2018:	
2019	$(220)
2020	(220)
2021	(220)
2022	(220)
2023	1
Thereafter	(2)

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. 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.

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – CONTINUED

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. 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.

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – CONTINUED

- **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 School 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.

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.

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – CONTINUED

- 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.

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.

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – 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%.

Sensitivity of the Authority 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	$51,440	$52,895	$54,648

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – CONTINUED

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:

- 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 the Authority 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$59,471	$52,895	$47,283

NOTE K – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – CONTINUED

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 L – 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.

NOTE M – CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2018, the Authority retroactively changed its method of accounting for OPEB contributions and related obligations to conform to GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Under the new accounting method, the Authority accrues a net OPEB liability related to its participation in a multiple employer cost sharing OPEB plan. The effect of the change decreased beginning net position for 2018 by $49,695, from $211,541 to $161,846.

NOTE N – CONTINGENCY – UNCLE BOB FOUNDATION

In August 2005 the Uncle Bob Foundation, acting as a pass through entity, borrowed $98,600 from Commercial Federal Bank, through The Federal Home Loan Bank of Topeka's Affordable Housing Program. These funds were then loaned to White River Village LLP. The loan carries a zero interest rate and the loan will be forgiven after fifteen years (2020) as long as there is no default as identified in the loan agreement. The loan to the Uncle Bob Foundation and subsequent note receivable from the LLP are not recorded on the books of the Foundation due to the pass through nature of the loan and the remote possibility of a default.

REQUIRED SUPPLEMENTAL INFORMATION

Garfield County Housing Authority

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

December 31, 2018

Measurement date:	Employer proportion of NPL	Employer proportionate share of NPL	Employer covered payroll	Employer proportionate share of NPL as a percentage of covered payroll	Pension plan's fiduciary net position as a percentage of total pension liability
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%
December 31, 2017	0.05238%	583,204	330,432	176%	79.4%

Garfield County Housing Authority

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

December 31, 2018

	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%
December 31, 2018	43,332	43,332	-	341,657	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.

Garfield County Housing Authority

SCHEDULE OF ACTIVITY - NET OPEB LIABILITY

December 31, 2018

	Employer proportion of NOPEBL	Employer proportionate share of NOPEBL	Employer covered payroll	Employer proportionate share of NOPEBL as a percentage of covered payroll	OPEB plan's fiduciary net position as a percentage of total OPEB liability
Measurement date:					
December 31, 2017	0.00407%	$ 52,895	$ 330,432	16%	17.5%

Garfield County Housing Authority

SCHEDULE OF ACTIVITY - EMPLOYER OPEB CONTRIBUTIONS

December 31, 2018

	Required employer contribution	Employer contributions recognized by the plan	Difference	Employer covered payroll	Contributions as a percentage of employer covered payroll
December 31, 2018	$ 3,485	$ 3,485	$ -	$ 341,657	1.02%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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,	
ASSETS	General Administration	Valley Senior Housing
Current assets		
Cash and investments	$ 558,734	$ 16,701
Accounts receivable	8,542	595
Due from other funds	67,238	-
Prepaid expenses and deposits	6,107	-
Total current assets	640,621	17,296
Tenant security deposits	-	5,512
Restricted cash and investments		
Loan reserves	-	19,167
Other	2,113	-
Total restricted assets	2,113	19,167
Capital assets	29,241	177,196
Notes receivable	-	-
Total assets	671,975	219,171
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	85,968	-
OPEB related deferred outflows	3,735	-
Total deferred outflows of resources	89,703	-
LIABILITIES		
Current liabilities		
Accounts payable	417	1,968
Security deposits held	-	5,512
Due to other funds	3,808	66,461
Compensated absences, current portion	15,234	-
Current portion of long-term debt	-	7,495
Total current liabilities	19,459	81,436
Unearned revenue	-	-
Compensated absences, long-term	9,009	-
Long-term debt, net of current portion	-	437,073
Net pension liability	583,204	-
Net OPEB liability	52,896	-
Total liabilities	664,568	518,509
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows	119,477	-
OPEB related deferred inflows	1,131	-
Total deferred inflows of resources	120,608	-
NET POSITION		
Net investment in capital assets	29,241	(267,372)
Restricted for debt service, housing expenses, vouchers, and revolving loans	2,113	19,167
Unrestricted	(54,852)	(51,133)
Total net position	$ (23,498)	$ (299,338)

Housing Authority

POSITION - ALL PROGRAMS

2018

Section 8 Vouchers	Rehabilitation	Valley Senior Center	Down Payment Assistance	Eliminating Entries	Total
$ 22,850	$ 13,398	$ 2,795	$ -	$ -	$ 614,478
-	-	-	-	-	9,137
3,808	-	-	-	(71,046)	-
1,452	-	-	-	-	7,559
28,110	13,398	2,795	-	(71,046)	631,174
-	-	-	-	-	5,512
-	-	-	-	-	19,167
49,640	-	-	71,169	-	122,922
49,640	-	-	71,169	-	142,089
-	-	34,611	-	-	241,048
-	45,499	-	206,261	-	251,760
77,750	58,897	37,406	277,430	(71,046)	1,271,583
-	-	-	-	-	85,968
-	-	-	-	-	3,735
-	-	-	-	-	89,703
8,926	-	-	-	-	11,311
-	-	-	-	-	5,512
777	-	-	-	(71,046)	-
-	-	-	-	-	15,234
-	-	-	-	-	7,495
9,703	-	-	-	(71,046)	39,552
-	45,499	-	-	-	45,499
-	-	-	-	-	9,009
-	-	-	-	-	437,073
-	-	-	-	-	583,204
-	-	-	-	-	52,896
9,703	45,499	-	-	(71,046)	1,167,233
-	-	-	-	-	119,477
-	-	-	-	-	1,131
-	-	-	-	-	120,608
-	-	34,611	-	-	(203,520)
44,742	-	-	277,430	-	343,452
23,305	13,398	2,795	-	-	(66,487)
$ 68,047	$ 13,398	$ 37,406	$ 277,430	$ -	$ 73,445

SCHEDULE OF
REVENUES, EXPENSES,

Year ended

	General Administration	Valley Senior Housing	Section 8 Vouchers
Operating revenue			
Tenant rent income	$ -	$ 36,949	$ -
Rent income - HUD/USDA	-	54,552	3,541,190
Other administrative income	253,451	125	-
Other operating income	5	146	24,302
Total operating revenue	253,456	91,772	3,565,492
Operating expenses			
General and administrative	207,233	34,875	521,623
Housing assistance payments	-	-	3,139,256
Maintenance and operations	-	42,724	2,300
Depreciation	3,689	18,017	-
Total operating expenses	210,922	95,616	3,663,179
Net operating income (loss)	42,534	(3,844)	(97,687)
Non-operating revenue (expense)			
Grants in (out)	(114,000)	-	114,000
Interest income	1,589	4	72
Interest expense	-	(40,995)	-
Interest subsidy	-	34,439	-
Total non-operating revenue (expense)	(112,411)	(6,552)	114,072
Change in net position	(69,877)	(10,396)	16,385
Net position at beginning of year	96,074	(288,942)	51,662
Change in accounting principle	(49,695)	-	-
Net position at beginning of year, restated	46,379	(288,942)	51,662
Net position at end of year	$ (23,498)	$ (299,338)	$ 68,047

Housing Authority

INDIVIDUAL PROGRAM
AND CHANGES IN NET POSITION

December 31, 2018

Rehabilitation	Valley Senior Center	Down Payment Assistance	Eliminating Entries	Total
$ -	$ -	$ -	$ -	$ 36,949
-	-	-	-	3,595,742
-	-	-	(27,447)	226,129
1,416	2,440	6,626	-	34,935
1,416	2,440	6,626	(27,447)	3,893,755
-	160	38,557	(12,586)	789,862
-	-	-	-	3,139,256
-	-	-	(14,861)	30,163
-	1,825	-	-	23,531
-	1,985	38,557	(27,447)	3,982,812
1,416	455	(31,931)	-	(89,057)
-	-	-	-	-
31	-	5,516	-	7,212
-	-	-	-	(40,995)
-	-	-	-	34,439
31	-	5,516	-	656
1,447	455	(26,415)	-	(88,401)
11,951	36,951	303,845	-	211,541
-	-	-	-	(49,695)
11,951	36,951	303,845	-	161,846
$ 13,398	$ 37,406	$ 277,430	$ -	$ 73,445

Garfield County Housing Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2018

C.F.D.A PROGRAM TITLE	C.F.D.A PROGRAM NUMBER	AMOUNT OF EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Section 8 Housing Choice Vouchers (Housing Voucher Cluster)	14.871	$ 3,544,738
U.S. DEPARTMENT OF AGRICULTURE		
Rural Rental Housing Loans (includes interest subsidy of $34,439)	10.415	485,746
Rural Rental Assistance Payments	10.427	54,552
Total Federal Financial Assistance Expended		$ 4,085,036

The accompanying notes are an integral part of this schedule.

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:

	CFDA Program Number	Balance of Direct Loans
Rural Rental Housing Loans (balance at December 31, 2018)	10.415	$ 444,568

NOTE D - INDIRECT COST RATE

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

Chadwick, Steinkirchner, Davis & Co., P.C. Consultants and Certified Public Accountants

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 21, 2019

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, 2018, and the related notes to the financial statements, and have issued our report thereon dated February 21, 2019.

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.

2499 Hwy 6 & 50
Grand Junction, CO 81505-1106
www.csdcpa.com
e-mail info@csdcpa.com
970/245-3000
Fax 970/242-4716
Toll Free 877/245-8080

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 21, 2019

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, 2018. 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.

2499 Hwy 6 & 50
Grand Junction, CO 81505-1106
www.csdcpa.com
e-mail info@csdcpa.com
970/245-3000
Fax 970/242-4716
Toll Free 877/245-8080

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, 2018.

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, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified Opinion			
Internal control over financial reporting:				
Material weakness(es) identified?	______	yes	✓	no
Significant deficiency(ies) identified not considered to be material weaknesses?	______	yes	✓	none reported
Noncompliance material to financial statements noted?	______	yes	✓	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	______	yes	✓	no
Significant deficiency(ies) identified not considered to be material weaknesses?	______	yes	✓	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion			
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	______	yes	✓	no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.871	Housing Voucher Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?	✓	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, 2018

There were no prior year findings or questioned costs.

Chadwick, Steinkirchner, Davis & Co., P.C. Consultants and Certified Public Accountants

CSD

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION

March 8, 2019

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, 2018, and have issued our report thereon dated February 21, 2019. 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.

2499 Hwy 6 & 50
Grand Junction, CO 81505-1106
www.csdcpa.com
e-mail info@csdcpa.com
970/245-3000
Fax 970/242-4716
Toll Free 877/245-8080

Garfield County Housing Authority (CO095)
Rifle, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit   Fiscal Year End: 12/31/2018

	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	$16,701		$22,850	$574,927	$614,478		$614,478
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted	$19,167		$49,640	$73,282	$142,089		$142,089
114 Cash - Tenant Security Deposits	$5,512				$5,512		$5,512
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	$41,380	$0	$72,490	$648,209	$762,079	$0	$762,079
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government			$3,808	$9,319	$13,127	-$4,585	$8,542
125 Accounts Receivable - Miscellaneous							
126 Accounts Receivable - Tenants	$595				$595		$595
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			$72,239		$72,239		$72,239
128.1 Allowance for Doubtful Accounts - Fraud			-$72,239		-$72,239		-$72,239
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	$595	$0	$3,808	$9,319	$13,722	-$4,585	$9,137
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets			$1,452	$6,107	$7,559		$7,559
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From				$66,461	$66,461	-$66,461	$0
145 Assets Held for Sale							
150 Total Current Assets	$41,975	$0	$77,750	$730,096	$849,821	-$71,046	$778,775
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				$27,705	$27,705		$27,705
166 Accumulated Depreciation	-$411,502			-$71,579	-$483,081		-$483,081
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	$177,196	$0	$0	$63,852	$241,048	$0	$241,048
171 Notes, Loans and Mortgages Receivable - Non-Current				$251,760	$251,760		$251,760
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	$177,196	$0	$0	$315,612	$492,808	$0	$492,808
200 Deferred Outflow of Resources				$89,703	$89,703		$89,703
290 Total Assets and Deferred Outflow of Resources	$219,171	$0	$77,750	$1,135,411	$1,432,332	-$71,046	$1,361,286
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	$1,968		$9,703	$4,225	$15,896	-$4,585	$11,311
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable							
322 Accrued Compensated Absences - Current Portion				$15,234	$15,234		$15,234
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	$5,512				$5,512		$5,512
342 Unearned Revenue				$45,499	$45,499		$45,499
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$7,495				$7,495		$7,495
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To	$66,461				$66,461	-$66,461	$0
348 Loan Liability - Current							
310 Total Current Liabilities	$81,436	$0	$9,703	$64,958	$156,097	-$71,046	$85,051

351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$437,073				$437,073		$437,073
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current				$9,009	$9,009		$9,009
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities				$636,100	$636,100		$636,100
350 Total Non-Current Liabilities	$437,073	$0	$0	$645,109	$1,082,182	$0	$1,082,182
300 Total Liabilities	$518,509	$0	$9,703	$710,067	$1,238,279	-$71,046	$1,167,233
400 Deferred Inflow of Resources				$120,608	$120,608		$120,608
508.4 Net Investment in Capital Assets	-$267,372			$63,852	-$203,520		-$203,520
511.4 Restricted Net Position	$19,167		$44,742	$279,543	$343,452		$343,452
512.4 Unrestricted Net Position	-$51,133	$0	$23,305	-$38,659	-$66,487		-$66,487
513 Total Equity - Net Assets / Position	-$299,338	$0	$68,047	$304,736	$73,445	$0	$73,445
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$219,171	$0	$77,750	$1,135,411	$1,432,332	-$71,046	$1,361,286

Garfield County Housing Authority (CO095)

Rifle, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2018

	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	$36,949				$36,949		$36,949
70400 Tenant Revenue - Other	$271				$271		$271
70500 Total Tenant Revenue	$37,220	$0	$0	$0	$37,220	$0	$37,220
70600 HUD PHA Operating Grants	$34,439		$3,541,190		$3,575,629		$3,575,629
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		$54,552	$114,000		$168,552	-$114,000	$54,552
71100 Investment Income - Unrestricted	$4		$72	$7,136	$7,212		$7,212
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery			$24,302		$24,302		$24,302
71500 Other Revenue				$263,938	$263,938	-$27,447	$236,491
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	$71,663	$54,552	$3,679,564	$271,074	$4,076,853	-$141,447	$3,935,406
91100 Administrative Salaries			$290,281	$58,342	$348,623		$348,623
91200 Auditing Fees	$946		$8,695		$9,641		$9,641
91300 Management Fee		$8,618			$8,618	-$8,618	$0
91310 Book-keeping Fee							
91400 Advertising and Marketing	$172		$113		$285		$285
91500 Employee Benefit contributions - Administrative			$102,892	$108,240	$211,132		$211,132
91600 Office Expenses	$861	$493	$101,861	$19,871	$123,086		$123,086

91700 Legal Expense	$1,192		$473	$816	$2,481		$2,481
91800 Travel	$826		$3,342	$2,642	$6,810		$6,810
91810 Allocated Overhead							
91900 Other			$2,324	$128,889	$131,213	-$115,284	$15,929
91000 Total Operating - Administrative	$3,997	$9,111	$509,981	$318,800	$841,889	-$123,902	$717,987
92000 Asset Management Fee							
92100 Tenant Services - Salaries		$12,586			$12,586	-$12,586	$0
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services		$4,959			$4,959	-$4,959	$0
92400 Tenant Services - Other							
92500 Total Tenant Services	$0	$17,545	$0	$0	$17,545	-$17,545	$0
93100 Water	$4,666				$4,666		$4,666
93200 Electricity	$959				$959		$959
93300 Gas	$3,702				$3,702		$3,702
93400 Fuel							
93500 Labor							
93600 Sewer	$1,870				$1,870		$1,870
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	$11,197	$0	$0	$0	$11,197	$0	$11,197
94100 Ordinary Maintenance and Operations - Labor		$6,549			$6,549		$6,549
94200 Ordinary Maintenance and Operations - Materials and Other	$2,124	$15,725	$6,682	$637	$25,168		$25,168
94300 Ordinary Maintenance and Operations Contracts	$1,507	$5,622			$7,129		$7,129
94500 Employee Benefit Contributions - Ordinary Maintenance							
94000 Total Maintenance	$3,631	$27,896	$6,682	$637	$38,846	$0	$38,846
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	$2,882				$2,882		$2,882
96120 Liability Insurance				$5,095	$5,095		$5,095
96130 Workmen's Compensation	$324		$5,186	$264	$5,774		$5,774
96140 All Other Insurance	$1,016		$2,075	$159	$3,250		$3,250
96100 Total Insurance Premiums	$4,222	$0	$7,261	$5,518	$17,001	$0	$17,001

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				$34,995	$34,995		$34,995
96800 Severance Expense							
96000 Total Other General Expenses	$0	$0	$0	$34,995	$34,995	$0	$34,995
96710 Interest of Mortgage (or Bonds) Payable	$40,995				$40,995		$40,995
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs							
96700 Total Interest Expense and Amortization Cost	$40,995	$0	$0	$0	$40,995	$0	$40,995
96900 Total Operating Expenses	$64,042	$54,552	$523,924	$359,950	$1,002,468	-$141,447	$861,021
97000 Excess of Operating Revenue over Operating Expenses	$7,621	$0	$3,155,640	-$88,876	$3,074,385	$0	$3,074,385
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			$3,139,255		$3,139,255		$3,139,255
97350 HAP Portability-In							
97400 Depreciation Expense	$18,017			$5,514	$23,531		$23,531
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	$82,059	$54,552	$3,663,179	$365,464	$4,165,254	-$141,447	$4,023,807
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	-$10,396	$0	$16,385	-$94,390	-$88,401	$0	-$88,401
11020 Required Annual Debt Principal Payments	$6,738	$0	$0	$0	$6,738		$6,738
11030 Beginning Equity	-$288,942	$0	$51,662	$448,821	$211,541		$211,541
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				-$49,695	-$49,695		-$49,695
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			$23,305		$23,305		$23,305
11180 Housing Assistance Payments Equity			$44,742		$44,742		$44,742
11190 Unit Months Available	132	0	5201	0	5333		5333
11210 Number of Unit Months Leased	115	0	5201	0	5316		5316
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							