HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado

TABLE OF CONTENTS

DECEMBER 31, 2022

HAWKINS | ASH
CPAs

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the Housing Authority of the City of Colorado Springs ("Housing Authority"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise of the Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Housing Authority, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 10 and PERA of Colorado pension schedules and Health Care Trust Fund schedule on pages 45 and 46 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 Housing Authority's basic financial statements. The combining financial statements and the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Department of Housing and Urban Development, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining financial statements and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2023 on our consideration of the Housing 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 Housing 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 Housing Authority's internal control over financial reporting and compliance.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
May 23, 2023

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

As management of the Housing Authority of the City of Colorado Springs (the "Housing Authority"), we offer the readers of the Housing Authority's financial statements this narrative overview of the financial activities of the Housing Authority for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the Housing Authority's financial statements.

Financial Highlights

- The assets of the Housing Authority exceeded its liabilities at December 31, 2022 by $43,194,642 (Net Position).

- The Housing Authority's total cash balance at December 31, 2022 was $24,476,760 representing an increase of $3,236,724 from December 31, 2021.

- The Housing Authority had an operating revenue of $35,850,824 and net nonoperating revenue and capital grants of $381,923 during 2022. Net position increased by $4,493,606 during 2022 compared to an increase of $5,120,647 in 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Housing Authority's financial statements. The Housing Authority's financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following financial statements are included:

- The *Statement of Net Position* presents information on all of the Housing Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating.

- The *Statement of Revenue, Expenses, and Changes in Net Position* reports the Housing Authority's operating and nonoperating revenue, by major source, along with operating and nonoperating expenses.

- The *Statement of Cash Flows* reports the Housing Authority's cash flows from operating, non-capital financing, investing, and capital and related financing activities.

- Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

- Supplementary information includes the *Combining Statement of Net Position* and the *Combining Statement of Revenue, Expenses, and Changes in Net Position.* The combining schedules report the balances and activity in the individual program types of the Housing Authority, combining them into a total column. The *Schedule of Expenditures of Federal Awards* is also presented for purposes of additional analysis as required by the U.S. Office of Management and Uniform Guidance, *Audits of States, Local Governments, and Non-profit Organizations.*

The Housing Authority's Programs

- Low-Income Public Housing Program - Under the Low-Income Public Housing Program, the Housing Authority rents units that it owns to low-income households. The Low-Income Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the Housing Authority to provide the housing at a rent that is based upon 30 percent of household income. The Low-Income Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Housing Authority's properties.

- Section 8 Housing Choice Vouchers Program - Under the Section 8 Housing Choice Vouchers Program, the Housing Authority administers contracts with independent landlords that own the property. The Housing Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Housing Authority to structure a lease that sets the participants' rents at 30 percent of household income.

- Section 8 Housing Assistance Program Special Allocations - Under the Section 8 Housing Assistance Program Special Allocations, the Housing Authority rents units that it owns to low-income households. A portion of those rents are received directly from the tenants and the remaining portion is received from a HUD Section 8 Subsidy. The tenants' portion of the rents is based upon 30 percent of household income. The Housing Authority owns four buildings, consisting of 18 total units under the Section 8 Housing Assistance Program Special Allocations.

- Section 8 New Construction Program - Under the Section 8 New Construction Program, the Housing Authority owns a high-rise apartment building containing 99 units. The building is for senior citizen and/or handicapped residents only and rents are calculated and received similar to the Section 8 Housing Assistance Program Special Allocations described above.

- Section 8 Moderate Rehabilitation Program - Under the Section 8 Moderate Rehabilitation Program, the Housing Authority administers contracts with landlords. This program is similar to the Section 8 Housing Choice Vouchers Program.

- Section 8 Moderate Rehabilitation Single Room Occupancy Program - Under the Section 8 Moderate Rehabilitation Single Room Occupancy Program, the Housing Authority contracts with a landlord of a thirty-one unit single room apartment complex. This program is similar to the Section 8 Housing Choice Vouchers Program, however is limited to single individuals and is intended for homeless prevention.

- Shelter Plus Care Program - The Shelter Plus Care Program is similar to the Housing Choice Vouchers Program, described above, however it is designed to place homeless military veterans into housing.

- Home Investment Partnership Programs - The Home Investment Partnership Programs consist of various programs that receive Federal Home Funds. The two primary programs under the Home Investment Partnership Programs are the Home Ownership Program and the Housing Allowance Program.

  Under the Home Ownership Program, first-time, median income home buyers were loaned up to a $10,000 second mortgage at a 1.50 percent annual interest rate. The Home Ownership Program was funded by Federal HOME Funds received through the City of Colorado Springs and the State Division of Housing, and also by loans from El Paso County, Colorado and the Colorado Housing and Finance Authority. Current loans are being serviced; however, no new loans are being made.

The Housing Authority's Programs - Continued

The Housing Allowance Program is a tenant based rental assistance program, similar in nature to the Section 8 Housing Choice Vouchers Program described above. The funding for this program is by Federal HOME Funds received from the City of Colorado Springs.

- Other Programs - The Housing Authority owns and operates numerous other non-HUD funded affordable housing projects for both low-income and senior citizens. In addition, the Housing Authority manages a 33-unit senior apartment building for a Section 501(c)(3) corporation, Senior Heritage Plaza, Inc.

Financial Analysis

Condensed Statement of Net Position for the Years Ended December 31, 2022 and 2021:

	2022	2021	INCREASE/ (DECREASE)
Current Assets	$25,362,874	$21,885,559	$3,477,315
Capital Assets, Net	29,529,786	30,572,509	(1,042,723)
Other Noncurrent Assets	1,481,268	1,102,381	378,887
Deferred Outflows of Resources	552,278	969,111	(416,833)
Total Assets and Deferred Outflows of Resources	56,926,206	54,529,560	2,396,646
Current Liabilities	2,135,506	2,043,992	91,514
Noncurrent Liabilities	8,587,206	11,347,927	(2,760,721)
Deferred Inflows of Resources	3,008,852	2,436,605	572,247
Total Liabilities and Deferred Inflows of Resources	13,731,564	15,828,524	(2,096,960)
Net Investment in Capital Assets	20,839,083	21,342,276	(503,193)
Restricted Net Position	2,735,697	3,182,430	(446,733)
Unrestricted Net Position	19,619,862	14,176,330	5,443,532
Total Net Position	**$43,194,642**	**$38,701,036**	**$4,493,606**

Major factors affecting the Statement of Net Position:

Total assets increased by $2,396,646 or 4.4%. This increase is due to an increase in restricted and unrestricted cash and investments.

Total liabilities saw a decrease of ($2,096,960) during 2022, or 13.2%. This decrease is due to a decrease in pension liability and OPEB liability.

The Housing Authority's net investment in capital assets decreased by $503,193 or 2.4% and its unrestricted net position decreased by $446,733 or 14.0% during 2022.

Financial Analysis - Continued

Condensed Statement of Revenue, Expenses, and Changes in Net Position:

	YEAR ENDED DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2021	% INCREASE/ (DECREASE)
Operating Revenue:			
Dwelling Rental	$ 9,806,611	$ 9,370,845	4.7%
Operating Grants	24,273,908	23,434,326	3.6
Other Operating Revenue	1,770,305	1,254,719	41.4
Total Operating Revenue	35,850,824	34,059,890	5.3
Operating Expenses:			
Administrative	3,415,641	3,874,807	-11.9
Tenant Services	351,902	54,190	549.4
Utilities	1,655,201	1,479,199	11.9
Maintenance and Operations	3,818,694	3,731,084	2.3
General Expenses	950,775	989,366	-3.9
Housing Assistance Payments	18,837,234	17,895,684	5.3
Depreciation	2,351,244	2,257,853	4.1
Extraordinary Maintenance	201,613	203,567	-1.0
Total Operating Expenses	31,582,304	30,485,750	3.6
Net Operating Income	4,268,520	3,574,140	19.4
Nonoperating (Expense) Revenue:			
Interest	(239,599)	(275,680)	-13.1
Loss (Gain) on Disposal of Capital Assets	2,000	(112,281)	-101.8
Investment Income	80,762	10,884	642.0
Net Nonoperating (Expense)	(156,837)	(377,077)	-58.4
Change in Net Position Before Capital Grants	4,111,683	3,197,063	28.6
Capital Grants	381,923	1,923,584	-80.1
Change in Net Position	4,493,606	5,120,647	-12.2
Net Position - January 1	38,701,036	33,580,389	-15.2
Net Position - December 31	**$43,194,642**	**$38,701,036**	**-11.6%**

Major factors affecting the Statement of Revenue, Expenses, and Changes in Net Position:

Tenant rental income was up $435,766 during 2022 and operating grant revenue was up $839,582.

Long-Term Debt

As of December 31, 2022, the Housing Authority had $8,966,123 in debt (bonds, notes, etc.) outstanding compared to $9,563,649 as of December 31, 2021; a net decrease of $697,157.

Long-Term Debt consisted of the following:

	DECEMBER 31,	
	2022	2021
Total Loans	$8,966,123	$9,563,649
Less: Current Portion	(891,133)	(791,502)
Noncurrent Portion	**$8,074,990**	**$8,772,147**

Long-term debt was reduced by debt principal payments and write-offs during the year. The Housing Authority operates a second mortgage program for low-income home buyers. Loans from El Paso County and the Colorado Housing and Finance Authority (CHFA) were used to finance the second mortgage program. Should a homebuyer default on the second mortgage and the mortgage is written off, the Authority's loan balances to El Paso County, CHFA or the City of Colorado Springs are also reduced. The Housing Authority does not carry the risk on the second mortgages supported by these loans.

Changes in long-term debt are summarized below:

Schedule of Changes in Notes and Bonds Payable

12/31/2021	Borrowings	Principal Repayment	12/31/2022
$9,563,649	**$125,000**	**$(722,526)**	**$8,966,123**

Additional information on the Housing Authority's long-term debt is presented in the notes to the financial statements.

Capital Assets

As of December 31, 2022, the Housing Authority had $29,529,786 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions, and depreciation) of $1,042,723 from December 31, 2021.

	DECEMBER 31,	
	2022	2021
Land	$ 9,844,388	$ 9,844,388
Buildings and Improvements	98,417,802	95,715,085
Furniture and Equipment	1,257,669	1,145,266
Accumulated Depreciation	(80,371,995)	(78,055,814)
Construction in Progress	381,923	1,923,584
Total	**$29,529,787**	**$30,572,509**

Capital Assets - Continued

The following reconciliation summarizes the Change in Capital Assets, which is presented in detail in the notes to the financial statements.

Changes in Capital Assets

Beginning Balance	$30,572,509
Additions	1,308,522
(Net) Deletions	-
Depreciation	(2,351,244)
Ending Balance	**$29,529,787**

This year's major additions to Capital Assets were:

Bates Exterior Improvement
Faulkner ADA Remodel
Acacia Apartments Exterior Update
Various Vehicle Purchases

Future Events

At present, funding levels for CSHA's primary programs have not been determined for FY 2023. The consensus at this point is that a continuing resolution will be enacted until a formal budget is approved. CSHA staff will continually monitor this issue moving forward.

Contacting the Housing Authority's Financial Management

This financial report is designed to provide a general overview of the Housing Authority's accountability for all those interested. Any questions regarding the financial information should be submitted in writing to:

Housing Authority of the City of Colorado Springs
Attn: Chad Wright, Executive Director
P.O. Box 1575, MC 1490
Colorado Springs, CO 80901

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 21,307,234
Cash and cash equivalents - restricted	3,169,526
Receivables	
Tenants, net of allowance for doubtful accounts	40,424
Other	296,598
Due from other governments	350,265
Inventory	65,149
Current portion of notes receivable, net of allowance for doubtful accounts	133,677
TOTAL CURRENT ASSETS	25,362,873
NONCURRENT ASSETS	
Notes receivable, net of allowance for doubtful accounts	1,163,544
Net pension asset	317,698
Other assets	26
Land	9,844,388
Buildings and improvements	98,417,802
Furniture and equipment	1,257,669
Construction in progress	381,923
Less accumulated depreciation	(80,371,995)
TOTAL NONCURRENT ASSETS	31,011,055
TOTAL ASSETS	56,373,928
DEFERRED OUTFLOWS OF RESOURCES	
Pension (PERA of Colorado)	516,547
OPEB (PERA of Colorado)	35,731
TOTAL DEFERRED OUTFLOWS OF RESOURSES	552,278
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 56,926,206**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 30,099
Accrued payroll liabilities	125,946
Accrued interest	18,773
Accrued expenses	72,912
Compensated absences	118,271
Unearned revenue	180,710
Due to other governments	201,102
Tenants' security deposits	496,560
Current portion of long-term debt	891,133
TOTAL CURRENT LIABILITIES	2,135,506
NONCURRENT LIABILITIES	
Net OPEB liability (PERA of Colorado)	247,126
Long-term debt	8,074,990
Compensated absences	265,090
TOTAL NONCURRENT LIABILITIES	8,587,206
TOTAL LIABILITIES	10,722,712
DEFERRED INFLOWS OF RESOURCES	
Pension (PERA of Colorado)	2,881,650
OPEB (PERA of Colorado)	127,202
TOTAL DEFERRED INFLOWS OF RESOURCES	3,008,852
NET POSITION	
Net investment in capital assets	20,839,084
Restricted	3,053,395
Unrestricted	19,302,163
TOTAL NET POSITION	43,194,642
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 56,926,206**

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022

OPERATING REVENUE	
Dwelling rental	$ 9,806,611
Operating grants	24,273,908
Other operating revenue	1,770,305
TOTAL OPERATING REVENUE	35,850,824
OPERATING EXPENSES	
Administration	3,415,641
Tenant services	351,902
Utilities	1,655,201
Maintenance and operations	3,818,694
General expenses	950,775
Housing assistance payments	18,837,234
Extraordinary maintenance	201,613
Depreciation	2,351,244
TOTAL OPERATING EXPENSES	31,582,304
OPERATING INCOME	4,268,520
NONOPERATING REVENUE (EXPENSE)	
Interest income	80,762
Gain on disposal of capital assets	2,000
Interest expense	(239,599)
NET NONOPERATING (EXPENSE)	(156,837)
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	4,111,683
CAPITAL GRANTS	381,923
CHANGE IN NET POSITION	4,493,606
NET POSITION AT BEGINNING OF YEAR	38,701,036
NET POSITION AT END OF YEAR	**$ 43,194,642**

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from tenants/participants	$ 9,702,162
Cash received from operating grants	24,112,417
Other income received	1,770,305
Cash payments to tenants/participants	(168,771)
Cash payments to vendors	(6,578,318)
Cash payments to employees	(5,024,641)
Cash payments for housing assistance	(18,837,234)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,975,920
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants	381,923
Acquisition of capital assets	(1,308,523)
Proceeds from sale of capital assets	2,000
Proceeds from long-term debt	125,000
Principal payments	(722,526)
Interest paid	(242,255)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(1,764,381)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments received on notes receivable	(55,636)
Interest received	80,821
NET CASH PROVIDED BY INVESTING ACTIVITIES	25,185
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,236,724
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	21,240,036
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 24,476,760**

RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION

Cash and cash equivalents	$ 21,307,234
Cash and cash equivalents - restricted	3,169,526
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	**$ 24,476,760**

RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	$ 4,268,520
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	2,351,244
Changes in assets and liabilities	
(Increase) in assets	
Accounts receivable	(73,794)
Notes receivable	(17,684)
Due from other governments	(152,835)
Inventory	(1,889)
(Decrease) increase in liabilities	
Accounts payable	(1,238)
Accrued payroll liabilities	38,344
Accrued expenses	21,645
Due to other governments	2,414
Unearned revenue	(89,763)
Compensated absences	32,456
Tenants' security deposits	5,038
Net pension liability and deferred inflows/outflows	(1,362,693)
Net OPEB liability and deferred inflows/outflows	(43,845)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 4,975,920**

The accompanying notes are an integral part of these financial statements.

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

Nature of Organization - The Housing Authority of the City of Colorado Springs ("Housing Authority") is a political subdivision, which was organized under the laws of the State of Colorado to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other Federal Agencies. The Housing Authority was established under the provision of Colorado Statutes, to provide adequate housing at rents which persons of low-income can afford in areas where there exists a shortage. To accomplish this purpose, the Housing Authority has entered into annual contributions contracts with the U.S. Department of Housing and Urban Development (HUD) to be the Administrator of Low Income and Section 8 programs.

Reporting Entity

The Housing Authority is a separate governmental entity created for the purpose of constructing, maintaining, and operating public housing and providing rental assistance to low income, disabled, and elderly persons. Most of the Housing Authority's funding is provided by the United States Department of Housing and Urban Development (HUD). All programs of the Housing Authority are included in these statements. The Housing Authority has no component units.

Programs Administered by the Housing Authority

The programs of the Housing Authority are recorded on one enterprise fund. Each program is maintained using a separate set of self-balancing accounts. The programs include low income public housing (AMP 1-3 and capital funds), Section 8 Housing Choice Vouchers, Section 8 Moderate Rehab, Section 8 Moderate Rehab SRO, several state/local programs, Section 8 New Construction, Shelter Plus Care, a Central Office Cost Center (COCC), a HOME Investment Partnership, Section 8 Special Allocations program, and Emergency Housing Vouchers.

A listing of state/local programs is as follows:

- Southview Plaza
- Firtree Apartments
- Heatherwood Apartments
- Garden Pines Apartments
- Yuma Court Townhomes
- Creekside at Norwood
- Shooks Run Apartments
- Rio Grande Village I, II, and III
- Franklin Square Apartments
- Lowell School
- Park Meadows Affordable Housing
- The Winfield Apartments
- West Meadows Apartment Homes
- Chestnut Glen Townhomes
- Winfield Preservation
- Shadow Wood Chalet Apartments
- Wyndam Place Senior Residences I and II
- Village of Homewood Point (CS Pike Senior)
- Air Force Academy Housing
- Greentree Village Apartments
- Bentley Commons (GPR Properties)
- CD Smith Trust Fund
- Point of Pines Gardens
- Copper Creek Apartments
- Valley View Place
- Summit Apartments
- Copper Range Apartments
- Traditions at Colorado Springs
- Greenway Flats
- The Creek at Cottonwood
- Shooks Run 2019 LP
- Academy Heights
- The Commons
- Interquest Ridge Apartments, LP
- Copper Rose Apartments
- Artspace Apartments

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies - Continued

Basis of Accounting and Measurement Focus - The Housing Authority's basic financial statements are presented on the full accrual basis in accordance with U.S. GAAP. The Housing Authority applies all GASB pronouncement, as well as U.S. GAAP.

All activities of the Housing Authority are accounted for within one proprietary (enterprise) fund. A proprietary fund is used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

A proprietary fund distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Housing Authority is rent collected from tenants and operating grants. Operating expenses for a proprietary fund include the cost of operating properties owned, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The accounting and financial reporting treatment applied to the Housing Authority is determined by its measurement focus. The transactions of the Housing Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) are segregated into net investment in capital assets, restricted, and unrestricted. When both restricted and unrestricted resources are available for use, it is the Housing Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

Budgets - Budgets are adopted on the basis of accounting consistent with the program to which it applies. The Housing Authority prepares annual operating budgets for the housing programs. The capital fund budgets are adopted on a "project length" basis. The budgets are formally adopted by its governing board and are approved by the funding agency. The budgets for the programs funded by HUD form the basis of the federal financial assistance received through HUD.

Budget compared to actual presentation has been omitted because the Housing Authority does not annually adopt a legally authorized budget. The Housing Authority's budget is adopted by the Housing Authority's board and approved by HUD. This budget does not represent an appropriated budget that has been signed into law or a non-appropriated budget authorized by constitution. The Housing Authority's budget represents budgetary execution and management by its board and HUD, therefore, budgetary data and presentation is not required.

Cash and Cash Equivalents - Cash and cash equivalents consist of checking, savings and money market accounts and are stated at fair value. Deposits are fully collateralized and are identified specifically in the name of the Housing Authority.

For the purposes of the statement of cash flows, the Housing Authority considers all highly liquid deposits (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. There were no non-cash investing, capital and financing activities during the year.

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies - Continued

Cash and Cash Equivalents - Restricted - Restricted cash and cash equivalents are segregated resources for tenants' security deposits, reserve for replacements, lender restrictions, tenants' family self-sufficiency deposits, and unspent housing assistance payments.

Accounts Receivable - Receivables for rentals and service charges are reported at net of an allowance for doubtful accounts of $8,150. The Housing Authority board takes monthly action as required to write off specific uncollectible accounts receivable balances.

Notes Receivable - Notes receivable are recorded at net amount. Notes receivable consist of mortgage receivable and notes for fraud recovery income. At December 31, 2022, the allowance for uncollectible mortgages receivable, tenant repayment agreements and notes for fraud recovery was $22,679.

Inventories - Inventories are valued at cost, which approximates market value, using the weighted average method. The consumption method is applied and expense is charged when inventory items are used for the units.

Interprogram Transactions - Quasi-external transactions are accounted for as revenue or expenses. Transactions that constitute reimbursements to a program for expenses initially made from it that are properly applicable to another program, are recorded as expenses in the reimbursing program and as reductions of expenses in the program that is reimbursed.

Capital Assets - Capital assets purchased are capitalized at the time of purchase. Such assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash reimbursements from HUD, there are no capitalized interest costs in current programs.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

Class	Life
Buildings and improvements	15-20 years
Furniture and equipment	3-10 years

Expenditures for land, buildings and equipment in excess of $3,000 per item are capitalized for all programs. The Housing Authority owns no infrastructure assets.

Impairment of Long-Lived Assets - The Housing Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recovered if the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the year ended December 31, 2022.

Other Assets - Other assets consist of investments in joint ventures.

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies - Continued

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Housing Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Housing Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The Housing Authority has two items that qualify for reporting in this category: PERA of Colorado pension plan and PERA of Colorado OPEB Health Care Trust Fund.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The Housing Authority has two items that qualify for reporting in this category: PERA of Colorado pension plan and PERA of Colorado OPEB Health Care Trust Fund.

Pensions - For purposes of measuring the net pension liability (assets), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERA and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Classifications - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Rental Income - Rental income is recognized as rents become due.

Leasing Activities (as Lessor) - The Housing Authority is the lessor of dwelling units primarily to low income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Housing Authority may cancel the lease only for cause.

Revenue associated with these leases is recorded in the financial statements and schedules as “rental income”. Rental income from residents generally remains consistent from year to year, but is affected by general economic conditions which impact personal income, such as local job availability.

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies - Continued

Operating Revenue and Expenses - Operating revenue and expenses generally result from providing and producing goods and/or services in connection with providing low-income housing programs. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Federal and State Aids - Federal and state aids for reimbursable programs are recognized as revenue in the year the related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenue.

Due To/From Other Programs - During the course of operations, numerous transactions occur between individual programs for goods provided or services rendered. These receivables and payables are classified as "due from other programs" or "due to other programs" on the combining statement of net position and have been eliminated in the basic financial statements.

Employee Retirement Plan - The Housing Authority has a retirement plan covering substantially all of its eligible employees which is funded through contributions to the Public Employees' Retirement Association of Colorado.

Subsequent Events - The Housing Authority has evaluated subsequent events through May 23, 2023, the date which the financial statements were available to be issued.

NOTE 2 - Cash and Cash Equivalents

HUD Deposit Restrictions - HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Housing Authority with an unaffiliated bank or trust company for the account of the Housing Authority.

Risk Disclosures:

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Housing Authority's investment policy limits the Housing Authority's investment portfolio to maturities not to exceed three years at time of purchase. At December 31, 2022, the Housing Authority's deposits were not limited and all of which are either available on demand or have maturities of less than three years.

NOTE 2 - Cash and Cash Equivalents - Continued

Credit Risk: This is a risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Housing Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the U.S. Government, its agencies and instrumentalities.

Custodial Credit Risk: This is the risk that in the event of the failure of the counterparty, the Housing Authority will not be able to recover the value of its collateral securities that are held by the counterparty. The Housing Authority's custodial agreement policy prohibits counterparties holding securities not in the Housing Authority's name.

Deposits: The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash be deposited in eligible public depositories. Eligibility is determined by state statutes and regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution 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 deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits. At December 31, 2022, $24,166,306 of the Housing Authority's bank balance of $24,828,424 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank	**$ 24,166,306**

At December 31, 2022, the Housing Authority reported cash and cash equivalents as follows:

Cash and cash equivalents	$ 21,307,234
Cash and cash equivalents - restricted	3,169,526
	$ 24,476,760

The difference between cash and cash equivalents and the deposits reported above is due to reconciling items such as deposits in transit and outstanding checks.

NOTE 3 - Notes Receivable

The Housing Authority's Home Ownership Program provides low interest second mortgages to families who meet certain income and other guidelines. The second mortgages range from $2,500 to $30,000 at 1.5 percent annual interest rate for a 30-year term, with principal and interest payable in monthly installments.

The Housing Authority also has notes with tenants for fraud recovery payments and rent repayment agreements.

Notes receivable (net of allowance of $22,679) at December 31, 2022, consists of the following:

Current portion, net	$ 133,677
Noncurrent portion, net	1,163,544
TOTAL NOTES RECEIVABLE, NET	**$ 1,297,221**

NOTE 4 - Capital Assets

A summary in changes in capital assets is as follows:

	BALANCE 12/31/21	ADDITIONS	REDUCTIONS	TRANSFERS	BALANCE 12/31/22
Capital assets not being depreciated:					
Land	$ 9,844,388	$ -	$ -	$ -	$ 9,844,388
Construction in progress	1,923,584	381,923	-	(1,923,584)	381,923
Total capital assets not being depreciated	11,767,972	381,923	-	(1,923,584)	10,226,311
Capital assets being depreciated:					
Buildings and improvements	95,715,085	779,133	-	1,923,584	98,417,802
Furniture and equipment	1,145,266	147,466	(35,063)	-	1,257,669
Total capital assets being depreciated	96,860,351	926,599	(35,063)	1,923,584	99,675,471
Less accumulated depreciation	(78,055,814)	(2,351,244)	35,063	-	(80,371,995)
Total capital assets being depreciated, net of accumulated depreciation	18,804,537	(1,424,645)	-	1,923,584	19,303,476
Total Capital Assets, Net of Accumulated Depreciation	**$ 30,572,509**	**$(1,042,722)**	**$ -**	**$ -**	**$ 29,529,787**

NOTE 5 - Investment in Joint Ventures

The Housing Authority is a general partner in the West Meadows Apartment Homes, LLLP (the Partnership), a Colorado limited liability limited partnership. The Partnership was formed to develop and operate a 216 unit apartment complex in Colorado Springs, Colorado and began operations in June, 2002. The Housing Authority does not share in the profits or losses of the LLLP.

The Housing Authority is also a special member of the Academy Heights Housing Partners, LLC (the Company), a Colorado limited liability company. The Company was organized to construct and operate a 160 unit apartment complex called the Winfield Apartments located in Colorado Springs, Colorado. Operations commenced in May 2002. The Housing Authority does not received any allocation of operating profits and losses from the LLC.

The Housing Authority is also a .0051 percent majority general partner in the Wyndam-Colorado Springs Partners, L.P. (the Partnership), a Colorado limited partnership. The Partnership was organized in July 2003 to develop and operated a 72 unit affordable apartment complex for senior citizens in Colorado Springs, Colorado, known as Wyndam Colorado Springs Apartments. Operations commenced in October 2004. The Housing Authority is allocated .0051 percent of the Partnership's operating profits and losses each year. The Partnership incurred a net financial income for the year ended December 31, 2022 of ($153,957) of which a loss of ($7) was allocated to the Housing Authority. At December 31, 2022, the Housing Authority's equity share was ($215).

NOTE 5 - Investment in Joint Ventures - Continued

The Housing Authority is also a .0051 percent majority general partner in the Wyndam-Colorado Springs Partners II, L.P. (the Partnership), a Colorado limited partnership. The Partnership was organized in August 2007, to develop and operate a 48 unit affordable apartment complex for senior citizens in Colorado Springs, Colorado, known as Wyndam II Colorado Springs Apartments Operations commenced January 2008. The Housing Authority is allocated .0051 percent of the Partnership's operating profits and losses each year. The Partnership incurred a net financial loss for the year ended December 31, 2022 of ($130,464) of which a loss of ($13) was allocated to the Housing Authority. At December 31, 2022, the Housing Authority's equity share was ($109).

In July 2003, the Housing Authority became a 1.0 percent member of the Park Meadows Affordable Housing, LLC (the LLC), a Colorado limited liability company. The LLC was formed in January 2002 to acquire, own and operate an apartment complex known as the Park Meadows Apartments located in Colorado Springs, Colorado for the specific purpose of providing affordable housing to low and moderate income residents. The Housing Authority has a 1.0 percent capital interest in the LLC only and does not receive any allocation of operating profits and losses from the LLC. Therefore, none are recorded in the accompanying financial statements.

In May 2007, the Housing Authority became a .001 percent Class B Limited Partner of the GT Apartments LLLP (the Partnership), a Colorado limited partnership. The Partnership was formed in December 2006 to acquire, own and operate an apartment complex known as the Green Tree Village Apartments located in Colorado Springs, Colorado for the specific purpose of providing affordable housing to low and moderate income residents. The Housing Authority is allocated .001 percent of the Partnership's operating profits and losses each year. The Partnership incurred a net financial profit for the year ended December 31, 2022 of $736,014 of which a profit of $7 was allocated to the Housing Authority. At December 31, 2022, the Housing Authority's equity share was ($82). The Partnership pays an annual fee to the Housing Authority of $10,199.

In May 2007 the Housing Authority became a 1.0 percent member of AFA Project Sublessee, LLC (the AFA), a Delaware limited liability company. The AFA was formed to develop and lease a private housing project (the Project) located on the U.S. Air Force Academy in El Paso County, Colorado. The Project will provide affordable housing to low and moderate income military and civilian personnel stationed at the U.S. Air Force Academy. For the year ended December 31, 2022, the Housing Authority earned a participation fee of $243,421. The Housing Authority is not liable for any of the AFA's debt. The AFA has no assets or liabilities and produces no revenue, so no financial statements are prepared.

In December 2009, the Housing Authority became a 1.0 percent member of GPR Properties II, LLC, (the LLC) a Colorado Limited Liability Company. The LLC owns and operates the Bentley Commons Apartments, an affordable housing apartment for low and moderate income individuals in Colorado Springs, Colorado. The Housing Authority does not share in the profits or loss of the LLC, but instead receives an annual payment from the LLC equal to approximately one-third of the LLC's annual property tax savings.

In October 2010, the Housing Authority became a .005 percent special limited partner of the CS Pike Senior 2010 L.P. (the Partnership), a Colorado limited partnership. The purpose of the Partnership is to develop and operate the 70 unit Senior Apartments called the Village at Homewood Point in Colorado Springs, Colorado, in a manner that provides decent, safe, affordable housing for low income persons. The Partnership agreed to maintain four units to be leased at 30 percent of area median income instead of 40 percent of area median income as a condition of acceptance of a limited partner interest by the Housing Authority. In consideration of the administration costs of the Housing Authority, the Partnership pays the Housing Authority an annual fee of $750, which was still owed as of December 31, 2022. The Partnership incurred a net financial loss for the year ended December 31, 2022 of ($158,900) of which a loss of ($8) was allocated to the Housing Authority. At December 31, 2022, the Housing Authority's equity share was ($127).

NOTE 5 - Investment in Joint Ventures - Continued

In July 2011, the Housing Authority became a .0005 percent special administrative member of Point of the Pines LLC, (the LLC) a Colorado Limited Liability Company formed to develop and operate a 110 unit affordable assisted living facility in Colorado Springs, Colorado for low-income elderly and disabled persons. The Housing Authority receives a special administrative fee of $10,000 annually. The Partnership incurred a net financial profit for the year ended December 31, 2022 of ($271,534) of which a profit of ($8) was allocated to the Housing Authority. At December 31, 2022, the Housing Authority's equity share was ($127).

In May 2013, the Housing Authority became a .001 percent Class B Limited Partner of the Copper Creek Apartments LLC, (the LLC), a Colorado limited liability company. The LLC was formed in May 2013 to acquire, own and operate a 216 unit apartment complex known as the Copper Creek Apartments located in Colorado Springs, Colorado for the specific purpose of providing affordable housing to low and moderate income residents. The Housing Authority is allocated .001 percent of the LLC's operating profits and losses. The Housing Authority receives a cumulative property tax management fee of $9,000 annually from the LLC. The LLC's financial statements were not made available by the date of the Audit Report.

In June 2016, the Housing Authority became a .01 percent Special Member Interest Partner of Summit Apartments, LLC (the LLC), a Colorado limited liability company. The LLC was formed in June 2016 to acquire, own and operate a 256 unit apartment complex known as the Summit Apartments located in Colorado Springs, Colorado for the specific purpose of providing affordable housing to low and moderate income residents. The LLC's financial statements were not made available by the date of the Audit Report..

In November 2015, the Housing Authority became a .01 percent Special Administrative Limited Partner of Valley View Place LLLP (the LLLP), a Colorado limited liability partnership. The LLLP was formed in November 2015 to acquire, own, develop, construct, lease, manage, and operate Valley View Apartments a 24-unit apartment complex located Woodland Park, Colorado for the specific purpose of providing affordable housing to low-income residents. The Housing Authority's fee earned during 2022 was $7,036. The Housing Authority is allocated .01 percent of the LLLP's operating profits and losses. The LLLP incurred a net financial loss for the year ended December 31, 2022 of ($199,285) of which a loss of ($20) was allocated to the Housing Authority. At December 31, 2022, the Housing Authority's equity share was ($88).

In October 2016, the Housing Authority became a 1.0 percent Class B Special Member of Copper Range Apartments, LLC (the LLC), a Colorado limited liability company. The LLC was formed in October 2016 to develop and operate a 237 unit apartment complex known as the Copper Range Apartments located in Colorado Springs, Colorado for the specific purpose of providing affordable housing to low and moderate income residents. The Housing Authority is allocated .01 percent of the LLC's operating profits and losses. The LLC's financial statements were not made available by the date of the Audit Report.

In August 2017, the Housing Authority became a .001 percent Class B Special Member of Traditions at Colorado Springs, LLC (the LLC), a Colorado limited liability company. The LLC was formed in August 2017 to develop and operate a senior living multifamily housing project consisting of 180 units located in Colorado Springs, Colorado for the specific purpose of providing affordable housing to low and moderate income residents. The Housing Authority will be allocating .001 percent of the LLC's operating profit and losses. The Housing Authority receives a cumulative property tax management fee of $10,000 annually from the LLC. The LLC's financial statements were not made available by the date of the Audit Report.

NOTE 5 - Investment in Joint Ventures - Continued

In December 2017, the Housing Authority became a .001 percent Special Member of Greenway Flats, LLC (the LLC), a Colorado limited liability company. The LLC was formed in December 2017 to develop and operate 65 residential units in Colorado Springs, Colorado for the specific purpose of providing housing to low- and very low-income households. The Housing Authority's fee earned during 2021 was $12,000. The Housing Authority is allocated 0.001 percent of the Partnership's net income and losses. The LLC's financial statements were not made available by the date of the Audit Report.

In 2018, the Housing Authority became a Special Limited Partner of PEDCOR Investments-2018-CLXIII, L.P (the Partnership). The Partnership was formed as a Indiana limited partnership on March 23, 2018 and was formed for the purpose of acquiring, owning, developing and/or constructing the development known as The Creek at Cottonwood, which will contain two hundred fifty-eight (258) Units in twelve (12) residential buildings, a clubhouse and not less than 503 adjacent parking spaces, which Project is located in Colorado Springs, Colorado. The LP's financial statements were not made available by the date of the Audit Report.

In December, 2019, the Housing Authority became a .01 percent Special Limited Partner of Winfield Preservation LP, (the "Partnership"). The Partnership was formed as a Colorado limited partnership on March 21, 2019 and was formed for the purpose of acquiring and operating a 160 unit apartment community for low and moderate income families. The community was purchased on December 27, 2019 and is located in Colorado Springs, Colorado and is currently operating under the name of Winfield Apartments. The Housing Authority fee earned during 2022 was $25,462. The Housing Authority is allocated .01 percent of the Partnership's net income and losses. The Partnership incurred a net financial income for the year ended December 31, 2022 of ($587,300) of which a loss of ($59) was allocated to the Housing Authority. At December 31, 2022, the Housing Authority's equity share was ($40).

In 2019, the Housing Authority became a .01 percent General Partner of Shooks Run 2019 LP, (the "Partnership"). The Partnership was formed as a Colorado limited partnership on October 11, 2019 primarily to acquire, construct, own, finance, lease, and operate the project property in a manner that provides decent, safe and affordable housing for low-income persons and ensures the project property will be and remain a qualified low income housing project within the meaning of Section 42 of the Code. As of December 31, 2022, the project was still under construction.

Some of the investments are eligible for low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the apartment projects as to occupant eligibility and rents, among other requirements. Each building must meet the provisions of these regulations during each of fifteen consecutive years in order to remain qualified to receive the credits. The low income housing credit is computed as a percentage of the eligible basis of the property as defined in Code Section 42, as is allowed annually during a period of ten years commencing with the year the buildings are placed in service. In addition, the Partnership, and the Company will be committed to an Extended Use Agreement, which requires the Memberships to comply with Section 42 for a minimum of thirty years. This agreement applies even if the Memberships dispose of the projects within the agreements time frame.

NOTE 6 - Notes and Bonds Payable

All of the following notes and bonds payable are secured by deeds of trust against the specified properties named in the debt. The Home Ownership debt, however, is secured by second mortgages on individual homes purchased by low-income families through the Home Ownership Program.

HOME OWNERSHIP

Future payments are as follows:

	Principal	Interest	Total
2023	$ 204,628	$ 2,597	$ 207,225
2024	70,792	531	71,323
Total	**$ 275,420**	**$ 3,128**	**$ 278,548**

Notes payable of $275,420 at December 31, 2022, consist of numerous loans from the Colorado Housing and Finance Authority (CHFA), the City of Colorado Springs (the "City"), Colorado Department of Housing (CDOH), and El Paso County, Colorado (EPC) to finance second mortgages for home buyers (see Note 3). The annual interest rates of the loans are set at 1.5 percent, the same as to the home buyers, and repayment is based upon payments received on the second mortgages from the home buyers. Future principal payments on these notes are estimated amounts. The payments to CHFA, the City, CDOH, and EPC are based upon the either quarterly or annual notes receivable collections.

SOUTHVIEW PLAZA

Future payments are as follows:

	Principal	Interest	Total
Due on Sale	**$ 307,000**	**$ -**	**$ 307,000**

	City of Colorado Springs
Interest rate	0.0%
Due date	Sale of property
Original balance	$307,000
Payments	Due upon sale

KIOWA

Future payments are as follows:

	Principal	Interest	Total
Due on Sale	**$ 75,000**	**$ -**	**$ 75,000**

	City of Colorado Springs
Interest rate	0.00%
Due date	Sale of property
Original balance	$75,000
Monthly payments	Due upon sale

NOTE 6 - Notes and Bonds Payable - Continued

YUMA COURT

The future payments are as follows:

	Principal	Interest	Total
Due on Sale	$ 240,000	$ -	$ 240,000

	US Bank	City of Colorado Springs
Interest rate	3.53%	0.00%
Due date	June 1, 2020	Sale of property
Original balance	$1,173,121	$240,000
Payments	$6,829	Due upon sale

CREEKSIDE

The future payments are as follows:

	Principal	Interest	Total
2023	$ 394,484	$ 11,984	$ 406,468
2024	35,536	129	35,665
Due on Sale	250,000	-	250,000
Total	$ 680,020	$ 12,113	$ 692,133

	City of Colorado Springs	US Bank
Interest rate	0.00%	4.85%
Due date	Sale of property	January 1, 2024
Original balance	$250,000	$5,166,965
Payments	Due upon sale	$33,872

LOWELL SCHOOL

The future payments are as follows:

	Principal	Interest	Total
Due on Sale	$ 833,000	$ -	$ 833,000

	City of Colorado Springs
Interest rate	0.00%
Due date	Sale of property
Original balance	$833,000
Monthly payments	Due upon sale

NOTE 6 - Notes and Bonds Payable - Continued

RIO GRANDE VILLAGE I

The future payments are as follows:

	Principal	Interest	Total
2023	$ 151,296	$ 83,244	$ 234,540
2024	151,477	77,421	228,898
2025	151,659	71,174	222,833
2026	151,843	65,137	216,980
2027	1,418,635	16,463	1,435,098
2028-2032	96,335	6,072	102,407
2033-2036	72,074	1,311	73,385
Due on Sale	700,000	-	700,000
Total	**$ 2,893,319**	**$ 320,822**	**$ 3,214,141**

	El Paso County	City of Colorado Springs	US Bank
Interest rate	1.00%	0.00%	4.33%
Due date	July 1, 2036	Sale of property	March 1, 2027
Original balance	$500,000	$700,000	$4,000,000
Payments	$1,707	Due upon sale	Variable

RIO GRANDE VILLAGE II

The future payments are as follows:

	Principal	Interest	Total
2023	$ 90,611	$ 56,392	$ 147,003
2024	90,751	52,810	143,561
2025	90,893	48,943	139,836
2026	91,036	45,217	136,253
2027	91,180	41,490	132,670
2028-2032	905,336	27,523	932,859
2033-2037	78,614	2,081	80,695
2038	1,329	1	1,330
Total	**$ 1,493,750**	**$ 274,457**	**$ 1,714,207**

	El Paso County	US Bank
Interest rate	1.00%	4.61%
Due date	January 1, 2038	July 1, 2028
Original balance	$400,000	$2,300,000
Payments	$1,345	Variable

NOTE 6 - Notes and Bonds Payable - Continued

CHESTNUT GLEN

The future payments are as follows:

	Principal	Interest	Total
2023	$ 22,693	$ 26,375	$ 49,068
2024	23,852	25,065	48,917
2025	25,070	23,693	48,763
2026	26,350	22,255	48,605
2027	387,748	17,721	405,469
2028-3032	-	7,494	7,494
2033-2037	-	2,575	2,575
Due on Sale	125,000	-	125,000
Total	**$ 610,713**	**$ 125,178**	**$ 735,891**

	City of Colorado Springs	US Bank
Interest rate	0.00%	4.99%
Due date	Sale of property	October 1, 2027
Original balance	$125,000	$720,000
Payments	Due upon sale	$3,868

SHADOW WOOD CHALET

The future payments are as follows:

	Principal	Interest	Total
2023	$ 27,421	$ 31,316	$ 58,737
2024	28,821	29,765	58,586
2025	30,293	28,140	58,433
2026	31,839	26,434	58,273
2027	468,530	19,146	487,676
2028-2032	-	7,494	7,494
2033-2037	-	2,575	2,575
Due on Sale	125,000	-	125,000
Total	**$ 711,904**	**$ 144,870**	**$ 856,774**

	City of Colorado Springs	US Bank
Interest rate	0.00%	4.99%
Due date	Sale of property	October 1, 2027
Original balance	$125,000	$870,000
Payments	Due upon sale	$4,673

SHOOKS RUN LP

The future payments are as follows:

	Principal	Interest	Total
Due on Sale	**$ 775,000**	**$ -**	**$ 775,000**

City of Colorado Springs
0%
Sale of Property
$775,000
Due upon sale

NOTE 6 - Notes and Bonds Payable - Continued

TOTAL NOTES AND BONDS PAYABLE

The future payments are as follows:

	Principal	Interest	Total
2023	$ 891,133	$ 211,908	$ 1,103,041
2024	401,229	185,721	586,950
2025	297,915	171,950	469,865
2026	301,068	159,043	460,111
2027	2,366,090	94,820	2,460,910
2028-2032	1,001,671	48,583	1,050,254
2033-2037	150,688	8,542	159,230
2038	1,329	1	1,330
Due on Sale	3,555,000	-	3,555,000
Total	**$ 8,966,123**	**$ 880,568**	**$ 9,846,691**

	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Amount Due Within One Year
Schedule of changes in notes and bonds payable	**$ 9,563,649**	**$ 125,000**	**$ (722,526)**	**$ 8,966,123**	**$ 891,133**

NOTE 7 - Other Liabilities

Other liabilities at December 31, 2022, consist of the following:

	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Amount Due Within One Year
Compensated Absences	$ 350,905	$ 32,456	$ -	$ 383,361	$ 118,271
Net Pension Liability	2,041,228	-	(2,041,228)	-	-
Net OPEB Liability	283,818	-	(36,692)	247,126	-
Total	**$ 2,675,951**	**$ 32,456**	**$ (2,077,920)**	**$ 630,487**	**$ 118,271**

NOTE 8 - Net Position

Restricted Net Position

The following is a summary of individual net position restrictions at December 31, 2022:

Program	Purpose/Reason	Amount
Section 8 Special Allocations	Replacement Reserve Accounts	$ 189,537
State/Local	Replacement Reserve and Debt Service Accounts	2,418,427
Emergency Housing Vouchers	Unspent Housing Assistance Payments	127,733
Public Housing	Net Pension Asset	116,501
Section 8	Net Pension Asset	69,100
State/Local	Net Pension Asset	13,228
Section 8 New Construction	Net Pension Asset	20,509
COCC	Net Pension Asset	98,360
Total		**$ 3,053,395**

NOTE 9 - Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

Benefits provided as of December 31, 2021. 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.

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.

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% and then multiplied by years of service credit.

- The value of the retiring employee's member contribution account plus a 100% 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.

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.

NOTE 9 - Defined Benefit Pension Plan - Continued

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of December 31, 2022: Eligible employees and the Housing Authority of the City of Colorado Springs are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Employee contribution rates for the period of January 1, 2021 through December 31, 2022, are summarized in the table below:

	January 1, 2022 through June 30, 2022	July 1, 2022 through December 31, 2022
Employee contribution (all employees except State Troopers)	8.50%	9.00%
State Troopers	12.00%	13,00%

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

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

	January 1, 2022 through June 30, 2022	July 1, 2022 through December 31, 2022
Employer contribution rate	10.50%	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	9.48%	9.98%
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%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.03%	0.03%
Total employer contribution rate to the LGDTF	**13.21%**	**13.71%**

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

NOTE 9 - Defined Benefit Pension Plan - Continued

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Housing Authority of the City of Colorado Springs is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Housing Authority of the City of Colorado Springs were $363,951 for the year ended December 31, 2022

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

At December 31, 2022, the Housing Authority of the City of Colorado Springs reported a liability (asset) of ($317,698) for its proportionate share of the net pension liability (asset). The net pension liability (asset) for the LGDTF was measured as of December 31, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability (asset) to December 31, 2021. The Housing Authority of the City of Colorado Springs' proportion of the net pension liability was based on the Housing Authority of the City of Colorado Springs contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the Housing Authority of the City of Colorado Springs' proportion was 0.370548697%, which was a decrease of 0.0211461123% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Housing Authority of the City of Colorado Springs recognized pension expense of ($789,269). At December 31, 2022, the Housing Authority of the City of Colorado Springs 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	$ 15,526	$ 5,306
Changes of assumptions or other inputs	107,704	-
Net difference between projected and actual earnings on pension plan investments		2,748,145
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	128,199
Contributions subsequent to the measurement date	393,317	-
Total	**$ 516,547**	**$2,881,650**

$393,317 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 (asset) in the year ended December 31, 2023. 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:	
2023	$ (620,094)
2024	(1,093,212)
2025	(695,382
2026	(349,732)

NOTE 9 - Defined Benefit Pension Plan - Continued

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20%-11.30%
State Troopers1	3.20%-12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

Pre-retirement mortality assumptions for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

Post-retirement non-disabled mortality assumptions for members other than State Troopers 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 mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

NOTE 9 - Defined Benefit Pension Plan - Continued

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 other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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 percentages 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%**	

Note: 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 nominal rate of return assumption of 7.25%.

NOTE 9 - Defined Benefit Pension Plan - Continued

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, 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 FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF's FNP 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% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

NOTE 9 - Defined Benefit Pension Plan - Continued

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$2,178,319	($317,698)	($2,405,506)

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

Payables to the Pension Plan: At December 31, 2022, the Housing Authority reported a payable of $29,962 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2022.

Defined Contribution Pension Plans

Voluntary Investment Program

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

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2022, program members contributed $87,120.

NOTE 10 - Defined Benefit Other Post-Employment Benefit Plan (OPEB)

Summary of Significant Accounting Policies

The Housing Authority of the City of Colorado Springs 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 (FNP) and additions to/deductions from the FNP 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 10 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

General Information about the OPEB Plan

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

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

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

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

PERA Benefit Structure

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

NOTE 10 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Housing Authority of the City of Colorado Springs is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Housing Authority of the City of Colorado Springs were $27,980 for the year ended December 31, 2022.

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

At December 31, 2022, the Housing Authority of the City of Colorado Springs reported a liability of $283,818 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. The Housing Authority of the City of Colorado Springs proportion of the net OPEB liability was based on the Housing Authority of the City of Colorado Springs contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Housing Authority of the City of Colorado Springs' proportion was 0.0286588091%, which was a decrease of 0.0012096875% from its proportion measured as of December 31, 2010.

NOTE 10 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

For the year ended December 31, 2022, the Housing Authority of the City of Colorado Springs recognized OPEB expense of ($251). At December 31, 2022, the Housing Authority of the City of Colorado Springs 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
Differences between expected and actual experience	$ 377	$ 58,597
Net differences between projected and actual earnings on OPEB investments	-	15,297
Changes in assumptions	5,116	13,405
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	39,903
Employer contributions subsequent to the measurement date	30,238	-
Total	**$ 35,731**	**$127,202**

$30,238 reported as deferred outflows related to OPEB resulting from the Authority's Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) 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:

Year ended December 31,	
2023	$(35,387)
2024	(33,225)
2025	(31,296)
2026	(16,225)
2027	(4,828)
2028	(748)

Actuarial Assumptions - The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method		Entry age		
Price inflation		2.30%		
Real wage growth		0.70%		
Wage inflation		3.00%		
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation		7.25%		

NOTE 10 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

	State Division	School Division	Local Government Division	Judicial Division
Discount rate		7.25%		
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy		0.00%		
PERACare Medicare plans		4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029		
Medicare Part A premiums		3.75% in 2021, gradually increasing to 4.50% in 2029		
DPS benefit structure:				
Service-based premium subsidy		0.00%		
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.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

	Initial Costs for Members Without Medicare Part A		
Medicare	**Monthly Costs**	**Monthly Premium**	**Monthly Cost Adjusted to Age 65**
Medicare Advantage/Self-Insured Rx	$633	$230	$591
Kaiser Permanente Medicare Advantage HMO	596	$199	$562

The 2021 Medicare Part A premium is $471 (actual dollars) per month.

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.

NOTE 10 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

NOTE 10 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) 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 mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.

- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table 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 State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- 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 2021 plan year.

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

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

NOTE 10 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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 percentages and then adding expected inflation.

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%**	

Note: 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 nominal rate of return assumption of 7.25%.

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$287,011	$247,126	$213,058

NOTE 10 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

Discount rate. The discount rate used to measure the TOL was 7.25%. 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, 2021, 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%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP 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% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Housing Authority of the City of Colorado Springs' *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%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Housing Authority of the City of Colorado Springs Proportionate share of the net OPEB liability (asset)	$287,011	$247,126	$213,058

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

NOTE 11 - Risk Management

Insured Risk - The Housing Authority purchases commercial insurance with various deductibles and coverages to cover liability, property, workers' compensation, errors, omissions, and employee defalcation risk. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 12 - Economic Dependency

During 2022, the Housing Authority received approximately 68 percent of its revenue from the United States Department of Housing and Urban Development. This funding is subject to federal government budget appropriations and potential funding reductions.

NOTE 13 - Contingencies - Taxpayer's Bill of Rights

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

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) OF COLORADO PENSION SCHEDULES
DECEMBER 31, 2022

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Fiscal Years

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2021	0.37054870%	$ (317,698)	$2,757,204	-11.52%	101.49%
2020	0.39480930%	$ 2,041,228	$2,762,078	73.90%	32.78%
2019	0.40645262%	$ 2,972,759	$2,799,022	106.21%	86.26%
2018	0.42212855%	$ 5,307,054	$2,768,713	191.68%	75.96%
2017	0.42186428%	$ 4,697,163	$2,661,298	176.50%	79.37%
2016	0.45531928%	$ 6,148,363	$2,759,815	222.78%	73.65%
2015	0.48704586%	$ 5,365,205	$2,766,042	193.97%	76.87%
2014	0.60375604%	$ 5,411,520	$3,308,313	163.57%	80.70%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Authority Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 393,317	$ (393,317)	$ -	$ 3,232,087	12.17%
2021	$ 363,951	$ (363,951)	$ -	$ 2,757,204	13.20%
2020	$ 357,548	$ (357,548)	$ -	$ 2,762,078	12.94%
2019	$ 354,917	$ (354,917)	$ -	$ 2,799,022	12.68%
2018	$ 351,073	$ (351,073)	$ -	$ 2,768,713	12.68%
2017	$ 337,453	$ (337,453)	$ -	$ 2,762,078	12.22%
2016	$ 349,943	$ (349,943)	$ -	$ 2,799,022	12.50%
2015	$ 350,734	$ (350,734)	$ -	$ 2,768,713	12.67%

The Housing Authority implemented the Government Accounting Standards Board Statement No. 68 for the year ended December 31, 2015.

Notes to Required Supplementary Information for the Year Ended December 31, 2022

Changes of benefit terms. See benefit terms in Note 9 of the financial statements.

Changes of assumptions. See assumptions in Note 9 of the Financial Statements

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
HEALTH CARE TRUST FUND SCHEDULE
DECEMBER 31, 2022

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Last 10 Fiscal Years

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2021	0.02986850%	$ 247,126	$ 2,757,204	8.96%	39.40%
2020	0.02986850%	$ 283,818	$ 2,762,078	10.28%	32.78%
2019	0.03112937%	$ 349,893	$ 2,799,022	12.50%	24.49%
2018	0.03273608%	$ 445,388	$ 2,768,713	16.09%	17.03%
2017	0.03278081%	$ 426,019	$ 2,661,298	16.01%	17.53%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Authority Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 30,238	$ (30,238)	$ -	$ 3,232,087	0.94%
2021	$ 28,173	$ (28,173)	$ -	$ 2,757,204	1.02%
2020	$ 28,550	$ (28,550)	$ -	$ 2,762,078	1.03%
2019	$ 28,522	$ (28,522)	$ -	$ 2,799,022	1.02%
2018	$ 28,185	$ (28,185)	$ -	$ 2,768,713	1.02%

The Authority implemented the Government Accounting Standards Board Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended December 31, 2022

Changes of benefit terms - see benefit terms in Note 10 of the Financial Statements.

Changes of assumptions. See assumptions in Note 10 of the Financial Statements.

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	LOW INCOME PUBLIC HOUSING	SECTION 8 HOUSING CHOICE VOUCHERS	EMERGENCY HOUSING VOUCHERS	SECTION 8 MODERATE REHAB	SECTION 8 MODERATE REHAB SRO	STATE/LOCAL	SECTION 8 NEW CONSTRUCTION
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	$ 4,606,073	$ (3,649)	$ 142,358	$ 18,501	$ 112,456	$ 14,093,808	$ 1,614,433
Cash and cash equivalents - restricted	207,014	-	127,733	-	-	2,614,582	26,511
Receivables							
Tenants, net of allowance for doubtful accounts	37,088	-	-	-	-	1,831	1,504
Other	-	-	-	-	-	295,433	-
Due from other governments	-	320,796	-	-	27,190	-	-
Due from other programs	-	-	-	-	-	55,529	-
Inventory	-	-	-	-	-	-	-
Current portion of notes receivable, net of allowance for doubtful accounts	26,323	83,880	-	-	-	-	-
TOTAL CURRENT ASSETS	4,876,498	401,027	270,091	18,501	139,646	17,061,183	1,642,448
NONCURRENT ASSETS							
Notes receivable, net of allowance for doubtful accounts	-	-	-	-	-	900,000	-
Net pension asset	116,501	69,100	-	-	-	13,228	20,509
Other assets	-	-	-	-	-	26	-
Land	6,065,718	-	-	-	-	3,559,130	118,860
Buildings and improvements	49,217,688	-	-	-	-	42,835,228	3,280,654
Furniture and equipment	687,144	-	-	125	646	85,486	101,368
Construction in progress	381,923	-	-	-	-	-	-
Less accumulated depreciation	(39,295,465)	-	-	(125)	(646)	(36,051,656)	(2,888,139)
TOTAL NONCURRENT ASSETS	17,173,509	69,100	-	-	-	11,341,442	633,252
TOTAL ASSETS	22,050,007	470,127	270,091	18,501	139,646	28,402,625	2,275,700
DEFERRED OUTFLOWS OF RESOURCES							
Pension (PERA of Colorado)	205,037	108,393	-	-	-	13,326	31,252
OPEB (PERA of Colorado)	13,217	7,599	-	-	-	1,405	2,332
TOTAL DEFERRED OUTFLOWS OF RESOURCES	218,254	115,992	-	-	-	14,731	33,584
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 22,268,261**	**$ 586,119**	**$ 270,091**	**$ 18,501**	**$ 139,646**	**$ 28,417,356**	**$ 2,309,284**

(Continued on page 48)

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF NET POSITION - Continued
DECEMBER 31, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	SHELTER PLUS CARE	COCC	HOME INVESTMENT PARTNERSHIP	SECTION 8 SPECIAL ALLOCATIONS	ELIMINATING ENTRY	TOTAL
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ (19,619)	$ 481,146	$ (25,391)	$ 287,118	$ -	$ 21,307,234
Cash and cash equivalents - restricted	-	-	-	193,686	-	3,169,526
Receivables						
Tenants, net of allowance for doubtful accounts	-	-	-	1	-	40,424
Other	-	-	1,165	-	-	296,598
Due from other governments	-	-	2,279	-	-	350,265
Due from other programs	-	-	-	-	(55,529)	-
Inventory	-	65,149	-	-	-	65,149
Current portion of notes receivable, net of allowance for doubtful accounts	-	-	23,474	-	-	133,677
TOTAL CURRENT ASSETS	(19,619)	546,295	1,527	480,805	(55,529)	25,362,873
NONCURRENT ASSETS						
Notes receivable, net of allowance for doubtful accounts	-	-	263,544	-	-	1,163,544
Net pension asset	-	98,360	-	-	-	317,698
Other assets	-	-	-	-	-	26
Land	-	43,900	-	56,780	-	9,844,388
Buildings and improvements	-	2,665,880	-	418,352	-	98,417,802
Furniture and equipment	292	349,063	8,277	25,268	-	1,257,669
Construction in progress	-	-	-	-	-	381,923
Less accumulated depreciation	(292)	(1,890,023)	(8,277)	(237,372)	-	(80,371,995)
TOTAL NONCURRENT ASSETS	-	1,267,180	263,544	263,028	-	31,011,055
TOTAL ASSETS	(19,619)	1,813,475	265,071	743,833	(55,529)	56,373,928
DEFERRED OUTFLOWS OF RESOURCES						
Pension (PERA of Colorado)	-	158,539	-	-	-	516,547
OPEB (PERA of Colorado)	-	11,178	-	-	-	35,731
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	169,717	-	-	-	552,278
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ (19,619)**	**$ 1,983,192**	**$ 265,071**	**$ 743,833**	**$ (55,529)**	**$ 56,926,206**

(Continued on page 49)

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF NET POSITION - Continued
DECEMBER 31, 2022

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	LOW INCOME PUBLIC HOUSING	SECTION 8 HOUSING CHOICE VOUCHERS	EMERGENCY HOUSING VOUCHERS	SECTION 8 MODERATE REHAB	SECTION 8 MODERATE REHAB SRO	STATE/LOCAL	SECTION 8 NEW CONSTRUCTION
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	$ 7,063	$ 5,092	$ 13,809	$ 11	$ 14	$ 1,613	$ 553
Accrued payroll liabilities	30,419	17,714	631	-	218	5,197	6,212
Accrued interest	-	-	-	-	-	18,773	-
Accrued expenses	43,240	-	-	-	-	15,265	10,540
Compensated absences	28,175	16,079	-	-	-	844	7,103
Unearned revenue	16,775	-	93,544	-	-	67,873	762
Due to other governments	193,379	52	1,016	6,509	-	-	-
Due to other programs	-	-	-	-	-	55,529	-
Tenants' security deposits	207,014	-	-	-	-	258,886	26,511
Current portion of long-term debt	-	-	-	-	-	684,965	-
TOTAL CURRENT LIABILITIES	526,065	38,937	109,000	6,520	232	1,108,945	51,681
NONCURRENT LIABILITIES							
Net OPEB liability (PERA of Colorado)	104,020	36,635	-	-	-	5,869	13,859
Long-term debt	-	-	-	-	-	7,930,738	-
Compensated absences	9,193	17,904	-	-	-	-	1,792
TOTAL NONCURRENT LIABILITIES	113,213	54,539	-	-	-	7,936,607	15,651
TOTAL LIABILITIES	639,278	93,476	109,000	6,520	232	9,045,552	67,332
DEFERRED INFLOWS OF RESOURCES							
Pension (PERA of Colorado)	1,026,037	605,861	-	-	-	103,169	203,402
OPEB (PERA of Colorado)	45,775	24,852	-	-	-	3,952	9,239
TOTAL DEFERRED INFLOWS OF RESOURCES	1,071,812	630,713	-	-	-	107,121	212,641
NET POSITION							
Net investment in capital assets	17,057,008	-	-	-	-	1,812,485	612,743
Restricted	116,501	69,100	127,733	-	-	2,431,655	20,509
Unrestricted	3,383,662	(207,170)	33,358	11,981	139,414	15,020,543	1,396,059
TOTAL NET POSITION	20,557,171	(138,070)	161,091	11,981	139,414	19,264,683	2,029,311
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 22,268,261**	**$ 586,119**	**$ 270,091**	**$ 18,501**	**$ 139,646**	**$ 28,417,356**	**$ 2,309,284**

(Continued on page 50)

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF NET POSITION - Continued
DECEMBER 31, 2022

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	SHELTER PLUS CARE	COCC	HOME INVESTMENT PARTNERSHIP	SECTION 8 SPECIAL ALLOCATIONS	ELIMINATING ENTRY	TOTAL
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	$ -	$ 1,594	$ 127	$ 223	$ -	$ 30,099
Accrued payroll liabilities	-	65,097	48	410	-	125,946
Accrued interest	-	-	-	-	-	18,773
Accrued expenses	-	1,640	266	1,961	-	72,912
Compensated absences	-	64,545	-	1,525	-	118,271
Unearned revenue	-	1,524	-	232	-	180,710
Due to other governments	-	-	146	-	-	201,102
Due to other programs	-	-	-	-	(55,529)	-
Tenants' security deposits	-	-	-	4,149	-	496,560
Current portion of long-term debt	-	-	206,168	-	-	891,133
TOTAL CURRENT LIABILITIES	-	134,400	206,755	8,500	(55,529)	2,135,506
NONCURRENT LIABILITIES						
Net OPEB liability (PERA of Colorado)	-	86,743	-	-	-	247,126
Long-term debt	-	-	69,252	75,000	-	8,074,990
Compensated absences	-	236,201	-	-	-	265,090
TOTAL NONCURRENT LIABILITIES	-	322,944	69,252	75,000	-	8,587,206
TOTAL LIABILITIES	-	457,344	276,007	83,500	(55,529)	10,722,712
DEFERRED INFLOWS OF RESOURCES						
Pension (PERA of Colorado)	-	943,181	-	-	-	2,881,650
OPEB (PERA of Colorado)	-	43,384	-	-	-	127,202
TOTAL DEFERRED INFLOWS OF RESOURCES	-	986,565	-	-	-	3,008,852
NET POSITION						
Net investment in capital assets	-	1,168,820	-	188,028	-	20,839,084
Restricted	-	98,360	-	189,537	-	3,053,395
Unrestricted	(19,619)	(727,897)	(10,936)	282,768	-	19,302,163
TOTAL NET POSITION	(19,619)	539,283	(10,936)	660,333	-	43,194,642
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ (19,619)**	**$ 1,983,192**	**$ 265,071**	**$ 743,833**	**$ (55,529)**	**$ 56,926,206**

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022

	LOW INCOME PUBLIC HOUSING	SECTION 8 HOUSING CHOICE VOUCHERS	EMERGENCY HOUSING VOUCHERS	SECTION 8 MODERATE REHAB	SECTION 8 MODERATE REHAB SRO	STATE/LOCAL	SECTION 8 NEW CONSTRUCTION
OPERATING REVENUE							
Dwelling rental	$ 2,592,088	$ -	$ -	$ -	$ -	$ 6,837,240	$ 327,730
Operating grants	3,260,234	19,788,214	172,882	39,265	197,104	150,000	475,729
Other operating revenue	102,882	123,030	-	-	-	1,436,631	13,357
TOTAL OPERATING REVENUE	5,955,204	19,911,244	172,882	39,265	197,104	8,423,871	816,816
OPERATING EXPENSES							
Administration	1,193,153	1,375,070	36,154	4,122	14,807	1,379,780	159,993
Tenant services	30,439	45	169,933	-	-	150,000	729
Utilities	671,883	-	-	-	-	809,377	123,089
Maintenance and operations	1,717,475	-	-	345	530	1,664,136	241,968
General expenses	527,506	49,666	47	107	113	240,993	61,077
Housing assistance payments	-	18,315,589	247,751	33,297	166,265	-	-
Extraordinary maintenance	58,980	-	-	-	-	142,633	-
Depreciation	1,085,412	-	-	-	-	1,052,403	53,555
TOTAL OPERATING EXPENSES	5,284,848	19,740,370	453,885	37,871	181,715	5,439,322	640,411
OPERATING INCOME (LOSS)	670,356	170,874	(281,003)	1,394	15,389	2,984,549	176,405
NONOPERATING REVENUE (EXPENSE)							
Interest income	15,946	500	500	64	434	49,869	5,227
Gain on disposal of capital assets	500	-	-	-	-	-	-
Operating transfers in	1,500	-	-	-	-	510,000	-
Interest expense	-	-	-	-	-	(235,116)	-
NET NONOPERATING REVENUE	17,946	500	500	64	434	324,753	5,227
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	688,302	171,374	(280,503)	1,458	15,823	3,309,302	181,632
CAPITAL GRANTS	381,923	-	-	-	-	-	-
CHANGE IN NET POSITION	1,070,225	171,374	(280,503)	1,458	15,823	3,309,302	181,632
NET POSITION AT BEGINNING OF YEAR	19,486,946	(309,444)	441,594	10,523	123,591	15,955,381	1,847,679
NET POSITION AT END OF YEAR	**$ 20,557,171**	**$ (138,070)**	**$ 161,091**	**$ 11,981**	**$ 139,414**	**$19,264,683**	**$ 2,029,311**

(Continued on page 52)

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - Continued
YEAR ENDED DECEMBER 31, 2022

	SHELTER PLUS CARE	COCC	HOME INVESTMENT PARTNERSHIP	SECTION 8 SPECIAL ALLOCATIONS	ELIMINATING ENTRY	TOTAL
OPERATING REVENUE						
Dwelling rental	$ -	$ -	$ -	$ 49,553	$ -	$ 9,806,611
Operating grants	20,163	-	61,081	109,236	-	24,273,908
Other operating revenue	-	1,715,215	1,000	954	(1,622,764)	1,770,305
TOTAL OPERATING REVENUE	20,163	1,715,215	62,081	159,743	(1,622,764)	35,850,824
OPERATING EXPENSES						
Administration	6,903	832,180	10,738	25,505	(1,622,764)	3,415,641
Tenant services	-	-	-	756	-	351,902
Utilities	-	26,909	-	23,943	-	1,655,201
Maintenance and operations	136	134,874	1,433	57,797	-	3,818,694
General expenses	5	61,382	2,589	7,290	-	950,775
Housing assistance payments	17,286	-	57,046	-	-	18,837,234
Extraordinary maintenance	-	-	-	-	-	201,613
Depreciation	-	146,164	-	13,710	-	2,351,244
TOTAL OPERATING EXPENSES	24,330	1,201,509	71,806	129,001	(1,622,764)	31,582,304
OPERATING (LOSS) INCOME	(4,167)	513,706	(9,725)	30,742	-	4,268,520
NONOPERATING REVENUE (EXPENSE)						
Interest income	-	1,928	4,791	1,503	-	80,762
Gain on disposal of capital assets	-	1,500	-	-	-	2,000
Operating transfers (out)	-	(301,500)	(210,000)	-	-	-
Interest expense	-	-	(4,483)	-	-	(239,599)
NET NONOPERATING (EXPENSE) REVENUE	-	(298,072)	(209,692)	1,503	-	(156,837)
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(4,167)	215,634	(219,417)	32,245	-	4,111,683
CAPITAL GRANTS	-	-	-	-	-	381,923
CHANGE IN NET POSITION	(4,167)	215,634	(219,417)	32,245	-	4,493,606
NET POSITION AT BEGINNING OF YEAR	(15,452)	323,649	208,481	628,088	-	38,701,036
NET POSITION AT END OF YEAR	**$ (19,619)**	**$ 539,283**	**$ (10,936)**	**$ 660,333**	**$ -**	**$ 43,194,642**

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	LOW INCOME PUBLIC HOUSING	SECTION 8 HOUSING CHOICE VOUCHERS	EMERGENCY HOUSING VOUCHERS	SECTION 8 MODERATE REHAB	SECTION 8 MODERATE REHAB SRO	STATE/LOCAL	SECTION 8 NEW CONSTRUCTION
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from tenants/participants	$ 2,567,647	$ -	$ (81,556)	$ -	$ -	$ 6,838,684	$ 327,832
Cash received from operating grants	3,407,778	19,467,418	172,882	30,609	177,952	150,000	475,729
Other income received	102,882	123,030	-	-	-	1,436,631	13,357
Cash received from/(payments for) interprogram services provided	-	-	-	-	-	-	-
Cash payments to tenants/participants	-	(6,635)	(162,136)	-	-	-	-
Cash payments to vendors	(3,040,942)	(843,430)	-	(3,690)	(11,298)	(3,639,567)	(413,872)
Cash payments to employees	(1,706,494)	(817,850)	(30,133)	(894)	(4,051)	(821,032)	(277,069)
Cash payments for housing assistance	-	(18,315,589)	(247,751)	(33,297)	(166,265)	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,330,871	(393,056)	(348,694)	(7,272)	(3,662)	3,964,716	125,977
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital grants	381,923	-	-	-	-	-	-
Acquisition of capital assets	(1,098,793)	-	-	-	-	(121,380)	-
Proceeds from sale of capital assets	500	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	125,000	-
Principal payments	-	-	-	-	-	(664,530)	-
Interest paid	-	-	-	-	-	(237,772)	-
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(716,370)	-	-	-	-	(898,682)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Operating transfers in	1,500	-	-	-	-	510,000	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments received on notes receivable	-	-	-	-	-	(122,769)	-
Interest received	15,946	500	500	64	434	49,869	5,227
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	15,946	500	500	64	434	(72,900)	5,227
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	631,947	(392,556)	(348,194)	(7,208)	(3,228)	3,503,134	131,204
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,181,140	388,907	618,285	25,709	115,684	13,205,256	1,509,740
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 4,813,087**	**$ (3,649)**	**$ 270,091**	**$ 18,501**	**$ 112,456**	**$16,708,390**	**$ 1,640,944**

(Continued on page 54)

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF CASH FLOWS - Continued
YEAR ENDED DECEMBER 31, 2022

	SHELTER PLUS CARE	COCC	HOME INVESTMENT PARTNERSHIP	SECTION 8 SPECIAL ALLOCATIONS	ELIMINATING ENTRY	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from tenants/participants	$ -	$ -	$ -	$ 49,555	$ -	$ 9,702,162
Cash received from operating grants	28,373	-	92,440	109,236		24,112,417
Other income received	-	1,715,215	1,000	954	(1,622,764)	1,770,305
Cash received from/(payments for) interprogram services provided	(23,476)	23,476	-	-	-	-
Cash payments to tenants/participants	-	-	-	-	-	(168,771)
Cash payments to vendors	(4,645)	(143,502)	(1,602)	(98,534)	1,622,764	(6,578,318)
Cash payments to employees	(2,585)	(1,335,269)	(14,442)	(14,822)	-	(5,024,641)
Cash payments for housing assistance	(17,286)	-	(57,046)	-	-	(18,837,234)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(19,619)	259,920	20,350	46,389	-	4,975,920
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital grants	-	-	-	-	-	381,923
Acquisition of capital assets	-	(49,649)	-	(38,701)	-	(1,308,523)
Proceeds from sale of capital assets	-	1,500	-	-	-	2,000
Proceeds from long-term debt	-	-	-	-	-	125,000
Principal payments	-	-	(57,996)	-	-	(722,526)
Interest paid	-	-	(4,483)	-	-	(242,255)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	-	(48,149)	(62,479)	(38,701)	-	(1,764,381)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating transfers (out)	-	(301,500)	(210,000)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments received on notes receivable	-	-	67,133	-	-	(55,636)
Interest received	-	1,928	4,850	1,503	-	80,821
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	1,928	71,983	1,503	-	25,185
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(19,619)	(87,801)	(180,146)	9,191	-	3,236,724
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-	568,947	154,755	471,613	-	21,240,036
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ (19,619)**	**$ 481,146**	**$ (25,391)**	**$ 480,804**	**$ -**	**$ 24,476,760**

(Continued on page 55)

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF CASH FLOWS - Continued
YEAR ENDED DECEMBER 31, 2022

	LOW INCOME PUBLIC HOUSING	SECTION 8 HOUSING CHOICE VOUCHERS	EMEGENCY HOUSING VOUCHERS	SECTION 8 MODERATE REHAB	SECTION 8 MODERATE REHAB SRO	STATE/LOCAL	SECTION 8 NEW CONSTRUCTION
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION							
Cash and cash equivalents	$ 4,606,073	$ (3,649)	$ 142,358	$ 18,501	$ 112,456	$ 14,093,808	$ 1,614,433
Cash and cash equivalents - restricted	207,014	-	$ 127,733	-	-	2,614,582	26,511
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	**$ 4,813,087**	**$ (3,649)**	**$ 270,091**	**$ 18,501**	**$ 112,456**	**$ 16,708,390**	**$ 1,640,944**
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES							
Operating income (loss)	$ 670,356	$ 170,874	$ (281,003)	$ 1,394	$ 15,389	$ 2,984,549	$ 176,405
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation	1,085,412	-	-	-	-	1,052,403	53,555
Changes in assets and liabilities							
(Increase) decrease in assets							
Accounts receivable	(14,396)	-	-	-	-	(59,451)	467
Notes receivable	(11,232)	(6,635)	-	-	-	-	183
Due from other governments	147,544	(320,796)	-	-	(19,152)	-	-
Due from other programs	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
(Decrease) increase in liabilities							
Accounts payable	(4,511)	3,459	-	10	12	(749)	(600)
Accrued payroll liabilities	3,883	2,321	190	(20)	89	(1,998)	1,692
Accrued expenses	4,571	-	12,659	-	-	799	3,027
Due to other governments	10,157	52	1,016	(8,656)	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	(2,249)	-	(81,556)	-	-	(5,760)	(70)
Compensated absences	4,055	3,490	-	-	-	(1,137)	743
Tenants' security deposits	3,436	-	-	-	-	2,399	(478)
Net pension liability and deferred inflows/outflows	(550,077)	(236,284)	-	-	-	(4,514)	(106,116)
Net OPEB liability and deferred inflows/outflows	(16,078)	(9,537)	-	-	-	(1,825)	(2,831)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**$ 1,330,871**	**$ (393,056)**	**$ (348,694)**	**$ (7,272)**	**$ (3,662)**	**$ 3,964,716**	**$ 125,977**

(Continued on page 56)

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
COMBINING STATEMENT OF CASH FLOWS - Continued
YEAR ENDED DECEMBER 31, 2022

	SHELTER PLUS CARE	COCC	HOME INVESTMENT PARTNERSHIP	SECTION 8 SPECIAL ALLOCATIONS	ELIMINATING ENTRY	TOTAL
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</u>						
Cash and cash equivalents	$ (19,619)	$ 481,146	$ (25,391)	$ 287,118	$ -	$ 21,307,234
Cash and cash equivalents - restricted	-	-	-	193,686	-	3,169,526
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	**$ (19,619)**	**$ 481,146**	**$ (25,391)**	**$ 480,804**	**$ -**	**$ 24,476,760**
<u>RECONCILIATION OF (LOSS) INCOME FROM OPERATIONS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</u>						
Operating (loss) income	$ (4,167)	$ 513,706	$ (9,725)	$ 30,742	$ -	$ 4,268,520
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities						
Depreciation	-	146,164	-	13,710	-	2,351,244
Changes in assets and liabilities						
Decrease (increase) in assets						
Accounts receivable	-	-	(863)	449	-	(73,794)
Notes receivable	-	-	-	-		(17,684)
Due from other governments	8,210	-	31,359	-	-	(152,835)
Due from other programs	-	23,476	-	-	(23,476)	-
Inventory	-	(1,889)	-	-	-	(1,889)
(Decrease) increase in liabilities						
Accounts payable	(16)	999	90	68	-	(1,238)
Accrued payroll liabilities	(170)	32,419	(118)	56	-	38,344
Accrued expenses	-	541	(238)	286	-	21,645
Due to other governments	-	-	(155)	-	-	2,414
Due to other funds	(23,476)	-	-	-	23,476	-
Unearned revenue	-	-	-	(128)	-	(89,763)
Compensated absences	-	23,780	-	1,525		32,456
Tenants' security deposits	-	-	-	(319)	-	5,038
Net pension liability and deferred inflows/outflows	-	(465,702)	-	-	-	(1,362,693)
Net OPEB liability and deferred inflows/outflows	-	(13,574)	-	-	-	(43,845)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	**$ (19,619)**	**$ 259,920**	**$ 20,350**	**$ 46,389**	**$ -**	**$ 4,975,920**

Colorado Springs, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

GRANTOR/PASS THROUGH AGENCY/ PROGRAM TITLE AND GRANT NUMBER	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANT IDENTIFICATION NUMBER	PASS-THROUGH TO SUBRECIPIENTS NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - Direct Programs				
Section 8 Project-Based Cluster				
Section 8				
New Construction and Substantial Rehabilitation	14.182	N/A	-	$ 475,729
Housing Assistance Payments Program	14.195	N/A	-	109,236
Moderate Rehabilitation Single Room Occupancy	14.249	N/A	-	197,104
Moderate Rehabilitation	14.856	N/A	-	39,265
TOTAL SECTION 8 PROJECT-BASED CLUSTER				821,334
Housing Voucher Cluster	14.871	N/A		
Section 8 Housing Choice Vouchers			-	19,763,380
Emergency Housing Vouchers			-	172,882
TOTAL HOUSING VOUCHER CLUSTER				19,936,262
Public and Indian Housing				
Public and Indian Housing	14.850	N/A	-	2,210,038
Public Housing Capital Fund	14.872	N/A	-	1,066,162
Shelter Plus Care	14.238	N/A	-	20,163
Passed through from City of Colorado Springs				
CDBG - Entitlement Grants Cluster				
Community Development Grant		C01526	-	356,957
Community Development Grant		CO-01002850120-24	-	24,834
TOTAL CDBG - ENTITLEMENT GRANT CLUSTER				381,791
Home Investment Partnership Program	14.239			
City of Colorado Springs				
HOME Loan		CO06986	-	75,000
HOME Loan		CO06886	-	107,000
HOME Grant		CO07843	-	4,035
HOME Grant		CO07020	-	57,046
HOME Loan		CO09943	-	300,000
HOME Loan		-	-	475,000
TOTAL HOME INVESTMENT PARTNERSHIP PROGRAM				1,018,081
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				**$ 25,462,831**

(Continued on page 58)

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Colorado Springs and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on this 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. The Housing Authority of the City of Colorado Springs has elected not to use the 10 percent minimus indirect cost rate allowed under the Uniform Guidance.

Note 3 - Disclosure of Other Forms of Assistance

Included in the amounts shown on the accompanying schedule of federal awards is a loan - assistance listing number 14.239 payable to the City of Colorado Springs. The total HUD-insured portion of mortgages have an outstanding balance of $957,000 under this program as of December 31, 2022.

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado

OTHER REPORTS

HAWKINS | ASH
CPAs

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Housing Authority of the City of Colorado Springs ("Housing Authority"), as of and for the year ended December 31, 2022 , and the related notes to financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report hereon dated May 23, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of the expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Housing Authority'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 the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority'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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
May 23, 2023

HAWKINS | ASH
CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Colorado Springs's (the "Housing Authority") 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 each of the Housing Authority's major federal programs for the year ended December 31, 2022. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2022.

Basis for Opinion on Each 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 the 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 the Housing Authority's federal programs.

Auditors' 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 the 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 the Housing Authority's compliance with the requirements of each 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 the 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 the 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 the Housing Authority of the City of Colorado Springs'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 Auditors' 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.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
May 23, 2023

HOUSING AUTHORITY OF THE CITY OF COLORADO SPRINGS
Colorado Springs, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ______ Yes __X__ None reported

Noncompliance material to financial statements noted? ______ Yes __X__ No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ______ Yes __X__ None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ Yes __X__ No

Identification of federal major programs:

Assistance Listing Number(s)	Name of Federal Program/Cluster
14.871	Housing Voucher Cluster
14.182, 14.195, 14.249 & 14.856	Section 8 Project-Based Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $763,885

Auditee qualified as low-risk auditee? __X__ Yes ______ No

Section II - Financial Statement Findings - NONE

Section III - Federal Award Findings and Questioned Costs - NONE

Section IV - Prior Year Findings - NONE