

HOUSING AUTHORITY OF THE CITY OF ALAMOSA, COLORADO

Financial Statements

With Independent Auditor's Report

March 31, 2020

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Alamosa, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, of the Housing Authority of the City of Alamosa, Colorado as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Alamosa, Colorado's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the City of Alamosa, Colorado, as of March 31, 2020, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PO Box 865
Longmont, CO 80502

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

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 the Authority's Proportionate Share of the Net Pension Liability – PERA, Schedule of Pension Contributions – PERA, Schedule of the Authority's Proportionate Share of the Net OPEB Liability – PERA and Schedule of OPEB Contributions – PERA, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Alamosa, Colorado's basic financial statements. The financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The *financial data schedules* and the *schedule of expenditures of federal awards* are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *financial data schedules and schedule of expenditures of federal awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2020, on our consideration of the Housing Authority of the City of Alamosa, 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 Alamosa, 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 Alamosa, Colorado's internal control over financial reporting and compliance.



Longmont, Colorado
October 28, 2020

Management Discussion and Analysis

Management Discussion and Analysis

As management of the Housing Authority of the City of Alamosa, Colorado (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2020.

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

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

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

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

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority consists of one proprietary enterprise fund containing housing and grant programs which are described in Note 1 to Financial Statements.

Notes to the Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement begin on page 9.

Financial Analysis

As noted, net position may, over time serve as a useful indicator of the Authority's financial position. Assets exceeded liabilities by \$4,259,285 at the close of the most recent fiscal year.

The largest portion of the Authority's net position reflects its net investment in capital assets (e.g. land, building, machinery and equipment), less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide affordable low rent housing to its tenants, these assets are not available for future spending. Although the Authority's investment in its capital assets are reported net of related debt, it should be noted that resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statement of Net Position

	2020	2019	Increase (Decrease) CY vs. PY
ASSETS			
Cash and equivalents	\$ 1,511,735	\$ 1,464,715	\$ 47,020
Other current assets	794,541	841,151	(46,610)
Capital assets	2,629,766	2,381,324	248,442
Total Assets	<u>4,936,042</u>	<u>4,687,190</u>	<u>248,852</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>63,397</u>	<u>148,934</u>	<u>(85,537)</u>
LIABILITIES			
Current liabilities	173,425	165,205	8,220
Long term liabilities	409,048	651,568	(242,520)
Total liabilities	<u>582,473</u>	<u>816,773</u>	<u>(234,300)</u>
DEFERRED INFLOWS OF RESOURCES	<u>157,681</u>	<u>77</u>	<u>157,604</u>
NET POSITION			
Net investment in capital assets	2,629,766	2,381,324	248,442
Unrestricted	1,629,519	1,637,950	(8,431)
Total Net Position	<u>\$ 4,259,285</u>	<u>\$ 4,019,274</u>	<u>\$ 240,011</u>

Condensed Statement of Activities is presented in the following table:

	2020	2019	Increase (Decrease) CY vs. PY
Revenue:			
Operating Revenue	\$ 588,710	\$ 552,942	\$ 35,768
HUD operating grants	490,689	412,041	78,648
Other Income	-	74,006	(74,006)
Interest Income	8,779	7,558	1,221
Total Revenue	<u>1,088,178</u>	<u>1,046,547</u>	<u>41,631</u>
Expenses:			
Operating Expenses	1,364,959	1,204,039	160,920
Total Expenses	<u>1,364,959</u>	<u>1,204,039</u>	<u>160,920</u>
Capital Contributions	516,792	401,804	114,988
Change in Net Position	240,011	244,312	(4,301)
NetPosition-Beginning	4,019,274	3,774,962	244,312
Net Position-Ending	<u>\$ 4,259,285</u>	<u>\$ 4,019,274</u>	<u>\$ 240,011</u>

As of the current fiscal year, as well as in the previous fiscal year, the Authority is able to report a positive balance in the net position. Current and other assets are increased due to an increase in cash. Long term liabilities decreased due to the changes in pension liabilities. Operating revenue is increased by \$35,768 in 2020 due to a decrease in the vacancy rate. Operating expenses increased by \$160,920 due to an increase in various operating costs and non-cash pension items.

Condensed Statement of Cash Flows is presented in the following table:

	<u>2020</u>	<u>2019</u>
Cash from (for) Operating Activities	\$ (504,938)	\$ (444,464)
Cash from Non Capital Financing Activities	817,289	486,761
Cash from (for) Capital and Related Financing Activities	(44,720)	(19,534)
Cash from (for) Investing Activities	<u>(134,467)</u>	<u>2,521</u>
Increase (Decrease)	<u>133,164</u>	<u>25,284</u>
Cash and Cash Equivalents, Beginning of Year	1,464,715	1,439,431
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,597,879</u></u>	<u><u>\$ 1,464,715</u></u>

Capital Asset and Debt Administration

Capital Assets. The Authority's investment in capital assets as of March 31, 2020, amounts to \$2,629,766 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment. The Authority's capital expenditure during fiscal year 2019 were \$522,817 relating to the upgrades to the facilities. The capital purchases were partially funded by HUD capital grants. The Authority disposed of \$0 of fully depreciated capital assets during the year. The remaining activity related to capital assets were the normal additions of assets and depreciation. Additional information on capital assets can be found in note 4 to the accompanying financial statements.

Long Term Debt

At the end of the year, the Authority had no long-term debt

Economic Factors and Next Year's Revenue

The Authority does not receive any revenue from taxes. The Authority's rental rates have not changed in fiscal year 2021. The Authority expects that subsidy will not increase in 2021.

Request for Information

This financial report is designed to provide an overview of the Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to The Housing Authority of the City of Alamosa, Colorado, 213 Murphy Drive, Alamosa, CO 81101.

Basic Financial Statements

Housing Authority of the City of Alamosa, Colorado
Statement of Net Position
March 31, 2020

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,511,735
Prepaid expenses	37,180
Accounts receivable- tenants, net of allowance	532
Government grants receivable	124,023
Accrued interest	364
Investments	546,298
Restricted cash	86,144
Total Current Assets	2,306,276

Noncurrent Assets

Capital assets	
Nondepreciable	481,170
Depreciable	12,514,214
Less: accumulated depreciation	(10,365,618)
Net Capital Assets	2,629,766
Total Noncurrent Assets	2,629,766
Total Assets	4,936,042

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows - Pensions	56,932
Deferred Outflows - OPEB	6,465
Total Deferred Outflows of Resources	63,397

LIABILITIES

Current Liabilities

Accounts payable	14,211
Accrued wages, taxes and benefits	11,967
Other accrued liabilities	36,301
Tenant security deposits	86,144
Accrued compensated absences	24,802
Total Current Liabilities	173,425

Long Term Liabilities

Net Pension Liability	365,973
Net OPEB Liability	43,075
Total Long Term Liabilities	409,048
Total Liabilities	582,473

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows - Pensions	149,724
Deferred Inflows - OPEB	7,957
Total Deferred Inflows of Resources	157,681

Net Position

Net investment in capital assets	2,629,766
Unrestricted	1,629,519
Total Net Position	\$ 4,259,285

Housing Authority of the City of Alamosa, Colorado
Statement of Revenues, Expenses and Changes in Net Position
March 31, 2020

Operating Revenues	
Dwelling Rental	\$ 556,937
Management Fee	16,392
Other	15,381
Total Operating Revenues	<u>588,710</u>
Operating Expenses	
General and Administrative	266,432
Utilities	222,085
Maintenance and Operation	602,067
Depreciation	274,375
Total Operating Expenses	<u>1,364,959</u>
Operating Income (Loss)	(776,249)
Non-Operating Revenues (Expenses)	
HUD Contributions and Grants	490,689
Interest Income	8,779
Total Non-Operating Revenues (Expenses)	<u>499,468</u>
Income Before Capital Contributions	(276,781)
Capital Contributions	<u>516,792</u>
Change in Net Position	<u>240,011</u>
Net Position, Beginning of Year	4,019,274
Net Position, End of Year	<u>\$ 4,259,285</u>

Housing Authority of the City of Alamosa, Colorado
Statement of Cash Flows
For the Year Ended March 31, 2020

Cash Flows From Operating Activities:	
Cash Received from Tenants	\$ 591,479
Cash Payments to Tenants and suppliers	(752,211)
Cash Payments to Employees	(344,206)
Net Cash (Used) For Operating Activities	<u>(504,938)</u>
Cash Flows From Noncapital Financing Activities:	
HUD Contributions and Grants	817,289
Net Cash Provided by Non-Capital Financing Activities	<u>817,289</u>
Cash Flows From Capital and Related Financing Activities:	
Purchase of Property, Plant and Equipment	(522,817)
Capital Contributions	478,097
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(44,720)</u>
Cash Flows from Investing Activities:	
Purchases of investments	(143,035)
Interest Income	8,568
Net Cash Provided by Investing Activities	<u>(134,467)</u>
Net increase in Cash and Cash Equivalents	133,164
Cash and Cash Equivalents, Beginning	1,464,715
Cash and Cash Equivalents, Ending	<u>\$ 1,597,879</u>
Detail of cash and cash equivalents:	
Cash - Unrestricted	1,511,735
Cash-Restricted	86,144
Total	<u>\$ 1,597,879</u>
Reconciliation of Operating Income to Net Cash Used for Operating Activities:	
Cash Used for Operating Activities:	
Operating (Loss)	(776,249)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation and Amortization	274,375
Changes in Pension Related Items	1,618
Changes in OPEB Related Items	(997)
Changes in Assets and Liabilities:	
Accounts Receivable - Tenants	(90)
Prepaid expenses	(11,815)
Accounts Payable	784
Accrued Liabilities	2,135
Accrued wages, taxes, and benefits	(656)
Accrued Compensated Absences	3,098
Tenant Security Deposits	2,859
Net Cash Used for Operating Activities	<u>(504,938)</u>

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements
March 31, 2020

Note 1 Summary of Significant Accounting Policies

The Housing Authority of the City of Alamosa, Colorado (the Authority) was established by the City of Alamosa, Colorado in order to administer the public housing programs subsidized by the Federal Government through the U.S. Department of Housing and Urban Development (HUD). The Authority provides 199 units of housing under the program. The Authority is operated by a Board of Commissioners. The accounting policies of the Authority conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority follows all pronouncements issued by GASB. The more significant of the Authority's policies are described below.

Financial Reporting Entity

The Authority follows GASB Statement No. 14 which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. Based upon the application of these criteria, no entities will be included in the Authority's reporting entity. The Housing Authority of the City of Alamosa, Colorado is not a component unit of any other entities.

Basis of Accounting

Enterprise fund accounting is utilized by the Authority in accordance with accounting principles generally accepted in the United States of America. Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets. Retirement of bonds is recorded as a reduction of liabilities.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, cost incurred and/or net income is necessary for management accountability. All assets, deferred inflows, liabilities, deferred outflows associated with the operation of the Authority are included in the statement of net position.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprises fund is charges for providing low income housing. Operating expenses for the enterprise fund include the cost of providing low income housing, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses. The Authority presents its activities as a single enterprise proprietary fund.

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 1 Summary of Significant Accounting Policies (Continued)

The Authority follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* as amended by Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* and Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These statements establish standards for external financial reporting for all state and local governmental entities which includes a management’s discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. It requires the classification of net position into three components: net investment in capital assets; restricted; and unrestricted.

Assets, Liabilities and Net Position

Investments - Investments are recorded at fair value, which approximates cost.

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

Prepaid expenses – Prepaid balances are for payments made by the Authority in the current year for items to be consumed in subsequent years.

Capital assets - These consist of all property, plant and equipment. The Authority defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or estimated historical cost if donated.

Depreciation of all exhaustible capital assets is charged as expense against operations. Accumulated depreciation is reported on the balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	10 - 40 years
Admin equipment	5 - 10 years
Operational equipment	3 - 10 years

Compensated Absences - Pursuant to its personnel policies, the Authority will compensate individual employment for unused vacation and 1/3 of sick leave accumulated upon their separation of employment. The Authority reports these potential payments as a liability for compensated absences.

Net Position – Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 1 Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position (Continued)

b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net positions are available for future operations or distributions. The Authority utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.

Cash Equivalents

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

Estimates

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

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end. The Authority adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to March 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The Authority Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Authority Board or revised by the Authority Board.

Note 2 Cash and Investments

Cash Deposits

As of March 31, 2020, the District’s cash deposits had a carrying balance of \$1,597,879 and a corresponding bank balance of \$1,613,129, of which \$250,000 was insured by the Federal Deposit Insurance Corporation, respectively.

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 2 Cash and Investments (Continued)

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

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The Authority had \$1,363,129 collateralized under PDPA.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of March 31, 2020, none of the Authority’s bank deposits were exposed to custodial credit risk.

Investments

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

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

The Authority does not have a formal investment policy.

As of March 31, 2020, the Authority had \$546,298 invested in certificates of deposit (CD’s) with various financial institutions carrying a maturity of 1-3 years from date of purchase. All CD’s were insured under the FDIC and are valued under amortized cost.

Note 3 Accounts Receivable

Accounts receivable balance at March 31, 2020, was comprised of the following:

<u>Program</u>	<u>Tenants</u> <u>Receivable</u>	<u>Allowance</u> <u>for Bad Debt</u>	<u>Receivable</u> <u>Net of</u> <u>Allowance</u>
Tenant receivables	\$ 26,465	\$ (25,933)	\$ 532
Total	<u>\$ 26,465</u>	<u>\$ (25,933)</u>	<u>\$ 532</u>

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 4 Fixed Assets

The following is a summary of fixed assets at March 31, 2020

	Balance 3/31/2019	Additions	Deletions	Balance 3/31/2020
Nondepreciable				
Land	\$ 365,977	\$ -	\$ -	\$ 365,977
Construction in progress	-	115,193	-	115,193
Total Nondepreciable	<u>365,977</u>	<u>115,193</u>	<u>-</u>	<u>481,170</u>
Depreciable				
Buildings and improvements	11,577,459	407,624	-	11,985,083
Office equipment and furniture	28,396	-	-	28,396
Maintenance equipment	334,485	-	-	334,485
Vehicles	166,250	-	-	166,250
Total Depreciable	<u>12,106,590</u>	<u>407,624</u>	<u>-</u>	<u>12,514,214</u>
TOTAL	<u>12,472,567</u>	<u>522,817</u>	<u>-</u>	<u>12,995,384</u>
Less Accumulated Depreciation	<u>(10,091,243)</u>	<u>(274,375)</u>	<u>-</u>	<u>(10,365,618)</u>
Total Accumulated Depreciation	<u>(10,091,243)</u>	<u>(274,375)</u>	<u>-</u>	<u>(10,365,618)</u>
Net Capital Assets	<u>\$ 2,381,324</u>	<u>\$ 248,442</u>	<u>\$ -</u>	<u>\$ 2,629,766</u>

Note 5 Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of *March 31, 2020*

General Information about the Pension Plan

Plan description. Eligible employees of the Authority are provided with pensions through the 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

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2019. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

As of December 31, 2019, 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., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

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

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

Contributions provisions as of March 31, 2020: Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of April 1, 2019 through March 31, 2020 are summarized in the table below:

	January 1, 2019 Through December, 31, 2019	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020
Employee contribution (all employees except State Troopers)	8.00%	8.00%	8.50%
State Troopers Only	N/A	10.00%	10.50%

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

The employer contribution requirements for all employees are summarized in the table below:

	January 1, 2019 Through June 30, 2020	July 1, 2020 Through December 31, 2020
Employer contribution rate	10.00%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	8.98%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Total employer contribution rate to the LGDTF	12.68%	13.18%

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Authority were \$43,693 for the year March 31, 2020.

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

At March 31, 2020 the Authority reported a liability of \$365,973 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the Housing Authority of the City of Alamosa, Colorado proportion was .0500378945 percent, which was an increase of .00022242181 from its proportion measured as of December 31, 2018.

For the year ended March 31, 2020 the Housing Authority of the City of Alamosa, Colorado recognized pension expense of \$1,618. At March 31, 2020 the Housing Authority of the City of Alamosa, Colorado reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 23,949	\$0
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on pension plan investments	0	149,724
Changes in proportion and differences between contributions recognized and proportionate share of contributions	20,828	0
Contributions subsequent to the measurement date	12,155	N/A
Total	\$56,932	\$149,724

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

\$12,155 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:

For the Year Ended March 31,	
2020	\$(6,975)
2021	(40,521)
2022	(6,366)
2023	(51,085)
2024	0
Thereafter	\$ 0

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

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 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) ¹ compounded	1.25 percent annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase
Reserve	

¹ For 2019, the annual increase was 0.00 percent.

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.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

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

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

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

The actuarial assumptions used in the December 31, 2018, valuation 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:

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020, Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

they are zero. Additionally, estimated employer contributions reflect 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 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.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	672,265	365,973	108,384

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

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

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

PERA Benefit Structure

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

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

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

At March 31, 2020 the Authority reported a liability of \$43,075 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The Authority's proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the Authority proportion was .0038322880 percent, which was an increase .001243451 percenter from its proportion measured as of December 31, 2018.

For the year March 31, 2020 the Authority recognized OPEB income of \$997. At March 31, 2020 the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	143	7,238
Changes of assumptions or other inputs	357	0
Net difference between projected and actual earnings on OPEB plan investments	0	719
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,987	0
Contributions subsequent to the measurement date	978	N/A
Total	6,465	7,957

\$978 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended March 31, 2020	
2021	(540)
2022	(540)
2023	(332)
2024	(605)
2025	(1,099)
Thereafter	646

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

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

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation aggregate	3.50 percent in
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 gradually	5.60 percent in 2019, decreasing to 4.50 percent in 2029
Medicare Part A premiums gradually	3.50 percent in 2019, increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

The actuarial assumptions used in the December 31, 2018, valuation 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 2019 for the PERA Benefit Structure:

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 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
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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.

Post-retirement non-disabled 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.

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

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- 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:

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

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

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

Sensitivity of 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
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	42,052	43,075	44,257

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:

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 5 Defined Benefit Pension Plan (Continued)

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	42,052	43,075	44,257

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

Housing Authority of the City of Alamosa, Colorado
Notes to the Financial Statements (Continued)
March 31, 2020

Note 7 Contingencies and Commitments

The Authority is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims have not exceeded commercial coverage in any of the past three years.

The Authority participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of March 31, 2020, significant amounts of grant expenses have not been audited, but the Authority believes that disallowed expenses, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the Authority.

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

Note 8 Economic Dependency

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

Note 9 Risks and Uncertainties

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Academy, COVID-19 may impact various parts of its 2021 operations and financial results, but the effects are currently unknown. Management believes the Authority is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

Required Supplemental Information

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

	Measurement Date for the Year Ended					
	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	0.0500378945%	0.0478136764%	0.0435044684%	0.0393233167%	0.0486552685%	0.0588580659%
Authority's proportional share of the net pension liability	\$ 365,973	\$ 601,120	\$ 484,392	\$ 530,999	\$ 535,977	\$ 527,550
Authority's covered payroll	344,584	258,394	274,445	229,354	276,324	322,516
Authority's percentage of net pension liability as a percent of covered payroll	106%	233%	176%	232%	194%	164%
Total pension liability	5,324,353,000	5,228,602,000	5,396,516,000	5,123,847,000	4,762,090,000	4,647,777,000
Plan fiduciary net position	4,592,962,000	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000	3,751,468,000
Net pension liability	<u>\$ 731,391,000</u>	<u>\$ 1,257,213,000</u>	<u>\$ 1,113,430,000</u>	<u>\$ 1,350,341,000</u>	<u>\$ 1,101,581,000</u>	<u>\$ 896,309,000</u>
Plan fiduciary net position as a percentage of the total pension liability	86.3%	76.0%	79.4%	73.6%	76.9%	80.7%
Net pension liability as a percentage of covered payroll	106%	233%	176%	232%	194%	164%

The amounts presented were measured at 12/31 of their respective years.

*The schedule is intended to show information for 10 years. Additional years will be presented when they become available.

Housing Authority of the City of Alamosa, Colorado
Required Supplementary Information
Schedule of Pension Contributions - PERA
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	43,693	41,357	32,764	30,094	32,946	39,966
Contributions in Relation to the Statutorily Required Contribution	43,693	41,357	32,764	30,094	32,946	39,966
Contribution Deficiency (Excess)	-	-	-	-	-	-
Covered Payroll	344,584	326,162	258,394	237,336	259,826	315,188
Contributions as a % of Covered Payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

The amounts presented were measured at 3/31 of their respective years.

*The schedule is intended to show information for 10 years. Additional years will be presented when they become available.

Housing Authority of the City of Alamosa, Colorado
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability - PERA
Last 10 Fiscal Years *

	Measurement Date for the Year Ended		
	2019	2018	2017
Authority's proportion of the net OPEB liability	0.0038322880%	0.0037079429%	0.0033804920%
Authority's proportional share of the net OPEB liability	\$ 43,075	\$ 50,448	\$ 45,993
Authority's covered payroll	344,584	258,394	274,445
Authority's percentage of net OPEB liability as a percent of covered payroll	13%	20%	17%
Total OPEB liability	1,488,508,000	1,639,734,000	1,575,822,000
Plan fiduciary net position	364,510,000	279,192,000	276,222,000
Net OPEB liability	<u>\$ 1,123,998,000</u>	<u>\$ 1,360,542,000</u>	<u>\$ 1,299,600,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	24.5%	17.0%	17.5%
Net OPEB liability as a percentage of covered payroll	13%	20%	17%

The amounts presented were measured at 12/31 of their respective years.

*The schedule is intended to show information for 10 years. Additional years will be presented when they become available.

**Housing Authority of the City of Alamosa, Colorado
 Required Supplementary Information
 Schedule of OPEB Contributions - PERA
 Last 10 Fiscal Years**

	2019	2018	2017
Statutorily Required Contribution	3,515	3,327	2,636
Contributions in Relation to the Statutorily Required Contribution	3,515	3,327	2,636
Contribution Deficiency (Excess)	-	-	-
Covered Payroll	344,584	326,162	258,394
Contributions as a % of Covered Payroll	1.02%	1.02%	1.02%

The amounts presented were measured at 3/31 of their respective years.

*The schedule is intended to show information for 10 years. Additional years will be presented when they become available.

Other Supplemental Information

Housing Authority of the City of Alamosa (CO004)
Alamosa, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,513,043		\$1,513,043		\$1,513,043
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted					
114 Cash - Tenant Security Deposits	\$84,835		\$84,835		\$84,835
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$1,597,878	\$0	\$1,597,878		\$1,597,878
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$124,023		\$124,023		\$124,023
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants	\$26,466		\$26,466		\$26,466
126.1 Allowance for Doubtful Accounts - Tenants	-\$25,934		-\$25,934		-\$25,934
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$364		\$364		\$364
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$124,919	\$0	\$124,919		\$124,919
131 Investments - Unrestricted	\$546,298		\$546,298		\$546,298
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$37,180		\$37,180		\$37,180
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$2,306,275	\$0	\$2,306,275		\$2,306,275
161 Land	\$365,977		\$365,977		\$365,977
162 Buildings	\$12,177,589		\$12,177,589		\$12,177,589
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration	\$336,705		\$336,705		\$336,705
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$10,365,618		-\$10,365,618		-\$10,365,618
167 Construction in Progress	\$115,113		\$115,113		\$115,113
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,629,766	\$0	\$2,629,766		\$2,629,766
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$2,629,766	\$0	\$2,629,766		\$2,629,766
200 Deferred Outflow of Resources	\$63,397		\$63,397		\$63,397
290 Total Assets and Deferred Outflow of Resources	\$4,999,438	\$0	\$4,999,438		\$4,999,438
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$9,688		\$9,688		\$9,688
313 Accounts Payable >90 Days Past Due					

Housing Authority of the City of Alamosa (CO004)
Alamosa, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

321	Accrued Wage/Payroll Taxes Payable	\$11,967		\$11,967	\$11,967
322	Accrued Compensated Absences - Current Portion	\$12,498		\$12,498	\$12,498
324	Accrued Contingency Liability				
325	Accrued Interest Payable				
331	Accounts Payable - HUD PHA Programs				
332	Account Payable - PHA Projects				
333	Accounts Payable - Other Government	\$36,301		\$36,301	\$36,301
341	Tenant Security Deposits	\$84,835		\$84,835	\$84,835
342	Unearned Revenue	\$1,309		\$1,309	\$1,309
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344	Current Portion of Long-term Debt - Operating Borrowings				
345	Other Current Liabilities				
346	Accrued Liabilities - Other	\$4,522		\$4,522	\$4,522
347	Inter Program - Due To				
348	Loan Liability - Current				
310	Total Current Liabilities	\$161,120	\$0	\$161,120	\$161,120
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352	Long-term Debt, Net of Current - Operating Borrowings				
353	Non-current Liabilities - Other				
354	Accrued Compensated Absences - Non Current	\$12,304		\$12,304	\$12,304
355	Loan Liability - Non Current				
356	FASB 5 Liabilities				
357	Accrued Pension and OPEB Liabilities	\$409,048		\$409,048	\$409,048
350	Total Non-Current Liabilities	\$421,352	\$0	\$421,352	\$421,352
300	Total Liabilities	\$582,472	\$0	\$582,472	\$582,472
400	Deferred Inflow of Resources	\$157,681		\$157,681	\$157,681
508.4	Net Investment in Capital Assets	\$2,629,766		\$2,629,766	\$2,629,766
511.4	Restricted Net Position				
512.4	Unrestricted Net Position	\$1,629,519	\$0	\$1,629,519	\$1,629,519
513	Total Equity - Net Assets / Position	\$4,259,285	\$0	\$4,259,285	\$4,259,285
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,999,438	\$0	\$4,999,438	\$4,999,438

Housing Authority of the City of Alamosa (CO004)
Alamosa, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$556,937		\$556,937		\$556,937
70400 Tenant Revenue - Other	\$15,381		\$15,381		\$15,381
70500 Total Tenant Revenue	\$572,318	\$0	\$572,318	\$0	\$572,318
70600 HUD PHA Operating Grants	\$529,384		\$529,384		\$529,384
70610 Capital Grants	\$478,097		\$478,097		\$478,097
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue			\$0	\$0	\$0
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$8,779		\$8,779		\$8,779
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue		\$16,392	\$16,392		\$16,392
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$1,588,578	\$16,392	\$1,604,970	\$0	\$1,604,970
91100 Administrative Salaries	\$121,173	\$16,392	\$137,565		\$137,565
91200 Auditing Fees	\$9,500		\$9,500		\$9,500
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$705		\$705		\$705
91500 Employee Benefit contributions - Administrative	\$51,652		\$51,652		\$51,652
91600 Office Expenses	\$25,676		\$25,676		\$25,676
91700 Legal Expense	\$1,675		\$1,675		\$1,675
91800 Travel	\$3,198		\$3,198		\$3,198
91810 Allocated Overhead					
91900 Other	\$26,100		\$26,100		\$26,100
91000 Total Operating - Administrative	\$239,679	\$16,392	\$256,071	\$0	\$256,071
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$1,283		\$1,283		\$1,283
92500 Total Tenant Services	\$1,283	\$0	\$1,283	\$0	\$1,283
93100 Water	\$158,725		\$158,725		\$158,725
93200 Electricity	\$15,786		\$15,786		\$15,786
93300 Gas	\$20,020		\$20,020		\$20,020
93400 Fuel					
93500 Labor					
93600 Sewer	\$27,554		\$27,554		\$27,554
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$222,085	\$0	\$222,085	\$0	\$222,085

Housing Authority of the City of Alamosa (CO004)
Alamosa, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

94100 Ordinary Maintenance and Operations - Labor	\$196,775		\$196,775		\$196,775
94200 Ordinary Maintenance and Operations - Materials and Other	\$68,864		\$68,864		\$68,864
94300 Ordinary Maintenance and Operations Contracts	\$109,587		\$109,587		\$109,587
94500 Employee Benefit Contributions - Ordinary Maintenance	\$73,056		\$73,056		\$73,056
94000 Total Maintenance	\$448,282	\$0	\$448,282	\$0	\$448,282
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$49,751		\$49,751		\$49,751
96120 Liability Insurance	\$13,260		\$13,260		\$13,260
96130 Workmen's Compensation	\$6,074		\$6,074		\$6,074
96140 All Other Insurance	\$10,080		\$10,080		\$10,080
96100 Total insurance Premiums	\$79,165	\$0	\$79,165	\$0	\$79,165
96200 Other General Expenses					
96210 Compensated Absences	\$16,894		\$16,894		\$16,894
96300 Payments in Lieu of Taxes	\$36,301		\$36,301		\$36,301
96400 Bad debt - Tenant Rents	\$1,170		\$1,170		\$1,170
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$54,365	\$0	\$54,365	\$0	\$54,365
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,044,859	\$16,392	\$1,061,251	\$0	\$1,061,251
97000 Excess of Operating Revenue over Operating Expenses	\$543,719	\$0	\$543,719	\$0	\$543,719
97100 Extraordinary Maintenance	\$2,900		\$2,900		\$2,900
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense	\$274,376		\$274,376		\$274,376
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$1,322,135	\$16,392	\$1,338,527	\$0	\$1,338,527
10010 Operating Transfer In	\$38,695		\$38,695	-\$38,695	\$0
10020 Operating transfer Out	-\$38,695		-\$38,695	\$38,695	\$0
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)	-\$26,432		-\$26,432		-\$26,432
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					

Housing Authority of the City of Alamosa (CO004)
Alamosa, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	-\$26,432	\$0	-\$26,432	\$0	-\$26,432
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$240,011	\$0	\$240,011	\$0	\$240,011
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$4,019,274	\$0	\$4,019,274		\$4,019,274
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$0		\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	2387		2387		2387
11210 Number of Unit Months Leased	2350		2350		2350
11270 Excess Cash	\$2,020,587		\$2,020,587		\$2,020,587
11610 Land Purchases	\$0		\$0		\$0
11620 Building Purchases	\$478,097		\$478,097		\$478,097
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$44,720		\$44,720		\$44,720
11650 Leasehold Improvements Purchases	\$0		\$0		\$0
11660 Infrastructure Purchases	\$0		\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0		\$0

SINGLE AUDIT SECTION

Green & Associates LLC

Certified Public Accountants & Business Consultants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Alamosa, Colorado's basic financial statements, and have issued our report thereon dated October 28, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Alamosa, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Alamosa, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Alamosa, Colorado's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PO Box 865
Longmont, CO 80502

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Alamosa, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Gnum + Associates LLC".

October 28, 2020
Longmont, CO

Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Alamosa, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the City of Alamosa, Colorado's major federal programs for the year ended March 31, 2020. The Housing Authority of the City of Alamosa, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Alamosa, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Alamosa, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority of the City of Alamosa, Colorado's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Alamosa, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2020.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Alamosa, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Alamosa, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Alamosa, Colorado's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance, that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

October 28, 2020
Longmont, CO

Housing Authority of the City of Alamosa, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2020

<u>Federal Grantor</u>	<u>CFDA NUMBER</u>	<u>EXPENDITURES</u>
U.S. Department of Housing and Urban Development		
Operating Subsidy	14.850	490,689
Capital Fund Program	14.872	478,097
Section 8 Housing Choice Vouchers - (Cluster Total)	14.871	15,193
 Total Federal Financial Awards		 <u>\$ 983,979</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority. All federal financial assistance received by the reporting entity directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule.

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Federal financial assistance provided to sub recipients is treated as an expenditure when it is paid to the sub-recipient. The Authority passed through \$0 to sub-recipients for the year then ended.

The Authority uses the de minimis indirect cost rate of 10%.

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material Weakness identified? _____ yes x no
- Significant deficiency identified that are not considered to be material weakness? _____ yes x no

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

- Material Weakness identified? _____ yes x no
- Significant deficiency identified that are not considered to be material weakness? _____ yes x no

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

_____ yes x no

Identification of major programs:

Public Housing Capital Fund 14.872

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

_____ yes x no

Current years findings: None

Prior years findings:

2019-001

Federal Program: CFDA # 14.850 Public and Indian Housing

Criteria: PHAs are required to enter into depository agreements with their financial institution using the HUD-51999 (*OMB No. 2577-0075*) or a form required by HUD in the ACC. The agreements serve as safe guards for Federal funds and provide third-party rights to HUD (Section 9 of the ACC).

Condition: The Authority did not have current, signed agreements with their financial institutions as required under the terms of the funding agreement.

Cause: The cause of the deficiency is related to procedures that were not properly documented.

Effect: The effect of the deficiency is a limitation of the rights of HUD in regards to deposits in financial institutions.

Questioned Costs: None

Prevalence and Consequences: Four financial institutions were tested for compliance with this requirement and in each case a signed depository agreement as required by HUD failed to be present.

Repeat Finding: No

Recommendation: It is recommended the Authority review all of the policies in place relating to the depository agreements and obtain the signed forms as required by HUD.

Management Response:

The Alamosa Housing Authority will take the corrective action to assure that the Alamosa Housing Authority is in compliance. The Alamosa Housing Authority is in the process of obtaining HUD form 51999 General Depository Agreement for all financial institutions that obtain HUD funds.