

CENTER HOUSING AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2019

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Center Housing Authority

We have audited the accompanying financial statements of the business-type activities of Center Housing Authority as of and for the year ended June 30, 2019, which collectively comprise the Authority's basic financial statements as listed in the table of contents and the notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, of the Center Housing Authority as of June 30, 2019, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other-Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Authority's Proportionate Share of the Net Pension Liability – PERA, Schedule of Pension Contributions – PERA, Schedule of the Authority's Proportionate Share of the Net OPEB Liability – PERA and Schedule of OPEB Contributions – PERA as listed in the table of contents, 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.

The financial data schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate 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.

A handwritten signature in cursive script that reads "Gurn & Associates LLP". The signature is written in black ink and is positioned above the date and location text.

December 19, 2019
Brighton, CO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management Discussion and Analysis

As management of the Center Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2019.

Financial Highlights

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$647,699.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statement. The Authority's financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as an underlying event giving rise to the change occurs, regardless of the time of related cash flows.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Authority has one proprietary fund, an Enterprise Fund. The Authority uses an Enterprise Fund to account for its low income affordable housing activities. Note 1 to the financial statements provides additional information on Authority's funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found beginning on page 9.

Financial Analysis

As noted, Net Position may, over time serve as a useful indicator of the Authority's financial position. The largest portion of the Authority's Net Position reflects its investment in capital assets (e.g. land improvements, building, and equipment), less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide affordable low rent housing to its tenants and are not available for future spending.

Condensed Statement of Net Position

	2019	2018	Change
ASSETS			
Cash and cash equivalents	\$ 355,153	\$ 274,512	\$ 80,641
Other current assets	18,798	19,632	(834)
Capital assets	521,412	523,633	(2,221)
Total Assets	<u>895,363</u>	<u>817,777</u>	<u>77,586</u>
Deferred Outflows of Resources	<u>49,370</u>	<u>22,675</u>	<u>26,695</u>
LIABILITIES			
Current liabilities	29,726	38,747	(9,021)
Long term liabilities	257,248	238,820	18,428
Total liabilities	<u>286,974</u>	<u>277,567</u>	<u>9,407</u>
Deferred Inflows of Resources	<u>10,060</u>	<u>44,383</u>	<u>(34,323)</u>
NET POSITION			
Net investment in capital assets	521,412	523,633	(2,221)
Restricted - HAP	8,974	8,315	659
Unrestricted	117,313	(13,446)	130,759
Total Net Position	<u>\$ 647,699</u>	<u>\$ 518,502</u>	<u>\$ 129,197</u>

As of the current fiscal year, as well as in the previous fiscal year, the Authority is able to report a positive balance in the Net Position. Capital assets have decreased over the prior year. This is due to improvements added during year 2019 in an amount less than the depreciation incurred during 2019. Current assets have increased due to an increase in cash as a result of operations. Current liabilities have increased due to the normal timing of payments. Long Term liabilities have increased due to changes in the net pension liability. The net position decreased due to expenses exceeding revenues for the year.

	Change in Net Position		
	2019	2018	Increase (Decrease)
Revenue:			
Operating Revenue			
Charges for Services	\$ 142,398	\$ 147,031	\$ (4,633)
Grants and Contribution	370,743	215,030	155,713
Other Income	792	520	272
Total Revenue	<u>513,933</u>	<u>362,581</u>	<u>151,352</u>
Expenses:			
Operating Expenses	304,892	368,821	(63,929)
Non Operating Expenses	79,844	77,092	2,752
Total Expenses	<u>384,736</u>	<u>445,913</u>	<u>(61,177)</u>
Change in Net Position	129,197	(83,332)	212,529
Net Position-Beginning	518,502	601,834	(83,332)
Net Position-Ending	<u>\$ 647,699</u>	<u>\$ 518,502</u>	<u>\$ 129,197</u>

The revenue is increased in 2019, from the prior year due to an increase in grants and capital contributions and rental income. The expenses are decreased due cost savings in maintenance and operation expenses and pension related expenses.

Cash Flows

	2019	2018	Increase (Decrease)
Cash Flows Used by Operating Activities	\$ (136,443)	\$ (95,537)	\$ (40,906)
Cash Flows From (Used) by Non Capital Financing Activities	98,266	103,628	(5,362)
Cash Flows From (Used) by Capital and Related Financing Activities	118,026	(9,690)	127,716
Cash Flows From (Used) by Investing Activities	792	520	272
Change in Cash and Cash Equivalents	<u>80,641</u>	<u>(1,079)</u>	<u>81,720</u>
Cash and Cash Equivalents Beginning of Year	274,512	275,591	(1,079)
Cash and Cash Equivalents Ending of Year	<u>\$ 355,153</u>	<u>\$ 274,512</u>	<u>\$ 80,641</u>

Capital Assets

The Authority's investment in capital assets as of June 30, 2019, amounts to \$521,412 (net of accumulated depreciation). This investment in capital assets included Land Improvements, Building and Equipment. The Authority's capital expenditures were \$75,145 during fiscal year 2019. The only disposals were fully depreciated items. Additional information on the Authority's capital assets can be found in note 3 to the financial statements.

Long Term Debt

At the end of the year, the Authority did not have any outstanding debt.

Economic Factors and Next Year's Revenue

The Authority does not receive any revenue by taxes. Due to changing market conditions there have been fluctuations in vacancy rates.

Request for Information

This financial report is designed to provide an overview of the Center Housing Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to:

Center Housing Authority
138 S Worth Street
Center, CO 81125

BASIC FINANCIAL STATEMENTS

**CENTER HOUSING AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2019**

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 346,036
Tenants Receivable (net of bad debt allowance)	584
Other Receivables	12,948
Prepaid Expenses	5,266
Cash Security Deposit - Restricted	9,117
Total Current Assets	373,951
Non Current Assets	
Capital Assets	
Land	66,730
Building and Improvements	3,079,738
Equipment	130,978
Less Accumulated Depreciation	(2,756,034)
Total Capital Assets Net of Depreciation	521,412
Total Noncurrent Assets	521,412
TOTAL ASSETS	895,363

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows - Pensions	48,389
Deferred Outflows - OPEB	981
Total Deferred Outflows of Resources	49,370

LIABILITIES

Current Liabilities	
Accounts Payable	9,063
Other Accrued Liabilities	5,631
Tenant Security Deposits	9,117
Accrued Compensated Absences	5,915
Total Current Liabilities	29,726
Noncurrent Liabilities:	
Net Pension Liability	237,330
Net OPEB Liability	19,918
Total Noncurrent Liabilities	257,248
TOTAL LIABILITIES	286,974

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows- Pensions	10,030
Deferred Inflows- OPEB	30
Total Deferred Inflows of Resources	10,060

NET POSITION

Net Investment in Capital Assets	521,412
Restricted - HAP	8,974
Unrestricted	117,313
TOTAL NET POSITION	\$ 647,699

See the accompanying Independent Auditors' Report

CENTER HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

OPERATING REVENUES:	
Dwelling Rental	\$ 133,097
Other Income	9,301
TOTAL OPERATING REVENUES	<u>142,398</u>
OPERATING EXPENSES:	
General and Administrative	121,419
Utilities	19,031
Maintenance and Operation	87,076
Depreciation	77,366
TOTAL OPERATING EXPENSES	<u>304,892</u>
OPERATING (LOSS)	<u>(162,494)</u>
NON OPERATING REVENUES (EXPENSES):	
Governmental Grants	177,572
Housing Assistance Payments	(79,844)
Interest Income	792
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>98,520</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	(63,974)
Capital Contributions - HUD	193,171
CHANGE IN NET POSITION	<u>129,197</u>
NET POSITION - BEGINNING	518,502
NET POSITION - ENDING	<u>\$ 647,699</u>

See the accompanying Independent Auditors' Report

**CENTER HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

Cash Flows From Operating Activities:	
Cash Received from Tenants	\$ 142,465
Cash Paid to Employees	(153,723)
Cash Paid to Suppliers	<u>(125,185)</u>
Net Cash (Used) by Operating Activities	<u>(136,443)</u>
Cash Flows From Noncapital Financing Activities:	
Government Grants	178,110
Housing Assistance Payments	<u>(79,844)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>98,266</u>
Cash Flows From Capital and Related Financing Activities:	
Purchase of Property, Plant and Equipment	(75,145)
HUD Capital Grant	<u>193,171</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>118,026</u>
Cash Flows from Investing Activities:	
Interest Income	<u>792</u>
Net Cash Provided by the Investing Activities	<u>792</u>
Net Increase (Decrease) in Cash and Cash Equivalents	80,641
Cash and Cash Equivalents, Beginning	<u>274,512</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 355,153</u></u>
Detail of cash and cash equivalents:	
Cash	346,036
Cash -security deposit	<u>9,117</u>
Total cash and cash equivalents	<u><u>\$ 355,153</u></u>
Reconciliation of Operating Income to Net	
Cash Used for Operating Activities:	
Operating Loss	\$ (162,494)
Adjustments to Reconcile Operating Loss to	
Net Cash Used for Operating Activities:	
Depreciation	77,366
Pension related changes	(42,590)
Changes in Assets and Liabilities:	
Accounts Receivable - Tenants	(534)
Prepaid Expenses	830
Accounts Payable	(7,582)
Security Deposit	601
Other Accrued Liabilities	(2,903)
Compensated Absences	863
Net Cash (Used) by Operating Activities	<u><u>\$ (136,443)</u></u>

See the accompanying Independent Auditors' Report

Center Housing Authority
Notes to Financial Statements
June 30, 2019

Note 1 Summary of Significant Accounting Policies

The Center Housing Authority (the Authority) was established in 1974 in order to provide low income housing. The Authority is managed by a Board of Commissioners. The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP). The significant accounting policies of the Authority are described below.

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the Authority's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, "The Financial Reporting Entity" as amended by GASB No. 39. GASB pronouncements set forth the financial accountability of governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. Based upon the application of these criteria, no entities will be included in the Authority's reporting entity.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Enterprise fund accounting is utilized by the Authority in accordance with accounting principles generally accepted in the United States of America.

Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets. Retirement of bonds is recorded as a reduction of liabilities.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to tenants for rent. Operating expenses include the cost of providing low income housing, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Authority applies GASB pronouncements in the financial statements. The Authority follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Statement No. 34 establishes standards for external financial reporting for all state and local governmental entities which includes a management's discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows.

It requires the classification of net position into three components: Net investment in capital assets; restricted; and unrestricted. When both restricted and unrestricted assets are available to be used it is the Authority's policy to utilize restricted assets first.

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 1 Summary of Significant Accounting Policies (Continued)
Basis of Accounting (continued)

Proprietary Fund – The Authority’s operations are accounted for in a single enterprise fund. Enterprise Funds account for those operations financed and operated in a manner similar to private business or where the Authority has decided that determination of revenues earned, costs incurred, and net income is necessary for management accountability. The Authority has the following programs within the Enterprise Fund.

Low Rent- This program consists of 30 public housing units. Under this program HUD provides funding under an annual contribution contract and the capital fund program.

Rural Development – This program consists of a 10-unit apartment complex financed by the U.S. Department of Agriculture.

Housing Choice Vouchers – This program consists of the administration of 25 section 8 affordable housing vouchers.

State and Local Funds - Accounts for general operations and revenues of the Authority.

Assets and Liabilities

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital assets - assets are stated at cost or estimated cost. The capitalization threshold for fixed assets is \$5,000. Depreciation over the estimated useful lives of the assets is computed using the straight-line method. The estimated useful lives are 10-40 years for buildings and improvements, and 3-10 years for equipment.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as investments (including restricted assets) with maturity of three months or less at date of acquisition. The Authority considers certificates of deposit with maturities of more than three months at date of purchase as investments.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results may differ from the estimates.

Compensated Absences

The Authority’s personnel policies permit employees to accrue compensated absences. Permanent employees will be compensated for 1/3 of their sick time and all of their accrued vacation upon termination of their employment with the Authority.

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 1 Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

The Authority adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- State law requires budgets for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The Authority Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Authority Board or revised by the Authority Board.

Short-Term Inter-program Receivables/Payables and Transfers

During the course of operations, transactions may occur between individual programs for the goods provided or services rendered. These receivables and payables are classified as due from other programs or due to other programs on the balance sheet and have been eliminated in the government wide statement of net position. The outstanding balances between programs result mainly from the time lag between the dates that (1) transactions are recorded in the accounting system, and (2) payments between programs are made. The composition of inter program balances as of June 30, 2019, is as follows:

<u>Due From Other Programs</u>		<u>Due (to) Other Programs</u>			
Program	Low Rent	Rural Development	Housing Choice Vouchers	State and Local	Total
Low Rent	\$ -	\$ (3,637)	\$ (4,593)	\$ 1,692	\$ (6,538)
Rural Development	3,637				3,637
Housing Choice Vouchers	4,593	-	-	-	4,593
State and Local	(1,692)	-	-	-	(1,692)
Total	\$ 6,538	\$ (3,637)	\$ (4,593)	\$ 1,692	\$ -

Note 2 Cash and Investments

Restricted Cash

Security deposits received from tenants are classified as restricted on the Statement of Net Position in the amount of \$9,117 as of June 30, 2019.

Cash Deposits

As of June 30, 2019, the Authority's cash deposits had a carrying balance of \$28,148 and corresponding bank balance of \$30,277. The Authority had investments in money market accounts with a book balance of \$327,005 and a bank balance of \$327,005, of which \$250,000 was FDIC insured.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible **Note 2 Cash**

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

and Investments (Continued)

collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Authority had \$107,282 collateralized under PDPA at June 30, 2019, accordingly the Authority was not exposed to credit risk.

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of June 30, 2019, none of the Authority's bank deposits were exposed to custodial credit risk.

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

- Obligations of the United States and certain United States government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities.
- Bankers' acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

The Authority has not adopted a formal investment policy.

Note 3 Capital Assets

The following is a summary of fixed assets at June 30, 2019:

	Beginning Balance	Increase	Decrease	Ending Balance
Non-depreciable				
Land	\$ 66,730	\$ -	\$ -	\$ 66,730
Total non-depreciable	<u>66,730</u>	<u>-</u>	<u>-</u>	<u>66,730</u>
Capital assets, being depreciated:				
Buildings and improvements	3,017,853	61,885	-	3,079,738
Equipment	125,517	13,260	(7,799)	130,978
Total capital assets being depreciated	<u>3,143,370</u>	<u>75,145</u>	<u>(7,799)</u>	<u>3,210,716</u>
Total Capital Assets	3,210,100	75,145	(7,799)	3,277,446
Less accumulated depreciation	<u>(2,686,467)</u>	<u>(77,366)</u>	<u>7,799</u>	<u>(2,756,034)</u>
Net Capital Assets	<u>\$ 523,633</u>	<u>\$ (2,221)</u>	<u>\$ -</u>	<u>\$ 521,412</u>

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 4 Tenant Receivable

Following is detail of Tenant Receivable

	Low Rent / Section 8	Rural Development	Total
Tenant Receivable	\$ -	\$ 200	\$ 200
Bad Debt Allowance	384	-	384
Net Receivable	<u>\$ 384</u>	<u>\$ 200</u>	<u>\$ 584</u>

Note 5 Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Center Housing Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan 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.

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*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF that were in effect on the LGDTF’s December 31, 2018 measurement date are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates for the LGDTF 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, increases 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, the direct distribution from the State, 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 members of the Local Government Division hired on or after January 1, 2019. 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

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 5 Defined Benefit Pension Plan (Continued)

otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

General Information about the Pension Plan

Plan description. Eligible employees of Center Housing 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 (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2018. 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

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 5 Defined Benefit Pension Plan (Continued)

amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lessor of an annual increase of 1.5 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. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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 lifetime retirement benefit formula(s) 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 June 30, 2019: Eligible employees Center Housing 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.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements during the period of are summarized in the table below

	January 1, 2018 Through December 31, 2019
Employer contribution rate	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Total employer contribution rate to the LGDTF	12.68%

**Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019**

Note 5 Defined Benefit Pension Plan (Continued)

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Center Housing Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Center Housing Authority were \$15,615 for the year ended June 30, 2019.

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

At June 30, 2019 Center Housing Authority reported a liability of \$237,330 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. Center Housing Authority proportion of the net pension liability was based Center Housing Authority contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, Center Housing Authority proportion was .0188774597 percent, which was a decrease of .0007880225 percent from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019 the Center Housing Authority recognized pension expense of \$(26,323). At June 30, 2019 Center Housing Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 9,924	\$0
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on pension plan investments	30,906	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	10,030
Contributions subsequent to the measurement date	7,559	N/A
Total	\$48,389	\$10,030

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 5 Defined Benefit Pension Plan (Continued)

\$7,559 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 June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,	
2020	\$13,737
2021	2,718
2022	1,722
2023	12,623
2024	0
Thereafter	\$0

Actuarial assumptions. The total pension liability in the December 31, 2017 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 compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually,
thereafter	
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 5 Defined Benefit Pension Plan (Continued)

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

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

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

For disabled retirees, the mortality assumption was 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.

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:

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 5 Defined Benefit Pension Plan (Continued)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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 member contribution rates in effect for each year, including scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, 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.

**Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019**

Note 5 Defined Benefit Pension Plan (Continued)

- Employer contributions and the amount of total service costs for future plan members were based upon a process 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. 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 middle of the year.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	363,066	237,330	132,139

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

Changes subsequent to the measurement date

During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

**Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019**

Note 5 Defined Benefit Pension Plan (Continued)

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description - Employees of Center Housing 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 CAFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Contribution Retirement Plan (DC Plan)

Plan Description – Employees of the LGDTF that were hired on or after January 1, 2019 which were eligible to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, have the option to participate in the LGDTF or the Defined Contribution Retirement Plan (PERA DC Plan). The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA’s CAFR as referred to above.

Funding Policy – All participating employees in the PERA DC Plan and Center Housing Authority are required to contribute a percentage of the participating employees’ PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period are summarized in the tables below :

	January 1, 2018 Through December 31, 2018	January 1, 2019 Through June 30, 2019	July 1, 2019 Through June 30, 2020
Employee contribution Rates:	8.00%	8.00%	8.75%
Employer Contribution Rates (On behalf of participating employees):	10.00%	10.00%	10.00%

**Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019**

Note 5 Defined Benefit Pension Plan (Continued)

Additionally the employers are required to contribute AED and SAED to the LGDTF as follows:

	As of June 30, 2019
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%
Total employer contribution rate to the LGDTF¹	3.50%

Contribution rates for the DC Plan are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed \$0 and the Center Housing Authority recognized pension expense and a liability of \$0 and \$0, respectively, for the PERA DC Plan.

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Center Housing 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 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.

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

General Information about the OPEB Plan

Plan description. Eligible employees of Center Housing 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 (CAFR) 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.

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

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

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 Center Housing Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF for the year ended were \$1,256.

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

At June 30, 2019 Center Housing Authority reported a liability of \$19,918 for its proportionate share of the net OPEB liability. The net OPEB

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. Center Housing Authority proportion of the net OPEB liability was based Housing Authority of the City of Walsenburg contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, Center Housing Authority proportion was .0014639441 percent, which was a decrease of .000000641746 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019 Center Housing Authority recognized OPEB expense of \$(18,967). At June 30, 2019, Center Housing Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$72	\$30
Changes of assumptions or other inputs	140	0
Net difference between projected and actual earnings on OPEB plan investments	115	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	46	0
Contributions subsequent to the measurement date	608	N/A
Total	\$981	\$30

\$608 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 June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

Year ended June 30	
2020	\$48
2021	48
2022	48
2023	128
2024	23
Thereafter	\$48

Actuarial assumptions. The total OPEB liability in the December 31, 2017 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	3.25 percent for 2018, gradually rising to 5.00 percent in 2025
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.

The actuarial assumptions used in the December 31, 2017, 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 27, 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 discussed below.

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, 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.

**Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019**

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

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
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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.
- **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:

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

- 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 health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- 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 2018 plan year.
- 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 long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

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

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

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 Center Housing 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	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$22,286	\$19,918	\$17,893

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, 2018, measurement date.

**Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019**

Note 6 Defined Benefit Other Post Employment Benefit (OPEB) Plan

- 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process 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 middle of the year.

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 Center Housing 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	\$22,286	\$19,918	\$17,893

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 7 Restricted Net Position

The Authority has restricted net position of \$8,774 at June 30, 2019 relating to money received under the section 8 voucher program that had yet to be spent. This money can only be used to provide housing assistance payments under the section 8 program.

Center Housing Authority
Notes to Financial Statements (Continued)
June 30, 2019

Note 8 Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The Authority carries commercial insurance for these risks of loss. The Authority has not experienced losses that exceeded commercial coverage in any of the last three years.

Note 9 Contingencies

The Authority participates in a number of federal, state, and local programs that are funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenses have not been audited, but the Authority believes that disallowed expenses, if any, will not have a material effect on any of the individual funds or the overall financial position of the Authority.

Note 10 TABOR

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded, unless the local electorate votes to retain the revenue. The Tabor Amendment is subject to many interpretations, however, the Authority believes it is exempt because it receives no taxes and is funded primarily by federal grants and contributions.

Note 11 Economic Dependency

The Authority is economically dependent on annual contributions and grants received from HUD. The extent of this funding from HUD depends upon appropriations from the Federal government.

REQUIRED SUPPLEMENTAL INFORMATION

Center Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability - PERA
Last 10 Fiscal Years *

	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	0.0188774597%	0.0196654822%	0.0198514337%	0.0204680670%	#####	0.0218089127%
Authority's proportional share of the net pension liability	\$ 237,330	\$ 218,960	\$ 268,063	\$ 225,496	\$ 187,721	\$ 179,470
Authority's covered payroll	123,145	126,549	128,398	116,253	113,041	116,343
Total pension liability	5,228,602,000	5,396,516,000	5,123,847,000	4,762,090,000	4,647,777,000	4,517,239,000
Plan fiduciary net position	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000	3,751,468,000	3,508,312,000
Net pension liability	<u>\$1,257,213,000</u>	<u>\$ 1,113,430,000</u>	<u>\$ 1,350,341,000</u>	<u>\$ 1,101,581,000</u>	<u>\$ 896,309,000</u>	<u>#####</u>
Plan fiduciary net position as a percentage of the total pension liability	76.0%	79.4%	73.6%	76.9%	80.7%	77.7%
Net pension liability as a percentage of covered payroll	193%	173%	209%	194%	166%	154%

** The remaining years will be presented when they become available until 10 years are shown.

**Center Housing Authority
Required Supplementary Information
Schedule of Pension Contributions - PERA
Last 10 Fiscal Years ****

	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	15,615	16,046	16,281	14,741	14,334	14,753
Contributions in Relation to the Statutorily Required Contribution	15,615	16,046	16,281	14,741	14,334	14,753
<hr/>						
Contribution Deficiency (Excess)	-	-	-	-	-	-
<hr/>						
Covered Payroll	123,145	126,549	128,398	116,253	113,041	116,343
Contributions as a % of Covered Payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

** The remaining years will be presented when they become available until 10 years are shown.

Center Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the OPEB Liability - PERA
Last 10 Fiscal Years **

	2019	2018	2017
Authority's proportion of the net OPEB liability	0.0014639441%	0.0015281187%	0.0015281187%
Authority's proportional share of the net OPEB liability	\$ 19,918	\$ 19,859	\$ 19,757
Authority's covered payroll	123,145	126,549	128,398
Total OPEB liability	1,639,734,000	1,575,822,000	1,556,762,000
Plan fiduciary net position	279,192,000	276,222,000	260,228,000
Net OPEB liability	<u>\$ 1,360,542,000</u>	<u>\$ 1,299,600,000</u>	<u>\$ 1,296,534,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	17.0%	17.5%	16.7%
Net OPEB liability as a percentage of covered payroll	16%	16%	15%

** The remaining years will be presented when they become available until 10 years are shown.

**Center Housing Authority
Required Supplementary Information
Schedule of OPEB Contributions - PERA
Last 10 Fiscal Years ****

Measurement date for the year ending December 31,	2019	2018	2017
Statorily Required Contribution	1,256	1,291	1,310
Contributions in Relation to the Statorily Required Contribution	1,256	1,291	1,310
Contribution Deficiency (Excess)	-	-	-
Covered Payroll	123,145	126,549	128,398
Contributions as a % of Covered Payroll	1.02%	1.02%	1.02%

** The remaining years will be presented when they become available until 10 years are shown.

SUPPLEMENTAL SECTION

Center Housing Authority (CO043)
CENTER, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$5,408		\$13,780	\$680	\$19,868		\$19,868
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted		\$8,279			\$8,279		\$8,279
114 Cash - Tenant Security Deposits	\$6,537			\$2,580	\$9,117		\$9,117
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$11,945	\$8,279	\$13,780	\$3,260	\$37,264		\$37,264
121 Accounts Receivable - PHA Projects	\$6,538				\$6,538		\$6,538
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government				\$12,948	\$12,948		\$12,948
125 Accounts Receivable - Miscellaneous		\$384	\$1,692		\$2,076		\$2,076
126 Accounts Receivable - Tenants				\$200	\$200		\$200
126.1 Allowance for Doubtful Accounts - Tenants				\$0	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud							
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$6,538	\$384	\$1,692	\$13,148	\$21,762		\$21,762
131 Investments - Unrestricted	\$155,362			\$162,526	\$317,888		\$317,888
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$3,988			\$1,278	\$5,266		\$5,266
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From			\$0		\$0		\$0
145 Assets Held for Sale							
150 Total Current Assets	\$177,833	\$8,663	\$15,472	\$180,212	\$382,180		\$382,180
161 Land	\$55,260			\$11,470	\$66,730		\$66,730
162 Buildings	\$2,339,508			\$625,183	\$2,964,691		\$2,964,691
163 Furniture, Equipment & Machinery - Dwellings	\$43,590			\$7,910	\$51,500		\$51,500
164 Furniture, Equipment & Machinery - Administration	\$83,481			\$12,593	\$96,074		\$96,074
165 Leasehold Improvements	\$53,252			\$45,200	\$98,452		\$98,452
166 Accumulated Depreciation	-\$2,193,287			-\$562,747	-\$2,756,034		-\$2,756,034
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$381,804	\$0	\$0	\$139,609	\$521,413		\$521,413
171 Notes, Loans and Mortgages Receivable - Non-Current							
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	\$381,804	\$0	\$0	\$139,609	\$521,413		\$521,413
200 Deferred Outflow of Resources	\$34,721	\$3,304		\$11,345	\$49,370		\$49,370
290 Total Assets and Deferred Outflow of Resources	\$594,358	\$11,967	\$15,472	\$331,166	\$952,963		\$952,963
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$5,776	\$1,257	\$60	\$1,969	\$9,062		\$9,062
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$3,971	\$501		\$1,158	\$5,630		\$5,630
322 Accrued Compensated Absences - Current Portion	\$4,212	\$362		\$1,341	\$5,915		\$5,915
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects		\$4,593		\$3,637	\$8,230		\$8,230
333 Accounts Payable - Other Government							
341 Tenant Security Deposits	\$6,537			\$2,580	\$9,117		\$9,117
342 Unearned Revenue							
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To							

See the accompanying Independent Auditor's report

Center Housing Authority (CO043)
CENTER, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

348 Loan Liability - Current							
310 Total Current Liabilities	\$20,496	\$6,713	\$60	\$10,685	\$37,954		\$37,954
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current							
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities	\$180,917	\$17,213	\$0	\$59,118	\$257,248		\$257,248
350 Total Non-Current Liabilities	\$180,917	\$17,213	\$0	\$59,118	\$257,248		\$257,248
300 Total Liabilities	\$201,413	\$23,926	\$60	\$69,803	\$295,202		\$295,202
400 Deferred Inflow of Resources	\$7,075	\$673		\$2,312	\$10,060		\$10,060
508.4 Net Investment in Capital Assets	\$381,804	\$0	\$0	\$139,609	\$521,413		\$521,413
511.4 Restricted Net Position	\$0	\$8,974	\$0		\$8,974		\$8,974
512.4 Unrestricted Net Position	\$4,066	-\$21,606	\$15,412	\$119,442	\$117,314		\$117,314
513 Total Equity - Net Assets / Position	\$385,870	-\$12,632	\$15,412	\$259,051	\$647,701		\$647,701
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$594,358	\$11,967	\$15,472	\$331,166	\$952,963		\$952,963

Center Housing Authority (CO043)
CENTER, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$94,884			\$38,213	\$133,097		\$133,097
70400 Tenant Revenue - Other	\$3,488				\$3,488		\$3,488
70500 Total Tenant Revenue	\$98,372	\$0	\$0	\$38,213	\$136,585	\$0	\$136,585
70600 HUD PHA Operating Grants	\$216,645	\$83,377			\$300,022		\$300,022
70610 Capital Grants	\$14,696				\$14,696		\$14,696
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				\$55,487	\$55,487		\$55,487
71100 Investment Income - Unrestricted	\$80	\$28		\$683	\$791		\$791
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery		\$538			\$538		\$538
71500 Other Revenue	\$485		\$4,678	\$295	\$5,458		\$5,458
71600 Gain or Loss on Sale of Capital Assets	\$355				\$355		\$355
72000 Investment Income - Restricted							
70000 Total Revenue	\$330,633	\$83,943	\$4,678	\$94,678	\$513,932	\$0	\$513,932
91100 Administrative Salaries	\$62,033	\$8,061	\$600	\$20,361	\$91,055		\$91,055
91200 Auditing Fees	\$5,700	\$2,500		\$1,800	\$10,000		\$10,000
91300 Management Fee				\$50	\$50		\$50
91310 Book-keeping Fee							
91400 Advertising and Marketing	\$143				\$143		\$143
91500 Employee Benefit contributions - Administrative	\$2,427	\$1,417	-\$3,891	-\$10,770	-\$10,817		-\$10,817
91600 Office Expenses	\$6,817	\$513	\$85	\$1,615	\$9,030		\$9,030
91700 Legal Expense							
91800 Travel	\$2,199		\$111		\$2,310		\$2,310
91810 Allocated Overhead							
91900 Other	\$3,939	\$1,850	\$998		\$6,787		\$6,787
91000 Total Operating - Administrative	\$83,258	\$14,341	-\$2,097	\$13,056	\$108,558	\$0	\$108,558
92000 Asset Management Fee							
92100 Tenant Services - Salaries							
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services							
92400 Tenant Services - Other	\$128				\$128		\$128
92500 Total Tenant Services	\$128	\$0	\$0	\$0	\$128	\$0	\$128
93100 Water	\$581			\$5,173	\$5,754		\$5,754
93200 Electricity	\$1,014			\$11,430	\$12,444		\$12,444
93300 Gas	\$5,621			\$338	\$5,959		\$5,959
93400 Fuel							
93500 Labor							
93600 Sewer							
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense	\$385			\$3,398	\$3,783		\$3,783
93000 Total Utilities	\$7,601	\$0	\$0	\$20,339	\$27,940	\$0	\$27,940
94100 Ordinary Maintenance and Operations - Labor	\$22,555		\$1,231	\$7,518	\$31,304		\$31,304
94200 Ordinary Maintenance and Operations - Materials and Other	\$8,118			\$1,079	\$9,197		\$9,197
94300 Ordinary Maintenance and Operations Contracts	\$12,928		\$578	\$5,725	\$19,231		\$19,231
94500 Employee Benefit Contributions - Ordinary Maintenance	\$10,426			\$1,918	\$12,344		\$12,344
94000 Total Maintenance	\$54,027	\$0	\$1,809	\$16,240	\$72,076	\$0	\$72,076
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	\$5,369			\$1,790	\$7,159		\$7,159
96120 Liability Insurance							
96130 Workmen's Compensation	\$4,695			\$618	\$5,313		\$5,313
96140 All Other Insurance	\$895			\$306	\$1,201		\$1,201
96100 Total Insurance Premiums	\$10,959	\$0	\$0	\$2,714	\$13,673	\$0	\$13,673

See the accompanying Independent Auditor's report

Center Housing Authority (CO043)
CENTER, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

96200 Other General Expenses							
96210 Compensated Absences	\$729	\$56		\$78	\$863		\$863
96300 Payments in Lieu of Taxes							
96400 Bad debt - Tenant Rents							
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	\$729	\$56	\$0	\$78	\$863	\$0	\$863
96710 Interest of Mortgage (or Bonds) Payable							
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs							
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$156,702	\$14,397	-\$288	\$52,427	\$223,238	\$0	\$223,238
97000 Excess of Operating Revenue over Operating Expenses	\$173,931	\$69,546	\$4,966	\$42,251	\$290,694	\$0	\$290,694
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments		\$79,844			\$79,844		\$79,844
97350 HAP Portability-In							
97400 Depreciation Expense	\$49,967			\$31,684	\$81,651		\$81,651
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$206,669	\$94,241	-\$288	\$84,111	\$384,733	\$0	\$384,733
10010 Operating Transfer In	\$178,475				\$178,475	-\$178,475	\$0
10020 Operating transfer Out	-\$178,475				-\$178,475	\$178,475	\$0
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	\$123,964	-\$10,298	\$4,966	\$10,567	\$129,199	\$0	\$129,199
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$261,906	-\$2,334	\$10,446	\$0	\$270,018		\$270,018
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				\$248,484	\$248,484		\$248,484
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		-\$12,223			-\$12,223		-\$12,223
11180 Housing Assistance Payments Equity		-\$409			-\$409		-\$409
11190 Unit Months Available	360	300		120	780		780
11210 Number of Unit Months Leased	360	200		119	679		679
11270 Excess Cash	\$138,505				\$138,505		\$138,505
11610 Land Purchases	\$0				\$0		\$0
11620 Building Purchases	\$0				\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$4,020				\$4,020		\$4,020
11640 Furniture & Equipment - Administrative Purchases	\$0				\$0		\$0
11650 Leasehold Improvements Purchases	\$10,676				\$10,676		\$10,676
11660 Infrastructure Purchases	\$0				\$0		\$0
13510 CFFP Debt Service Payments	\$0				\$0		\$0
13901 Replacement Housing Factor Funds	\$0				\$0		\$0

See the accompanying Independent Auditor's report