HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO

BASIC FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTAL INFORMATION AND SUPPLEMENTAL INFORMATION

Year Ended March 31, 2019

TABLE OF CONTENTS

TABLE OF CONTENTS (CONT'D)

REQUIRED SUPPLEMENTAL INFORMATION-
MANAGEMENT'S DISCUSSION AND ANALYSIS

EQUAL HOUSING OPPORTUNITY

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MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2019

This section of the Housing Authority of the City of Wray, Colorado's annual financial report presents our 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 basic financial statements as a whole.

FINANCIAL HIGHLIGHTS

The term "Net Position" refers to the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. The Authority's total net position as of March 31, 2019 was $1,318,279. The net position increased by $705, an increase of .1% over the prior year. Of this amount, $179,830 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities.

Operating income for the Authority was $284,641 for the year ended March 31, 2019. This was an increase of $14,784 or 5% over the prior year.

Operating expenses for the Authority were $446,792 for the year ended March 31, 2019. This was a decrease of ($8,872) or 3% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management's Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Basic Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of supplemental information. In addition, the Schedule of Employer's Proportionate Share of Net Pension Liability, Schedule of Employer's Contributions, Notes to Required Supplementary Information is included as RSI. Since the Authority is comprised of all enterprise funds, no entity-wide basic financial statements are shown.

Required Financial Statements

Proprietary Fund Financial Statements - The basic 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, deferred outflows of resources, liabilities and deferred inflows of resources and provides information about the nature and amounts of

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

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.

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.

The Authority combines all of its programs into a single enterprise fund. The Authority has no nonmajor funds.

Notes to the Basic 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 Authorities to submit financial information electronically to HUD using the FDS format. The submitted financial information transmitted to the Real Estate Assessment Center (REAC) for the year ended March 31, 2019 is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

CONDENSED STATEMENT OF NET POSITION

	FY 2019	FY 2018	Dollar Change	Percent Change
Current and other assets	$ 394,630	$ 493,406	$ (98,776)	-20%
Capital assets	1,138,449	1,043,088	95,361	9%
Total Assets	1,533,079	1,536,494	(3,415)	-0.2%
Deferred Outflows of Resources	49,514	14,252	35,262	247%
Current liabilities	34,162	32,081	2,081	6%
Noncurrent liabilities	194,803	168,365	26,438	16%
Total Liabilities	228,965	200,446	28,519	14%
Deferred Inflows of Resources	35,349	32,726	2,623	8%
Net Position				
Net investment in capital assets	1,138,449	1,043,088	95,361	9%
Restricted	-	158,774	(158,774)	-100%
Unrestricted	179,830	115,712	64,118	55%
Total Net Position	$ 1,318,279	$ 1,317,574	$ 705	0.1%

Net Position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,318,279 at the close of the year ended March 31, 2019. This represents an increase of $705 which is an increase of .1% over the prior year. The increase was attributed to operations for the year ended March 31, 2019.

Current and other assets decreased by ($98,776). This was attributed to operations before depreciation of $52,095 and was offset by non-capital grant funds used for capital improvements of ($181,313) which resulted in a net decrease in cash and investments of ($125,415). This was offset by an increase of $16,677 in the amount receivable from HUD which is merely the result of when funds are requisitioned.

Current liabilities increased by $2,081. There was no unusual reason for the change only the typical variability from year to year based on the timing of payments.

Noncurrent liabilities increased by $26,438. Of the total, $11,355 was the change in the Net Pension Liability from the prior year which represents the Authority's proportionate share of PERA unfunded pension liability. In addition, for the year ended March 31, 2019 the Authority was required to implement GASB 75 related to Postemployment Benefits Other than Pensions (OPEB) which resulted in a Collective net OPEB liability of $15,083 reported as of March 31, 2019.

The largest portion of the Authority's net position reflects its net 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.

FINANCIAL ANALYSIS (CONT'D)

Unrestricted net position as of March 31, 2019 was $179,830. Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities. The Authority has sufficient funds to meet requirements for cash outlays in the next fiscal year as well as the financial capacity to sustain operations. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

In the prior year the Authority had net position of $158,774 restricted for repairs to the property as the result of storm damage, the repairs were made during the year ended March 31, 2019.

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

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	FY 2019	FY 2018	Dollar Change	Percent Change
Revenues				
Program revenues				
Rental	$ 194,247	$ 179,864	$ 14,383	8%
HUD program contributions	228,362	155,878	72,484	47%
Other	1,518	1,397	121	9%
General revenue:				
Interest	3,835	3,659	176	5%
Total Revenues	427,962	340,798	87,164	26%
Expenses				
Depreciation	123,078	120,564	2,514	2%
Operating	323,714	335,100	(11,386)	-3%
Nonoperating	-	1,255	(1,255)	-100%
Total Expenses	446,792	456,919	(10,127)	-2%
Excess (deficiency) before contributions and special items	(18,830)	(116,121)	97,291	-84%
Capital Contributions	34,728	58,857	(24,129)	
Special Items:				
Casualty loss income-storm damage	-	248,423	(248,423)	
Changes in Net Position	15,898	191,159	(175,261)	
Beginning Net Position, restated	1,302,381	1,126,415	175,966	
Ending Net Position	$ 1,318,279	$ 1,317,574	$ 705	

FINANCIAL ANALYSIS (CONT'D)

As can be seen on the previous page, total revenues increased by $87,164, primarily due to the increase in Federal operating grants of $72,484 and an increase of $14,383 or 8% in rental income. The increase in rental income was attributed to the normal fluctuation from year-to-year based on occupancy and rent composition.

HUD operating subsidy for the Authority was $65,864 for the year ended March 31, 2019. This was an increase of $10,521 over the prior year. The operating subsidy funding is determined by HUD on an annual basis and is primarily based on income and utility expenses. The Authority also expended $73,622 of HUD capital grants for operations for the fiscal year ended March 31, 2019 compared to $11,939 in the previous year. This amount will vary on the approved budget by HUD. The Authority has flexibility in the use of these funds.

Operating expenses for the Authority were $323,714 for the year ended March 31, 2019. This was a decrease of ($11,386) or 3% from the prior year. The various category fluctuations were not attributed to any specific event or unusual circumstance other than the typical variability from year to year.

HUD capital contributions were $34,728 for the year ended March 31, 2019. This was a decrease of ($24,129) from the prior year. The Authority is allocated capital grant money each year as determined by HUD and remains relatively consistent from year to year based on the Authority's number of units. The amount presented will vary from year to year depending on the timing of projects as outlined in the HUD approved capital grant budget.

OCCUPANCY

The occupancy rate as of March 31, 2019 was 95%.

CAPITAL ASSETS

The Authority's net investment in capital assets as of March 31, 2019 amounts to $1,138,449. This investment in capital assets includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation.

The total increase in the Authority's net investment in capital assets for the current fiscal year was 9% in terms of net book value. The actual amount to purchase or construct capital assets was $218,441 for the year. Depreciation charges for the year totaled $123,078. Additional information on the Authority's capital assets can be found in Note H of the notes to the basic financial statements of this report.

The capital improvements made during the FYE 3/31/19 were new office computer, all gutters and down spouts were replaced, replaced storm doors, and installed a walk-in shower.

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 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 rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The 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 the Executive Director, Wray Housing Authority, P.O. Box 373, Wray, Colorado 80758.

INDEPENDENT AUDITOR'S REPORT

Niewedde & Wiens
CERTIFIED PUBLIC ACCOUNTANTS

Randal D. Niewedde, CPA
Jeffrey J. Wiens, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the City of Wray, Colorado

Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of the Housing Authority of the City of Wray, Colorado as of and for the year ended March 31, 2019, and the related notes to the basic financial statements, which collectively comprise the Housing Authority of the City of Wray, Colorado's basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic financial statements.

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Wray, Colorado as of March 31, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principle – As discussed in Note J in the Notes to the Basic Financial Statements, the Authority adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions an Amendment of GASB Statement No. 45. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer's proportionate share of net pension liability, schedule of employer's proportionate share of the collective net OPEB liability, schedule of employer's contributions-pension plan, schedule of employer contributions-OPEB plan and the notes to required supplementary information for the pension plan and OPEB plan 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the basic financial statements that collectively comprise the Housing Authority of the City of Wray, Colorado's basic financial statements. The Program Financial Schedules and Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Program Financial Schedules and Financial Data Schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such Information has been subjected to 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Program Financial Schedules and Financial Data Schedule are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2019 on our consideration of the Housing Authority of the City of Wray, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Wray, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Wray, Colorado's internal control over financial reporting and compliance.

Niewedde & Wiens, CPA's

York, Nebraska
September 23, 2019

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
STATEMENT OF NET POSITION - PROPRIETARY FUND
March 31, 2019

		Housing
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents		$ 100,087
Investments		242,349
Accounts receivable, net		302
Due from other governments		19,077
Accrued interest receivable		1,572
Prepaid insurance		15,709
Restricted:		
Cash and cash equivalents		15,534
	TOTAL CURRENT ASSETS	394,630
NONCURRENT ASSETS:		
Capital Assets, non-depreciable		135,129
Capital Assets, depreciable, net		1,003,320
	TOTAL NONCURRENT ASSETS	1,138,449
	TOTAL ASSETS	1,533,079
DEFERRED OUTFLOWS OF RESOURCES:		
OPEB related deferred outflows of resources		665
Pension related deferred outflows of resources		48,849
	TOTAL DEFERRED OUTFLOWS OF RESOURCES	49,514
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable		6,228
Accrued payroll and benefits payable		5,291
Tenant security deposits payable		15,534
Compensated absences payable		4,923
Unearned revenue		2,186
	TOTAL CURRENT LIABILITIES	34,162
NONCURRENT LIABILITIES:		
Collective net OPEB liability		15,083
Net pension liability		179,720
	TOTAL NONCURRENT LIABILITIES	194,803
	TOTAL LIABILITIES	228,965
DEFERRED INFLOWS OF RESOURCES:		
OPEB related deferred inflows of resources		933
Pension related deferred inflows of resources		34,416
	TOTAL DEFERRED INFLOWS OF RESOURCES	35,349
NET POSITION		
Net investment in capital assets		1,138,449
Unrestricted		179,830
	TOTAL NET POSITION	$ 1,318,279

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
Year Ended March 31, 2019

		Housing
OPERATING REVENUES		
Rental income	$	194,247
HUD Section 8 program income		88,876
Other income		1,518
TOTAL OPERATING REVENUES		284,641
OPERATING EXPENSES		
Administrative		75,222
Tenant services		1,608
Utilities		47,835
Ordinary maintenance and operations		166,436
General expense		32,613
Depreciation		123,078
TOTAL OPERATING EXPENSES		446,792
OPERATING INCOME (LOSS)		(162,151)
NONOPERATING REVENUES (EXPENSES)		
HUD operating subsidy		65,864
HUD capital grants - operations		73,622
Interest income		3,835
TOTAL NONOPERATING REVENUES (EXPENSES)		143,321
INCOME (LOSS) BEFORE CONTRIBUTIONS		(18,830)
CAPITAL CONTRIBUTIONS		
HUD capital fund grants		34,728
INCREASE (DECREASE) IN NET POSITION		15,898
NET POSITION		
Net position, beginning balance		1,317,574
Prior period adjusment - OPEB 75 implementation		(15,193)
Net position, beginning balance restated		1,302,381
TOTAL NET POSITION - ENDING BALANCE	$	1,318,279

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended March 31, 2019

	Housing
CASH FLOWS FROM OPERATING ACTIVITIES:	
Rental receipts	$ 195,188
HUD Section 8 program receipts	88,876
Other receipts	1,518
Tenant security deposits	(142)
Cash payments for goods and services	(218,577)
Cash payments to employees for services	(135,665)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(68,802)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
HUD operating subsidy	66,352
HUD capital grants-operations	54,545
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	120,897
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases and construction of capital assets	(218,441)
HUD capital fund grants	37,128
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(181,313)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net (deposits) withdrawals to investments	(3,712)
Interest received	3,803
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	91
NET INCREASE (DECREASE) IN CASH	(129,127)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	244,748
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 115,621

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO

STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)

Year Ended March 31, 2019

RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		Housing
Operating income (loss)	$	(162,151)
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation		123,078
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in accounts receivable		141
(Increase) decrease in prepaid insurance		(10,072)
(Increase) decrease in deferred outflows of resources, pension		(34,597)
(Increase) decrease in deferred outflows of resources, OPEB		(333)
Increase (decrease) in accounts payable		(209)
Increase (decrease) in tenant security deposits		(51)
Increase (decrease) in accrued payroll and benefits		976
Increase (decrease) in accrued compensated absences		171
Increase (decrease) in unearned revenue		800
Increase (decrease) in net pension liability		11,264
Increase (decrease) in collective net OPEB liability		(187)
Increase (decrease) in deferred inflows of resources, pension		1,690
Increase (decrease) in deferred inflows of resources, OPEB		678
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$	(68,802)

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Authority was created under the laws of the State of Colorado. The purpose of the Authority is to administer the Housing programs authorized by the United States Housing Act of 1937 and amendments contained in the Quality Housing and Work Responsibility Act of 1998. These programs are subsidized by the Federal Government through the U.S. Department of Housing and Urban Development (HUD).

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

Financial Reporting Entity

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 consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit. Based on these criteria, there are no additional agencies or entities which should be included in the Basic Financial Statements of the Authority.

Basis of accounting, measurement focus, and financial statement presentation

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures or expenses, as appropriate.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Authority distinguishes between operating and nonoperating revenues and expenses in its Statement of Revenues, Expenses and Changes in Fund Net Position. For this purpose, the Authority's operating revenues result from providing low-income housing services such as tenant rent, rental assistance and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

The model as defined in Statement No. 34 establishes criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for determination of major Funds. If non-major funds exist, these funds are combined in a single column in the fund financial statements.

The Authority has a sole enterprise fund which includes the activities of the following programs:

Public Housing Program - This program accounts for the operation, maintenance, and development of housing 41-units which are owned by the Authority. The development of the projects was funded primarily by the U.S. Department of Housing and Urban Development through loans and bonds. The loans have been forgiven by HUD and the bond debt service and repayment requirements are the responsibility of HUD and therefore no outstanding liabilities are recorded. The program is subsidized annually by operating subsidy from HUD and through Capital Grants for capital improvements.

Lincoln Terrace Program - This program accounts for the operation, maintenance, and development of a 20-unit project. The project is funded by tenant rents and HUD Section 8 Contributions. The program funds rental assistance payments to eligible low-income housing participants.

Budgetary Process

The Authority establishes a budget for the fiscal year and is adopted by the Board of Commissioners.

Cash and Investments

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities that are owned by a specific amount and that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents".

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificate of deposit, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

Accounts Receivable

All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible. Allowances are reported when accounts are proven to be uncollectible.

Prepaid Items

Prepaid balances are for payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

Capital Assets and Depreciation

Property and equipment are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets are recorded at acquisition value at the date received. The Authority generally capitalized assets with cost of $1,000 or more as purchases and construction outlays occur.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-40 years
Building improvements	10-40 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Authority's policy is to apply restricted net position first.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, deferred outflows, liabilities, deferred inflows, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Grant Revenue

The Authority, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any), when all applicable eligibility requirements, including time requirements are met in accordance with GASB Statement No. 33. Resources transmitted to the Authority before the eligibility requirements are met are reported as unearned revenue.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that is applicable to future reporting periods. Deferred outflows of resources in the Statement of Net Position consist of the unamortized portions of the net difference between projected and actual earnings on pension plan investments, the net difference between actual expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability, changes of assumptions about future economic or demographic factors or other inputs and the net effect of the change in the employer's proportion share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources related to pensions. Deferred outflows also contain employer pension contributions made after the measurement date.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Colorado Public Employees Retirement Association (Colorado PERA) and additions to/deductions from Colorado PERA'S fiduciary net position have been determined on the same basis as they are reported by Colorado PERA. 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.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that is applicable to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portions of the net difference between projected and actual earnings on pension plan investments, the net difference between actual expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability, changes of assumptions about future economic or demographic factors or other inputs and the net effect of the change in the employer's proportion share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources related to pensions.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Compensated Absences

The Authority's policy allows employees to accumulate unused vacation leave for 90 days past their date of hire. Any vacation time not taken is lost by year end and no monetary compensation will be given. Employees who are terminated or resign will be paid for any earned vacation time. Sick leave may be accumulated but not paid upon termination.

Postemployment Benefits Other Than Pensions (OPEB)

OPEB benefits are part of an exchange of salaries and/or benefits in a future period as the result of employee services rendered during employment. In accordance with the accrual basis of accounting, generally benefits should be associated with the periods in which the exchange occurs, rather than with the periods when benefits are paid or provided. The Authority has not incurred, adopted a plan or obligated resources to other postemployment benefits as defined in GASB Statement No. 75.

Income Taxes

The Authority is a governmental subdivision of the State of Colorado and is exempt from Federal and State income taxes.

Taxpayer's Bill of Rights

In November, 1992, the voters of the State of Colorado approved an amendment to the State's Constitution limiting the amount of revenue which may be spent or retained by Colorado governmental entities. The amendment is in effect for most governmental entities for the years beginning after 1992, but exempts "enterprise" funds from the limitations. The Board of Commissioners of the Authority believes it is exempt from the provisions of the TABOR amendment because it is an "enterprise" (a business operation able to issue its own revenue bonds and receiving less than 10% of its revenue from state and local grants) as defined in the constitutional amendment. The Board also believes it is not subject to the provisions of TABOR because the governing board is not an elected board, does not have an electoral constituency, and does not have the power to impose taxes, all basic operational requirements of TABOR.

NOTE B - DEPOSITS AND INVESTMENTS

At March 31, 2019, the Authority's carrying amount of deposits was $357,840 and the bank balances were $374,637. The Authority had cash on hand of $130 as of March 31, 2019. As required by the Colorado Public Deposit Protection Act (PDPA), any amount in excess of the FDIC insurance threshold shall be collateralized as required by the Public Deposit Protection Acts, article 10.5 of title 11, C.R.S., as amended or article 47 of title 11, C.R.S, as amended. All of the bank balances were covered by FDIC insurance.

NOTE C – ACCOUNTS RECEIVABLE

A summary of accounts receivable as presented in the Statement of Net Position at March 31, 2019 are as follows:

Tenants	$	402
Allowance for doubtful accounts		(100)
	$	302

NOTE D – DUE FROM OTHER GOVERNMENTS

A summary of due from other governments as presented in the Statement of Net Position at March 31, 2019 is as follows:

HUD – capital fund grants	$	19,077

NOTE E – RESTRICTED ASSETS

A summary of restricted cash and cash equivalents as presented in the Statement of Net Position at March 31, 2019 is as follows:

Tenant security deposits	$	15,534

NOTE F – ACCOUNTS PAYABLE

A summary of accounts payable as presented in the Statement of Net Position at March 31, 2019 is as follows:

Vendors and contractors	$	6,228

NOTE G – UNEARNED REVENUE

A summary of unearned revenue as presented in the Statement of Net Position at March 31, 2019 is as follows:

Tenant prepaid rents	$	1,698
Other		488
	$	2,186

NOTE H – CAPITAL ASSETS

	Balance 4/1/2018	Increases	Decreases	Balance 3/31/2019
Non-depreciable assets:				
Land	$ 135,129	$ -	$ -	$ 135,129
Construction in progress	15,371	34,728	(50,099)	-
Total non-depreciable assets	150,500	34,728	(50,099)	135,129
Depreciable assets:				
Buildings	3,117,384	231,005	-	3,348,389
Equipment - Dwelling	66,387	-	-	66,387
Equipment - Administration	99,631	2,805	(5,272)	97,164
Total depreciable assets	3,283,402	233,810	(5,272)	3,511,940
Total Capital Assets	3,433,902	268,538	(55,371)	3,647,069
Accumulated depreciation:				
Buildings	2,246,423	115,742	-	2,362,165
Equipment - Dwelling	59,311	2,444	-	61,755
Equipment - Administration	85,079	4,893	(5,272)	84,701
Total accumulated depreciation	2,390,813	123,078	(5,272)	2,508,620
Depreciable assets, net	892,589	110,732	-	1,003,320
Capital assets, net	$ 1,043,089	$ 145,460	$ (50,099)	$ 1,138,449

NOTE I—NET POSITION

The fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets and unrestricted.

- ***Net Investment in Capital Assets*** – This component groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- ***Unrestricted*** – This category represents net position of the Authority, not restricted for any project or other purposes.

NOTE J – ACCOUNTING CHANGE/PRIOR PERIOD ADJUSTMENTS

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB) - an Amendment of GASB No. 45 was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 75 requires a state or local government employer to recognize a collective net OPEB liability and changes in the collective net OPEB liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB. Beginning net position was restated to retroactively report the beginning collective net OPEB liability of $15,193 as of March 31, 2019.

NOTE K – CONTINGENCIES

The Authority recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any to be immaterial.

NOTE L - 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 for which the Authority purchases commercial insurance.

During the year ended March 31, 2019, the Authority did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

NOTE M – DEFINED BENEFIT PENSION PLAN

Pensions. The Wray 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 198-200: *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

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

some of the major changes to plan provisions required by SB 18-2000 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 in employee 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 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 the Wray 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, 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.

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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

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

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

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

As of December 31, 2018, 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. Pursuant to SB 18-200, there are not 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 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 receive an annual increase of the lesser 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 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 March 31, 2019: Eligible employees and the Wray 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 on the next page:

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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

[1]Contribution Rates 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 Wray Housing Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Wray Housing Authority were $11,600 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 Wray Housing Authority reported a liability of $179,720 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The Wray Housing Authority proportion of the net pension liability was based on Wray Housing Authority's contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the Wray Housing Authority's proportion was .0142951198 percent, which was a decrease of .00082614 percent change from its proportion measured as of December 31, 2017.

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

For the year ended March 31, 2019, the Authority recognized pension expense of $18,035. At March 31, 2019 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ --	$ --
Difference between expected and actual experience	$ 7,515	$ --
Difference between projected and actual earnings on pension plan investments	$ 57,820	$ 34,416
Changes in proportion differences between employer contributions and proportionate share of contributions	$ (19,672)	$ --
Contributions paid to PERA subsequent to the measurement date – Jan. 1, 2019 thru Mar. 31, 2019	$ 3,186	$ --
Total	$ 48,849	$ 34,416

$3,186 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, 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:

Year Ended March 31:	
2020	$ 6,422
2021	(4,082)
2022	(1,979)
2023	10,886
2024	--
Thereafter	--
	$ 11,247

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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
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)	3% 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

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.

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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%.

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:

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

- 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 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 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. 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 Wray 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	274,935	179,720	100,064

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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.

Payables to the Pension Plan

At March 31, 2019, the Authority had payables of $1,789 to the defined benefit pension plan for legally required employer and employee contributions which had been withheld from employee wages but not yet remitted to PERA.

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

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.

NOTE N – DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

Plan Description - Employees of the Wray 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 comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2018, program members contributed $4,005.

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. Wray 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.

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

General Information about the OPEB Plan

Plan description. Eligible employees of the Wray 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 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.

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Wray Housing Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Wray Housing Authority were $1,333 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 Wray Housing Authority reported a liability of $20,923 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 Wray Housing Authority's proportion of the net OPEB liability was based on the Wray Housing Authority contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

At December 31, 2018, the Wray Housing Authority's proportion was .0011085877 percent, which was a decrease of .00006640 from its proportion measured as of December 31, 2017.

For the year ended March 31, 2019, the Wray Housing Authority recognized OPEB expense of $1,238. At March 31, 2019, the Wray Housing Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Changes in assumptions or other inputs	$	105	$	--
Difference between expected and actual experience	$	55	$	23
Difference between projected and actual earnings on OPEB plan investments	$	268	$	181
Changes in proportion and differences between contributions recognized and proportionate share of contributions	$	-	$	728
Contributions subsequent to the measurement date – Jan. 1, 2019 thru March 31, 2019	$	237	$	--
Total	$	665	$	932

$237 is 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	$	(108)
2021		(108)
2022		(108)
2023		(48)
2024		(132)
Thereafter		--
	$	(504)

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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.

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 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 discussed below.

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:

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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.

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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:

- 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.

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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:

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%**	

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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 Wray Housing 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%	5.00%
Net OPEB Liability	$16,876	$15,083	$13,549

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.

NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

Sensitivity of the Wray Housing 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	$16,876	$15,083	$13,549

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-
GASB 68 - PENSION SCHEDULES AND NOTES

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Last Ten Fiscal Years*

PERA Pension Plan Year Ended	Authority's Proportion of the Net Pension Liability	Authority's Proportionate Share of the Net Pension Liability	Authority's Covered-Payroll	Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2013	0.0198908345%	$ 200,684	$ 106,119	189%	78%
12/31/2014	0.0203657444%	$ 182,540	$ 111,594	164%	81%
12/31/2015	0.0189890712%	$ 209,180	$ 107,843	194%	77%
12/31/2016	0.0157706091%	$ 212,957	$ 95,589	223%	74%
12/31/2017	0.0151212919%	$ 168,365	$ 94,443	178%	79%
12/31/2018	0.0142951115%	$ 179,720	$ 94,761	190%	76%

* - The amounts presented for each fiscal year were determined as of the Pension fiscal year that occurred within the fiscal year. Additional years will be displayed as they become available.

See accompanying notes to required supplemental information.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS - PENSION PLAN
For the Last Ten Fiscal Years*

Authority's Fiscal Year Ended	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Authority's Covered-Payroll	Contributions as a percentage of Covered-Payroll
3/31/2014	$ 13,456	$ 13,456	$ -	$ 106,119	12.68%
3/31/2015	$ 14,150	$ 14,150	$ -	$ 111,594	12.68%
3/31/2016	$ 13,674	$ 13,674	$ -	$ 107,843	12.68%
3/31/2017	$ 12,121	$ 12,121	$ -	$ 95,589	12.68%
3/31/2018	$ 12,144	$ 12,144	$ -	$ 95,774	12.68%
3/31/2019	$ 11,600	$ 11,600	$ -	$ 91,481	12.68%

* - The amounts presented for each fiscal year were determined as of the Authority's fiscal year.
Additional years will be displayed as they become available.

See accompanying notes to required supplemental information.

NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2017 Changes in Plan Provisions Since 2016

The following changes were made to the plan provisions as part of Senate Bill (SB) 18-200:

- Member contribution rates increase by .75 percent effective July 1, 2019, an additional .75 percent effective July 1, 2020, and an additional .50 percent effective July 1, 2021.
- Employer contribution rates increase by .25 percent effective July 1, 2019 for State, School, Judicial, and DPS Divisions.
- An annual direct distribution of $225 million (actual dollars) from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
- Annual Increase (AI) cap is lowered from 2.00 percent per year to 1.50 percent per year.
- Initial AI waiting period is extended from one year after retirement to three years after retirement.
- AI payments are suspended for 2018 and 2019.
- The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

2017 Changes in Plan Provisions Since 2016

Following the 2018 legislative session, Governor Hickenlooper signed into law SB 18-200, which includes the following reforms:

- Incrementally increases the member contribution percentage a total of 2.00 percent as follows:
  - .75 percent on July 1, 2019
  - .75 percent on July 1, 2020
  - .50 percent on July 1, 2021

- Increase employer contributions 0.25 percent on July 1, 2019, for all divisions except for the Local Government Division.

- PERA will receive an annual direct distribution from the State in the amount of $225 million (in actual dollars). The distribution will occur on July 1, 2018 and on July 1 each year thereafter until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.

NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION (CONT'D)

- Beginning January 1, 2021, and every year thereafter, employer contribution rates for the State and Local Government Divisions will be adjusted to include a defined contribution supplement. The defined contribution supplement for these two divisions will be 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, expressed as a percentage of salary on which employer contributions have been made.

2016 Changes in Plan Provisions Since 2015

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

2015 Changes in Plan Provisions Since 2014

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.
- As required under Section 24-51-401(1.7)e of Colorado Revised Statues, PERA calculated and provided to the Colorado General Assembly an adjustment to the DPS Division's employer contribution rate to assure the equalization of the School Division's and DPS Division's ratios of unfunded actuarial accrued liability (UAAL) to payroll, as of December 31, 2039. Subsequently, the Colorado General Assembly passed HB 15-1391, reducing the employer contribution rate of the DPS Division from 13.75% to 10.15%, effective January 1, 2015.

2014 Changes in Plan Provisions Since 2013

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

2013 Changes in Plan Provisions Since 2012

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2019

NOTE B – SIGNFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL VALUATION:

2018 Changes in Assumptions or Other Inputs Since 2017

There are no changes in economic and demographic actuarial assumptions incorporated into the actuarial valuation as of December 31, 2018, since the last actuarial valuation as of December 31, 2017.

2017 Changes in Assumptions or Other Inputs Since 2016

There are no changes in economic and demographic actuarial assumptions incorporated into the actuarial valuation as of December 31, 2017, since the last actuarial valuation as of December 31, 2016.

2016 Changes in Assumptions or Other Inputs Since 2015

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The post-retirement mortality assumption for healthy lives for the State and Local Government Divisions was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of 73 percent factor applied to ages below 80 and 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to 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.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from .35 percent to .40 percent.
- The SEIR for the Local Government Division was lowered from 7.50 percent to 7.25 percent reflecting the change in the long-term rate of return.

NOTE B – SIGNFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL VALUATION (CONT'D):

2015 Changes in Assumptions or Other Inputs Since 2014

The following programming changes were made:

- Valuation of full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month AI timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35 percent of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year.

2014 Changes in Assumptions or Other Inputs Since 2013

- In 2012, a lawsuit was initiated to determine the amount owed to PERA by Memorial and the City of Colorado Springs (City) for Memorial's departure from PERA. In September 2014, PERA and the City agreed to resolve the lawsuit. The agreement provided for the City to pay PERA $190,000 for the liabilities associated with the retirement and health care benefits already earned by 7,666 Memorial employees for the work that they performed before Memorial ceased to be a PERA employer. On October 3, 2014, PERA received a disaffiliation payment from the City, which was allocated to the Local Government Division Trust Fund and the HCTF in the amount of $186,006 and $3,994, respectively.

2013 Changes in Assumptions or Other Inputs Since 2012

- The investment return assumption was lowered from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 3.50 percent to 2.80 percent.
- The wage inflation assumption was lowered from 4.25 percent to 3.90 percent.

REQUIRED SUPPLEMENTAL INFORMATION-
GASB 75 - OPEB SCHEDULES AND NOTES

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
For the Last Ten Fiscal Years*

PERA OPEB Plan Year Ended	Authority's Proportion of the Collective Net OPEB Liability	Authority's Proportionate Share of the Collective Net OPEB Liability	Authority's Covered-Payroll	Authority's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered-Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2017	0.0011749769%	$ 15,270	$ 94,443	16%	17.53%
12/31/2018	0.0011086023%	$ 15,083	$ 94,761	16%	17.03%

* - The amounts presented for each fiscal year were determined as of the OPEB Plan fiscal year that occurred within the fiscal year. Additional years will be displayed as they become available.

See accompanying notes to required supplemental information.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS - OPEB PLAN
For the Last Ten Fiscal Years*

Authority's Fiscal Year Ended	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Authority's Covered-Payroll	Contributions as a percentage of Covered-Payroll
3/31/2018	$ 977	$ 977	$ -	$ 95,774	1.02%
3/31/2019	$ 933	$ 933	$ -	$ 91,481	1.02%

* - The amounts presented for each fiscal year were determined as of the Authority's fiscal year.
Additional years will be displayed as they become available.

See accompanying notes to required supplemental information.

NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2018 Changes in Plan Provisions Since 2017

- There were no changes made to the plan provisions.

2017 Changes in Plan Provisions Since 2016

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the Health Care Trust Fund (HCTF) on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of $1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of $1,063 and $96, respectively.

- The new Defined Benefit OPEB Funding Policy was adopted by the Board of Trustees on January 19, 2018.

NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2018 Changes in Assumptions or Other Inputs Since 2017

- There were no changes made to the actuarial methods or assumptions.

2017 Changes in Assumptions or Other Inputs Since 2016

- There were no changes made to the actuarial methods or assumptions.

NOTE C – CHANGES OF BENEFIT TERMS

2017 Changes in Plan Provisions Since 2016

- Expands PERAChoice to new hires as of January 1, 2019, applicable to:
  - Certain members of the State Division
  - All members of the Local Government Division

SUPPLEMENTAL INFORMATION –
PROGRAM FINANCIAL SCHEDULES

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
PROGRAM SCHEDULE OF NET POSITION
March 31, 2019

ASSETS	Public Housing	Lincoln Terrace	Totals
CURRENT ASSETS:			
Cash and cash equivalents	$ 23,433	$ 76,654	$ 100,087
Investments	242,349	-	242,349
Accounts receivable, net	146	156	302
Due from other governments	19,077	-	19,077
Accrued interest receivable	1,572	-	1,572
Prepaid insurance	10,730	4,979	15,709
Restricted:			
Cash and cash equivalents	10,149	5,385	15,534
TOTAL CURRENT ASSETS	307,456	87,174	394,630
NONCURRENT ASSETS:			
Capital Assets, non-depreciable	51,500	83,629	135,129
Capital Assets, depreciable, net	702,743	300,577	1,003,320
TOTAL NONCURRENT ASSETS	754,243	384,206	1,138,449
TOTAL ASSETS	1,061,699	471,380	1,533,079
DEFERRED OUTFLOWS OF RESOURCES:			
OPEB related deferred outflows of resources	444	221	665
Pension related deferred outflows of resources	32,631	16,218	48,849
TOTAL DEFERRED OUTFLOWS OF RESOURCES	33,075	16,439	49,514
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	3,984	2,244	6,228
Accrued payroll and benefits payable	5,104	187	5,291
Tenant security deposits payable	10,149	5,385	15,534
Compensated absences payable	3,282	1,641	4,923
Unearned revenue	2,065	121	2,186
TOTAL CURRENT LIABILITIES	24,584	9,578	34,162
NONCURRENT LIABILITIES:			
Collective net OPEB liability	10,075	5,008	15,083
Net pension liability	120,051	59,669	179,720
TOTAL NONCURRENT LIABILITIES	130,126	64,677	194,803
TOTAL LIABILITIES	154,710	74,255	228,965
DEFERRED INFLOWS OF RESOURCES:			
OPEB related deferred inflows of resources	623	310	933
Pension related deferred inflows of resources	22,990	11,426	34,416
TOTAL DEFERRED INFLOWS OF RESOURCES	23,613	11,736	35,349
NET POSITION			
Net investment in capital assets	754,243	384,206	1,138,449
Unrestricted	162,208	17,622	179,830
TOTAL NET POSITION	$ 916,451	$ 401,828	$ 1,318,279

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
PROGRAM SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended March 31, 2019

	Public Housing	Lincoln Terrace	Totals
OPERATING REVENUES			
Rental income	$ 128,375	$ 65,872	$ 194,247
HUD Section 8 program income	-	88,876	88,876
Other income	6,514	1,004	7,518
TOTAL OPERATING REVENUES	134,889	155,752	290,641
OPERATING EXPENSES			
Administrative	48,030	33,192	81,222
Tenant services	910	698	1,608
Utilities	26,204	21,631	47,835
Ordinary maintenance and operations	107,342	59,094	166,436
General expense	19,006	13,607	32,613
Depreciation	74,844	48,234	123,078
TOTAL OPERATING EXPENSES	276,336	176,456	452,792
OPERATING INCOME (LOSS)	(141,447)	(20,704)	(162,151)
NONOPERATING REVENUES (EXPENSES)			
HUD operating subsidy	65,864	-	65,864
HUD capital grants - operations	73,622	-	73,622
Interest income	3,744	91	3,835
TOTAL NONOPERATING REVENUES (EXPENSES)	143,230	91	143,321
INCOME (LOSS) BEFORE CONTRIBUTIONS	1,783	(20,613)	(18,830)
CAPITAL CONTRIBUTIONS			
HUD capital fund grants	34,728	-	34,728
INCREASE (DECREASE) IN NET POSITION	36,511	(20,613)	15,898
NET POSITION			
Net position, beginning balance	890,088	427,486	1,317,574
Prior period adjusment - OPEB 75 implementation	(10,148)	(5,045)	(15,193)
Net position, beginning balance restated	879,940	422,441	1,302,381
TOTAL NET POSITION - ENDING BALANCE	$ 916,451	$ 401,828	$ 1,318,279

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS
Year Ended March 31, 2019

	Public Housing	Lincoln Terrace	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Rental receipts	$ 129,350	$ 65,838	$ 195,188
HUD Section 8 program receipts	-	88,876	88,876
Other receipts	6,514	1,004	7,518
Tenant security deposits	(91)	(51)	(142)
Cash payments for goods and services	(133,251)	(91,326)	(224,577)
Cash payments to employees for services	(91,071)	(44,594)	(135,665)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(88,549)	19,747	(68,802)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
HUD operating subsidy	66,352	-	66,352
HUD capital grants - operations	54,545	-	54,545
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	120,897	-	120,897
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases and construction of capital assets	(206,418)	(12,023)	(218,441)
HUD capital fund grants	37,128	-	37,128
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(169,290)	(12,023)	(181,313)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net (deposits) withdrawals to investments	(3,712)	-	(3,712)
Interest received	3,712	91	3,803
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	91	91
NET INCREASE (DECREASE) IN CASH	(136,942)	7,815	(129,127)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	170,524	74,224	244,748
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 33,582	$ 82,039	$ 115,621

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS (CONT'D)
Year Ended March 31, 2019

	Public Housing	Lincoln Terrace	Totals
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ (141,447)	$ (20,704)	$ (162,151)
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	74,844	48,234	123,078
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
(Increase) decrease in accounts receivable	262	(121)	141
(Increase) decrease in prepaid insurance	(8,551)	(1,521)	(10,072)
(Increase) decrease in deferred outflows of resources, pension	(23,081)	(11,516)	(34,597)
(Increase) decrease in deferred outflows of resources, OPEB	(222)	(111)	(333)
Increase (decrease) in accounts payable	(505)	296	(209)
Increase (decrease) in tenant security deposits	-	(51)	(51)
Increase (decrease) in accrued payroll and benefits	789	187	976
Increase (decrease) in accrued compensated absences	114	57	171
Increase (decrease) in unearned revenue	713	87	800
Increase (decrease) in net pension liability	7,145	4,119	11,264
Increase (decrease) in collective net OPEB liability	(125)	(62)	(187)
Increase (decrease) in deferred inflows of resources, pension	1,062	628	1,690
Increase (decrease) in deferred inflows of resources, OPEB	453	225	678
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (88,549)	$ 19,747	$ (68,802)

SUPPLEMENTAL INFORMATION –
FINANCIAL DATA SCHEDULE

Housing Authority of the City of Wray (CO022)
WRAY, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit — Fiscal Year End: 03/31/2019

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	Subtotal	ELIM	Total
111 Cash - Unrestricted	$23,433	$76,654	$100,087		$100,087
114 Cash - Tenant Security Deposits	$10,149	$5,385	$15,534		$15,534
100 Total Cash	$33,582	$82,039	$115,621		$115,621
122 Accounts Receivable - HUD Other Projects	$19,077		$19,077		$19,077
126 Accounts Receivable - Tenants	$246	$156	$402		$402
126.1 Allowance for Doubtful Accounts -Tenants	-$100	$0	-$100		-$100
126.2 Allowance for Doubtful Accounts - Other	$0		$0		$0
129 Accrued Interest Receivable	$1,572		$1,572		$1,572
120 Total Receivables, Net of Allowances for Doubtful Accounts	$20,795	$156	$20,951		$20,951
131 Investments - Unrestricted	$242,349		$242,349		$242,349
142 Prepaid Expenses and Other Assets	$10,730	$4,979	$15,709		$15,709
150 Total Current Assets	$307,456	$87,174	$394,630		$394,630
161 Land	$51,500	$83,629	$135,129		$135,129
162 Buildings	$2,219,051	$1,129,338	$3,348,389		$3,348,389
163 Furniture, Equipment & Machinery - Dwellings	$50,697	$15,690	$66,387		$66,387
164 Furniture, Equipment & Machinery - Administration	$60,702	$36,462	$97,164		$97,164
166 Accumulated Depreciation	-$1,627,707	-$880,913	-$2,508,620		-$2,508,620
160 Total Capital Assets, Net of Accumulated Depreciation	$754,243	$384,206	$1,138,449		$1,138,449
180 Total Non-Current Assets	$754,243	$384,206	$1,138,449		$1,138,449
200 Deferred Outflow of Resources	$33,075	$16,439	$49,514		$49,514
290 Total Assets and Deferred Outflow of Resources	$1,094,774	$487,819	$1,582,593		$1,582,593
312 Accounts Payable <= 90 Days	$2,648	$1,079	$3,727		$3,727
321 Accrued Wage/Payroll Taxes Payable	$5,104	$187	$5,291		$5,291
322 Accrued Compensated Absences - Current Portion	$3,282	$1,641	$4,923		$4,923
341 Tenant Security Deposits	$10,149	$5,385	$15,534		$15,534
342 Unearned Revenue	$2,065	$121	$2,186		$2,186
346 Accrued Liabilities - Other	$1,336	$1,165	$2,501		$2,501
310 Total Current Liabilities	$24,584	$9,578	$34,162		$34,162
357 Accrued Pension and OPEB Liabilities	$130,126	$64,677	$194,803		$194,803
350 Total Non-Current Liabilities	$130,126	$64,677	$194,803		$194,803
300 Total Liabilities	$154,710	$74,255	$228,965		$228,965
400 Deferred Inflow of Resources	$23,613	$11,736	$35,349		$35,349
508.4 Net Investment in Capital Assets	$754,243	$384,206	$1,138,449		$1,138,449
512.4 Unrestricted Net Position	$162,208	$17,622	$179,830		$179,830
513 Total Equity - Net Assets / Position	$916,451	$401,828	$1,318,279		$1,318,279
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$1,094,774	$487,819	$1,582,593		$1,582,593

Housing Authority of the City of Wray (CO022)
WRAY, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 03/31/2019

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$117,032	$60,522	$177,554		$177,554
70400 Tenant Revenue - Other	$11,343	$5,350	$16,693		$16,693
70500 Total Tenant Revenue	$128,375	$65,872	$194,247	$0	$194,247
70600 HUD PHA Operating Grants	$139,486	$88,876	$228,362		$228,362
70610 Capital Grants	$34,728		$34,728		$34,728
71100 Investment Income - Unrestricted	$3,744	$91	$3,835		$3,835
71500 Other Revenue	$6,514	$1,004	$7,518	-$6,000	$1,518
70000 Total Revenue	$312,847	$155,843	$468,690	-$6,000	$462,690
91100 Administrative Salaries	$29,270	$14,014	$43,284		$43,284
91200 Auditing Fees	$3,350	$950	$4,300		$4,300
91500 Employee Benefit contributions - Administrative	$4,156	$4,762	$8,918		$8,918
91600 Office Expenses	$6,384	$7,841	$14,225	-$6,000	$8,225
91800 Travel	$794	$399	$1,193		$1,193
91900 Other	$4,076	$5,226	$9,302		$9,302
91000 Total Operating - Administrative	$48,030	$33,192	$81,222	-$6,000	$75,222
92400 Tenant Services - Other	$910	$698	$1,608		$1,608
92500 Total Tenant Services	$910	$698	$1,608	$0	$1,608
93100 Water	$4,788	$3,370	$8,158		$8,158
93200 Electricity	$12,010	$9,228	$21,238		$21,238
93300 Gas	$4,738	$4,533	$9,271		$9,271
93600 Sewer	$4,668	$4,500	$9,168		$9,168
93000 Total Utilities	$26,204	$21,631	$47,835	$0	$47,835
94100 Ordinary Maintenance and Operations - Labor	$28,768	$14,831	$43,599		$43,599
94200 Ordinary Maintenance and Operations - Materials and Other	$18,761	$14,837	$33,598		$33,598
94300 Ordinary Maintenance and Operations Contracts	$47,993	$26,554	$74,547		$74,547
94500 Employee Benefit Contributions - Ordinary Maintenance	$11,820	$2,872	$14,692		$14,692
94000 Total Maintenance	$107,342	$59,094	$166,436	$0	$166,436
96110 Property Insurance	$11,478	$9,754	$21,232		$21,232
96120 Liability Insurance	$792	$1,225	$2,017		$2,017
96130 Workmen's Compensation	$1,058	$636	$1,694		$1,694
96140 All Other Insurance	$1,301	$350	$1,651		$1,651
96100 Total insurance Premiums	$14,629	$11,965	$26,594	$0	$26,594
96210 Compensated Absences	$3,283	$1,642	$4,925		$4,925
96400 Bad debt - Tenant Rents	$1,094		$1,094		$1,094
96000 Total Other General Expenses	$4,377	$1,642	$6,019	$0	$6,019
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0
96900 Total Operating Expenses	$201,492	$128,222	$329,714	-$6,000	$323,714
97000 Excess of Operating Revenue over Operating Expenses	$111,355	$27,621	$138,976	$0	$138,976
97400 Depreciation Expense	$74,844	$48,234	$123,078		$123,078
90000 Total Expenses	$276,336	$176,456	$452,792	-$6,000	$446,792
10010 Operating Transfer In	$70,272		$70,272	-$70,272	$0
10020 Operating transfer Out	-$70,272		-$70,272	$70,272	$0
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$36,511	-$20,613	$15,898	$0	$15,898
11020 Required Annual Debt Principal Payments	$0	$0	$0		$0
11030 Beginning Equity	$890,088	$427,486	$1,317,574		$1,317,574
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$10,148	-$5,045	-$15,193		-$15,193
11190 Unit Months Available	492	240	732		732
11210 Number of Unit Months Leased	477	234	711		711
11270 Excess Cash	$255,631		$255,631		$255,631
11620 Building Purchases	$203,612		$203,612		$203,612
11640 Furniture & Equipment - Administrative Purchases	$2,805		$2,805		$2,805

Housing Authority of the City of Wray (CO022)
WRAY, CO
Single Project Revenue and Expense

Submission Type: Audited/Non Single Audit   Fiscal Year End: 03/31/2019   Project: CO022072757 WRAY

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	$117,032		$117,032
70400 Tenant Revenue - Other	$11,343		$11,343
70500 Total Tenant Revenue	$128,375	$0	$128,375
70600 HUD PHA Operating Grants	$65,864	$73,622	$139,486
70610 Capital Grants		$34,728	$34,728
71100 Investment Income - Unrestricted	$3,744		$3,744
71500 Other Revenue	$6,514		$6,514
70000 Total Revenue	$204,497	$108,350	$312,847
91100 Administrative Salaries	$29,270		$29,270
91200 Auditing Fees		$3,350	$3,350
91500 Employee Benefit contributions - Administrative	$4,156		$4,156
91600 Office Expenses	$6,384		$6,384
91800 Travel	$794		$794
91900 Other	$4,076		$4,076
91000 Total Operating - Administrative	$44,680	$3,350	$48,030
92400 Tenant Services - Other	$910		$910
92500 Total Tenant Services	$910	$0	$910
93100 Water	$4,788		$4,788
93200 Electricity	$12,010		$12,010
93300 Gas	$4,738		$4,738
93600 Sewer	$4,668		$4,668
93000 Total Utilities	$26,204	$0	$26,204
94100 Ordinary Maintenance and Operations - Labor	$28,768		$28,768
94200 Ordinary Maintenance and Operations - Materials and Other	$18,761		$18,761
94300 Ordinary Maintenance and Operations Contracts	$47,993		$47,993
94500 Employee Benefit Contributions - Ordinary Maintenance	$11,820		$11,820
94000 Total Maintenance	$107,342	$0	$107,342
96110 Property Insurance	$11,478		$11,478
96120 Liability Insurance	$792		$792
96130 Workmen's Compensation	$1,058		$1,058
96140 All Other Insurance	$1,301		$1,301
96100 Total insurance Premiums	$14,629	$0	$14,629
96210 Compensated Absences	$3,283		$3,283
96400 Bad debt - Tenant Rents	$1,094		$1,094
96000 Total Other General Expenses	$4,377	$0	$4,377
96900 Total Operating Expenses	$198,142	$3,350	$201,492
97000 Excess of Operating Revenue over Operating Expenses	$6,355	$105,000	$111,355
97400 Depreciation Expense	$74,844		$74,844
90000 Total Expenses	$272,986	$3,350	$276,336
10010 Operating Transfer In	$70,272		$70,272
10020 Operating transfer Out		-$70,272	-$70,272
10100 Total Other financing Sources (Uses)	$70,272	-$70,272	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$1,783	$34,728	$36,511
11020 Required Annual Debt Principal Payments	$0	$0	$0
11030 Beginning Equity	$890,088	$0	$890,088
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$24,580	-$34,728	-$10,148
11190 Unit Months Available	492		492
11210 Number of Unit Months Leased	477		477
11270 Excess Cash	$255,631		$255,631
11620 Building Purchases	$171,689	$31,923	$203,612
11640 Furniture & Equipment - Administrative Purchases	$0	$2,805	$2,805

GOVERNMENT AUDITING STANDARDS SECTION

Niewedde & Wiens
Randal D. Niewedde, CPA
Jeffrey J. Wiens, CPA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditors Report

To the Board of Commissioners
Housing Authority of the City of Wray, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Housing Authority of the City of Wray, Colorado, as of and for the year ended March 31, 2019, and the related notes to the basic financial statements, which collectively comprise the Housing Authority of the City of Wray, Colorado's basic financial statements, and have issued our report thereon dated September 23, 2019.

Internal Control over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonably possibility that a material misstatement of the entity's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as Finding 2019-1 and 2019-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Wray, Colorado's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.* However, we did identify an immaterial instance of noncompliance that we have reported in the accompanying schedule of findings and responses as Finding 2019-2.

Response to Findings

The Housing Authority of the City of Wray, Colorado's responses to the findings identified in our audit are described in the accompanying corrective action plan. The Housing Authority of the City of Wray, Colorado's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Niewedde & Wiens, CPA's

York, Nebraska
September 23, 2019

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
March 31, 2019

The audit report for the year ended March 31, 2018 contained one finding and no questioned costs.

Finding 2018-1: Internal Controls – This finding is repeated because the Authority is a small entity and it is not financially feasible to correct this finding.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
SCHEDULE OF FINDINGS AND RESPONSES
March 31, 2019

Finding 2019-1: Internal Control Structure
Material Weakness

Criteria: A properly designed internal control structure relies greatly on a proper segregation of duties between several individuals. The duties related to initiating, authorizing, recording, processing and reporting financial data would be segregated so there is less likelihood that a misstatement of the entity's financial statements would occur.

Condition: The Authority consists of one administrative employee and as a result does not have personnel assigned responsibilities in such a way that different employees handle different parts of the same transaction. The limited number of employees results in an inadequate overall internal control structure design.

Cause: The Authority has limited staff and does not have the resources to properly segregate duties.

Effect or Potential Effect: The lack of segregation of duties related to the controls over the categories above are significant deficiencies that could result in a material misstatement in the financial statements.

Recommendation: The Authority has limited resources and additional controls are not financially feasible in the hiring of additional staff. The Authority is a small entity and the lack of segregation of duties is common among entities with minimal employees and should be recognized as such. However, it is not our intent to establish internal controls as the Authority's Board should make the final determination in the cost versus benefit.

Finding 2019-2: Payroll Reporting
Material Weakness/Noncompliance

Criteria: According to IRS regulations Publication 15 (Circular E), "wages subject to federal employment taxes generally include all pay you give to an employee for services performed".

Condition: During our audit we noted the Authority had paid four tenants totaling $6,660 in the form of a stipend for cleaning of the community rooms and for opening/closing of doors at the Authority. The stipend is allowable to be excluded when computing gross income for rent calculation purposes up to $200 per month but based on the interpretation of IRS regulations, because the person has to perform duties to earn the stipend then it is taxable by the IRS.

In addition, we noted the Authority is withholding the stipend from the monthly rent of the tenant which results in the rental income and related expense being understated by the respective amount. In addition, for the Public Housing, the rental income is used in the calculation of the operating subsidy and with it being understated would result in the operating subsidy being higher that it should be.

Cause: The Authority was aware of the allowable stipend to be excluded from the rent calculation but did not consider the taxable income according to the IRS.

Effect or Potential Effect: The Authority failed to report taxable wages to the IRS and withhold the appropriate employment taxes. In addition, the rental income and related expenses were understated by $6,660. The accompanying financial statements have been adjusted accordingly.

Finding 2019-2 (cont'd)

Recommendation: We recommend the Authority review Circular E regarding what payments are considered taxable wages and to report and withhold taxes according. In addition, the Authority should issue a separate check for the stipend to ensure the rental income and related expenses are reported properly.

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CORRECTIVE ACTION PLAN
Year Ended March 31, 2019

The following is the response to and the corrective action to be taken in regard to the findings as reported in the accompanying Schedule of Findings and Responses for the fiscal year ended March 31, 2019:

<u>ITEM</u>

2019-1 The Authority is a small entity and recognizes the lack of segregation of duties associated with the limited number of personnel. Due to our small size the cost of adding employees to implement these controls, the expected benefit would be a significant increase in the cost and at this time we feel the cost would exceed the benefit.

2019-2 The Authority will review Circular E regarding what payments are considered taxable wages and to report and withhold taxes accordingly. The Authority will issue a separate check for the stipends to ensure the rental income and related expenses are recorded properly.

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