

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

Financial Statements

For the Year Ended March 31, 2019

This page intentionally left blank

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Table of Contents
Year Ended March 31, 2019

	<u>Page</u>
Independent Auditor's Report -----	1
Management Discussion and Analysis -----	a-f
<u>Basic Financial Statements</u>	
Statement of Net Position -----	2
Statement of Revenues, Expenses, and Changes in Net Position -----	3
Statement of Cash Flows -----	4-5
Notes to the Financial Statements -----	6-21
<u>Required Supplementary Information</u>	
Budgetary Comparison Schedule - Low Rent Program -----	22-23
Schedule of Authority's Proportionate Share of Net Pension Liability	
PERA School Division Trust Fund -----	24
Schedule of Contributions and Related Ratios - Last 10 Fiscal Years	
PERA School Division Trust Fund -----	25
Schedule of Authority's Proportionate Share of Net Pension Liability	
Health Care Trust Fund -----	26
Schedule of Contributions and Related Ratios - Last 10 Fiscal Years	
Health Care Trust Fund -----	27
<u>Other Information</u>	
Financial Data Schedules	
Balance Sheet Data -----	28-29
Revenue and Expense Data -----	30-31

WINFREY, COUNTY & HAYS, PC

Certified Public Accountants

577 14th Street

Burlington, Colorado 80807

Telephone No. 719-346-7216

Fax No. 719-346-8499

Gerald D County, CPA

Jennifer M. Hays, CPA

Kristina L. Cowan, CPA

Sarah M. Bailey, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Housing Authority of the Town of Cheyenne Wells

Cheyenne Wells, Colorado 80810

We have audited the accompanying financial statements of the business-type activities and each major fund of the Housing Authority of the Town of Cheyenne Wells, as of and for the year ended March 31, 2019, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Housing Authority of the Town of Cheyenne Wells, as of March 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension information on pages a-g and 16-22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board and HUD, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. For the management discussion & analysis we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Cheyenne Wells basic financial statements. The Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Financial Data Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, and the procedures performed above, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Winfrey, County & Hays, PC

October 14, 2019

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued March 31, 2019 (Unaudited)

This section of the Housing Authority of the Town of Cheyenne Wells, Colorado's (Authority) annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on March 31, 2019. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

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

FINANCIAL HIGHLIGHTS

- The term "net position" refers to the difference between assets and liabilities. The Authority's total net position as of March 31, 2019 was \$171,260. The net position increased by \$9,535, an increase of 5.9% over the prior year.
- Revenues and contributions for the Authority were \$195,071 for the year ended March 31, 2019. This was an increase of \$4,625 or 2.4% over the prior year.
- Expenses for the Authority were \$175,322 for the year ended March 31, 2019. This was a decrease of \$48,237 or 21.6% from the prior year.
- Rental revenue for the Authority was \$101,580 for the year ended March 31, 2019, an increase of \$907 or 0.9% over the prior year. HUD operating grants for the Authority was \$78,210 for the year ended March 31, 2019, an increase of \$11,793 or 17.8% over the prior year. Revenue reported from capital contributions for the year ended March 31, 2019 was \$5,450, an increase of \$5,450 or 100.0% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Financial Statements

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

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

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

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

March 31, 2019

(Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Notes to the Financial Statements

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

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended March 31, 2019 and is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets exceeded liabilities by \$171,260 at the close of the year ended March 31, 2019 up from \$161,725 in fiscal year 2018. The increase in net position of \$9,535 was due to an increase in total assets and deferred outflows, which was partially offset by an increase in total liabilities as noted below.

- Current and other assets include cash, investments, receivables, and prepaid expenses. Of the \$71,287 increase in this category, cash and investments increased \$68,867, receivables increased \$2,333, and prepaid expenses increased \$87.
- Capital assets decreased \$17,914 because current year depreciation expense exceeded current year capital asset additions. Change in capital assets is explained in section titled "Capital Assets" of this analysis.
- Deferred outflows increased \$20,580 from FY 2018.
- Current liabilities increased \$55,412 mostly due to a \$34,456 increase in accounts payable and other accrued liabilities. The Authority also had a payable for insurance proceeds of \$24,382 in FY 2019.
- Noncurrent liabilities increased \$32,229 due to an increase in net pension liability of \$23,980 and a payable for health care trust fund liability of \$11,639.
- Deferred inflows decreased \$23,223 from FY 2018.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued
March 31, 2019
(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

CONDENSED STATEMENTS OF NET POSITION

	<u>FY 2019</u>	<u>FY 2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current assets	\$ 178,828	\$ 107,541	\$ 71,287	66.3%
Capital assets	<u>184,275</u>	<u>202,189</u>	<u>(17,914)</u>	-8.9%
Total Assets	<u>363,103</u>	<u>309,730</u>	<u>53,373</u>	17.2%
Deferred Outflows	<u>30,836</u>	<u>10,256</u>	<u>20,580</u>	200.7%
TOTAL	<u>\$ 393,939</u>	<u>\$ 319,986</u>	<u>\$ 73,953</u>	23.1%
Current liabilities	\$ 74,258	\$ 18,846	\$ 55,412	294.0%
Noncurrent liabilities	<u>150,328</u>	<u>118,099</u>	<u>32,229</u>	27.3%
Total Liabilities	<u>224,586</u>	<u>136,945</u>	<u>87,641</u>	64.0%
Deferred Inflows	<u>(1,907)</u>	<u>21,316</u>	<u>(23,223)</u>	-108.9%
Net Position				
Net investment in capital assets	184,275	202,189	(17,914)	-8.9%
Unrestricted	<u>(13,015)</u>	<u>(40,464)</u>	<u>27,449</u>	67.8%
Total Net Position	<u>171,260</u>	<u>161,725</u>	<u>\$ 9,535</u>	5.9%
TOTAL	<u>\$ 393,939</u>	<u>\$ 319,986</u>	<u>\$ 73,953</u>	23.1%

The unrestricted net position was \$(13,015) as of March 31, 2019. This amount may be used to meet the Authority's ongoing obligations. The Authority did not have any net position classified as restricted that is subject to external restrictions on how they may be used.

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

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

As can be seen in the table on the following page, total revenues and contributions increased \$4,625 due to the reasons noted below.

- Rental revenue increased \$907 or 0.9% from FY 2018.
- Of the \$11,793 increase in HUD operating grants, operating subsidy received from HUD decreased \$1,459 and capital fund grants utilized for operating expenditures increased \$13,252.
- Interest & investment earnings increased \$222 from FY 2018.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued
March 31, 2019
(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

- Capital contributions increased \$5,450 from FY 2018. The Agency is allocated capital fund grants each year as determined by HUD and the amount remains relatively consistent from year to year. Capital contributions during the year will depend upon timing of projects as outlined in the HUD approved capital grant budget.
- The Authority had a gain on disposal of fixed assets of \$4 during FY 2018.
- Other revenues decreased \$13,743 or 59.8% from FY 2018. Other revenue was higher in FY 2018 mostly due to a \$11,598 refund from the Authority's insurance company for premium payback.

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

	<u>FY 2019</u>	<u>FY 2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues and Contributions				
Operating - non-operating - capital contributions:				
Rental revenue	\$ 101,580	\$ 100,673	\$ 907	0.9%
HUD operating grants	78,210	66,417	11,793	17.8%
Interest and investment earnings	584	362	222	61.3%
Capital contributions	5,450	-	5,450	100.0%
Gain (loss) on sale of fixed assets	-	4	(4)	-100.0%
Other revenues	<u>9,247</u>	<u>22,990</u>	<u>(13,743)</u>	-59.8%
Total Revenues & Contributions	<u>195,071</u>	<u>190,446</u>	<u>4,625</u>	2.4%
Expenses				
Administrative	56,237	87,140	(30,903)	-35.5%
Utilities	31,385	28,690	2,695	9.4%
Maintenance and operations	40,138	48,637	(8,499)	-17.5%
Insurance	17,866	19,024	(1,158)	-6.1%
Other general expenses	(541)	10,108	(10,649)	-105.4%
Depreciation	<u>30,237</u>	<u>29,960</u>	<u>277</u>	0.9%
Total Expenses	<u>175,322</u>	<u>223,559</u>	<u>(48,237)</u>	-21.6%
Change in net position	<u>19,749</u>	<u>(33,113)</u>	<u>52,862</u>	
Beginning net position	161,725	194,838	(33,113)	
Prior period adjustments	<u>(10,214)</u>	<u>-</u>	<u>(10,214)</u>	
Beginning net position, adjusted	<u>151,511</u>	<u>194,838</u>	<u>(43,327)</u>	
Ending net position	<u>\$ 171,260</u>	<u>\$ 161,725</u>	<u>\$ 9,535</u>	

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) - Continued
March 31, 2019
(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

Total expenses decreased \$48,237 due to the reasons noted below.

- Administrative expenses decreased \$30,903 or 35.5% from FY 2018 mainly due to a \$33,696 decrease in administrative wages and benefits. This was primarily the result of fiscal year-end adjustments for GASB 68 Pension Accrual Reporting.
- Utilities increased \$2,695 or 9.4% from FY 2018 mostly due to an increase in water of \$1,963 or 31.2%. The Authority also had an increase in gas of \$471 or 5.4% and an increase in electricity of \$261 or 2.4%.
- Maintenance and operations decreased \$8,499 or 17.5% due to a decrease in maintenance materials of \$3,059 or 34.2% and a decrease in contracted maintenance services of \$6,620 or 31.7%. This was partially offset by an increase in maintenance labor and benefits of \$1,180 or 6.3%.
- Insurance decreased \$1,158 or 6.1% from FY 2018 primarily due to a decrease in property and liability insurance of \$709 or 4.9% and a decrease in worker’s compensation insurance of \$398 or 17.5%.
- Other general expenses decreased \$10,649 from FY 2018 due to a decrease in expense for compensated absences.
- The Authority had a \$277 or 0.9% increase in Depreciation which is the write-off of capital assets over their estimated useful life.

The Public Housing occupancy rate for fiscal year ended March 31, 2019 was 100.0%, up from 93.3% in FY 2018. The Authority currently has 10 one-bedroom units, 2 two-bedroom units, 10 three-bedroom units and 3 four-bedroom units.

CAPITAL ASSETS

Capital Assets - The Housing Authority of the Town of Cheyenne Wells, Colorado’s investment in capital assets, net of related debt, as of March 31, 2019 amounts to \$184,275 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, equipment and construction in progress.

The total decrease in the Authority’s capital assets for the current fiscal year was 8.9% in terms of net book value. Actual expenditures to purchase or construct capital assets from revenues and contributions were \$12,323 for the year. The Authority has various contract commitments with contractors for the implementation of the HUD capital grants as outlined by the HUD approved Capital Grant Budget. Depreciation charges for the year totaled \$30,237. Additional information on the Authority’s capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Disposals	Ending
Capital assets	\$202,189	\$12,323	\$(30,237)	\$(0)	\$184,275

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS

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

March 31, 2019

(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2020 Public Housing budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on occupied units and approved vacancies, utility consumption and rates, approved add-ons, formula income, and transition funding. The amount of funding is also established and approved by HUD. Formula income is based on rental income from the Authority's rent roll records for the period specified by HUD. Operating expenses are expected to increase by the economy's inflation rate.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Statement of Net Position
At March 31, 2019

ASSETS	Low Rent <u>Program</u>	Capital Fund <u>Program</u>	<u>Total</u>
Current Assets			
Cash	110,629	0	110,629
Tenant Security Deposit Fund	8,798	0	8,798
Accounts Receivable - HUD	2,398	0	2,398
Tenant Accounts Receivable	34	0	34
Certificates of Deposit	55,539	0	55,539
Accrued Interest	73	0	73
Prepaid expenses	<u>1,357</u>	<u>0</u>	<u>1,357</u>
Total Current Assets	178,828	0	178,828
Deferred Outflows of Resources	30,836	0	30,836
Fixed Assets			
Land	14,278	0	14,278
Buildings	1,288,994	0	1,288,994
Equipment - dwellings	37,278	0	37,278
Equipment - administration & maintenance	80,191	5,450	85,641
Leasehold improvements	<u>249,955</u>	<u>0</u>	<u>249,955</u>
Total Fixed Assets	1,670,694	5,450	1,676,144
Accumulated depreciation	<u>(1,491,687)</u>	<u>(182)</u>	<u>(1,491,869)</u>
Net Fixed Assets	<u>179,007</u>	<u>5,268</u>	<u>184,275</u>
TOTAL ASSETS	388,671	5,268	393,939
LIABILITIES			
Current Liabilities			
Accounts Payable	36,396	0	36,396
Insurance Proceeds Payable	24,382	0	24,382
Wages/Payroll Taxes Payable	2,758	0	2,758
Accrued Compensated Absences - current	182	0	182
Unearned Revenue	61	0	61
Other Accrued Liabilities	1,680	0	1,680
Tenant Security Deposits	<u>8,798</u>	<u>0</u>	<u>8,798</u>
Total Current Liabilities	74,258	0	74,258
Accrued Compensated Absences	0	0	0
Net Health Care Trust Fund Liability	11,639	0	11,639
Net Pension Liability	<u>138,689</u>	<u>0</u>	<u>138,689</u>
TOTAL LIABILITIES	224,586	0	224,586
Deferred Inflows of Resources	(1,907)	0	(1,907)
Net Position			
Invested in capital assets	179,007	5,268	184,275
Unrestricted	<u>(13,016)</u>	<u>0</u>	<u>(13,016)</u>
TOTAL NET POSITION	<u>165,991</u>	<u>5,268</u>	<u>171,260</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Combined Statement of Revenues, Expenses, and Changes in Net Position
 Year Ended March 31, 2019

	Low Rent Program	Capital Funding Program	Total
Operating Revenues			
Dwelling rental	101,580		101,580
Other income	<u>8,118</u>	<u>0</u>	<u>8,118</u>
Total Tenant Revenue	109,698	0	109,698
HUD PHA Operating Grants	26,234	51,976	78,210
Capital Funding	0	5,450	5,450
Investment Income - Unrestricted	584		584
Other Revenue	1,129		1,129
Casualty Loss Insurance Proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	137,645	57,426	195,071
Operating Expenses			
Administrative	56,238		56,238
Utilities	31,385		31,385
Maintenance & Operations	40,138		40,138
Insurance	17,866		17,866
General	(541)		(541)
Unallocated Depreciation	<u>30,055</u>	<u>182</u>	<u>30,237</u>
Total Expenses	<u>175,141</u>	<u>182</u>	<u>175,322</u>
Operating Income (Loss)	(37,496)	57,244	19,749
Transfers	<u>80,417</u>	<u>(80,417)</u>	<u>0</u>
Change in Net Position	42,921	(23,173)	19,749
Net Position - Beginning	133,284	28,441	161,725
Prior Year Adjustment (Note 2D)	<u>(10,214)</u>	<u>0</u>	<u>(10,214)</u>
Net Position - Ending	<u>165,991</u>	<u>5,268</u>	<u>171,260</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO

Statement of Cash Flows

Year Ended March 31, 2019

	Low Rent <u>Program</u>	Capital Fund <u>Program</u>	<u>Total</u>
Cash Flows From Operating Activities			
Rental receipts	101,272		101,272
Excess utilities	2,520		2,520
Interest income	147		147
Operating subsidy	23,836		23,836
Capital Funding	0	57,426	57,426
Operating transfers	51,976	(51,976)	0
Other income	<u>6,727</u>	<u>0</u>	<u>6,727</u>
Total Receipts	186,477	5,450	191,927
Administrative	(15,556)		(15,556)
Utilities	(31,398)		(31,398)
Salaries	(67,308)		(67,308)
Benefits	(19,359)		(19,359)
Maintenance & operating	(19,661)		(19,661)
Insurance	(18,689)		(18,689)
General	<u>541</u>	<u>0</u>	<u>541</u>
Total Expenditures	<u>(171,429)</u>	<u>0</u>	<u>(171,429)</u>
Cash Provided (Used) by Operating Activities	15,048	5,450	20,498
Cash Flows From Capital and Related Financing Activities			
Purchase of fixed assets	(6,873)	(5,450)	(12,323)
Insurance Proceeds	<u>58,372</u>	<u>0</u>	<u>58,372</u>
	51,499	(5,450)	46,049
Cash Flows From Investing Activities			
(Increase) decrease in certificates of deposit	<u>0</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in cash	66,547	0	66,547
Cash Balance - Beginning of Year	<u>44,083</u>	<u>0</u>	<u>44,083</u>
Cash Balance - End of Year	<u>110,629</u>	<u>0</u>	<u>110,629</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Statement of Cash Flows
Year Ended March 31, 2019
(continued)

	Low Rent <u>Program</u>	Capital Fund <u>Program</u>	Total <u>(Memo Only)</u>
Cash Flows From Operating Activities			
Increase (Decrease) in Net Position	42,921	(23,173)	19,749
Adjustments to reconcile increase in net position to net cash provided by operating activities			
Depreciation	30,055	182	30,237
(Gain) Loss on assets	0		0
Non cash benefit expense	(18,414)		(18,414)
Interest income on Certificate of Deposit	(438)		(438)
Equity transfers	(28,441)	28,441	0
Decrease (increase) in accounts receivable - HUD	(2,398)		(2,398)
Decrease (increase) in accounts receivable	83		83
(Decrease) increase in allowance for doubtful accounts	0		0
Decrease (increase) in prepaid expenses	(88)		(88)
(Decrease) increase in accounts payable	483		483
(Decrease) increase in accrued liabilities	(8,716)		(8,716)
(Decrease) increase in deferred revenue	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided by Operations	<u>15,048</u>	<u>5,450</u>	<u>20,498</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019

(1) Summary of Significant Accounting Policies:

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

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

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

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

The HUD Project Number is CO-026001.

B. Basis of Presentation

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

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

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

C. Assets, Liabilities and Equity

1. Deposits

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

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

2. Fixed Assets

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

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

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

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

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

3. Compensated Absences

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

4. Cash Equivalents

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

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

6. Current Vulnerability Due to Certain Concentrations

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

7. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.
8. The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.
9. Allowance for uncollectible accounts is used when tenants are more than 90 days old and management is uncertain of collectability.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

- B. Encumbrance accounting where purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the Authority.
- C. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Authority believes it is in compliance with the requirements of the amendment. However, the Authority has made certain interpretations of the amendment's language in order to determine its compliance.
- D. For the fiscal year ended March 31, 2019, the Housing Authority implemented GASB 75, reporting for Other Post-Employment Benefits (OPEB) associated with the PERA Health Care Trust Fund (HCTF). As a result, a prior year adjustment was required that included the amount \$10,404 of net HCTF liability for the Housing Authority as computed by HCTF, less the amount the Housing Authority submitted to HCTF of \$190 after HCTF's year end. The net prior year adjustment is \$10,214.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

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

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

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

At March 31, 2019, the Authority's cash deposits were all covered by FDIC.

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

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

	Beginning			Ending		Accumulated Depreciation	Net Fixed Assets
	Balance	Additions	Deletions	Balance			
Land	14,278	0	0	14,278	0	14,278	
Leasehold improvements	249,955	0	0	249,955	226,834	23,121	
Building	1,282,861	4,550	0	1,287,412	1,168,975	118,436	
Equip -dwellings	35,903	6,825	0	42,728	22,886	19,842	
Equip - admin	12,673	0	0	12,673	11,574	1,099	
Equip - maint	56,021	300	0	56,321	48,782	7,539	
Equip - community	729	648	0	1,377	1,418	(40)	
Vehicles	<u>11,400</u>	<u>0</u>	<u>0</u>	<u>11,400</u>	<u>11,400</u>	<u>0</u>	
Total	1,663,821	12,323	0	1,676,144	1,491,869	184,275	

(4) OTHER INFORMATION

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

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

B. Subsequent events have been evaluated through June 1, 2018.

(5). DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To *the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the LGDTF for financial reporting purposes be measured using the plan provisions in effect as of the LGDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled Changes between the measurement date of the net pension liability and March 31, 2019.

General Information about the Pension Plan

Plan description. Eligible employees of the 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 that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2017. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

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

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

Contributions provisions as of the Housing Authority: Eligible employees and the 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.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rates
Employer contribution rate ¹	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%
Total employer contribution rate to the LGDTF¹	12.68%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Housing Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Housing Authority were \$8,482 for the year ended March 31, 2019.

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

At March 31, 2019, the Housing Authority reported a liability of \$138,689 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. The Housing Authority's proportion of the net pension liability was based on the Housing Authority's contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the Housing Authority's proportion was 0.0110314706 percent, which was an increase of 0.0007291381 percent from its proportion measured as of December 31, 2017.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Notes to the Financial Statements
 March 31, 2019
 (continued)

For the year ended March 31, 2019, the Housing Authority recognized pension expense of negative \$18,919. At March 31, 2019, the 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	4,957	-0-
Changes of assumptions or other inputs	-0-	(2,056)
Net difference between projected and actual earnings on pension plan investments	18,062	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,229	132
Contributions subsequent to the measurement date	1,668	N/A
Total	29,916	(1,924)

\$1,668 was 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 March 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended March 31:	
2020	3,742
2021	1,356
2022	-0-
2023	-0-
2024	-0-
Thereafter	-0-

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

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

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

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

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

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

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

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

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

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

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

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

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

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

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	212,166	138,689	77,219

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

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

Payables to the pension plan

Changes between the measurement date of the net pension liability and March 31, 2019.

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

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

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

At March 31, 2019, the Housing Authority reported a liability of \$138,689 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule presents an estimate of what the Housing Authority's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18- 200 (pro forma)
7.25%	\$ 138,689

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

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

PERA Benefit Structure

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

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.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Authority were \$682 for the year ended March 31, 2019.

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

At March 31, 2019, the Authority reported a liability of \$11,639 for its proportionate share of the net OPEB liability. The net OPEB 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. The Authority's proportion of the net OPEB liability was based on Authority's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the Authority's proportion was 0.0008554937 percent, which was an increase of 0.0000549586 percent from its proportion measured as of December 31, 2016.

For the year ended March 31, 2019, the Authority recognized OPEB expense of \$522. At March 31, 2019, the 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	42	18
Changes of assumptions or other inputs	82	-0-
Net difference between projected and actual earnings on OPEB plan investments	67	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	596	-0-
Contributions subsequent to the measurement date	134	N/A
Total	921	18

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

There is \$134 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 March 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended March 31:	
2020	118
2021	118
2022	118
2023	118
2024	118
Thereafter	5

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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

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, 2018, 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.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

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

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

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

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **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 following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

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

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

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%	

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	11,318	11,639	12,009

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.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Notes to the Financial Statements
March 31, 2019
(continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	13,023	11,639	10,456

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

REQUIRED SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO

Other Information

Budgetary Comparison Schedule

Low Rent Program

Year Ended March 31, 2019

	<u>Budget (Non-GAAP)</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable- <u>(Unfavorable)</u>
Revenues				
Dwelling Rental	98,840	98,840	101,580	2,740
Excess Utilities	2,500	2,500	2,520	20
Interest Income	300	300	584	284
Laundry	400	400	613	213
Other Income	10,390	10,390	6,114	(4,276)
Current Year Operating Subsidy	<u>25,550</u>	<u>25,550</u>	<u>26,234</u>	<u>684</u>
Total Revenues	137,980	137,980	137,645	(335)
Expenses				
Administrative				
Salaries	55,030	55,030	39,168	15,862
Benefits	12,880	12,880	779	12,101
Training & Travel	50	50	1,962	(1,912)
Accounting	2,950	2,950	2,685	265
Auditing	3,500	3,500	3,444	56
Sundry	1,920	1,920	2,246	(326)
Advertising & Marketing	250	250	121	129
Office Expenses	2,480	2,480	2,866	(386)
Telephone	2,100	2,100	2,017	83
Membership Dues	100	100	390	(290)
Services Contract	<u>500</u>	<u>500</u>	<u>561</u>	<u>(61)</u>
Total Administrative Expenses	81,760	81,760	56,238	25,522
Tenant Services	100	100	0	100
Utilities				
Water	8,000	8,000	8,247	(247)
Electricity	12,500	12,500	11,338	1,162
Gas & Heat	12,000	12,000	9,132	2,868
Other Utilities	<u>2,500</u>	<u>2,500</u>	<u>2,667</u>	<u>(167)</u>
Total Utilities	35,000	35,000	31,385	3,615

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO

Other Information
 Budgetary Comparison Schedule
 Low Rent Program
 Year Ended March 31, 2019
 (continued)

	<u>Budget (Non-GAAP)</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		<u>Favorable- (Unfavorable)</u>
Maintenance & Operations				
Labor	13,000	13,000	19,518	(6,518)
Benefits	6,510	6,510	183	6,327
Materials	9,000	9,000	5,881	3,119
Contract Costs	15,150	15,150	12,099	3,051
Garbage & Trash Removal	<u>2,200</u>	<u>2,200</u>	<u>2,160</u>	<u>40</u>
Total Maintenance & Operations	45,860	45,860	39,841	6,019
General Expenses				
Insurance	18,680	18,680	17,866	814
Compensated Absences	0	0	297	(297)
Collection Losses	<u>500</u>	<u>500</u>	(541)	<u>1,041</u>
Total General Expenses	<u>19,180</u>	<u>19,180</u>	<u>17,622</u>	<u>1,558</u>
Total Expenses Prior to Depreciation	<u>181,900</u>	<u>181,900</u>	<u>145,086</u>	<u>36,814</u>
Depreciation			<u>30,055</u>	
Total Expenditures			<u>175,141</u>	
Revenues over (under) Expenditures			(37,496)	
Equity Transfers			80,417	
Net Position - Beginning			133,284	
Prior Year Adjustment (Note 2D)			<u>(10,214)</u>	
Net Position - Ending			<u>165,991</u>	

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion (percentage) of the collective net pension liability	0.0110314706%	0.0103023325%	0.0104640310%	0.0101919317%	0.0100421574%
Proportionate share of the collective net pension liability	138,689	114,709	141,300	112,272	90,008.76
Covered payroll	72,355	64,992	63,885	57,882	4,585.58
Proportionate share of the net pension liability as a percentage of its covered payroll	191.68%	176.50%	221.18%	193.97%	1962.87%
Plan fiduciary net position as a percentage of the total pension liability	75.96%	79.37%	73.60%	76.90%	80.70%

Note 1: The amounts presented for each year were determined as of December 31.

Note 2: Information is not currently available for years prior to 2014; additional years will be displayed as they become available.

Note 3: The Authority became a member of PERA as of December 1, 2014.

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

As of March 31	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	8,482	9,336	8,317	7,339	2,326
Contributions in relation to the statutorily required contribution	<u>8,482</u>	<u>9,336</u>	<u>8,317</u>	<u>7,339</u>	<u>2,326</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	66,890	68,150	65,591	57,882	18,342
Contributions as a percentage of covered payroll	12.68%	13.70%	12.68%	12.68%	12.68%

Note 1: Information above is presented as of the Housing Authorities' fiscal year.

Note 2: The Authority became a member of PERA as of December 1, 2014

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Cheyenne Wells, Colorado

Schedule of District's Proportionate Share of the Other Post-Employment Benefit Liability-Health Care Trust Fund

	<u>2018</u>	<u>2017</u>
Proportion (percentage) of the collective net pension liability	0.0008554937%	0.0008005351%
Proportionate share of the collective net pension liability	11,639	10,404
Covered payroll	72,355	64,992
Proportionate share of the net pension liability as a percentage of its covered payroll	16.09%	16.01%
Plan fiduciary net position of the total pension liability	17.03%	17.53

Note 1: The amounts presented for each year were determined as of December 31.

Note 2: Information is not currently available for years prior to 2017; additional years will be displayed as they become available.

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Cheyenne Wells, Colorado
 Schedule of Contributions and Related Ratios-Health Care Trust Fund

As of Marh 31,	<u>2019</u>	<u>2018</u>
Statutorily required contributions	682	695
Contributions in relation to the statutorily required contributions	<u>682</u>	<u>695</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>
Covered payroll	66,890	68,150
Contributions as a percentage of covered payroll	1.02%	1.02%

Note 1: Information above is presented as of the District's fiscal year.

Note 2: Information is not currently available for years prior to 2018; additional years will be displayed as they become available.

OTHER INFORMATION

FINANCIAL DATA SCHEDULES

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Financial Data Schedule - Balance Sheet Data
Year Ended March 31, 2019

	<u>Low</u> <u>Rent</u>	<u>Capital</u> <u>Funding</u>	<u>Total</u>
ASSETS			
Current Assets			
111	110,629		110,629
114	<u>8,798</u>	<u>0</u>	<u>8,798</u>
100	119,427	0	119,427
Receivables			
122	2,398		2,398
126	34		34
126.1	0		0
129	<u>73</u>	<u>0</u>	<u>73</u>
120	2,505	0	2,505
131	55,539		55,539
142	<u>1,357</u>	<u>0</u>	<u>1,357</u>
150	178,828	0	178,828
DEFERRED OUTFLOWS OF RESOURCES			
	30,836	0	30,836
Noncurrent Assets			
161	14,278		14,278
162	1,288,994	0	1,288,994
163	37,278		37,278
164	80,191	5,450	85,641
165	249,955		249,955
166	<u>(1,491,687)</u>	<u>(182)</u>	<u>(1,491,869)</u>
160	<u>179,009</u>	<u>5,268</u>	<u>184,275</u>
190	<u>388,671</u>	<u>5,268</u>	<u>393,939</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
Financial Data Schedule - Balance Sheet Data
Year Ended March 31, 2019
(continued)

	<u>Low</u> <u>Rent</u>	<u>Capital</u> <u>Funding</u>	<u>Total</u>
LIABILITIES, DEFERRED INFLOWS AND EQUITY			
Current Liabilities			
312	36,396		36,396
	Insurance Proceeds Payable		24,382
321	2,758		2,758
322	182		182
341	8,798		8,798
342	61	0	61
346	<u>1,680</u>		<u>1,680</u>
310	74,258	0	74,258
Non Current Liabilities			
354	0		0
	Net Health Care Trust Fund Liability		11,639
	<u>138,689</u>	<u>0</u>	<u>138,689</u>
300	224,586	0	212,947
	DEFERRED INFLOWS OF RESOURCES	0	(1,907)
Equity			
508.4	179,007	5,268	184,275
512.4	<u>(13,016)</u>	<u>0</u>	<u>(13,016)</u>
513	<u>165,991</u>	<u>5,268</u>	<u>171,260</u>
600	<u>388,671</u>	<u>5,268</u>	<u>382,300</u>

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Financial Data Schedule - Revenues and Expenses
 Year Ended March 31, 2019

		<u>Low Rent</u>	<u>Capital Funding</u>	<u>Total</u>
	REVENUES			
70300	Net Tenant Rental Revenue	101,580		101,580
70400	Tenant Revenue - Other	8,118		8,118
70500	Total Tenant Revenue	109,698	0	109,698
70600	HUD PHA Operating Grants	26,234	51,976	78,210
70610	HUD Capital Funding	0	5,450	5,450
71100	Investment Income - Unrestricted	584		584
71500	Other Revenue	1,129		1,129
71600	Gain (Loss) on Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
70000	TOTAL REVENUE	137,645	57,426	195,071
	EXPENSES			
	Administrative			
91100	Salaries	39,168		39,168
91200	Auditing Costs	3,444		3,444
91400	Advertising & Marketing	121		121
91500	Employee Benefits	779		779
91600	Office Expenses	5,834		5,834
91700	Legal	0		0
91800	Travel	1,962		1,962
91900	Other	4,931		4,931
92400	Tenant Services	0		0
	Utilities			
93100	Water	8,247		8,247
93200	Electricity	11,338		11,338
93300	Gas	9,132		9,132
93600	Sewer	2,667		2,667
	Ordinary Maintenance & Operations			
94100	Labor	19,518		19,518
94200	Materials & Other	5,881		5,881
94300-010	Garbage & Trash Removal	2,160		2,160
94300-030	Landscape & Grounds Contract	2,354		2,354
94300-050	Unit Turnaround	0		0
94300-060	Electrical Contract	120		120

HOUSING AUTHORITY OF THE TOWN OF CHEYENNE WELLS, COLORADO
 Financial Data Schedule - Revenues and Expenses
 Year Ended March 31, 2019
 (continued)

	<u>Low Rent</u>	<u>Capital Funding</u>	<u>Total</u>
94300-080	Plumbing Contracts	644	644
94300-090	Exterminating Contracts	2,100	2,100
94300-100	Janitorial Contracts	0	0
94300-120	Miscellaneous Contracts	6,880	6,880
94500	Employee Benefits	183	183
	General Expenses		
96110	Property Insurance	13,460	13,460
96120	Liability Insurance	1,873	1,873
96130	Worker's Compensation	2,153	2,153
96140	Other Insurance	380	380
96210	Compensated Absences	297	297
96400	Bad Debts	<u>(541)</u>	<u>0</u>
96900	Total Operating Expenses	<u>145,086</u>	<u>0</u>
97000	Excess Operating Revenue Over Operating Expenses	(7,441)	57,426
97400	Depreciation Expense	<u>30,055</u>	<u>182</u>
90000	Total Expenses	<u>175,141</u>	<u>182</u>
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(37,496)	57,244
11030	Beginning Equity	133,284	28,441
11040	Equity Transfer	80,417	(80,417)
	Prior Year Adjustment (Note 2D)	<u>(10,214)</u>	<u>0</u>
	Ending Equity	<u>165,991</u>	<u>5,268</u>
			<u>171,260</u>