

HOUSING AUTHORITY OF THE
TOWN OF EATON
WELD COUNTY, COLORADO



REPORT OF AUDIT

Years Ended December 31, 2021 and 2020



TABLE OF CONTENTS

Independent Auditors' Report	1
Management's Discussion and Analysis	3
STATEMENTS OF NET POSITION	7
STATEMENTS OF ACTIVITIES	8
STATEMENTS OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS.....	10
SUPPLEMENTARY PENSION INFORMATION	32



Independent Auditors' Report

Board of Commissioners
Housing Authority of the Town of Eaton
Eaton, Colorado

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of the Housing Authority of the Town of Eaton (the Housing Authority) as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the major fund of Housing Authority of the Town of Eaton as of December 31, 2021 and 2020, and the respective changes in its financial position and cash flows for the years then ended, accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit

Required Supplementary Information

Accounting principles generally accepted in the United States require that management discussion and analysis and pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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, 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 audits 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 evidence sufficient to express an opinion or provide any assurance.

Anderson & Whitney, P.C.

September 6, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the Eaton Housing Authority (EHA) for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Authority's financial performance.

FINANCIAL HIGHLIGHTS

- * EHA's assets exceeded liabilities by \$974,860 at December 31, 2021.
- * The December 31, 2021 net position is \$60,008 more than the previous year. The total net position is 190% of 2021 operating expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Eaton Housing Authority has a single Enterprise Fund and presents its financial statements using the economic resources measurement focus and accrual basis of accounting which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis are intended to serve as an introduction to EHA's financial statements. The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the financial statements and provides an analytical overview of the Authority's financial activities.

The *Statements of Net Position* present information on 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 *Statements of Activities* present information on the Authority's operating revenues and expenses, non-operating revenues and expenses, and whether the Authority's financial position has improved or deteriorated as a result of the year's activities.

The *Statements of Cash Flows* present the change in the Authority's cash and cash equivalents during the year. This information can assist the user of the report in determining how the Authority financed its activities and how it met its cash requirements.

The *Notes to Financial Statements* provide additional information essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2021, assets exceeded liabilities by \$974,860.

The following table provides a summary of the Authority's net position for 2021 and 2020.

December 31	2021	2020
Assets:		
Current and other assets	\$ 958,082	\$ 850,564
Capital assets	259,623	282,259
Deferred outflows – pension plan	49,139	28,485
Total Assets and Deferred Outflows	1,266,844	1,161,308
Liabilities:		
Current and other liabilities	56,040	39,872
Net pension and OPEB liability	123,230	168,758
Deferred inflows – pension plan	112,714	37,826
Total Liabilities and Deferred Inflows	291,984	246,456
Net Position:		
Investment in capital assets	259,623	282,259
Unrestricted	715,237	632,593
Total Net Position	\$ 974,860	\$ 914,852

A portion of EHA's net assets represents unrestricted net position of \$715,237 which may be used to meet the Authority's ongoing obligations to residents and citizens.

A significant portion of the Authority's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to residents; consequently, they are not available for future spending.

The following table indicates the changes in net position:

Business-Type Activities	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 245,820	\$ 245,866
Operating grants and contributions	266,218	279,031
Oil and laundry proceeds	3,436	3,464
General revenues:		
Investment earnings	181	231
Total Revenues	515,655	528,592
Expenses:		
Program services	368,272	165,558
General administrative services	47,727	14,309
Depreciation	39,648	48,621
Total Expenses	455,647	228,488
Increase in Net Position	\$ 60,008	\$ 300,104

Business-Type Activities. Business-type activities increased EHA's net position by \$60,008 in 2021. Key elements of this increase are as follows:

- * Operating revenues were \$512,038. This represents a 2% decrease from the previous year, due primarily to slightly lower occupancy.
- * Expenses were \$455,647, which was up 99% from the previous year, due to a negative pension expense in 2020 from an improvement in the financial position of the local government division of Colorado PERA.

CAPITAL ASSETS

Capital Assets. EHA's investment in capital assets for its business-type activities as of December 31, 2021, totals \$259,623 (net of accumulated depreciation). This investment includes all land, buildings, and equipment. The total decrease in capital assets for the current year was \$22,636 or 8%, due to depreciation expense exceeding asset additions.

The Authority implemented the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

Additional information on the Authority's capital assets can be found in Note 2 of this report.

OTHER MATTERS

The following factors are expected to have a significant effect on the Authority's financial position and results of operations and were taken into account in developing the 2022 budget:

- * A management company was hired to perform certain functions in 2022.
- * Future fair market rent and rent supplements must be approved by HUD and are expected to be minimal.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of EHA's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Authority, 223 First Street, Eaton, Colorado 80615.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

STATEMENTS OF NET POSITION

December 31	2021	2020
ASSETS		
Current Assets:		
Cash - general accounts	\$ 944,941	\$ 837,423
Total Current Assets	944,941	837,423
Restricted Assets:		
Cash:		
Tenant security deposits	13,141	13,141
Total Restricted Assets	13,141	13,141
Property and Equipment:		
Land	92,179	92,179
Buildings	1,307,838	1,307,838
Improvements	609,165	592,154
Building equipment - portable	8,187	8,187
Furnishings	98,002	98,002
	2,115,371	2,098,360
Less: Accumulated depreciation	1,855,748	1,816,101
Total Property and Equipment	259,623	282,259
DEFERRED OUTFLOWS OF RESOURCES		
Pension Plan	49,139	28,485
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 1,266,844	\$ 1,161,308
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 42,200	\$ 22,097
Total Current Liabilities	42,200	22,097
Tenant Security Deposits	13,840	17,775
Net Pension Liability	104,225	146,278
Net OPEB Liability	19,005	22,480
Total Liabilities	179,270	208,630
DEFERRED INFLOWS OF RESOURCES		
Pension Plan	112,714	37,826
NET POSITION		
Investment in Capital Assets	259,623	282,259
Unrestricted	715,237	632,593
Total Net Position	974,860	914,852
TOTAL LIABILITIES , DEFERRED INFLOWS AND NET POSITION	\$ 1,266,844	\$ 1,616,308

See Accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

STATEMENTS OF ACTIVITIES

Years Ended December 31	2021	2020
Operating Revenue:		
Rental income - apartments	\$ 245,820	\$ 245,866
Rent supplements	266,218	279,031
Total Operating Revenue	512,038	524,897
Operating Expenses:		
Operating and maintenance:		
Salaries - maintenance	106,270	103,269
Employee benefits	29,563	(119,872)
Repair and maintenance materials	7,768	17,820
Building repairs and maintenance	61,375	58,386
Snow removal	7,060	5,007
Grounds maintenance	18,107	13,697
Utilities:		
Electricity	37,606	35,516
Water	18,406	16,584
Sewer	19,398	21,014
Heat	18,281	10,236
Trash	2,835	3,106
Telephone	3,714	793
Administrative:		
Salaries - manager	27,175	32,335
Employee benefits	16,863	(46,820)
Audit and legal	11,562	8,272
Office supplies	208	500
Other	14,101	4,516
Insurance:		
Property	15,625	15,638
Worker's compensation	82	(130)
Depreciation	39,648	48,621
Total Operating Expenses	455,647	228,488
Operating Income	56,391	296,409
Nonoperating Revenue (Expenses):		
Interest income	181	231
Oil and laundry proceeds	3,436	3,464
Net Nonoperating Revenue	3,617	3,695
Net Profit	60,008	300,104
Net Position, Beginning of Year	914,852	614,748
Net Position, End of Year	\$ 974,860	\$ 914,852

See Accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

STATEMENTS OF CASH FLOWS

Years Ended December 31	2021	2020
Cash Flows from Operating Activities:		
Cash received:		
From tenants	\$ 245,820	\$ 245,866
Rent supplements	266,218	279,031
Cash payments:		
To suppliers for goods and services	(257,680)	(220,736)
To employees	(133,445)	(135,604)
Net Cash Provided by Operating Activities	120,913	168,557
Cash Flows from Capital and Related Financing Activities:		
Acquisition of equipment and improvements	(17,012)	(6,000)
Insurance reimbursement	-	-
Oil royalties and laundry proceeds	3,436	3,464
Net Cash Provided (Used) by Capital and Related Financing Activities	(13,576)	(2,536)
Cash Flows from Investing Activities:		
Interest on bank deposits	181	231
Net Increase (Decrease) in Cash	107,518	166,252
Cash and Restricted Cash, beginning of year	850,564	684,312
Cash and Restricted Cash, end of year	\$ 958,082	\$ 850,564
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 56,391	\$ 296,409
Depreciation	39,648	48,621
Change in assets and liabilities:		
Increase (decrease) in:		
Accounts payable	20,103	9,303
Tenant security deposits	(3,935)	1,510
Net pension liability and deferrals	8,706	(187,286)
Net Cash Provided by Operating Activities	\$ 120,913	\$ 168,557

See Accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE TOWN OF EATON WELD COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Housing Authority of the Town of Eaton (the Housing Authority) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Authority's financial statements.

Organization:

The Housing Authority of the Town of Eaton is a public corporation organized under the laws of the State of Colorado, and as such is exempt from federal income taxes. The Housing Authority was created in 1970 pursuant to Chapter 69 of Article 3, Colorado Revised Statutes, 1963, as amended, and by resolution of the Town of Eaton. The Housing Authority leases apartments to the elderly and disabled on a month-to-month basis.

The financial report of the Housing Authority includes all of the integral parts of the Authority's operations. The Housing Authority has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity. The Housing Authority's commissioners are appointed by the Town of Eaton, but the Town's accountability does not extend beyond making the appointments.

Basis of Presentation:

Activities of the Housing Authority are accounted for as an individual enterprise fund. Enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises.

Enterprise funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Enterprise fund operating statements present increases (revenue) and decreases (expenses) in net total position.

Enterprise funds distinguish *operating* revenues from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Housing Authority are rents and HUD rent supplements. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Basis of Presentation - Continued:

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting Method:

Enterprise fund revenue and expenses including nonexchange transactions are recognized on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and becomes measurable; expenses are recognized when fund liabilities are incurred.

Property and Equipment:

Property and equipment are recorded at acquisition cost or at market value if contributed. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Category	Years
Buildings and improvements	20-40
Furnishings	5-10
Equipment	5

Expenditures for maintenance and repairs are charged to expense as incurred whereas major property replacements and betterments which extend the useful life of the asset are capitalized and subsequently depreciated. It is the Housing Authority's policy to capitalize all capital expenditures over \$1,000. When assets are sold or abandoned, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. The Authority has no infrastructure assets.

Rent Supplements:

The Housing Authority has executed a Housing Assistance Payments Contract with the U.S. Department of Housing and Urban Development (HUD) for a period of five years from 2010. Under the contract, HUD pays the Authority the difference between the established rental value of the apartments and the amount paid by tenants. The tenants' share of the rent is based on their income.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Authority has one item that qualifies for reporting in this category: changes in the net pension liability not included in pension expense reported in the statement of net position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category: changes in the net pension liability not included in pension expense reported in the statement of net position.

Budget:

The Housing Authority is not covered by the Colorado Local Government Budget Law. Budget forms are submitted to HUD, but are not included in financial statements as they are not legally adopted.

Compensated Absences:

All full-time Housing Authority employees accumulate sick leave for subsequent use. These accumulations do not vest and therefore are not recognized as expenditures by the Housing Authority until used.

Employees also receive noncumulative vacation leave. No accrual of liability is made as vacation leave is generally taken and the amount outstanding at year end is immaterial.

Statement of Cash Flows:

For purposes of the statement of cash flows, the Housing Authority considers all highly-liquid investments purchased with a maturity of three months or less to be cash equivalents.

HOUSING AUTHORITY OF THE TOWN OF EATON WELD COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Use of Estimates:

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

Pensions:

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

Other Postemployment Benefits (OPEB):

The Housing Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by PERA. The net OPEB liability, 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.

Implementation of GASB Statement No. 75:

As of January 1, 2018, Eaton Housing Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than pensions*. The implementation of this standard requires governments calculate and report the costs and obligations associated with postemployment benefits in their base financial statements. Employers are required to recognize other postemployment benefit amounts for all benefits provided through the plan which include the net postemployment liability, and postemployment expense.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Changes in Capital Assets:

	Balance, 1/01/21	Additions	Deletions	Balance, 12/31/21
Land	\$ 92,179	\$ --	\$ --	\$ 92,179
Improvements	592,154	17,011	--	609,165
Buildings	1,307,838	--	--	1,307,838
Equipment	8,187	--	--	8,187
Furnishings	98,002	--	--	98,002
Total Cost	2,098,360	17,011	--	2,115,371
Less Accumulated Depreciation:				
Improvements	406,179	35,774	--	441,953
Buildings	1,305,149	2,688	--	1,307,837
Equipment	8,187	--	--	8,187
Furnishings	96,586	1,185	--	97,771
Total Accumulated Depreciation	1,816,101	39,647	--	1,855,748
Capital Assets, Net	\$ 282,259	\$ (22,636)	\$ --	\$ 259,623

	Balance, 1/01/20	Additions	Deletions	Balance, 12/31/20
Land	\$ 92,179	\$ --	\$ --	\$ 92,179
Improvements	586,154	6,000	--	592,154
Buildings	1,307,838	--	--	1,307,838
Equipment	8,187	--	--	8,187
Furnishings	98,002	--	--	98,002
Total Cost	2,092,360	6,000	--	2,098,360
Less Accumulated Depreciation:				
Improvements	368,663	37,516	--	406,179
Buildings	1,295,238	9,911	--	1,305,149
Equipment	8,187	--	--	8,187
Furnishings	95,391	1,195	--	96,586
Total Accumulated Depreciation	1,767,479	48,622	--	1,816,101
Capital Assets, Net	\$ 324,881	\$ (42,622)	\$ --	\$ 282,259

HOUSING AUTHORITY OF THE TOWN OF EATON WELD COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Cash and Investments:

The Housing Authority's bank deposits at year-end were covered by federal depository insurance up to \$250,000 with the remainder covered by the Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

NOTE 4 - PERA:

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

Plan description: Eligible employees of the Housing Authority are provided with pensions through the Local Government Division Trust Fund - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided: 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.

HOUSING AUTHORITY OF THE TOWN OF EATON WELD COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PERA – Continued:

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 the 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, 2021, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned annual increase for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PERA – Continued:

Contributions: Eligible employees and the Housing Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized as follows:

	7/1/20- 12/31/21	1/1/20- 6/30/20
Employer contribution rate as a percentage of salary	10.50%	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)	(1.02)
Amount Apportioned to the LGDTF	9.48	8.98
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20	2.50
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.52	1.50
Total Employer Contribution Rate to the LGDTF	13.18%	12.68%

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Housing Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Housing Authority were \$16,948 for the year ended December 31, 2021.

At December 31, 2021, the Housing Authority reported a liability of \$104,225 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total pension liability to December 31, 2021. The Housing Authority proportion of the net pension liability was based on the Housing Authority contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021 the Housing Authority proportion was .02 percent, which was approximately the same as measured as of December 31, 2020.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PERA – Continued:

For the year ended December 31, 2021, the Housing Authority recognized pension expense of \$25,654. At December 31, 2021, the Housing Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,039	\$ --
Changes in assumption	25,187	-
Net difference between projected and actual earnings on pension plan investments	--	112,714
Contributions subsequent to measurement date	18,913	--
Total	\$ 49,139	\$ 112,714

Deferred outflow of resources related to pensions of \$18,913, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Amount
2022	\$ 15,369
2023	16,420
2024	45,850
2025	4,849
	\$ 82,488

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PERA – Continued:

Actuarial assumptions: The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.2 – 11.3 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Future post-retirement benefit increases: PERA Benefit Structure hired prior to 1/1/07 (automatic)	1.25 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

A discount rate of 7.25 percent was used in the roll-forward calculation of the total pension liability to the measurement date of December 31, 2020.

Healthy mortality assumptions for active members reflect the MP-2019 Private Retirement Plans Mortality Table, a table specifically developed for pre-retirement, post-retirement, and disability mortality assumptions for active and retired lives. The mortality tables described are generational mortality tables on a benefit-weighted basis.

The changes to the actuarial assumptions are based on the 2020 Experience analysis, dated October 28, 2020 and November 4, 2020 for the period of January 1, 2016 to December 31, 2019, revised economic and demographic assumptions were adopted by the Board on November 20, 2020, effective December 31, 2020.

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 the Experience Study report dated October 28, 2020, presentations to PERA's Board on November 20, 2020.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PERA – Continued:

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a lognormal 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 percentages and then adding expected inflation. The capital market assumptions may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans, which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected future returns.

The Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board’s November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.0%	5.6%
Fixed Income	23.0%	1.3%
Private Equity	8.5%	7.1%
Real Estate	8.5%	4.4%
Alternatives	6.0%	4.7%
Total	100.0%	

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

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PERA – Continued:

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.5 percent every year until they are zero. Based on those assumptions, the 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 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. There was no change in the discount rate from the prior measurement date.

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

December 31, 2021	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	\$ 240,094	\$ 104,225	(\$ 9,207)

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

Employees of The Housing Authority that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report available at www.copera.org/investments/pera-financial-reports.

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings.

HOUSING AUTHORITY OF THE TOWN OF EATON WELD COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Other Postemployment Benefits:

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

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

HOUSING AUTHORITY OF THE TOWN OF EATON WELD COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Other Postemployment Benefits – Continued:

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

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

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

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

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

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Other Postemployment Benefits – Continued:

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and EHA is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from EHA were \$1,334 for the year ended December 31, 2021.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At December 31, 2021, EHA reported a liability of \$19,005 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. EHA proportion of the net OPEB liability was based on EHA contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, EHA proportion was .002 percent, which was approximately the same as its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, EHA recognized OPEB expense of \$1,334. At December 31, 2021, EHA did not have deferred outflows of resources and deferred inflows of resources related to OPEB that were material to the financial statements.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Other Postemployment Benefits – Continued:

Actuarial assumptions. Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, to December 31, 2019, revised economic and demographic assumptions were adopted by the Board on November 20, 2020, and were effective as of December 31, 2020. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019 to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.2 to 11.3 percent
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	0.0 percent
PERACare Medicare plans	8.10 percent for 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2020, gradually rising to 4.50 percent in 2029

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, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Other Postemployment Benefits – Continued:

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.1%	3.5%
2021	6.4%	3.75%
2022	6.0%	3.75%
2023	5.7%	3.75%
2024	5.5%	4.0%
2025	5.3%	4.0%
2026	5.1%	4.25%
2027	4.9%	4.25%
2028	4.7%	4.25%
2029+	4.5%	4.5%

The following health care costs assumptions were updated and used in roll forward calculation 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 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then- current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

HOUSING AUTHORITY OF THE TOWN OF EATON WELD COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Other Postemployment Benefits – Continued:

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a lognormal 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 percentages and then adding expected inflation. The capital market assumptions may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans, which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected future returns.

The Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, 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 TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Other Postemployment Benefits – Continued:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.0%	5.6%
Fixed Income	23.0%	1.3%
Private Equity	8.5%	7.1%
Real Estate	8.5%	4.4%
Alternatives	6.0%	4.7%
Total	100.0%	

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

Sensitivity of EHA 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	7.1%	8.1%	9.1%
Ultimate PERACare Medicare trend rate	3.5%	4.5%	5.5%
Initial Medicare Part A trend rate	2.5%	3.5%	4.5%
Ultimate Medicare Part A trend rate	3.5%	4.5%	5.5%
Net OPEB Liability	\$18,513	\$19,005	\$19,576

HOUSING AUTHORITY OF THE TOWN OF EATON WELD COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Other Postemployment Benefits – Continued:

Discount rate. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The basis for the projections of the liabilities and the FNP was an actuarial valuation performed as of December 31, 2020, and the financial status of the fund as of the prior measurement date (December 31, 2019). In addition to the actuarial cost method and assumptions presented earlier, the projection of cash flows applied the following methods and assumptions:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, 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 3.00 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 ADCs assuming an analogous future plan member growth rate.
- Estimated transfers of dollars from the Division Trust Funds into the Health Care Trust Funds representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on those methods and assumptions and the GASB 74 projection test methodology, the financial net position for the HCTF was projected to be available to make all projected future benefit payments of current plan members and were not projected to reach a depletion date. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each fund. The discount rate determination did not use a municipal bond index rate, and therefore, the discount rate used to measure the TOL for these funds as of the measurement date (December 31, 2020) was 7.25 percent.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Other Postemployment Benefits – Continued:

The results of the GASB 74 projection test methodology and development of the discount rate for each fund do not necessarily indicate the fund's ability to make benefit payments in the future.

Sensitivity of EHA 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 current 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 one percentage-point lower (6.25 percent) or one percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
December 31, 2021			
Proportionate share of the net OPEB liability	\$ 18,513	\$ 19,005	\$19,576

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

HOUSING AUTHORITY OF THE TOWN OF EATON WELD COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - Colorado Intergovernmental Risk Sharing Agency (CIRSA):

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution. In February, 1986, the Town Board authorized participation in the agency. The Town has participated each year since then and the Housing Authority began participation in 2012.

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

The Housing Authority recognizes an expenditure for the amount paid to CIRSA annually for these coverages. The Housing Authority paid \$16,587 to CIRSA in 2021, including \$ 3,762 for workers compensation coverage.

NOTE 7 - Contingencies:

In 1992, the Colorado voters approved the “Taxpayer’s Bill of Rights” (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, such as the Housing Authority, and federal funds. The Housing Authority believes it is in compliance with the requirements of TABOR.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Year Ended December 31	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2021	\$ 16,948	\$ 16,948	\$ 133,446	12.7%
2020	17,195	17,195	135,604	12.7%
2019	17,429	17,429	137,453	12.7%
2018	15,810	15,810	124,683	12.7%
2017	23,113	23,113	183,463	12.7%
2016	25,022	25,022	182,643	13.7%
2015	24,293	24,293	177,323	13.7%
2014	23,359	23,359	170,507	13.7%

Until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Year Ended December 31	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2021	\$ 1,334	\$ 1,334	\$ 133,446	1.0%
2020	1,383	1,383	135,604	1.0%
2019	1,402	1,402	137,453	1.0%
2018	1,246	1,246	124,683	1.0%
2017	2,022	2,022	183,463	1.0%

Until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

**HOUSING AUTHORITY OF THE TOWN OF EATON
WELD COUNTY, COLORADO**

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY**

Year Ended December 31	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net Pension Liability
2021	.02%	\$ 104,225	\$ 133,445	78%	90.9%
2020	.02%	146,278	135,604	108%	86.3%
2019	.03%	389,736	137,453	283%	76.0%
2018	.03%	345,163	124,683	277%	79.4%
2017	.03%	418,606	183,463	228%	73.6%
2016	.03%	341,490	182,643	187%	76.9%
2015	.03%	277,856	177,323	157%	80.7%
2014	.03%	255,106	170,507	150%	81.8%

Until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF NET OPEB LIABILITY**

Year Ended December 31	Cumulative Proportion of Net OPEB Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net OPEB Liability
2021	.002%	\$ 19,005	\$ 133,445	14%	32.8%
2020	.002%	22,480	135,604	17%	24.5%
2019	.002%	42,701	137,453	31%	17.0%
2018	.002%	40,288	124,683	32%	17.5%
2017	.002%	40,193	183,463	22%	16.7%

Until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.