



Financial Statements
December 31, 2021

Longmont Housing Authority

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Independent Auditor's Report

The Board of Commissioners
Longmont Housing Authority
Longmont, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component units of the Longmont Housing Authority (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the Longmont Housing Authority, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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 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 opinions. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Emphasis of a Matter

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position, the changes in financial position, and cash flows attributable to the Authority. They do not purport to, and do not present fairly the financial position of the City of Longmont as of December 31, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified in respect to this matter.

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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 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 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 of America require that the management's discussion and analysis, the schedules of the Authority's proportionate share of the net pension liability and the Authority's pension contributions and the schedules of the Authority's proportionate share of net OPEB liability and the Authority's OPEB contributions, as listed in the table of contents, 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying combining statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements. The Financial Data Schedules (FDS) are presented for purposes of additional analysis as required by Housing and Urban Development Real Estate Assessment Center (REAC) and are also not a required part of the financial statements. Such information is 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. The 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 accompanying combining statements, Schedule of Expenditures of Federal Awards, and the FDS 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 June 20, 2022, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.



Fargo, North Dakota
June 20, 2022

LONGMONT HOUSING AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

As management of the Longmont Housing Authority (the 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 December 31, 2021. The Management Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the Authority's financial activity and position, and to identify financial trends and concerns. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements and the additional information that we have furnished in our notes to the financial statements to obtain a full understanding of its financial position.

Using the Financial Statements

The Basic Financial Statements consist of Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Authority as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position presents information on all the Authority's assets and liabilities. Under GASB 34, the difference between a Public Housing Authority's assets, liabilities, and deferred inflows and outflows of resources is Net Position. Over time, increases and 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 Revenues, Expenses and Changes in Net Position show the reader operating revenues and expenses by programs and by the Authority as a total. This is reported on a full accrual basis where income is reported when earned and expenses are reported as incurred. This report shows the reader net operating income/loss. Operating income is made up of tenant rents, management fees, HUD operating subsidies, and other income. Operating expenses are Housing Assistance Payments, salaries and benefits, office expenses, tenant services, insurance, utilities, maintenance, and depreciation. The next section shows non-operating revenues and expenses to arrive at the Change in Net Position (profit/loss) for the year just ended. Non-operating revenues/expenses are capital grants, interest income, gain/loss on sale of property, and mortgage interest expense.

The Statement of Cash Flows provides our third statement which converts our accrual accounting to cash. This lets the reader know if the Authority increased or decreased our cash position this year and what were the sources or uses of the cash.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements and can be found immediately after them in the audit report.

Programs and Services

The following is a brief description of the programs and services that the Authority provides for the residents within Longmont and the surrounding communities.

General Fund / Development - The Authority oversees the management of the Longmont Housing Development Corporation's day-to-day operations and their real estate portfolio which provides 292 units of low income and moderate income housing in the Longmont area. This program is also responsible for developing new units of housing in Longmont.

Housing Choice Vouchers - Through Annual Contribution Contracts with HUD, the Authority receives funding to subsidize the rent of low income families in the private market and earns an administrative fee to cover the program's operating costs. In 2021, the Authority received funding for an average of 400 vouchers per month.

Longmont Suites – Consists of a parcel of land, 1.477 acres, located at 2000 Sunset Way. The City of Longmont purchased a 59% Tenant in Common interest of this land in August 2018. There is a shared use agreement with Suites Apartments LLLP, to obtain reimbursement for shared costs associated with the land.

Briarwood – The corporate office of the Authority is at this location as well as ten attached studio apartments. Seven of the ten studios are master-leased to a local community agency to provide housing to otherwise homeless and underserved populations in Longmont. The additional three units are project based vouchers administered by the Housing Choice Voucher program.

Moderate Rehab - The HUD Moderate Rehab Program provides eight vouchers for single room occupancy units at the Inn Between, a local nonprofit agency that provides intensive case management to the program participants.

615 Main Street - This commercial property is leased to a community agency and provides additional rental income to the Authority.

Suites Apartments LLLP - (DPCU) This property has 82 fully furnished one and two bedroom apartments providing housing and related supportive services to low and moderate income families, elderly and disabled households. 2000 Sunset Development LLC is the managing general partner and is wholly owned by Longmont Housing Authority.

Aspen Meadows Neighborhood LLLP - (DPCU) This property has 28 two, three, and four bedroom apartments providing housing for low and moderate income families, elderly and disabled households. LHA AMN LLC is the managing general partner and is wholly owned by Longmont Housing Authority.

Aspen Meadows Senior Apartments - (DPCU) This property has 50 one and two bedroom apartments which provide housing for low and moderate elderly households. LHA is the managing general partner and is wholly owned by Longmont Housing Authority.

Financial Highlights

The Authority finished the year with net position of \$19,538,555.

The Authority earned \$5,871,142 in grant income in 2021 for admin and voucher funding.

Cash and restricted cash totaled \$4,084,500 at year end.

The current ratio (which shows liquidity) was 4.76 in 2021 and 3.39 in 2020. The months expendable funds balance (showing ability to pay monthly expenses) was 6.85 in 2021 and 5.39 in 2020.

Financial Analysis

Condensed Statement of Net Position

	2021	2020
ASSETS AND DEFERRED OUTFLOWS		
Current Assets	\$ 4,582,418	\$ 3,911,421
Non-Current Assets	17,173,629	12,132,505
Net Capital Assets	<u>1,172,409</u>	<u>1,222,678</u>
Total Assets	22,928,456	17,266,604
Deferred Outflow of Resources	<u>324,023</u>	<u>343,079</u>
Total Assets and Deferred Outflows	<u>\$ 23,252,479</u>	<u>\$ 17,609,683</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities	\$ 960,269	\$ 1,153,387
Long-Term Liabilities	<u>1,822,501</u>	<u>2,851,522</u>
Total Liabilities	<u>2,782,770</u>	<u>4,004,909</u>
Deferred Inflow of Resources	<u>937,946</u>	<u>550,082</u>
NET POSITION		
Net Investment in Capital Assets	720,156	747,864
Restricted	96,392	30,748
Unrestricted	<u>18,715,215</u>	<u>12,276,080</u>
Total Net Position	<u>19,531,763</u>	<u>13,054,692</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 23,252,479</u>	<u>\$ 17,609,683</u>

Financial Analysis (Continued)

Current assets increased as compared to the prior year by \$670,997 during 2021. The major contributors towards the increase are as follows:

- (1) \$543,000 - Developer fees received in cash for Aspen Meadow Senior Apartments
- (2) \$75,593 - Developer fees received in cash for Suites Apartments, LLLP

Non-current assets increased as compared to the prior year by \$5,041,124. This increase is due to accrued interest on notes receivable, a transfer of the carryback note from Aspen Meadow Senior Apartments, and non-current developer fees.

Net capital assets decreased by \$50,269 from the prior year due to current year depreciation.

Current liabilities decreased as compared to the prior year by \$193,120 during 2021. The are several contributing factors in the reduction outlined below:

Reductions to Current Liabilities:

- (1) \$242,200 - PPP Loan was forgiven and recognized as revenue
- (2) \$150,889 - CARES-ACT Funding for administration of the section 8 voucher program was earned and recognized as revenue
- (3) \$218,355 - Payment due back to Longmont Housing Development Corporation for money received to assist in the development of Aspen Meadow Senior Apartments
- (4) \$80,649 - Reduction in payables due back to vendors at the end of the year
- (5) \$24,769 - Reduction in payables due back to HUD for the single mod rehab program

Additions to Current Liabilities:

- (6) \$215,000 - Funds received by the City of Longmont for a Local Rental Assistance (LRA) Program. Liability will decrease as funds are utilized
- (7) \$485,580 - Briarwood Mortgage moved to current liability

Long-term liabilities decreased by \$1,029,021 during 2021. The major contributors towards this decrease are as follows:

- (1) \$538,853 - Reduction in pension liability
- (2) \$485,580 - Briarwood Mortgage moved to current liability

Condensed Statement of Revenues, Expenses and Changes in Net Position

	2021	2020
Operating Revenues	\$ 11,928,715	\$ 7,089,182
Operating Expenses	(6,318,858)	(6,134,719)
Net Operating Income (Loss)	5,609,857	954,463
Net Nonoperating Revenues (Expenses)	867,214	22,866
Change in Net Position	\$ 6,477,071	\$ 977,329

Operating revenues increased by \$4,839,533. This majority of this increase is due to developer fees earned for the Aspen Meadow Senior Apartments for \$924,000 and a contribution for a note receivable and interest income assumed from Aspen Meadows Associates for \$4,115,828.

- (1) \$924,000 - Developer fees earned for Aspen Meadow Senior Apartments
- (2) \$4,115,828 - The dissolution of Aspen Meadow Associates which transferred the ownership of the carryback note for Aspen Meadow Senior Apartments from Aspen Meadow Associates to the Longmont Housing Authority.

Operating expenses in 2021 increased by \$184,139 as compared to 2020. The major contributor to this increase was the housing assistance payments. Those costs increased approximately \$305,902 from 2020.

Net non-operating revenue (expense) increased by \$844,348. The major contributors include:

- (1) \$275,808 - The dissolution of Aspen Meadow Associates which transferred the ownership of the carryback note for Aspen Meadow Senior Apartments from Aspen Meadow Associates to the Longmont Housing Authority. This includes \$275,808 in accrued interest.
- (2) \$242,200 - PPP Loan Revenue Recognition
- (3) \$19,000 - gain on sale of property and equipment

Capital Assets

As of December 31, 2021, the Authority had \$1,188,421 in capital assets, including land, buildings and improvements and equipment, net of accumulated depreciation expense. A summary of capital assets is as follows:

	2021	2020
Non Depreciable Assets:		
Land	\$ 420,522	\$ 420,522
Total Non Depreciable Assets	420,522	420,522
Depreciable Assets:		
Buildings	1,404,360	1,404,360
Equipment	16,045	85,268
Total Depreciable Assets	1,420,405	1,489,628
Less: Accumulated Depreciation:		
Buildings	(656,755)	(608,821)
Equipment	(11,763)	(78,651)
Total Accumulated Depreciation	(668,518)	(687,472)
Total Capital Assets (Net)	\$ 1,172,409	\$ 1,222,678

The net balance of capital assets experienced a decreased from 2021 to 2020 by \$50,269 due to the depreciation on buildings and equipment. There was also \$69,223 in fully depreciated assets disposed of in 2021.

See Note 4 of the financial statements for additional information related to capital assets.

Long Term Debt

As of December 31, 2021, the Authority had \$1,582,276 of outstanding notes and mortgages payable. A summary of long term debt is below:

	2021	2020	Change
Notes and Mortgages Payable - Current Portion	\$ 485,580	\$ 87,087	\$ 398,493
Notes and Mortgages Payable - Long Term	1,096,696	1,586,862	(490,166)
Total Long Term Debt	\$ 1,582,276	\$ 1,673,949	\$ (91,673)

Long term debt experienced a decrease from 2020. The reduction is due to the payments made on the Briarwood mortgage and a loan due to the City of Longmont.

See Note 6 of the financial statements for additional information related to long term debt.

Authority Fund Analysis and Highlights

General Fund Development

Net position increased \$5,940,681 in the General Fund Development for 2021 primarily from developer fee income earned totaling \$924,000, grant income of \$156,984, and the transfer for the Aspen Meadows Senior Apt. Carryback Note of \$4,115,828.

Housing Choice Vouchers

The Housing Choice Vouchers program administered an average of 400 rental vouchers per month to low-income residents in Longmont and surrounding communities. The Longmont Housing Authority receives administrative fees in addition to housing assistance payments from HUD as part of this program. For the year ended December 31, 2021, the program had a increase in net position of \$491,579 due to the change in pension liability, deferred inflows related to pension, and additional reserve and admin funding received.

Moderate Rehab

The HUD Moderate Rehab had an increase in net position of \$5,075 and ended the year with a net position of \$39,097.

Briarwood

For the year ended December 31, 2021, the Briarwood Apartments and Office Building had an increase in net position of \$32,839 and ended the year with a net position of \$342,338.

615 Main Street

This commercial office building is managed by the Longmont Housing Authority. The building had an increase in net position of \$6,957 and ended the year with a net position of \$365,954.

Longmont Suites

This is a parcel of land, 1.477 acres, located at 2000 Sunset Way. Longmont Suites had a decrease in net position of \$60 and ended the year with a net position of \$1,263,811.

Currently Known Facts and Expectations

A Fair Housing and Equal Opportunity review of all Authority managed properties was conducted by the Department of Housing and Urban Development regarding the accessibility of all units. The Authority entered into a Voluntary Compliance Agreement with HUD to eventually inspect all of the ADA units and the public areas of each property to determine what additional improvements, if any, need to be made to be Uniform Federal Accessibility Standards (UFAS) compliant. Most compliance items have been completed. The remaining item is to submit the transition plan which the Authority has requested an extension through 5/31/2022.

In an effort to continue to sustain and further the mission of affordable housing in Longmont, CO, the Authority is pursuing a partnership with MGL Partners for a turn-key family (mixed age) rental housing project called Crisman II. LIHTCs have been awarded and the project is expected to close in June of 2022.

This financial report is designed to provide a general overview of the Longmont Housing Authority's finances for

Longmont Housing Authority
350 Kimbark Street
Longmont, Colorado 80501

Longmont Housing Authority
Statement of Net Position
December 31, 2021

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Assets and Deferred Outflows of Resources		
Current Assets		
Cash	\$ 3,964,268	\$ 457,496
Restricted cash	120,232	936,563
Accounts receivable		
Tenants, net allowance of \$0 and \$33,896	2,106	33,011
Due from other agencies	151,332	-
Developer fees, current portion	297,812	-
Other	16,012	25,820
Prepaid expenses	30,656	108,049
Total Current Assets	<u>4,582,418</u>	<u>1,560,939</u>
Capital Assets		
Non-depreciable	420,522	1,962,000
Depreciable, net	751,887	27,636,303
Total Capital Assets	<u>1,172,409</u>	<u>29,598,303</u>
Other Assets		
Accounts receivable - developer fees	1,162,689	-
Related notes receivable and accrued interest	16,010,940	-
Other assets	-	530,477
Total Other Assets	<u>17,173,629</u>	<u>530,477</u>
Deferred Outflows		
OPEB	23,615	-
Pension	300,408	-
Total Deferred Outflows	<u>324,023</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 23,252,479</u>	<u>\$ 31,689,719</u>

Longmont Housing Authority
Statement of Net Position
December 31, 2021

	Primary Government	Discretely Presented Component Units
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 187,609	\$ 52,983
Accounts payable - HUD	16,355	-
Accrued payroll	3,634	5,881
Accrued compensated absences	1,919	6,548
Accrued partnership fees	-	15,579
Accrued interest, current portion	41,493	15,096
Unearned revenue	216,194	12,059
Tenant security deposits payable	7,485	99,437
Developer fee payable, current portion	-	297,812
Notes and mortgages payable, current portion	485,580	103,982
	<u>960,269</u>	<u>609,377</u>
Total Current Liabilities		
Long-Term Liabilities		
Developer fee payable	-	1,162,689
Net pension liability	636,788	-
Net OPEB liability	89,017	-
Notes and mortgages payable, net of current portion	1,096,696	18,930,789
Accrued interest, net of current portion	-	1,698,075
	<u>1,822,501</u>	<u>21,791,553</u>
Total Long-Term Liabilities		
Total Liabilities		
	<u>2,782,770</u>	<u>22,400,930</u>
Deferred Inflows		
OPEB	68,720	-
Pension	869,226	-
	<u>937,946</u>	<u>-</u>
Total Deferred Inflows		
Net Position		
Net investment in capital assets	720,156	10,563,532
Restricted	96,392	-
Unrestricted	18,715,215	(1,274,743)
	<u>19,531,763</u>	<u>9,288,789</u>
Total Net Position		
	<u>19,531,763</u>	<u>9,288,789</u>
Total Liabilities, Deferred Inflows of Resources and Net Position		
	<u>\$ 23,252,479</u>	<u>\$ 31,689,719</u>

Longmont Housing Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2021

	Primary Government	Discretely Presented Component Units	Total Reporting Entity
Operating Revenues			
HUD PHA grants	\$ 6,022,031	\$ -	\$ 6,022,031
Other grants	156,984	-	156,984
Rental income	184,796	1,947,464	2,132,260
Administrative	482,385	-	482,385
Developer fee income	924,000	-	924,000
Contributions	4,115,828	-	4,115,828
Other revenue	42,691	60,512	103,203
Total Operating Revenues	11,928,715	2,007,976	13,936,691
Operating Expenses			
Housing assistance payments	5,308,158	-	5,308,158
Tenant services	7,506	63,979	71,485
Administrative salaries and benefits	140,799	146,211	287,010
Other administrative	670,453	294,460	964,913
Maintenance salaries	4,243	115,632	119,875
Regular and extraordinary maintenance	56,745	324,080	380,825
Depreciation and amortization	50,269	994,486	1,044,755
Utilities	12,407	143,011	155,418
Insurance	28,579	108,800	137,379
Other	39,699	-	39,699
Total Operating Expenses	6,318,858	2,190,659	8,509,517
Operating Income (Loss)	5,609,857	(182,683)	5,427,174
Non-Operating Revenues (Expenses)			
Interest income	628,546	1,599	630,145
Interest expense	(22,532)	(886,720)	(909,252)
PPP loan forgiveness	242,200	-	242,200
Gain (loss) on sale of property and equipment	19,000	(15,793)	3,207
Total Non-Operating Revenues (Expenses)	867,214	(900,914)	(33,700)
Change in Net Position	6,477,071	(1,083,597)	5,393,474
Net Position, Beginning of Year	13,054,692	7,104,237	20,158,929
Contributions	-	3,268,149	3,268,149
Net Position, End of Year	\$ 19,531,763	\$ 9,288,789	\$ 28,820,552

Longmont Housing Authority
Statement of Cash Flows
Year Ended December 31, 2021

	Primary Government
Operating Activities	
HUD PHA grants	\$ 5,871,142
Other grants	371,984
Receipts from tenants	205,508
Management fee receipts	857,654
Developer fees received	628,594
Other income	26,679
Housing assistance payments	(5,380,132)
Cash paid to vendors	(1,150,861)
Cash paid to employees	(286,223)
	1,144,345
Net Cash from Operating Activities	
Capital and Related Financing Activities	
Proceeds from sale of property and equipment	19,000
Principal payments on notes and mortgages	(91,673)
Interest payments on notes and mortgages	(26,276)
	(98,949)
Net Cash used for Capital and Related Financing Activities	
Investing Activities	
Interest income	844
Issuance of notes receivable	(150,000)
	(149,156)
Net Cash used for Investing Activities	
Net Change in Cash and Restricted Cash	896,240
Cash and Restricted Cash, Beginning of Year	3,188,260
Cash and Restricted Cash, End of Year	\$ 4,084,500
Reconciliation of Cash	
Cash	\$ 3,964,268
Restricted cash	120,232
	\$ 4,084,500

Longmont Housing Authority
Statement of Cash Flows
Year Ended December 31, 2021

	<u>Primary Government</u>
Reconciliation of Change in Net Position to Net	
Cash from Operating Activities	
Operating income	\$ 5,609,857
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	50,269
Pension and OPEB expense	(131,935)
Contribution	(4,115,828)
Changes in operating assets and liabilities	
Accounts receivable	84,565
Prepaid expenses	(6,916)
Accounts payable	(375,761)
Accounts payable - HUD	(24,769)
Accrued payroll	(2,092)
Accrued compensated absences	(7,154)
Tenant security deposits payable	2,093
Unearned revenue	62,016
	<u> </u>
Total adjustments	<u>(4,465,512)</u>
Net Cash from Operating Activities	<u><u>\$ 1,144,345</u></u>

Longmont Housing Authority
Statement of Net Position – Discretely Presented Component Units
December 31, 2021

	Discretely Presented Component Unit-AMN	Discretely Presented Component Unit-SA	Discretely Presented Component Unit-AMSA	Total
Assets				
Current Assets				
Cash	\$ 133,748	\$ 174,117	\$ 149,631	\$ 457,496
Restricted cash	152,575	523,607	260,381	936,563
Accounts receivable				
Tenants, net	14,004	15,073	3,934	33,011
Other	25,820	-	-	25,820
Prepaid expenses	14,939	70,743	22,367	108,049
Total Current Assets	<u>341,086</u>	<u>783,540</u>	<u>436,313</u>	<u>1,560,939</u>
Capital Assets				
Non-depreciable	317,000	800,000	845,000	1,962,000
Depreciable, net	<u>3,988,272</u>	<u>10,654,781</u>	<u>12,993,250</u>	<u>27,636,303</u>
Total Capital Assets	<u>4,305,272</u>	<u>11,454,781</u>	<u>13,838,250</u>	<u>29,598,303</u>
Other Assets				
Other assets	<u>20,041</u>	<u>239,816</u>	<u>270,620</u>	<u>530,477</u>
Total Other Assets	<u>20,041</u>	<u>239,816</u>	<u>270,620</u>	<u>530,477</u>
Total Assets and Deferred Outflows	<u>\$ 4,666,399</u>	<u>\$ 12,478,137</u>	<u>\$ 14,545,183</u>	<u>\$ 31,689,719</u>

Longmont Housing Authority
Statement of Net Position – Discretely Presented Component Units
December 31, 2021

	Discretely Presented Component Unit-AMN	Discretely Presented Component Unit-SA	Discretely Presented Component Unit-AMSA	Total
Liabilities and Net Position				
Current Liabilities				
Accounts payable	\$ 36,721	\$ 12,474	\$ 3,788	\$ 52,983
Accrued payroll	598	4,215	1,068	5,881
Accrued compensated absences	545	3,653	2,350	6,548
Accrued partnership fees	-	13,574	2,005	15,579
Accrued interest, current portion	6,083	9,013	-	15,096
Unearned revenue	5,383	6,565	111	12,059
Tenant security deposits payable	14,970	56,315	28,152	99,437
Developer fee payable, current portion	25,756	126,297	145,759	297,812
Notes and mortgages payable, current portion	8,608	42,202	53,172	103,982
Total Current Liabilities	98,664	274,308	236,405	609,377
Long-Term Liabilities				
Developer fee payable	-	561,448	601,241	1,162,689
Notes and mortgages payable, net of current portion	2,673,269	6,374,963	9,882,557	18,930,789
Accrued interest, net of current portion	257,867	1,043,630	396,578	1,698,075
Total Long-Term Liabilities	2,931,136	7,980,041	10,880,376	21,791,553
Total Liabilities	3,029,800	8,254,349	11,116,781	22,400,930
Net Position				
Net investment in capital assets	1,623,395	5,037,616	3,902,521	10,563,532
Restricted	-	-	-	-
Unrestricted	13,204	(813,828)	(474,119)	(1,274,743)
Total Net Position	1,636,599	4,223,788	3,428,402	9,288,789
Total Liabilities, Deferred Inflows and Net Position	\$ 4,666,399	\$ 12,478,137	\$ 14,545,183	\$ 31,689,719

Longmont Housing Authority
Statement of Revenues, Expenses and Changes in Net Position – Discretely Presented Component Units
Year Ended December 31, 2021

	Discretely Presented Component Unit-AMN	Discretely Presented Component Unit-SA	Discretely Presented Component Unit-AMSA	Total
Operating Revenues				
Rental income, net	\$ 384,587	\$ 1,039,434	\$ 523,443	\$ 1,947,464
Other revenue	36,653	20,441	3,418	60,512
Total Operating Revenues	421,240	1,059,875	526,861	2,007,976
Operating Expenses				
Tenant services	-	61,953	2,026	63,979
Administrative salaries and benefits	23,530	80,223	42,458	146,211
Other administrative	64,956	171,025	58,479	294,460
Maintenance salaries	18,115	65,187	32,330	115,632
Regular and extraordinary maintenance	52,081	229,541	42,458	324,080
Depreciation and amortization	211,741	398,524	384,221	994,486
Utilities	24,212	90,780	28,019	143,011
Insurance	19,686	62,138	26,976	108,800
Total Operating Expenses	414,321	1,159,371	616,967	2,190,659
Operating Income (Loss)	6,919	(99,496)	(90,106)	(182,683)
Non-Operating Revenues (Expenses)				
Interest income	1,515	80	4	1,599
Interest expense	(96,137)	(356,859)	(433,724)	(886,720)
Loss on sale of property and equipment	-	(15,793)	-	(15,793)
Total Non-Operating Revenues (Expenses)	(94,622)	(372,572)	(433,720)	(900,914)
Change in Net Position	(87,703)	(472,068)	(523,826)	(1,083,597)
Net Position, Beginning of Year	1,724,302	4,695,856	684,079	7,104,237
Contributions	-	-	3,268,149	3,268,149
Net Position, End of Year	\$ 1,636,599	\$ 4,223,788	\$ 3,428,402	\$ 9,288,789

Note 1 - Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The Longmont Housing Authority (the Authority) commenced operations in 1975 to provide affordable housing in the City of Longmont, Colorado (the City). The Authority's mission is to provide housing and related services to low and moderate income families, elderly and disabled households, and to relieve the community of substandard housing. The Authority owns and operates 10 units, has ownership in and operates 131 affordable apartments and 28 family townhomes, and is a third-party property management agent for 292 affordable units. The Authority also administers approximately 401 Section 8 Housing Choice Vouchers and 8 Moderate Rehabilitation Section 8 units.

Reporting Entity

The Authority's financial statements include the accounts of all Authority operations. The criteria for including organizations as component units within the Authority reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board's (GASB) Codification of Government Accounting and Financial Reporting Standards, include whether:

- The organization is legally separated (can sue and be sued in their own name) from the Authority.
- The Authority holds the corporate powers of the organization.
- The Authority appoints a voting majority of the organization's board.
- The Authority is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the Authority.
- There is fiscal dependency by the organization on the Authority.

Based on the aforementioned criteria, the Authority is included as a discretely presented component unit of the City of Longmont. The financial statements do not purport to reflect the financial position of the City of Longmont.

Blended Component Units

Included within the financial reporting entity of the Authority as blended component units are LHA AMN LLC, 2000 Sunset Development LLC, and Aspen Meadows Senior Apartments Manager LLC. LHA AMN LLC is wholly owned by the Authority and is the managing general partner of Aspen Meadows Neighborhood, LLLP, a discretely presented component unit. 2000 Sunset Development LLC is wholly owned by the Authority and is the managing general partner of Suites Apartments LLLP, a discretely presented component unit. Aspen Meadows Senior Apartments Manager LLC is wholly owned by the Authority and is the managing member of Aspen Meadows Senior Apartments, LLC, a discretely presented component unit. Separate set of financial statements for LHA AMN LLC, 2000 Sunset Development LLC, and Aspen Meadows Senior Apartments Manager, LLC are not issued.

Discretely Presented Component Units

The component unit columns in the combined financial statements include the financial data of the Authority's discretely presented component units as of December 31, 2021. These units are reported in a separate column to emphasize that they are legally separate from the Authority.

Aspen Meadows Neighborhood, LLLP (AMN, LLLP) was formed for the purpose of owning and operating a 28-unit low-income housing project in Longmont, Colorado. As mentioned above, LHA AMN LLC is the managing general partner of AMN, LLLP. LHA AMN LLC has an ownership percentage of 0.01% in AMN, LLLP.

Suites Apartments LLLP (SA, LLLP) was formed for the purpose of rehabilitating, owning, and operating an 81-unit low income housing project in Longmont, Colorado. As mentioned above, 2000 Sunset Development LLC is the managing general partner of SA, LLLP. 2000 Sunset Development LLC has an ownership percentage of 0.005% in SA, LLLP.

Aspen Meadows Senior Apartments, LLC (AMSA, LLC) was formed for the purpose of owning and operating a 50-unit low-income housing project in Longmont, Colorado. As mentioned above, Aspen Meadows Senior Apartments Manager LLC is the managing member of AMSA, LLC. Aspen Meadows Senior Apartments Manager LLC has an ownership percentage of 0.009% in AMSA, LLC.

The financial statements of the discretely presented component units are presented in the Authority's basic financial statements. Complete financial statements of individual component units can be obtained from the Accounting Supervisor, Longmont Housing Authority, 350 Kimbark Street, Longmont, CO 80501.

Program Accounting

The accounts of the Authority are organized on the basis of programs, each of which is considered a separate accounting entity. The operations of each program are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows, net position, revenues, and expenses. The Authority classifies its programs as proprietary.

Basis of Accounting and Measurement Focus

The Department of Housing and Urban Development Real Estate Assessment Center (REAC) assesses the financial condition of Public Housing Authorities (PHA's). To uniformly and consistently assess the PHA's, REAC requires that PHA's financial statements conform to Generally Accepted Accounting Principles (GAAP).

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred inflows and outflows of resources associated with the operation of these funds are included on the statement of net position. Net position is segregated into invested in capital assets, restricted and unrestricted components. The statement of revenues, expenses and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. When both restricted and unrestricted net position is available for use, generally it is the Authority’s policy to use restricted net position first, and then unrestricted net position as they are needed. The statement of cash flow presents the cash flows for operating activities, investing activities, capital and related financing activities and non-capital financing activities.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned, and expenses are recorded when the liability is incurred.

Cash

The Authority's cash deposits can only be invested in HUD approved investments: direct obligations of the Federal Government backed by the full faith and credit of the United States, obligations of government agencies, securities of government sponsored agencies, demand and savings deposits, time deposits, repurchase agreements, and other securities approved by HUD.

For the purpose of the statement of cash flows, the Authority considers cash deposits and highly liquid investments with a maturity of three months or less when purchased to be cash.

Capital Assets

Land, buildings and improvements, and equipment are recorded at cost. The Authority uses a capitalization threshold of \$5,000. Donated fixed assets are valued at their estimated acquisition value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are expensed.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	10-30 years
Furniture and equipment	3-10 years
Land improvements	30 years

Long-lived assets held and used by an entity are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment loss has been recognized for the year ended December 31, 2021.

Business and Credit Risk

The Authority provides housing on account to tenants which are located primarily in Longmont, Colorado.

Receivables and Credit Policy

Accounts receivable from tenants represent rents and charges currently due from tenants. Payments on accounts receivable are applied to specific months. Management reviews accounts receivable and charges operations with those considered uncollectable. The Authority estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Partnership's estimate of the allowance for doubtful accounts will change.

Accounts receivable from other agencies represents charges due from other entities for costs incurred on their behalf for managing the project. All accounts receivable from other agencies are considered collectable.

Notes Receivables

Notes and other receivables are carried at amounts advanced, net of a reserve for uncollectible accounts, if any. As of December 31, 2021, the Authority considered all notes and other receivables to be fully collectible.

Developer Fees Receivable

Developer fees are uncollateralized obligations due from related entities with payments due based on the development agreements and subject to cash flow of the projects. The Authority evaluates the collectability of the balance based upon specific circumstances of the agreement and an allowance for uncollectible amounts being recorded if necessary. As of December 31, 2021, the Authority considered all developer fees to be fully collectable.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority's Deferred Outflows for Pensions and OPEB represents the amount of pension and health care trust fund contributions made to the State plans subsequent to the December 31, 2020 measurement date, the deferred variance in expected to actual investment earnings, the deferred experience gains and losses, changes in employer proportion and differences between contributions recognized and proportionate share of contributions and changes in assumptions.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority's Deferred Inflows for Pensions and OPEB represents the change in the Authority's "proportionate share" developed to distribute the aggregate plan liability and expense among all the employers' represented by the cost-sharing multiple-employer defined benefit pension plan in which the Authority participates, the deferred experience gains and losses, and the change in pension and health care investments.

Compensated Absences

The Authority accrues unused vacation in the period incurred. Employees earn vacation leave at defined, monthly amounts, depending on length of service.

Basis of Presentation

The statement of net position displays the Authority's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Net position is reported in the following categories/components:

- *Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.
- *Restricted Net Position* – Consists of assets and deferred outflows less related liabilities and deferred inflows reported in the basic statement of net position that are subject to restraints on their use by HUD.
- *Unrestricted Net Position* – Consists of assets and deferred outflows less related liabilities and deferred inflows reported in the basic statement of net position that are not subject to restraints on their use.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fraud Recovery

HUD requires the Authority to account for monies recovered from tenants who committed fraud or misrepresentation in the application process for rent calculations and now owe additional rent for prior periods or retroactive rent as fraud recovery. The monies recovered are shared by HUD and the local authority.

Operating Revenues and Expenses

The Authority considers all revenues and expenses (including HUD intergovernmental revenues and expenses) as operating items with the exception of interest expense, interest revenue, loan forgiveness, and gain/loss on disposal of capital assets which are considered non-operating for financial reporting purposes.

Restricted and Unrestricted Resources

The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted Net Position is available.

Budgetary

The Authority's annual budgets are the annual contracts, which are with, and approved by, HUD. No budget to actual statements are presented in this report, as housing authorities are not legally required to adopt a budget under the Local Government Budget Law of Colorado.

Contributions

The Authority may receive contributions from other agencies or entities. Revenue from contributions are recognized when all eligibility requirements, including time requirements are met.

Pensions

The 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 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 Post-Employment Benefits (OPEB)

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

Note 2 - Deposits and Credit Risk**Primary Government****Deposits**

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 by eligible collateral as determined by the PDPA. The institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at equal to 102% of the uninsured deposits. The general depository agreement required by annual contract with HUD has additional collateral requirements, which the Authority met in 2021.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. As of December 31, 2021, the Authority's deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Commission (FDIC) and collateralized with securities held by a pledging financial institution in accordance with PDPA.

At December 31, 2021, the Authority's carrying amount of deposits was \$4,084,500 and the bank balance was \$4,257,929. Of the bank balances, \$250,000 was covered by Federal Depository Insurance. Of the remaining balances for 2021, \$4,007,929 was collateralized with securities held by a pledging financial institution's agent in the government's name.

Investments

The Authority's investment policy allows for investments to be solely in securities approved by HUD. Authorized investment instruments are as follows:

- Obligations of the United States and certain U.S. government agency securities
- Insured Money Market Deposit Accounts
- Municipal Depository Fund
- Super NOW Accounts
- Certificates of Deposit
- Repurchase Agreements
- Sweep Accounts
- Separate Trading of Registered Interest and Principal of Securities (STRIPS)
- Mutual Funds that meet HUD criteria

Discretely Presented Component Units**Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it.

As of December 31, 2021, AMN, LLLP had carrying amounts and bank balances in excess of the federally insured limits of \$250,000. Partnership management monitors the financial ratings of such financial institutions and does not believe that the deposits are exposed to a significant level of risk.

As of December 31, 2021, SA LLLP had carrying amounts and bank balances in excess of the federally insured limits of \$250,000. Partnership management monitors the financial ratings of such financial institutions and does not believe that the deposits are exposed to a significant level of risk.

As of December 31, 2021, AMSA, LLC had carrying amounts and bank balances in excess of the federally insured limits of \$250,000. Partnership management monitors the financial ratings of such financial institutions and does not believe that the deposits are exposed to a significant level of risk.

Note 3 - Restricted Cash

Primary Government

Restricted cash consists of \$7,485 in tenant security deposits, \$65,644 in housing choice vouchers received but unspent, \$16,355 for cash in the Mod Rehab program owed back to HUD, and \$30,748 for mod rehab vouchers received but unspent. Total restricted cash as of December 31, 2021, was \$120,232.

Discretely Presented Component Units

Restricted cash consists of tenant security deposits and various reserves as required by the partnership agreements. Total restricted cash as of December 31, 2021, was \$936,563.

Note 4 - Capital Assets

Primary Government

The following is a summary of property, structures, and equipment for the year ended December 31, 2021:

	Balance 1/1/21	Additions	Transfers	Deletions	Balance 12/31/21
Non-Depreciable					
Land	\$ 420,522	\$ -	\$ -	\$ -	\$ 420,522
Total non-depreciable capital assets	420,522	-	-	-	420,522
Depreciable					
Buildings and improvements	1,404,360	-	-	-	1,404,360
Furniture and equipment	85,268	-	-	(69,223)	16,045
Total depreciable capital assets	1,489,628	-	-	(69,223)	1,420,405
Less: Accumulated Depreciation for:					
Buildings and improvements	(608,821)	(47,934)	-	-	(656,755)
Furniture and equipment	(78,651)	(2,335)	-	69,223	(11,763)
Total accumulated depreciation	(687,472)	(50,269)	-	69,223	(668,518)
Net Depreciable Capital Assets	802,156	(50,269)	-	-	751,887
Net capital assets	<u>\$ 1,222,678</u>	<u>\$ (50,269)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,172,409</u>

Discretely Presented Component Units

The following is a summary of property, structures, and equipment for the year ended December 31, 2021.

AMN, LLLP

	Balance 1/1/21	Additions	Transfers	Deletions	Balance 12/31/21
Non-Depreciable					
Land	\$ 317,000	\$ -	\$ -	\$ -	\$ 317,000
Total non-depreciable capital assets	<u>317,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,000</u>
Depreciable					
Land improvements	699,460	-	-	-	699,460
Buildings and improvements	5,557,662	-	-	-	5,557,662
Furniture and equipment	82,838	-	-	-	82,838
Total depreciable capital assets	<u>6,339,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,339,960</u>
Less: Accumulated Depreciation for					
Land improvements	(227,326)	(23,315)	-	-	(250,641)
Buildings and improvements	(1,832,953)	(185,256)	-	-	(2,018,209)
Furniture and equipment	(82,838)	-	-	-	(82,838)
Total accumulated depreciation	<u>(2,143,117)</u>	<u>(208,571)</u>	<u>-</u>	<u>-</u>	<u>(2,351,688)</u>
Net Depreciable Capital Assets	<u>4,196,843</u>	<u>(208,571)</u>	<u>-</u>	<u>-</u>	<u>3,988,272</u>
Net capital assets	<u>\$ 4,513,843</u>	<u>\$ (208,571)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,305,272</u>

SA, LLLP

	Balance 1/1/21	Additions	Transfers	Deletions	Balance 12/31/21
Non-Depreciable					
Land	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Total non-depreciable capital assets	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,000</u>
Depreciable					
Land improvements	157,100	-	-	-	157,100
Buildings and improvements	11,799,758	30,987	-	(45,684)	11,785,061
Furniture and equipment	507,257	16,598	-	-	523,855
Total depreciable capital assets	<u>12,464,115</u>	<u>47,585</u>	<u>-</u>	<u>(45,684)</u>	<u>12,466,016</u>
Less: Accumulated Depreciation for					
Land improvements	(36,656)	(10,473)	-	-	(47,129)
Buildings and improvements	(1,155,737)	(294,994)	-	4,581	(1,446,150)
Furniture and equipment	(245,989)	(71,967)	-	-	(317,956)
Total accumulated depreciation	<u>(1,438,382)</u>	<u>(377,434)</u>	<u>-</u>	<u>4,581</u>	<u>(1,811,235)</u>
Net Depreciable Capital Assets	<u>11,025,733</u>	<u>(329,849)</u>	<u>-</u>	<u>(41,103)</u>	<u>10,654,781</u>
Net capital assets	<u>\$ 11,825,733</u>	<u>\$ (329,849)</u>	<u>\$ -</u>	<u>\$ (41,103)</u>	<u>\$ 11,454,781</u>

Longmont Housing Authority

Notes to Financial Statements

December 31, 2021

AMSA, LLC

	Balance 1/1/21	Additions	Transfers	Deletions	Balance 12/31/21
Non-Depreciable					
Land	\$ 845,000	\$ -	\$ -	\$ -	\$ 845,000
Construction in progress	2,973,798	-	(2,973,798)	-	-
Total non-depreciable capital assets	<u>3,818,798</u>	<u>-</u>	<u>(2,973,798)</u>	<u>-</u>	<u>845,000</u>
Depreciable					
Land improvements	-	700,785	-	-	700,785
Buildings and improvements	6,380,000	2,338,128	2,973,798	-	11,691,926
Furniture and equipment	-	1,034,891	-	-	1,034,891
Total depreciable capital assets	<u>6,380,000</u>	<u>4,073,804</u>	<u>2,973,798</u>	<u>-</u>	<u>13,427,602</u>
Less: Accumulated Depreciation for:					
Land improvements	-	(15,573)	-	-	(15,573)
Buildings and improvements	(53,167)	(296,619)	-	-	(349,786)
Furniture and equipment	-	(68,993)	-	-	(68,993)
Total accumulated depreciation	<u>(53,167)</u>	<u>(381,185)</u>	<u>-</u>	<u>-</u>	<u>(434,352)</u>
Net Depreciable Capital Assets	<u>6,326,833</u>	<u>3,692,619</u>	<u>2,973,798</u>	<u>-</u>	<u>12,993,250</u>
Net capital assets	<u>\$ 10,145,631</u>	<u>\$ 3,692,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,838,250</u>

Note 5 - Notes Receivable

The following is a summary of the notes receivable for the year ended December 31, 2021.

	Principal	Interest	Total
Aspen Meadows Senior Apartments, LLC	\$ 200,000	\$ 5,020	\$ 205,020
Aspen Meadows Senior Apartments, LLC	750,000	56,925	806,925
Aspen Meadows Senior Apartments, LLC	625,000	14,923	639,923
Aspen Meadows Senior Apartments, LLC	3,965,729	300,999	4,266,728
Village Place Associates, LLLP	600,000	273,531	873,531
Village Place Associates, LLLP	373,111	260,426	633,537
Village Place Associates, LLLP	800,000	876,624	1,676,624
Village Place Associates, LLLP	400,000	247,538	647,538
Village Place Associates, LLLP	150,687	-	150,687
Aspen Meadows Neighborhood, LLLP	1,225,000	156,499	1,381,499
Aspen Meadows Neighborhood, LLLP	139,923	-	139,923
Suites Apartments LLLP	395,000	113,332	508,332
Suites Apartments LLLP	2,520,374	749,541	3,269,915
Suites Apartments LLLP	630,000	180,758	810,758
	<u>\$ 12,774,824</u>	<u>\$ 3,236,116</u>	16,010,940
Less current portion			<u>-</u>
			<u>\$ 16,010,940</u>

The Authority provided one loan to Aspen Meadows Senior Apartments, LLC in the amount of \$200,000. Interest accrues on the loan at the rate of 2% per year and compounds annually. Payments are made solely from available excess cash flow. The loan is due in full in October 2055. The Authority wholly owns the managing member in Aspen Meadows Senior Apartments, LLC, a low-income housing unit tax credit project (Note 9).

The Authority provided one loan to Aspen Meadows Senior Apartments, LLC, in the amount of \$475,000. During 2021, the loan was increased to \$625,000. Interest accrues on the loans at the rate of 2% per year and compounds annually. During 2021, the interest rate increased to 2.75%. Payments are made solely from available excess cash flow. The loan is due in full in October 2055.

The Authority provided one loan to Aspen Meadows Senior Apartments, LLC in the amount of \$750,000. Interest accrues on the loan at the rate of 6% per year and compounds annually. Payments are made solely from available excess cash flow. The loan is due in full in October 2055.

The Authority assumed one loan to Aspen Meadows Senior Apartments, LLC in the amount of \$3,965,729 during 2021. Interest accrues on the loan at the rate of 6% per year and compounds annually. Payments are made solely from available excess cash flow. The loan is due in full in October 2055.

The Authority provided two loans to Village Place Associates, LLLP, in the amounts of \$600,000 and \$373,111. Interest accrues on the loans at the rate of 3.5% per annum and compounds annually. Payments are made solely from the distribution of net operating income. The loans are due in full in December 2031. The Authority is the administrative limited partner in Village Place Associates, LLLP, a low-income housing unit tax credit project (Note 9).

The Authority has loaned \$800,000 to Village Place Associates, LLLP. Interest accrues on the loan at the rate of 4.9% per annum and compounds annually. Payments are made solely from the distribution of net operating income. The loan is due in full in December 2031.

The Authority has loaned \$400,000 to Village Place Associates, LLLP. Interest accrues on the loan at the rate of 3.5% per annum and compounds annually. Payments are made solely from the distribution of net operating income. The loan is due in full in January 2032.

The Authority has loaned \$150,687 to Village Place Associates, LLLP. The loan is non-interest bearing. Payments are made solely from the distribution of net operating income. The loan is due in full in May 2032.

The Authority has loaned \$1,225,000 to Aspen Meadows Neighborhood, LLLP. Interest accrues on the loan at the rate of 1% per annum and compounds annually. Payments are made solely from available excess cash flow. The loan is due in full in November 2039. The Authority is the general partner in Aspen Meadows Neighborhood, LLLP, a low-income housing unit tax credit project (Note 9).

The Authority has loaned \$139,923 to Aspen Meadows Neighborhood, LLLP. This loan is non-interest bearing. Payments are made solely from available excess cash flow. The loan is due in full in November 2039.

The Authority provided two loans to Suites Apartments, LLLP, in the amounts of \$395,000 and \$630,000. Interest accrues on the loans at the rate of 5% per annum and compounds annually. Payments are made solely from the distribution of net operating income. The loans are due in full in December 2033. The Authority is the general partner in Suites Apartments, LLLP, a low-income housing unit tax credit project (Note 9).

The Authority provided a loan to Suites Apartments, LLLP, in the original amount of \$1,820,387. Effective September 5, 2018, the loan was amended to provide a loan of \$2,520,374. Interest accrued on the loan at the rate of 5% through September 5, 2018, then was amended to accrue at 6% per annum and compounds annually. Payments are made solely from the distribution of net operating income. The loan is due in full in December 2033.

All notes receivable are secured by the related property.

Note 6 - Long-Term Debt

Primary Government

For the year ended December 31, 2021, the following changes occurred in long-term debt:

	Balance 01/01/21	Increases	Decreases	Balance 12/31/21	Due Within One Year
Notes Payable	\$ 1,673,949	\$ -	\$ (91,673)	\$ 1,582,276	\$ 485,580

Long-term debt as of December 31, 2021, consists of the following:

2.00%, \$600,000 mortgage note payable to City of Longmont, due in annual installments of \$40,513, including interest, due in full July 2031, secured by a deed of trust, used for improvements at Village Place	\$ 325,023
0%, \$175,000 mortgage note payable to the City of Longmont, due in full in November 2029, secured by a deed of trust, used for Aspen Meadows Neighborhood	175,000
0%, \$630,000 mortgage note payable to the City of Longmont (AHF funds), due in full September 2036, secured by a deed of trust, used for the Suites Apartments LLP	630,000
3.05%, \$641,055 mortgage note payable from FirstBank, due in monthly installments of \$3,068 including interest, due in March 2022, secured by a deed of trust, used for Briarwood - (a)	452,253
	<u>1,582,276</u>
Less current portion	<u>(485,580)</u>
	<u>\$ 1,096,696</u>

(a) – Subsequent to year-end, the Authority refinanced this loan, extending the maturity date by 15 years and increased the interest rate to 4.10%.

Longmont Housing Authority

Notes to Financial Statements

December 31, 2021

A summary of payments due for the long-term debt is as follows:

	Principal	Interest	Total
2022	\$ 485,580	\$ 10,207	\$ 495,787
2023	30,704	5,999	36,703
2024	31,318	5,309	36,627
2025	31,944	4,605	36,549
2026	32,583	3,887	36,470
2027-2031	340,147	8,869	349,016
2032-2036	630,000	-	630,000
	<u>\$ 1,582,276</u>	<u>\$ 38,876</u>	<u>\$ 1,621,152</u>

Discretely Presented Component Units

For the year ended December 31, 2021, the following changes occurred in long-term debt:

AMN LLLP

	Balance 01/01/21	Increases	Decreases	Balance 12/31/21	Due Within One Year
Notes Payable	<u>\$ 2,689,857</u>	<u>\$ -</u>	<u>\$ (7,980)</u>	<u>\$ 2,681,877</u>	<u>\$ 8,608</u>

SA LLLP

	Balance 01/01/21	Increases	Decreases	Balance 12/31/21	Due Within One Year
Notes Payable	<u>\$ 6,457,700</u>	<u>\$ -</u>	<u>\$ (40,534)</u>	<u>\$ 6,417,166</u>	<u>\$ 42,202</u>

AMSA LLC

	Balance 01/01/21	Increases	Decreases	Balance 12/31/21	Due Within One Year
Notes Payable	<u>\$ 5,390,729</u>	<u>\$ 4,545,000</u>	<u>\$ -</u>	<u>\$ 9,935,729</u>	<u>\$ 53,172</u>

Long-term debt as of December 31, 2021, consists of the following:

AMN LLLP

7.5%, \$1,000,000 mortgage note payable to FirstBank of Longmont, due in monthly payments of \$6,661, including interest, unpaid principal and interest due January 2030, secured by a first mortgage on property and equipment and an assignment of rents and leases	\$ 941,954
2%, \$375,000 mortgage note payable to Longmont Housing Development Corporation (LHDC), due in annual installments, including interest, from net cash flow as permitted, unpaid principal and interest due November 2039, secured by a second mortgage on the property and equipment	375,000
1%, \$1,225,000 mortgage note payable to the Longmont Housing Authority (LHA), due in annual installments, including interest, from net cash flow as permitted, through November 2039, secured by a third mortgage on the property and equipment	1,225,000
0%, \$139,923 mortgage note payable to the LHA due in annual installments from net cash flow as permitted, through November 2039, secured by a fourth mortgage on the property and equipment	139,923
	2,681,877

SA LLLP

4.04%, \$2,800,000 Series 2016A bonds payable to CitiBank, due in monthly installments of \$12,465, including interest, beginning November 2018, through September 2033, secured by a deed of trust, assignment of rent, security agreement, and fixture filling	\$ 2,677,055
5%, \$395,000 mortgage note payable to the Longmont Housing Authority (LHA) from CDBG funds, unpaid principal and interest due the earlier of December 2033, the sale of the property or the date the note is refinanced, secured by a deed of trust	395,000
6%, \$2,520,374 mortgage note payable to the LHA, unpaid principal and interest due the earlier of December 2033, the sale of the property or the date the note is refinanced, secured by a deed of trust	2,520,374
5%, \$630,000 mortgage note payable to the LHA, unpaid principal and interest due at maturity, December 2033, secured by a deed of trust, security agreement, financing statement, and fixture filing	630,000
0%, \$200,000 mortgage note payable to the State of Colorado, due in annual installments of \$5,263, payable solely from 50% of cash flow, beginning June 2019, through December 2056, secured by a deed of trust	194,737
	6,417,166

AMSA LLC

3.70%, \$3,825,000 mortgage note payable to FirstBank, due in monthly installments of \$16,379, including interest, through December 2037, secured by a deed of trust, security agreement, and fixture financing agreement	\$ 3,825,000
2.75%, \$625,000 mortgage note payable to Longmont Housing Authority (CDBG loan), due in annual payments, including interest, from cash flow as permitted, through October 2055, secured by a deed of trust on all property and equipment	625,000
2%, \$200,000 mortgage note payable to Longmont Housing Authority (Sponsor Capital loan), due in annual payments, including interest, from cash flow as permitted, through October 2055, secured by a deed of trust on all property and equipment	200,000
6%, \$3,965,729 mortgage note payable to Longmont Housing Authority (Seller Carryback loan), due in annual payments, including interest, from cash flow as permitted, through October 2055, secured by a deed of trust on all property and equipment - (a)	3,965,729
6%, \$750,000 mortgage note payable to Longmont Housing Authority (Sponsor Completion loan), due in annual payments, including interest, from cash flow as permitted, through October 2055, secured by a deed of trust on all property and equipment	750,000
1%, \$600,000 note payable to the Colorado Division of Housing, due in annual payments, including interest, from 50% of cash flow as permitted, beginning April 2022, through April 2039, secured by a deed of trust on all property and equipment	<u>570,000</u>
	<u>9,935,729</u>
Less current portion	<u>19,034,772</u> <u>(103,982)</u>
Long-term debt, less current portion	<u>\$ 18,930,790</u> <u>1</u>

(a) During 2021, the mortgage note payable originally payable to Aspen Meadows Associates, LLLP (Seller Carryback loan), was assumed by the Authority.

A summary of payments due for the long-term debt is as follows:

	Principal	Interest	Total
2022	\$ 103,982	\$ 932,900	\$ 1,036,882
2023	109,241	962,525	1,071,766
2024	113,324	994,521	1,107,845
2025	118,779	1,027,241	1,146,020
2026	123,893	1,062,523	1,186,416
2027-2031	1,522,760	5,795,879	7,318,639
2032-2036	6,135,607	5,003,694	11,139,301
2037-2041	5,071,718	4,454,389	9,526,107
2042-2046	-	5,671,362	5,671,362
2047-2051	-	7,550,274	7,550,274
2052-2056	5,735,468	7,810,698	13,546,166
	<u>\$ 19,034,772</u>	<u>\$ 41,266,006</u>	<u>\$ 60,300,778</u>

Note 7 - Paycheck Protection Program (PPP) Loan

During 2020, the Authority was granted a \$242,200 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Authority initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released by the SBA. The Authority recognized \$242,200 of loan forgiveness income for the year ended December 31, 2021.

Note 8 - Annual Contributions Contract

The Authority has an annual contributions contract for Section 8 HAP and adjustments vary based on requirements. The maximum contract was \$5,175,192 for the year ended December 31, 2021.

Note 9 - Related Party Transactions

Village Place Associates, LLLP (VPA, LLLP) was formed for the purpose of owning and operating a 72-unit low-income housing project in Longmont, Colorado. The Authority is the administrative limited partner of VPA, LLLP and has an ownership percentage of 0.005%.

Spring Creek Apartments, LLLP (SC, LLLP) was formed for the purpose of owning and operating a 60-unit low-income housing project in Longmont, Colorado. The Authority is the administrative limited partner of SC, LLLP and has an ownership percentage of 0.004%.

Fall River Apartments LLLP (FR LLLP) was formed for the purpose of owning and operating a 60-unit low-income housing project in Longmont, Colorado. The Authority is the Class B limited partner of FR LLLP and has an ownership percentage of 0.004%.

Notes Receivable

As disclosed in Note 5, the Authority is owed on various notes receivable from four low-income residential housing tax credit projects with various interest rates. During 2021, the Authority earned interest income of \$774,303 on the notes receivable. As of December 31, 2021, the Authority was owed \$3,236,116 for accrued interest on the notes receivable.

Contribution

During 2021, the Authority assumed a loan and interest receivable from Aspen Meadows Associates, LLLP in the amount of \$4,115,828. The assumption of this loan has been recorded as a contribution on the Statements of Revenues, Expenses, and Changes in Net Position.

Developer Fees

The Authority has entered into a development service agreement with AMN, LLLP. Interest is earned on the outstanding balance at a rate of 4.25%. During 2021, the Authority received a payment of \$10,000. As of December 31, 2021, the Authority is owed \$25,756 for unpaid developer fees and interest on unpaid developer fees. The unpaid developer fees and accrued interest are due in full on April 22, 2024.

The Authority has entered into a development service agreement with SA, LLLP to earn a fee of \$1,889,000 in connection with the development and construction of the project. During 2021, the Authority received a payment of \$75,594. As of December 31, 2021, the Authority is owed \$687,745. The remaining fees are expected to be received when the project receives capital contributions or from available cash.

The Authority has entered into a development service agreement with AMSA, LLC to earn a fee of \$1,540,000 in connection with the development and construction of the project. During 2021, the Authority earned \$924,000 based on the developer agreement. During 2021, the Authority received \$543,000. As of December 31, 2021, the Authority was owed \$747,000 for developer fees. The fees will be repaid from capital contributions or from available cash.

Management Fees

The Authority has entered into a management agreement with AMN, LLLP, VPA, LLLP, SC, LLLP, SA, LLLP, FR LLLP, and AMSA, LLC. Terms established under the management agreements call for the payment of management fees to the Authority in exchange for services provided in managing the projects. For the year ended December 31, 2021, the Authority received \$268,654 in management fees from related entities.

Reimbursements

The Authority is reimbursed for various office expenses, payroll, benefits, and other expense associated with the operations of AMN, LLLP, VPA, LLLP, SC, LLC, SA, LLLP, FR LLLP, AMSA, LLC and other entities. During 2021, the Authority was reimbursed approximately \$862,800 for these costs. As of December 31, 2021, the Authority was owed \$113,122 for unreimbursed expenses and is included in due from other agencies.

Tenant Services Agreement

During 2018, the Authority entered into a tenant services agreement with SA, LLLP to provide certain supportive services. Under the agreement, the Authority is to pay for the supportive services, which will be reimbursed by SA, LLLP in an amount not to exceed \$15,000 per month, increasing 2% annually, from available cash flow. During 2021, the Authority paid for supportive service costs of \$3,132.

Operating Deficit Guaranty

The Authority has certain obligations to fund any operating deficits on behalf of SA, LLLP and AMSA, LLC during the compliance period, as defined in the partnership agreement. As of December 31, 2021, the Authority has not had to fund any operating deficit.

Note 10 - Management Services

The Authority provides property management services for the Longmont Housing Development Corporation, The Hearthstone at Hover Crossing, and The Lodge at Hover Crossing. The Authority is paid a percent as determined by the management agreement.

The Authority also provides corporate management services, including managing business affairs and developer services, for the Longmont Housing Development Corporation in exchange for a management fee determined annually based on needs. During 2021, the Authority received \$150,000 in corporate management fees.

Note 11 - Compensated Absences

The Authority accrues unused vacation. Employees earn vacation leave at defined, monthly amounts depending on length of service. Total leave accrued at December 31, 2021, was \$1,919. The Authority has estimated the whole liability will be liquidated in the next fiscal year.

Note 12 - Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), 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 receive an annual increase of 1.25 percent unless adjusted by the automatic provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lessor of an annual increase of 1.25 percent or the average 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.

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

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

Contributions

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

	*Rates - January 1, 2020 Through June 30, 2020	*Rates - July 1, 2020 Through December 31, 202
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%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Authority were \$111,542 for the year ended December 31, 2021.

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

At December 31, 2021, the Authority reported a liability of \$636,788 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, 2019.

Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The Authority's proportion of the net pension liability was based on Authority's contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the Authority's proportion was 0.1222 percent, which was a decrease of 0.0325 percent from its proportion measured as of December 31, 2019.

Longmont Housing Authority

Notes to Financial Statements

December 31, 2021

For the year ended December 31, 2021, the Authority recognized pension income of \$121,627. At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 30,788	\$ -
Changes of Assumptions or Other Inputs	153,887	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	688,651
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	23,019	180,575
Contributions Subsequent to the Measurement Date	92,714	-
 Total	 \$ 300,408	 \$ 869,226

\$92,714 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 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 Ended December 31,	
2021	\$ (192,827)
2022	(125,012)
2023	(233,440)
2024	(110,253)

Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following 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
Future Post-Retirement Benefit Increases:	
PERA Benefit Structure (compounded annually)	1.25 percent
PERA Benefit Structure hired after 12/31/06	Financed by the AIR

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

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

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

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

The actuarial assumptions used in the December 31, 2019, 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.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension 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	3.20 - 11.30 percent
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25 percent
Discount Rate	7.25 percent
Future Post-Retirement Benefit Increases:	
PERA Benefit Structure (compounded annually)	1.25 percent
PERA Benefit Structure hired after 12/31/06	Financed by the AIR

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Pre-retirement mortality assumptions for Members were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for Members were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

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

The PERA Board first adopted the 7.25% 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 table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
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 cash 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 3.00 percent.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, 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 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, 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 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 (asset) 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	\$ 1,466,906	\$ 636,788	\$ (56,252)

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.

Note 13 - Other Post-Employment Health Care Benefits

General Information about the OPEB Plan

The Authority contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and 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 health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

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

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

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

PERA Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Authority were \$7,344 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, the Authority reported a liability of \$89,017 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, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020.

Authority's proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Authority proportion was 0.0094 percent, which was an decrease of 0.0024 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Authority recognized OPEB income of \$10,309. At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 236	\$ 19,570
Changes of Assumptions or Other Inputs	665	5,458
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,637
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	15,370	40,055
Contributions Subsequent to the Measurement Date	7,344	-
	<u>\$ 23,615</u>	<u>\$ 68,720</u>
Total		

\$7,344 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 December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	
2021	\$ (8,995)
2022	(8,846)
2023	(10,262)
2024	(4,464)
2025	(7,331)
Thereafter	(12,551)

Actuarial Assumptions

The total OPEB liability in the December 31, 2019, 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 in aggregate
Long-Term Investment Rate of Return, Net of Pension 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	8.10 percent for 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2020, gradually 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, 2019, valuations were based on the results of the 2016 experience analysis for the period 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 **2020** for the PERA Benefit Structure:

	<u>Cost For Members without Medicare Part A</u>	<u>Premiums For Members without Medicare Part A</u>
Self-Funded Medicare Supplement Plans	\$ 588	\$ 227
Kaiser Permanente Medicare Advantage HMO	621	232

The 2020 Medicare Part A premium is \$458 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:

	<u>Cost For Members without Medicare Part A</u>	
Self-funded Medicare Supplement Plans	\$	550
Kaiser Permanente Medicare Advantage HMO		586

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

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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.

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

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

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

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

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

The assumed rates of PERACare participation were revised to reflect more closely actual experience.

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.

- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for the 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 of five years of PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

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

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

Asset Class	Target Allocation	10 Yr Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
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 the Authority proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
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	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 86,716	\$ 89,017	\$ 91,695

Discount Rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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.
- Estimated transfers of dollars into the Trust Fund representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

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	\$ 101,971	\$ 89,017	\$ 77,949

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.

Note 14 - Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for these risks of loss, including worker’s compensation and employee accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Limits of insurance coverage have been adjusted annually. As a political subdivision of the State of Colorado, the LHA has immunity protection under the Colorado governmental immunity act CRS 24 10 101.

Note 15 - Conduit Debt

In March of 2011, the Authority arranged for tax exempt financing in the amount of \$2,900,000 for Hover Village, Inc. (“Hover”). Hover utilized the tax-exempt financing to refinance existing debt relating to the purchase and improvement of a 121-unit rental housing facility for seniors, known as Hover Manor. The debt has a final maturity date of April 1, 2026 and is secured by real estate. The Authority in no way guarantees the loan or has any liability for the loan. Accordingly, the loan is not reported as a liability in the Authority’s financial statements. Hover makes the loan payments directly to FirstBank of Longmont. As of December 31, 2021, the outstanding balance of the loan was \$1,039,229.

In June of 2018, the Authority issued private activity bonds in the amount of \$9,131,650 for Fall River Apartments LLLP (Fall River). Fall River utilized the bonds to finance construction of a 60-unit multifamily rental housing development. The bonds have a final maturity date of January 1, 2051 and are secured by a deed of trust, assignment of rents, security agreement, and fixture filing. The Authority in no way guarantees the bonds or has any liability for the loan. Accordingly, the bonds are not reported as liability in the Authority's financial statements. Fall River makes the bond payments directly to CitiBank, N.A. As of December 31, 2021, the outstanding balance of the bonds was \$4,206,985.

In September of 2020, the Authority issued private activity bonds in the amount of \$9,131,650 for AMSA, LLC. AMSA, LLC utilized the bonds to finance construction of a 50-unit multifamily rental housing development. The bonds have a final maturity date of October 2038 and are secured by a deed of trust, assignment of rents, security agreement, and fixture filing. The Authority in no way guarantees the bonds or has any liability for the loan. Accordingly, the bonds are not reported as liability in the Authority's financial statements. AMSA, LLC makes the bond payments directly to FirstBank. As of December 31, 2021, the outstanding balance of the bonds was \$3,825,000.

Note 16 - Commitments and Contingencies

Claims and Judgments

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. The Authority believes that disallowed expenses, if any, will not have a material effect on the overall financial position of the Authority.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The amendment is complex and subject to judicial interpretation. Management believes the Authority is exempt from the provisions of the Amendment.

Forgivable Loans

During 2006 and 2005, the Authority received a loan in the amount of \$373,111 from the City of Longmont, the proceeds of which were loaned to Village Place Associates, LLLP (Note 5). The loan with the City of Longmont is non-interest bearing and will be forgivable after 20 years in exchange for providing affordable housing below market rates to low-income persons.

Since there is a remote possibility that the Authority would fail to meet these requirements, these loans are not reported as a liability in the financial statements.

During 2010, the Authority received a loan in the amount of \$139,923 from FirstBank under the Federal Home Loan Bank Affordable Housing Program, the proceeds of which were loaned to Aspen Meadows Neighborhood, LLLP (Note 5). The loan with FirstBank is non-interest bearing and will be forgivable in its entirety after 15 years to the extent the property is used as low-income housing.

Since there is a remote possibility that the Authority would fail to meet these requirements, these loans are not reported as a liability in the financial statements.

Voluntary Compliance Agreement

During 2019, the Authority entered into a Voluntary Compliance Agreement with HUD to make necessary updates to units owned by the Authority. The agreement will remain in effect until all terms of the agreement are completed. The costs to the Authority are estimated to be \$14,000. The necessary updates to units owned are expected to be completed in 2022.

Note 17 - Intergovernmental Agreement

In November 2020, the Authority entered into an Intergovernmental Agreement with the City of Longmont to provide continuity of leadership and staffing as well as supporting the Authority staff to ensure compliance and deadlines are met. The City is to provide services as outlined in the agreement. As part of the agreement, the Authority shall pay the City \$82,000 per year for information technology services, \$220,000 for accounting services, \$110,000 for services related to AMSA, LLC project, and \$20,000 for building maintenance services. In addition, the Authority shall pay the City an amount up to \$250,000 for consultation and leadership services as well as an amount not to exceed \$250,000 for all services rendered in 2020. The agreement was extended in 2021 and ends on December 31, 2023, unless extended or modified by mutual agreement.

Note 18 - Subsequent Events

Subsequent to year-end, the Authority refinanced a mortgage note payable from FirstBank with an original maturity date of March 2022. The maturity date has been extended by 15 years and interest increased to 4.10%.



Required Supplementary Information
December 31, 2021

Longmont Housing Authority

Longmont Housing Authority
Schedules of Authority's Proportionate Share of Net Pension and Net OPEB Liabilities
Last 10 Fiscal Years

Pension Related Contributions

	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.1222%	0.1547%	0.13392%	0.15845%	0.15513%	0.13815%	0.12679%
Authority's proportionate share of the net pension liability	\$636,788	\$1,131,483	\$1,683,599	\$1,764,250	\$2,094,807	\$1,521,853	\$1,136,349
Authority's covered payroll	\$866,301	\$1,065,357	\$878,347	\$999,593	\$935,658	\$784,458	\$694,703
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	73.51%	106.21%	191.68%	176.50%	223.89%	194.00%	163.57%
Plan fiduciary net position as a percentage of the total pension liability	90.88%	86.26%	75.96%	79.37%	73.65%	76.87%	80.72%

* Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown. The amounts presented have a measurement date of the previous fiscal year end.

OPEB Related Contributions

	2021	2020	2019	2018
Authority's proportion of the net OPEB liability	0.0094%	0.0118%	0.01039%	0.01231%
Authority's proportionate share of the OPEB liability	\$89,017	\$133,176	\$141,295	\$160,014
Authority's covered payroll	\$866,301	\$1,065,357	\$878,347	\$999,593
Authority's proportionate share of the OPEB liability as a percentage of its covered payroll	10.28%	24.49%	16.09%	16.00%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	17.53%	17.03%	17.53%

* Fiscal year 2018 was the first year of implementation, therefore, only four years are shown. The amounts shown presented have a measurement date of the previous fiscal year end.

Longmont Housing Authority
Schedules of Authority's Contributions
Last 10 Fiscal Years

Pension Related Contributions

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$96,400	\$118,684	\$145,954	\$120,872	\$136,950	\$133,078	\$108,549
Contributions in relation to the statutorily required contribution	(\$96,400)	(\$118,684)	(\$145,954)	(\$120,872)	(\$136,950)	(\$133,078)	(\$108,549)
Contribution deficiency (excess)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Authority's covered payroll	\$703,645	\$866,301	\$1,065,357	\$878,347	\$999,356	\$935,658	\$784,458
Contributions as a percentage of covered payroll	13.70%	13.70%	13.70%	13.76%	13.73%	14.22%	13.70%

* Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown. The amounts presented have a measurement date of the previous fiscal year end.

OPEB Related Contributions

	2021	2020	2019	2018
Statutorily required contribution	\$7,344	\$8,836	\$10,865	\$8,959
Contributions in relation to the statutorily required contribution	(\$7,344)	(\$8,836)	(\$10,865)	(\$8,959)
Contribution deficiency (excess)	\$0.00	\$0.00	\$0.00	\$0.00
Authority's covered payroll	\$703,645	\$866,301	\$1,065,357	\$878,347
Contributions as a percentage of covered payroll	1.04%	1.02%	1.02%	1.02%

* Fiscal year 2018 was the first year of implementation, therefore, only four years are shown.

Note A - Changes of Benefit Terms

There have been no changes in benefit terms since the last valuation.

Note B - Changes of Assumptions

There were no changes in actuarial assumptions or other inputs since the last valuation.



Supplementary Information
December 31, 2021

Longmont Housing Authority

Longmont Housing Authority
Combining Statement of Net Position
December 31, 2021

	General Fund Development	Housing Choice Vouchers	Housing Choice Vouchers Cares	Longmont Suites	Briarwood Apartments and Office	615 Main Street	Moderate Rehab	LRA Program	Eliminations	Total
Cash	\$ 2,170,347	\$ 318,956	\$ -	\$ 1,087,729	\$ 68,411	\$ 80,180	\$ 23,645	\$ 215,000	\$ -	\$ 3,964,268
Restricted cash	-	65,644	-	-	7,485	-	47,103	-	-	120,232
Accounts receivable										
Accounts receivable - tenants	-	671	-	-	1,433	2	-	-	-	2,106
Accounts receivable - due from other agencies	133,848	3,509	-	-	13,975	-	-	-	-	151,332
Accounts receivable - developer fees, current porti	297,812	-	-	-	-	-	-	-	-	297,812
Accounts receivable - other	16,012	-	-	-	-	-	-	-	-	16,012
Prepaid expenses	11,434	16,098	-	-	2,661	160	303	-	-	30,656
Total current assets	<u>2,629,453</u>	<u>404,878</u>	<u>-</u>	<u>1,087,729</u>	<u>93,965</u>	<u>80,342</u>	<u>71,051</u>	<u>215,000</u>	<u>-</u>	<u>4,582,418</u>
Land	-	-	-	176,082	203,000	41,440	-	-	-	420,522
Buildings and improvements	-	-	-	-	1,043,814	360,546	-	-	-	1,404,360
Furniture and equipment	-	4,363	-	-	11,682	-	-	-	-	16,045
Accumulated depreciation	-	(4,363)	-	-	(547,781)	(116,374)	-	-	-	(668,518)
Total capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,082</u>	<u>710,715</u>	<u>285,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,172,409</u>
Accounts receivable - developer fees	1,162,689	-	-	-	-	-	-	-	-	1,162,689
Related party notes receivable, net of current portion	16,010,940	-	-	-	-	-	-	-	-	16,010,940
Total noncurrent assets	<u>17,173,629</u>	<u>-</u>	<u>-</u>	<u>176,082</u>	<u>710,715</u>	<u>285,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,346,038</u>
Deferred Outflows										
OPEB	17,258	6,132	-	-	-	-	225	-	-	23,615
Pension	232,304	67,493	-	-	-	-	611	-	-	300,408
Total deferred outflows	<u>249,562</u>	<u>73,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>836</u>	<u>-</u>	<u>-</u>	<u>324,023</u>
Total Assets and Deferred Outflows	<u>\$ 20,052,644</u>	<u>\$ 478,503</u>	<u>\$ -</u>	<u>\$ 1,263,811</u>	<u>\$ 804,680</u>	<u>\$ 365,954</u>	<u>\$ 71,887</u>	<u>\$ 215,000</u>	<u>\$ -</u>	<u>\$ 23,252,479</u>

Longmont Housing Authority
Combining Statement of Net Position
December 31, 2021

	General Fund Development	Housing Choice Vouchers	Housing Choice Vouchers Cares	Longmont Suites	Briarwood Apartments and Office	615 Main Street	Moderate Rehab	LRA Program	Eliminations	Total
Current Liabilities										
Accounts payable	\$ 161,283	\$ 26,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,609
Accounts payable - HUD	-	-	-	-	-	-	16,355	-	-	16,355
Accrued payroll	2,377	1,010	-	-	216	-	31	-	-	3,634
Accrued compensated absences - current portion	1,906	7	-	-	6	-	-	-	-	1,919
Accrued interest payable	40,305	-	-	-	1,188	-	-	-	-	41,493
Unearned revenue	-	-	-	-	1,194	-	-	215,000	-	216,194
Tenant security deposits payable	-	-	-	-	7,485	-	-	-	-	7,485
Notes and mortgages payable, current portion	33,327	-	-	-	452,253	-	-	-	-	485,580
Total current liabilities	239,198	27,343	-	-	462,342	-	16,386	215,000	-	960,269
Net pension liability	378,496	251,370	-	-	-	-	6,922	-	-	636,788
Net OPEB liability	56,073	31,703	-	-	-	-	1,241	-	-	89,017
Notes and mortgages payable, net of current portion	1,096,696	-	-	-	-	-	-	-	-	1,096,696
Total long-term liabilities	1,531,265	283,073	-	-	-	-	8,163	-	-	1,822,501
Total Liabilities	1,770,463	310,416	-	-	462,342	-	24,549	215,000	-	2,782,770
Deferred Inflows										
OPEB	53,337	14,867	-	-	-	-	516	-	-	68,720
Pension	676,502	184,999	-	-	-	-	7,725	-	-	869,226
Total deferred inflows	729,839	199,866	-	-	-	-	8,241	-	-	937,946
Net Position										
Net investment in capital assets	-	-	-	176,082	258,462	285,612	-	-	-	720,156
Restricted	-	65,644	-	-	-	-	30,748	-	-	96,392
Unrestricted	17,552,342	(97,423)	-	1,087,729	83,876	80,342	8,349	-	-	18,715,215
Total Net Position	17,552,342	(31,779)	-	1,263,811	342,338	365,954	39,097	-	-	19,531,763
Total Liabilities, Deferred Inflows and Net Position	\$ 20,052,644	\$ 478,503	\$ -	\$ 1,263,811	\$ 804,680	\$ 365,954	\$ 71,887	\$ 215,000	\$ -	\$ 23,252,479

Longmont Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2021

	General Fund Development	Housing Choice Vouchers	Housing Choice Vouchers Cares	Longmont Suites	Briarwood Apartments and Office	615 Main Street	Moderate Rehab	LRA Program	Eliminations	Total
Operating Revenues										
HUD PHA grants	\$ -	\$ 5,811,951	\$ 150,889	\$ -	\$ -	\$ -	\$ 59,191	\$ -	\$ -	\$ 6,022,031
Other grants	156,984	-	-	-	-	-	-	-	-	156,984
Rental income	-	-	-	-	162,356	22,440	-	-	-	184,796
Administrative fees	482,385	-	-	-	-	-	-	-	-	482,385
Developer fees	924,000	-	-	-	-	-	-	-	-	924,000
Contributions	4,115,828	-	-	-	-	-	-	-	-	4,115,828
Other	15,334	27,255	-	-	102	-	-	-	-	42,691
Total Operating Revenues	5,694,531	5,839,206	150,889	-	162,458	22,440	59,191	-	-	11,928,715
Operating Expenses										
Housing assistance payments	-	5,257,775	-	-	-	-	50,383	-	-	5,308,158
Tenant services	3,132	-	-	-	4,374	-	-	-	-	7,506
Administrative salaries and benefits	40,174	6,214	80,113	-	12,404	(1)	1,895	-	-	140,799
Other administrative	556,290	37,064	45,748	-	29,898	75	1,378	-	-	670,453
Maintenance salaries	-	-	-	-	4,243	-	-	-	-	4,243
Regular and extraordinary maintenance	16,505	1,967	22,589	-	14,845	529	310	-	-	56,745
Depreciation	-	-	-	-	38,251	12,018	-	-	-	50,269
Utilities	-	2,460	-	-	7,516	2,384	47	-	-	12,407
Taxes and insurance	17,714	2,521	2,439	60	5,258	478	109	-	-	28,579
Other	-	39,699	-	-	-	-	-	-	-	39,699
Total Operating Expenses	633,815	5,347,700	150,889	60	116,789	15,483	54,122	-	-	6,318,858
Operating Income (Loss)	5,060,716	491,506	-	(60)	45,669	6,957	5,069	-	-	5,609,857
Non-Operating Revenues (Expenses)										
Interest income	628,467	73	-	-	-	-	6	-	-	628,546
Gain on sale of property and equipment	19,000	-	-	-	-	-	-	-	-	19,000
PPP loan forgiveness	242,200	-	-	-	-	-	-	-	-	242,200
Interest expense	(9,702)	-	-	-	(12,830)	-	-	-	-	(22,532)
Total Non-Operating Revenues (Expenses)	879,965	73	-	-	(12,830)	-	6	-	-	867,214
Income (Loss)	5,940,681	491,579	-	(60)	32,839	6,957	5,075	-	-	6,477,071
Change in Net Position	5,940,681	491,579	-	(60)	32,839	6,957	5,075	-	-	6,477,071
Net Position, Beginning of Year	11,611,661	(523,358)	-	1,263,871	309,499	358,997	34,022	-	-	13,054,692
Net Position, End of Year	\$ 17,552,342	\$ (31,779)	\$ -	\$ 1,263,811	\$ 342,338	\$ 365,954	\$ 39,097	\$ -	\$ -	\$ 19,531,763

Longmont Housing Authority
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Financial Assistance Listing/Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development			
<i>Direct Programs:</i>			
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	N/A	\$ 5,308,000
Section 8 CARES Act Funding	14.HCC	N/A	<u>150,889</u>
			5,458,889
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.249	N/A	54,122
<i>Passed through the City of Longmont Colorado:</i>			
CDBG Funds	14.218	B-20-MC-08-0011 & B-21-MC-08-0011	<u>156,984</u>
Total U.S. Department of Housing and Urban Development			<u>5,669,995</u>
Total Federal Expenditures			<u>\$ 5,669,995</u>

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Longmont Housing Authority under programs of the federal government for the year ended December 31, 2021. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of Longmont Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of Longmont Housing Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The Authority has not elected to use the 10% de minimis cost rate and does not draw for indirect administrative expenses.

Note 4 - Identification of COVID-19 Related Awards

To maximize the transparency of COVID-19 related award expenditures, the Authority has separately identified COVID-19 expenditures in the Schedule with the prefix "COVID-19" in the program name when a new grant award was received for a COVID-19 related grant or program. The Authority received \$150,889 of funds from the CARES Act under the Housing Choice Voucher program. The Authority spent all funds in 2021.



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*

The Board of Commissioners
Longmont Housing Authority
Longmont, Colorado

We have audited, 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, the financial statements of the business-type activities, and the discretely presented component units of the Longmont Housing Authority (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 20, 2022. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Longmont Housing Authority's internal control over financial reporting (internal control) as a basis for designing 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 Longmont Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Longmont Housing Authority'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Longmont Housing Authority'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 financial statements. 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.



Fargo, North Dakota
June 20, 2022



Independent Auditor’s Report on Compliance for The Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Commissioners
Longmont Housing Authority
Longmont, Colorado

Report on Compliance for the Major Federal Program

Opinion on The Major Federal Program

We have audited Longmont Housing Authority’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the major federal program of Longmont Housing Authority for the year ended December 31, 2021. Longmont Housing Authority’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Longmont Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Longmont Housing Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Longmont Housing Authority’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Longmont Housing Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Longmont Housing Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Longmont Housing Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Longmont Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Longmont Housing Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Longmont Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Fargo, North Dakota
June 20, 2022

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing/CFDA Number</u>
Section 8 Housing Choice Vouchers	14.871
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None



Financial Data Schedules
December 31, 2021

Longmont Housing Authority

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
111 Cash - Unrestricted		\$0	\$457,497	\$3,621,667	\$318,956
112 Cash - Restricted - Modernization and Development			\$213,241		
113 Cash - Other Restricted			\$610,283		\$65,644
114 Cash - Tenant Security Deposits			\$113,037	\$7,485	
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$0	\$1,394,058	\$3,629,152	\$384,600
121 Accounts Receivable - PHA Projects					\$671
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous			\$25,820	\$461,647	\$3,509
126 Accounts Receivable - Tenants			\$66,908	\$1,435	
126.1 Allowance for Doubtful Accounts -Tenants			-\$33,896	\$0	\$0
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					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$58,832	\$463,082	\$4,180
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets			\$108,049	\$14,255	\$16,098
143 Inventories					

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$0	\$0	\$1,560,939	\$4,106,489	\$404,878
161 Land			\$1,962,000	\$420,522	
162 Buildings			\$30,591,995	\$1,404,360	
163 Furniture, Equipment & Machinery - Dwellings			\$1,641,583	\$11,682	\$4,363
164 Furniture, Equipment & Machinery - Administration					
165 Leasehold Improvements					
166 Accumulated Depreciation			-\$4,597,275	-\$664,155	-\$4,363
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$29,598,303	\$1,172,409	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current				\$16,010,940	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets			\$530,477	\$1,162,689	
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$30,128,780	\$18,346,038	\$0
200 Deferred Outflow of Resources				\$249,562	\$73,625
290 Total Assets and Deferred Outflow of Resources	\$0	\$0	\$31,689,719	\$22,702,089	\$478,503

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
311 Bank Overdraft					
312 Accounts Payable <= 90 Days			\$52,982	\$161,283	\$26,326
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable			\$5,881	\$2,593	\$1,010
322 Accrued Compensated Absences - Current Portion			\$6,548	\$1,912	\$7
324 Accrued Contingency Liability					
325 Accrued Interest Payable			\$15,096	\$41,493	
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits			\$99,437	\$7,485	
342 Unearned Revenue			\$12,059	\$216,194	\$0
343 Current Portion of Long-term Debt - Capital			\$103,982		
344 Current Portion of Long-term Debt - Operating Borrowings				\$485,580	
345 Other Current Liabilities			\$297,812		
346 Accrued Liabilities - Other			\$15,579		
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$0	\$0	\$609,376	\$916,540	\$27,343
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			\$20,628,865		
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$1,162,689		
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current				\$1,096,696	
356 FASB 5 Liabilities					

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
357 Accrued Pension and OPEB Liabilities				\$434,569	\$283,073
350 Total Non-Current Liabilities	\$0	\$0	\$21,791,554	\$1,531,265	\$283,073
300 Total Liabilities	\$0	\$0	\$22,400,930	\$2,447,805	\$310,416
400 Deferred Inflow of Resources				\$729,839	\$199,866
508.4 Net Investment in Capital Assets		\$0	\$10,563,531	\$720,156	
511.4 Restricted Net Position	\$0	\$0			\$65,644
512.4 Unrestricted Net Position	\$0	\$0	-\$1,274,742	\$18,804,289	-\$97,423
513 Total Equity - Net Assets / Position	\$0	\$0	\$9,288,789	\$19,524,445	-\$31,779
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$0	\$31,689,719	\$22,702,089	\$478,503

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$0	\$23,645	\$4,421,765		\$4,421,765
112 Cash - Restricted - Modernization and Development	\$0		\$213,241		\$213,241
113 Cash - Other Restricted		\$47,103	\$723,030		\$723,030
114 Cash - Tenant Security Deposits			\$120,522		\$120,522
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$70,748	\$5,478,558		\$5,478,558
121 Accounts Receivable - PHA Projects			\$671		\$671
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous			\$490,976		\$490,976
126 Accounts Receivable - Tenants			\$68,343		\$68,343
126.1 Allowance for Doubtful Accounts -Tenants			-\$33,896		-\$33,896
126.2 Allowance for Doubtful Accounts - Other			\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$526,094		\$526,094
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$303	\$138,705		\$138,705
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$0	\$71,051	\$6,143,357		\$6,143,357
161 Land			\$2,382,522		\$2,382,522
162 Buildings			\$31,996,355		\$31,996,355
163 Furniture, Equipment & Machinery - Dwellings			\$1,657,628		\$1,657,628
164 Furniture, Equipment & Machinery - Administration					
165 Leasehold Improvements					
166 Accumulated Depreciation			-\$5,265,793		-\$5,265,793
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$30,770,712		\$30,770,712
171 Notes, Loans and Mortgages Receivable - Non-Current			\$16,010,940		\$16,010,940
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets		\$0	\$1,693,166		\$1,693,166
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$48,474,818		\$48,474,818
200 Deferred Outflow of Resources		\$836	\$324,023		\$324,023
290 Total Assets and Deferred Outflow of Resources	\$0	\$71,887	\$54,942,198		\$54,942,198
311 Bank Overdraft					

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days			\$240,591		\$240,591
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable		\$31	\$9,515		\$9,515
322 Accrued Compensated Absences - Current Portion			\$8,467		\$8,467
324 Accrued Contingency Liability					
325 Accrued Interest Payable			\$56,589		\$56,589
331 Accounts Payable - HUD PHA Programs		\$16,355	\$16,355		\$16,355
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits			\$106,922		\$106,922
342 Unearned Revenue			\$228,253		\$228,253
343 Current Portion of Long-term Debt - Capital			\$103,982		\$103,982
344 Current Portion of Long-term Debt - Operating Borrowings			\$485,580		\$485,580
345 Other Current Liabilities			\$297,812		\$297,812
346 Accrued Liabilities - Other			\$15,579		\$15,579
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$0	\$16,386	\$1,569,645		\$1,569,645
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			\$20,628,865		\$20,628,865
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$1,162,689		\$1,162,689
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current			\$1,096,696		\$1,096,696
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities		\$8,163	\$725,805		\$725,805

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$0	\$8,163	\$23,614,055		\$23,614,055
300 Total Liabilities	\$0	\$24,549	\$25,183,700		\$25,183,700
400 Deferred Inflow of Resources		\$8,241	\$937,946		\$937,946
508.4 Net Investment in Capital Assets			\$11,283,687		\$11,283,687
511.4 Restricted Net Position	\$0	\$30,748	\$96,392		\$96,392
512.4 Unrestricted Net Position	\$0	\$8,349	\$17,440,473		\$17,440,473
513 Total Equity - Net Assets / Position	\$0	\$39,097	\$28,820,552		\$28,820,552
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$71,887	\$54,942,198		\$54,942,198

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue			\$1,947,464	\$154,996	
70400 Tenant Revenue - Other			\$48,051	\$1,988	
70500 Total Tenant Revenue	\$0	\$0	\$1,995,515	\$156,984	\$0
70600 HUD PHA Operating Grants					\$5,811,951
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants		\$156,984			
71100 Investment Income - Unrestricted			\$1,598		\$73
71200 Mortgage Interest Income				\$628,467	
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					\$4,175
71500 Other Revenue			\$12,461	\$5,807,661	\$23,080
71600 Gain or Loss on Sale of Capital Assets			-\$41,103	\$19,000	
72000 Investment Income - Restricted					
70000 Total Revenue	\$0	\$156,984	\$1,968,471	\$6,612,112	\$5,839,279
91100 Administrative Salaries			\$102,045	\$40,174	-\$2,438

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
91200 Auditing Fees			\$24,555	\$23,389	\$11,397
91300 Management Fee			\$135,560		
91310 Book-keeping Fee					
91400 Advertising and Marketing			\$1,416	\$788	\$2,251
91500 Employee Benefit contributions - Administrative			\$42,613		\$5,379
91600 Office Expenses			\$18,072	\$27,561	\$9,007
91700 Legal Expense			\$4,070	\$49,102	\$1,706
91800 Travel			\$539	\$70	\$2
91810 Allocated Overhead					
91900 Other			\$20,363	\$495,911	\$13,535
91000 Total Operating - Administrative	\$0	\$0	\$349,233	\$636,995	\$40,839
92000 Asset Management Fee			\$1,250		
92100 Tenant Services - Salaries			\$21,943		
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services			\$13,343	\$3,132	
92400 Tenant Services - Other			\$75,229	\$4,374	
92500 Total Tenant Services	\$0	\$0	\$110,515	\$7,506	\$0
93100 Water			\$33,052	\$1,601	\$256
93200 Electricity			\$73,749	\$4,587	\$1,307
93300 Gas			\$11,528	\$2,340	\$630
93400 Fuel					
93500 Labor					
93600 Sewer			\$24,682	\$1,372	\$267
93700 Employee Benefit Contributions - Utilities					

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
93800 Other Utilities Expense					
93000 Total Utilities	\$0	\$0	\$143,011	\$9,900	\$2,460
94100 Ordinary Maintenance and Operations - Labor			\$88,219	\$4,077	
94200 Ordinary Maintenance and Operations - Materials and			\$21,085	\$445	\$103
94300 Ordinary Maintenance and Operations Contracts			\$157,094	\$31,600	\$1,864
94500 Employee Benefit Contributions - Ordinary Maintenance			\$27,393		
94000 Total Maintenance	\$0	\$0	\$293,791	\$36,122	\$1,967
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs			\$111,954		
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$111,954	\$0	\$0
96110 Property Insurance			\$102,969	\$19,052	\$2,521
96120 Liability Insurance					
96130 Workmen's Compensation			\$5,796	\$4,458	\$2,439
96140 All Other Insurance					
96100 Total insurance Premiums	\$0	\$0	\$108,765	\$23,510	\$4,960
96200 Other General Expenses					
96210 Compensated Absences			\$2,144		
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents			\$50,199	\$1,845	
96500 Bad debt - Mortgages					

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$0	\$52,343	\$1,845	\$0
96710 Interest of Mortgage (or Bonds) Payable			\$581,249	\$22,532	
96720 Interest on Notes Payable (Short and Long Term)			\$305,471		
96730 Amortization of Bond Issue Costs			\$27,296		
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$914,016	\$22,532	\$0
96900 Total Operating Expenses	\$0	\$0	\$2,084,878	\$738,410	\$50,226
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$156,984	-\$116,407	\$5,873,702	\$5,789,053
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					\$5,257,775
97350 HAP Portability-In					\$39,699
97400 Depreciation Expense			\$967,190	\$50,269	\$0
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$0	\$0	\$3,052,068	\$788,679	\$5,347,700
10010 Operating Transfer In				\$156,984	
10020 Operating transfer Out		-\$156,984			

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	-\$156,984	\$0	\$156,984	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$0	-\$1,083,597	\$5,980,417	\$491,579
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$0	\$7,104,237	\$13,544,028	-\$523,358
11040 Prior Period Adjustments, Equity Transfers and	\$0		\$3,268,149	\$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					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					-\$97,423
11180 Housing Assistance Payments Equity					\$65,644

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	1 Business Activities	14.871 Housing Choice Vouchers
11190 Unit Months Available	0		1908	132	6124
11210 Number of Unit Months Leased	0		1738	130	4765
11270 Excess Cash	\$0				
11610 Land Purchases	\$0				
11620 Building Purchases	\$0				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue			\$2,102,460		\$2,102,460
70400 Tenant Revenue - Other			\$50,039		\$50,039
70500 Total Tenant Revenue	\$0	\$0	\$2,152,499		\$2,152,499
70600 HUD PHA Operating Grants	\$150,889	\$59,191	\$6,022,031		\$6,022,031
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants			\$156,984		\$156,984
71100 Investment Income - Unrestricted		\$6	\$1,677		\$1,677
71200 Mortgage Interest Income			\$628,467		\$628,467
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery			\$4,175		\$4,175
71500 Other Revenue			\$5,843,202		\$5,843,202
71600 Gain or Loss on Sale of Capital Assets			-\$22,103		-\$22,103
72000 Investment Income - Restricted					
70000 Total Revenue	\$150,889	\$59,197	\$14,786,932		\$14,786,932
91100 Administrative Salaries	\$76,266	\$1,895	\$217,942		\$217,942
91200 Auditing Fees		\$215	\$59,556		\$59,556

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
91300 Management Fee			\$135,560		\$135,560
91310 Book-keeping Fee					
91400 Advertising and Marketing			\$4,455		\$4,455
91500 Employee Benefit contributions - Administrative	\$3,847	\$201	\$52,040		\$52,040
91600 Office Expenses	\$36,865	\$790	\$92,295		\$92,295
91700 Legal Expense			\$54,878		\$54,878
91800 Travel			\$611		\$611
91810 Allocated Overhead					
91900 Other	\$8,883	\$172	\$538,864		\$538,864
91000 Total Operating - Administrative	\$125,861	\$3,273	\$1,156,201		\$1,156,201
92000 Asset Management Fee			\$1,250		\$1,250
92100 Tenant Services - Salaries			\$21,943		\$21,943
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services			\$16,475		\$16,475
92400 Tenant Services - Other			\$79,603		\$79,603
92500 Total Tenant Services	\$0	\$0	\$118,021		\$118,021
93100 Water		\$5	\$34,914		\$34,914
93200 Electricity		\$25	\$79,668		\$79,668
93300 Gas		\$12	\$14,510		\$14,510
93400 Fuel					
93500 Labor					
93600 Sewer		\$5	\$26,326		\$26,326
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
93000 Total Utilities	\$0	\$47	\$155,418		\$155,418
94100 Ordinary Maintenance and Operations - Labor			\$92,296		\$92,296
94200 Ordinary Maintenance and Operations - Materials and		\$1	\$21,634		\$21,634
94300 Ordinary Maintenance and Operations Contracts	\$22,589	\$309	\$213,456		\$213,456
94500 Employee Benefit Contributions - Ordinary Maintenance			\$27,393		\$27,393
94000 Total Maintenance	\$22,589	\$310	\$354,779		\$354,779
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs			\$111,954		\$111,954
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$111,954		\$111,954
96110 Property Insurance		\$51	\$124,593		\$124,593
96120 Liability Insurance					
96130 Workmen's Compensation	\$2,439	\$58	\$15,190		\$15,190
96140 All Other Insurance					
96100 Total insurance Premiums	\$2,439	\$109	\$139,783		\$139,783
96200 Other General Expenses					
96210 Compensated Absences			\$2,144		\$2,144
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents			\$52,044		\$52,044
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$0	\$54,188		\$54,188
96710 Interest of Mortgage (or Bonds) Payable			\$603,781		\$603,781
96720 Interest on Notes Payable (Short and Long Term)			\$305,471		\$305,471
96730 Amortization of Bond Issue Costs			\$27,296		\$27,296
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$936,548		\$936,548
96900 Total Operating Expenses	\$150,889	\$3,739	\$3,028,142		\$3,028,142
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$55,458	\$11,758,790		\$11,758,790
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$50,383	\$5,308,158		\$5,308,158
97350 HAP Portability-In			\$39,699		\$39,699
97400 Depreciation Expense			\$1,017,459		\$1,017,459
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$150,889	\$54,122	\$9,393,458		\$9,393,458
10010 Operating Transfer In			\$156,984		\$156,984
10020 Operating transfer Out			-\$156,984		-\$156,984
10030 Operating Transfers from/to Primary Government					

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$5,075	\$5,393,474		\$5,393,474
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$0	\$0	\$20,124,907		\$20,124,907
11040 Prior Period Adjustments, Equity Transfers and		\$34,022	\$3,302,171		\$3,302,171
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					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			-\$97,423		-\$97,423
11180 Housing Assistance Payments Equity			\$65,644		\$65,644
11190 Unit Months Available		96	8260		8260

Longmont Housing Authority (CO070)

Longmont, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
11210 Number of Unit Months Leased		96	6729		6729
11270 Excess Cash			\$0		\$0
11610 Land Purchases			\$0		\$0
11620 Building Purchases			\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases			\$0		\$0
11640 Furniture & Equipment - Administrative Purchases			\$0		\$0
11650 Leasehold Improvements Purchases			\$0		\$0
11660 Infrastructure Purchases			\$0		\$0
13510 CFFP Debt Service Payments			\$0		\$0
13901 Replacement Housing Factor Funds			\$0		\$0