

**GARFIELD COUNTY HOUSING
AUTHORITY
Rifle, Colorado**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2023

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Garfield County Housing Authority
Rifle, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Garfield County Housing Authority ("Housing Authority"), as of and for the year ended December 31, 2023, 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, 2023, 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.

Prior Period Adjustment

As described in Note 12 to the basic financial statements, the net position of the Housing Authority has been adjusted for the correction of an error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, PERA of Colorado pension schedules, and Health Care Trust Fund schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 June 26, 2024 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.

Hawthorn Ash CPAs, LLP

La Crosse, Wisconsin
June 26, 2024

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

As management of the Garfield County Housing Authority (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, 2023. 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, 2023 by \$1,064,513 (Net Position).
- Total operating revenues increased by \$648,603, or 14 percent, during the year.
- Total operating expenses in 2023 (excluding depreciation and amortization) increased by \$581,311, or 13 percent, during the year.

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*.

Financial Analysis

Condensed Statement of Net Position for the Years Ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>INCREASE/ (DECREASE)</u>
Current Assets	\$ 973,998	\$ 932,050	\$ 41,948
Capital Assets, Net	723,936	426,914	297,022
Other Noncurrent Assets	168,886	223,617	(54,731)
Deferred Outflows of Resources	236,420	102,303	134,117
Total Assets and Deferred Outflows of Resources	<u>2,103,240</u>	<u>1,684,884</u>	<u>418,356</u>
Current Liabilities	73,121	82,591	(9,470)
Noncurrent Liabilities	933,453	493,491	439,962
Deferred Inflows of Resources	32,153	386,457	(354,304)
Total Liabilities and Deferred Inflows of Resources	<u>1,038,727</u>	<u>962,539</u>	<u>76,188</u>
Net Investment in Capital Assets	228,625	19,265	209,360
Restricted Net Position	68,293	297,015	(228,722)
Unrestricted Net Position	767,595	406,065	361,530
Total Net Position	<u><u>\$1,064,513</u></u>	<u><u>\$ 722,345</u></u>	<u><u>\$ 342,168</u></u>

Major factors affecting the Statement of Net Position:

Total assets increased by \$418,356 or 24.8 percent. This increase is due to new leased assets added during the year.

Total liabilities increase by \$76,188 during 2023, or 7.9 percent. This increase is due to an increase in pension liability and OPEB liability.

The Housing Authority's net investment in capital assets increased by \$209,360 and its unrestricted net position increased by \$361,530 during 2023.

Financial Analysis - Continued

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

	YEAR ENDED		% INCREASE/ (DECREASE)
	DECEMBER 31,		
	2023	2022	
Operating Revenue:			
Dwelling Rental	\$ 49,708	\$ 47,779	4.0%
Operating Grants	4,984,276	4,327,661	15.2
Other Operating Revenue	266,312	276,253	-3.6
Total Operating Revenue	<u>5,300,296</u>	<u>4,651,693</u>	<u>13.9</u>
Operating Expenses:			
Administrative	687,369	520,822	32.0
Tenant Services	5,979	14,796	-59.6
Utilities	9,114	10,601	-14.0
Maintenance and Operations	56,092	50,515	11.0
General Expenses	10,240	18,712	-45.3
Housing Assistance Payments	4,132,026	3,725,661	10.9
Depreciation and Amortization	57,981	36,383	59.4
Total Operating Expenses	<u>4,958,801</u>	<u>4,377,490</u>	<u>13.3</u>
Net Operating Income	<u>341,495</u>	<u>274,203</u>	<u>24.5</u>
Nonoperating Revenue (Expense):			
Interest Income	9,800	3,846	154.8
Investment Expense	<u>(40,244)</u>	<u>(37,362)</u>	<u>7.7</u>
Net Nonoperating (Expense)	<u>(30,444)</u>	<u>(33,516)</u>	<u>-9.2</u>
Change in Net Position	311,051	240,687	29.2
Net Position - January 1	722,345	481,658	50.0
Prior Period Adjustment	<u>31,117</u>	<u>-</u>	<u>N/A</u>
Net Position - December 31	<u>\$1,064,513</u>	<u>\$ 722,345</u>	<u>47.4%</u>

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

Operating grant revenue was up \$656,615, due to increase in Housing Voucher Cluster funding.

Long-Term Debt

As of December 31, 2023, the Housing Authority had \$396,301 in debt (bonds, notes, etc.) outstanding compared to \$407,649 as of December 31, 2022; a net decrease of \$11,348.

Long-Term Debt consisted of the following:

	DECEMBER 31,	
	2023	2022
Total Loans	\$396,301	\$407,649
Less: Current Portion	(12,418)	(11,348)
Noncurrent Portion	\$383,883	\$396,301

The Authority has two mortgages payable to the U.S. Department of Agriculture, Office of Rural Development (formerly FMHA). The first mortgage has a monthly installment due of \$320, including subsidized interest at \$235 per month, with an annual interest rate at 9.5 percent. This mortgage is collateralized by a lien on the apartments, on the real property and a security interest in rents, profits, and reserve accounts. The second mortgage has a monthly installment due of \$3,658, including subsidized interest at \$2,635 per month, with an annual interest rate of 9 percent. This mortgage is collateralized by a lien on the apartment, on the real property and a security interest in rents, profits, and reserve accounts.

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, 2023, the Housing Authority had \$723,936 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions, and depreciation) of \$297,022 from December 31, 2022.

	DECEMBER 31,	
	2023	2022
Land	\$ 21,286	\$ 21,286
Buildings and Improvements	1,176,094	681,580
Furniture and Equipment	64,539	64,539
ROA Leased Asset	131,121	-
Accumulated Depreciation & Amortization	(669,104)	(611,123)
Construction in Progress	-	270,632
Total	\$723,936	\$426,914

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	\$426,914
Additions	355,003
Depreciation and Amortization	(57,981)
Ending Balance	<u><u>\$723,936</u></u>

This year's major additions to Capital Assets were:

Valley Senior Housing Building
Lease Asset for Office Space

Future Events

At present, funding levels for the Housing Authority'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. The Housing Authority 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:

Garfield County Housing Authority
Attn: Cheryl Strouse, Executive Director
1430 Railroad Avenue, Unit F
Rifle, CO 51650

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado

BASIC FINANCIAL STATEMENTS

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 809,898
Cash and cash equivalents - restricted	114,846
Receivables	
Tenants, net of allowance for doubtful accounts	3,101
Due from other governments	39,335
Prepaid expenses	6,818
TOTAL CURRENT ASSETS	<u>973,998</u>

NONCURRENT ASSETS

Notes receivable, net of allowance for doubtful accounts	168,886
Capital assets not being depreciated or amortized	21,286
Capital assets being depreciated, net	603,640
Capital assets being amortized, net	99,010
TOTAL NONCURRENT ASSETS	<u>892,822</u>

TOTAL ASSETS	<u>1,866,820</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pension (PERA of Colorado)	229,314
OPEB (PERA of Colorado)	7,106
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>236,420</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,103,240</u>
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 15,187
Compensated absences	5,729
Unearned revenue	1,210
Tenants' security deposits	7,877
Current portion of long-term debt	43,118
TOTAL CURRENT LIABILITIES	<u>73,121</u>

NONCURRENT LIABILITIES

Net pension liability (PERA of Colorado)	422,310
Net OPEB liability (PERA of Colorado)	27,751
Long-term debt	455,424
Compensated absences	27,968
TOTAL NONCURRENT LIABILITIES	<u>933,453</u>

TOTAL LIABILITIES	<u>1,006,574</u>
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DEFERRED INFLOWS OF RESOURCES

Pension (PERA of Colorado)	18,894
OPEB (PERA of Colorado)	13,259
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>32,153</u>

NET POSITION

Net investment in capital assets	228,625
Restricted	68,293
Unrestricted	767,595
TOTAL NET POSITION	<u>1,064,513</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 2,103,240</u>
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The accompanying notes are an integral part of these financial statements.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

OPERATING REVENUE	
Dwelling rental	\$ 49,708
Operating grants	4,984,276
Other operating revenue	<u>266,312</u>
TOTAL OPERATING REVENUE	<u>5,300,296</u>
OPERATING EXPENSES	
Administration	687,369
Tenant services	5,979
Utilities	9,114
Maintenance and operations	56,092
General expenses	10,240
Housing assistance payments	4,132,026
Depreciation and amortization	<u>57,981</u>
TOTAL OPERATING EXPENSES	<u>4,958,801</u>
OPERATING INCOME	<u>341,495</u>
NONOPERATING REVENUE (EXPENSE)	
Interest income	9,800
Interest expense	<u>(40,244)</u>
NET NONOPERATING (EXPENSE)	<u>(30,444)</u>
CHANGE IN NET POSITION	311,051
NET POSITION AT BEGINNING OF YEAR	722,345
PRIOR PERIOD ADJUSTMENT	<u>31,117</u>
NET POSITION AT END OF YEAR	<u>\$ 1,064,513</u>

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

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from tenants/participants	\$ 51,597
Cash received from operating grants	4,968,227
Other income received	266,312
Cash payments to vendors	(788,662)
Cash payments to employees	(79,626)
Cash payments for housing assistance	(4,132,026)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>285,822</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(223,882)
Note receivable	9,232
Principal payments	(40,228)
Interest paid	(40,244)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(295,122)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Prior period adjustment	<u>31,117</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>9,800</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	31,617
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>893,127</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 924,744</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</u>	
Cash and cash equivalents	\$ 809,898
Cash and cash equivalents - restricted	114,846
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	<u>\$ 924,744</u>
<u>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 341,495
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	57,981
Changes in assets and liabilities	
Decrease (increase) in assets	
Accounts receivable	51,005
Due from other governments	(16,049)
Prepaid expenses	212
(Decrease) increase in liabilities	
Accounts payable	(22,908)
Unearned revenue	(44,289)
Compensated absences	(10,961)
Tenants' security deposits	(1,999)
Net pension liability and deferred inflows/outflows	(62,664)
Net OPEB liability and deferred inflows/outflows	(6,001)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 285,822</u>

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

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

Reporting Entity - The Garfield County Housing Authority ("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.

In accordance with Statement No. 61, Government Accounting Standards Board (GASB), the basis criterion for including a legally separate organization as a component unit is the degree of financial accountability the Housing Authority has with the organization. A financial benefit or burden relationship needs to be present between the Housing Authority and that organization for it to be included in the reporting entity as a component unit. The following circumstances set forth the Housing Authority's financial accountability for a legally separate organization:

- a. The Housing Authority is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Housing Authority.
- b. The Housing Authority may be financially accountable if an organization is fiscally dependent on the Housing Authority regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Based upon the application of these criteria, this report includes the following blended component units.

Uncle Bob Foundation - The Authority also maintains the day-to-day operations of the Uncle Bob Foundation. This is a not-for-profit organization under Internal Revenue Code Section 501(c)(3). The Authority created this nonprofit corporation in 1995 to solicit grants and donations to aid low- and moderate-income families to purchase housing, to facilitate the development of low and moderate income housing.

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 Section 8 Housing Choice Vouchers, Valley Senior Housing, Valley Senior Center, and Housing Rehabilitation.

Basis of Accounting and Measurement Focus - The Housing Authority's basic financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

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

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

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 - Accounts receivable are recorded net of allowance for uncollectible accounts. Management considers accounts receivable to be fully collectible except for fraud recovery receivables. Allowance for fraud recovery was \$72,107 at December 31, 2023.

Notes Receivable - Notes receivable are recorded at net amount. Notes receivable consist of down payment assistance revolving loans. At December 31, 2023, the allowance for uncollectible notes receivable was \$4,950.

Prepaid Expenses - Prepaid expenses represent payments for goods or services for which benefits extend beyond December 31. The consumption method is applied, and expense is charged in the period benefited.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

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

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 - Purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, works of art and similar items, and capital assets received in a service concession arrangement are valued at their acquisition value at the date of donation. Buildings and equipment are carried at cost or estimated fair value and depreciated using a straight-line method of depreciation over their estimated useful lives as follows:

Leasehold improvements	4-10 years
Buildings and improvements	10-40 years
Furniture and equipment	3-10 years

Capital expenses of \$5,000 or more, with a useful life greater than one year, are capitalized.

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, 2023.

Leases - The Housing Authority is a lessee because it leases capital assets from other entities. The lease liability is measured using the present value of payments to be made during the lease term. The corresponding intangible right-to-use capital asset is amortized over the shorter of the lease term or the useful life.

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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

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

Pensions - The Housing Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP 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.

OPEB - The Housing Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (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.

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.

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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

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

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 June 26, 2024, 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, 2023, 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.

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, 2023, \$335,924 of the Housing Authority's bank balance of \$936,016 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank	<u>\$ 335,924</u>
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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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 3 - Notes Receivable

The Authority received funds to provide a down payment assistance revolving loan program. The funds are loaned to eligible participants, not to exceed \$10,000 per loan. \$168,886 in loans are outstanding at December 31, 2023 and there is an allowance for doubtful accounts of \$4,950. Interest is to be determined based on the appreciation in the value of the purchased property. The notes and any accrued interest are due and payable in 15 years from the date of the notes, unless certain events occur that would accelerate the payments.

NOTE 4 - Capital Assets

A summary in changes in capital assets is as follows:

	<u>BALANCE</u> <u>12/31/22</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>TRANSFERS</u>	<u>BALANCE</u> <u>12/31/23</u>
Capital assets not being depreciated or amortized:					
Land	\$ 21,286	\$ -	\$ -	\$ -	\$ 21,286
Construction in progress	<u>270,632</u>	<u>223,882</u>	<u>-</u>	<u>(494,514)</u>	<u>-</u>
Total capital assets not being depreciated	<u>291,918</u>	<u>223,882</u>	<u>-</u>	<u>(494,514)</u>	<u>21,286</u>
Capital assets being depreciated:					
Leasehold improvements	80,997	-	-	-	80,997
Buildings and improvements	600,583	-	-	494,514	1,095,097
Furniture and equipment	<u>64,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,539</u>
Total capital assets being depreciated	746,119	-	-	494,514	1,240,633
Less accumulated depreciation	<u>(611,123)</u>	<u>(25,870)</u>	<u>-</u>	<u>-</u>	<u>(636,993)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>134,996</u>	<u>(25,870)</u>	<u>-</u>	<u>494,514</u>	<u>603,640</u>
Capital assets being amortized:					
Leased asset	-	131,121	-	-	131,121
Less accumulated amortization	<u>-</u>	<u>(32,111)</u>	<u>-</u>	<u>-</u>	<u>(32,111)</u>
Total capital assets being amortized, net of accumulated amortization	<u>-</u>	<u>99,010</u>	<u>-</u>	<u>-</u>	<u>99,010</u>
TOTAL CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION AND AMORTIZATION	<u>\$ 426,914</u>	<u>\$ 297,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 723,936</u>

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 5 - Long-Term Obligations

Details of the Housing Authority's long-term obligations are set forth below.

Summary of Long-Term Obligations

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING BALANCE</u>	<u>AMOUNT DUE WITHIN ONE YEAR</u>
Notes payable	\$ 407,649	\$ -	\$ (11,348)	\$ 396,301	\$ 12,418
Compensated absences	44,658		(10,961)	33,697	5,729
Lease liability	-	131,121	(28,880)	102,241	30,700
Net pension liability (PERA)	-	422,310	-	422,310	-
OPEB liability	30,305	-	(2,554)	27,751	-
	<u>\$ 482,612</u>	<u>\$ 553,431</u>	<u>\$ (53,743)</u>	<u>\$ 982,300</u>	<u>\$ 48,847</u>

Notes Payable

The Housing Authority has two mortgages payable to the U. S. Department of Agriculture, Office of Rural Development (formerly FMHA). The first mortgage has a monthly installment due of \$320, including subsidized interest at \$235 per month, with an annual interest rate at 9.5 percent. This mortgage is collateralized by a lien on the apartments, on the real property and a security interest in rents, profits and reserve accounts. The second mortgage has a monthly installment due of \$3,658, including subsidized interest at \$2,635 per month, with an annual interest rate at 9 percent. This mortgage is collateralized by a lien on the apartments, on the real property and a security interest in rents, profits and reserve accounts.

The future maturities of the notes payable at December 31, 2023, are:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2024	\$ 12,418	\$ 35,314	\$ 47,732
2025	13,586	34,146	47,732
2026	14,866	32,866	47,732
2027	16,267	31,465	47,732
2028	17,799	29,933	47,732
2029-2033	117,547	121,113	238,660
2034-2038	184,401	54,259	238,660
2039	19,417	440	19,857
Total	<u>\$ 396,301</u>	<u>\$ 339,536</u>	<u>\$ 735,837</u>

Lease Liability

The Housing Authority entered into a lease in January 2022 for the right-to-use office space. The agreement is for a five-year term with an option to extend for one additional five-year term. Monthly payments begin at \$2,643, increasing 3.5 percent each year. The interest rate effective for this lease is 3.61 percent, and was calculated using the Housing Authorities incremental borrowing rate.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 5 - Long-Term Obligations - Continued

The future maturities of the lease liability at December 31, 2023, are:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2024	\$ 30,700	\$ 3,188	\$ 33,888
2025	33,032	2,041	35,073
2026	35,485	809	36,294
2027	3,024	9	3,033
Total	<u>\$ 102,241</u>	<u>\$ 6,047</u>	<u>\$ 108,288</u>

NOTE 6 - Net Position

Restricted Net Position

The following is a summary of individual net position restrictions at December 31, 2023:

<u>PROGRAM</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
Section 8	Unspent Housing Assistance Payments	<u>\$ 68,293</u>

NOTE 7 - Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information About the Pension Plan

Plan description. Eligible employees of the Garfield County Housing Authority are provided with pensions through the LGDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. The 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, 2022. 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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 7 - Defined Benefit Pension Plan - Continued

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

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

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

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

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, 2023: Eligible employees and the Garfield County Housing Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 1, 2022 through December 31, 2023, are summarized in the table below:

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 7 - Defined Benefit Pension Plan - Continued

	January 1, 2023 through June 30, 2023	July 1, 2023 through December 31, 2023
Employee contribution (all employees except State Troopers)	9.00%	9.00%
State Troopers	13.00%	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, 2023 through June 30, 2023	July 1, 2023 through December 31, 2023
Employer contribution rate	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.98%	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	0.06%	0.06%
Total employer contribution rate to the LGDTF	13.74%	13.74%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Garfield County Housing Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Garfield County Housing Authority were \$56,907 for the year ended December 31, 2023.

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

The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Garfield County Housing Authority's proportion of the net pension liability was based on Garfield County Housing Authority's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

At December 31, 2023, the Garfield County Housing Authority reported a liability of \$422,310 for its proportionate share of the net pension liability.

At December 31, 2022, the Garfield County Housing Authority proportion was 0.00421 percent, which was a decrease of 0.00031 percent from its proportion measured as of December 31, 2021.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 7 - Defined Benefit Pension Plan - Continued

For the year ended December 31, 2023, the Garfield County Housing Authority recognized pension expense of (\$62,664). At December 31, 2023, the Garfield County Housing Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 172,407	\$ 2,105
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	16,789
Contributions subsequent to the measurement date	56,907	-
Total	\$ 229,314	\$ 18,894

\$56,907 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, 2024. 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:	
2024	\$ (32,725)
2025	22,242
2026	62,977
2027	101,019

Actuarial assumptions. The total pension liability in the December 31, 2021 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 Troopers	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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 7 - Defined Benefit Pension Plan - Continued

The TPL for the LGDTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

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 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent 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 beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent 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 percent 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, 2021, 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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 7 - Defined Benefit Pension Plan - Continued

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a 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 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the 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 percent.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- 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 percent resulting from the 2020 AAP assessments. 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 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 7 - Defined Benefit Pension Plan - Continued

- 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.
- 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 percent 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 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Garfield County Housing Authority's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 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	\$505,674	\$422,310	(\$19,391)

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, 2023, the Housing Authority reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2023.

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description - Employees of the Garfield County Housing Authority that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), 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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 7 - Defined Benefit Pension Plan - Continued

Funding Policy - The PERAPlus 401(k) Plan 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. In addition, the Garfield County Housing Authority has agreed to match employee contributions of to 5 percent or 8 percent of covert salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings.

NOTE 8 - Defined Benefit Other Post-Employment Benefit Plan (OPEB)

Summary of Significant Accounting Policies

The Garfield County Housing Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (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.

General Information about the OPEB Plan

Plan description. Eligible employees of the Garfield County Housing Authority are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. The 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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 8 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

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

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

PERA Benefit Structure

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

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

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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 8 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Garfield County Housing Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Garfield County Housing Authority were \$4,961 for the year ended December 31, 2023.

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

At December 31, 2023, the Garfield County Housing Authority reported a liability of \$27,751 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The Garfield County Housing Authority proportion of the net OPEB liability was based on the Garfield County Housing Authority 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 Garfield County Housing Authority' proportion was 0.003399 percent, which was a decrease of 0.000115 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Garfield County Housing Authority recognized OPEB expense of (\$6,001). At December 31, 2023, the Garfield County Housing Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4	\$ 6,712
Net differences between projected and actual earnings on OPEB investments	1,695	-
Changes in assumptions	446	3,063
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	3,484
Employer contributions subsequent to the measurement date	4,961	-
Total	\$ 7,106	\$13,259

\$4,961 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, 2024. 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,	
2024	\$(3,628)
2025	(3,417)
2026	(1,960)
2027	(676)
2028	(1,214)
Thereafter	(219)

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 8 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

Actuarial Assumptions - The total OPEB liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>State Division</u>	<u>School Division</u>	<u>Local Government Division</u>	<u>Judicial Division</u>
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%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			6.50% in 2022, gradually decreasing to 4.50% in 2030	
Medicare Part A premiums			3.75% in 2022, 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	

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium free Medicare Part A for the PERA benefit structure.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 8 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

Age-Related Morbidity Assumptions

<u>Participant Age</u>	<u>Annual Increase (Male)</u>	<u>Annual Increase (Female)</u>
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,704	\$1,450	\$583	\$496	\$1,923	\$1,634
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

The 2022 Medicare Part A premium is \$499 (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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 8 - 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, 2021, 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
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, 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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 8 - 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 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent 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 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent 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 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent 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 HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 8 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, 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%.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 8 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$26,965	\$27,751	\$28,605

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future 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 percent 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 percent. There was no change in the discount rate from the prior measurement date.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023

NOTE 8 - Defined Benefit Other Post-Employment Benefit Plan (OPEB) - Continued

Sensitivity of the Garfield County Housing Authority' proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 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%)
Garfield County Housing Authority Proportionate share of the net OPEB liability (asset)	\$32,171	\$27,751	\$23,970

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 9 - 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 10 - Economic Dependency

During 2023, the Housing Authority received approximately 93 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 11 - 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.

NOTE 12 - Prior Period Adjustment

Net position of the Housing Authority as of January 1, 2023 has been increased by \$31,117 to correct an error made in a prior year. Various accounts were corrected to reflect their appropriate balances as of January 1, 2023.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado

REQUIRED SUPPLEMENTARY INFORMATION

GARFIELD COUNTY HOUSING AUTHORITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) OF COLORADO PENSION SCHEDULES
DECEMBER 31, 2023

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)
2022	0.04212000%	\$ 422,310	\$ 357,726	118.05%	82.99%
2021	0.04521000%	\$ (38,761)	\$ 350,694	-11.05%	101.50%
2020	0.04861000%	\$ 253,295	\$ 348,864	72.61%	90.90%
2019	0.05119000%	\$ 374,420	\$ 352,537	106.21%	86.30%
2018	0.05209000%	\$ 654,886	\$ 341,657	191.68%	76.00%
2017	0.05238000%	\$ 538,204	\$ 330,432	162.88%	79.40%
2016	0.05332000%	\$ 719,968	\$ 323,169	222.78%	73.65%
2015	0.05460000%	\$ 601,478	\$ 310,093	193.97%	76.87%
2014	0.05471000%	\$ 490,411	\$ 299,812	163.57%	59.80%

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
2023	\$ 46,422	\$ (46,422)	\$ -	\$ 415,368	11.18%
2022	\$ 44,404	\$ (44,404)	\$ -	\$ 357,726	12.41%
2021	\$ 44,368	\$ (44,368)	\$ -	\$ 350,694	12.65%
2020	\$ 44,236	\$ (44,236)	\$ -	\$ 348,864	12.68%
2019	\$ 44,702	\$ (44,702)	\$ -	\$ 352,537	12.68%
2018	\$ 43,332	\$ (43,332)	\$ -	\$ 341,657	12.68%
2017	\$ 41,899	\$ (41,899)	\$ -	\$ 330,432	12.68%
2016	\$ 40,978	\$ (40,978)	\$ -	\$ 323,169	12.68%
2015	\$ 39,320	\$ (39,320)	\$ -	\$ 310,093	12.68%

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. There have been no changes in benefit terms.

Changes of assumptions. There have been no changes in assumptions.

GARFIELD COUNTY HOUSING AUTHORITY
HEALTH CARE TRUST FUND SCHEDULE
DECEMBER 31, 2023

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)
2022	0.00340000%	\$ 27,751	\$ 357,726	7.76%	38.57%
2021	0.00351000%	\$ 30,305	\$ 350,694	8.64%	39.40%
2020	0.00371000%	\$ 35,279	\$ 348,864	10.11%	32.78%
2019	0.00392000%	\$ 44,069	\$ 352,537	12.50%	24.49%
2018	0.00404000%	\$ 54,961	\$ 341,657	16.09%	17.03%
2017	0.00407000%	\$ 52,895	\$ 330,432	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
2023	\$ 4,961	\$ (4,961)	\$ -	\$ 415,368	1.19%
2022	\$ 3,518	\$ (3,518)	\$ -	\$ 357,726	0.98%
2021	\$ 3,502	\$ (3,502)	\$ -	\$ 350,694	1.00%
2020	\$ 3,561	\$ (3,561)	\$ -	\$ 349,118	1.02%
2019	\$ 3,596	\$ (3,596)	\$ -	\$ 352,537	1.02%
2018	\$ 3,485	\$ (3,485)	\$ -	\$ 341,657	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 preceding 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.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado

SUPPLEMENTARY INFORMATION

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2023

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>GENERAL ADMINISTRATION</u>	<u>SECTION 8 HOUSING CHOICE VOUCHERS</u>	<u>UNCLE BOB FOUNDATION</u>	<u>VALLEY SENIOR HOUSING</u>	<u>REHABILITATION</u>	<u>VALLEY SENIOR CENTER</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ 563,744	\$ 85,875	\$ 126,177	\$ 5,731	\$ 26,933	\$ 1,438	\$ -	\$ 809,898
Cash and cash equivalents - restricted	-	68,293	-	46,553	-	-	-	114,846
Receivables								
Tenants, net of allowance for doubtful accounts	-	-	-	1,891	1,210	-	-	3,101
Due from other governments	39,335	-	-	-	-	-	-	39,335
Due from other programs	-	44,256	-	-	-	-	(44,256)	-
Prepaid expenses	6,150	668	-	-	-	-	-	6,818
TOTAL CURRENT ASSETS	<u>609,229</u>	<u>199,092</u>	<u>126,177</u>	<u>54,175</u>	<u>28,143</u>	<u>1,438</u>	<u>(44,256)</u>	<u>973,998</u>
NONCURRENT ASSETS								
Notes receivable, net of allowance for doubtful accounts	-	-	168,886	-	-	-	-	168,886
Capital assets not being depreciated or amortized	-	-	-	5,000	-	16,286	-	21,286
Capital assets being depreciated, net	8,908	8,909	-	576,623	-	9,200	-	603,640
Capital assets being amortized, net	9,901	89,109	-	-	-	-	-	99,010
TOTAL NONCURRENT ASSETS	<u>18,809</u>	<u>98,018</u>	<u>168,886</u>	<u>581,623</u>	<u>-</u>	<u>25,486</u>	<u>-</u>	<u>892,822</u>
TOTAL ASSETS	<u>628,038</u>	<u>297,110</u>	<u>295,063</u>	<u>635,798</u>	<u>28,143</u>	<u>26,924</u>	<u>(44,256)</u>	<u>1,866,820</u>
DEFERRED OUTFLOWS OF RESOURCES								
Pension (PERA of Colorado)	229,314	-	-	-	-	-	-	229,314
OPEB (PERA of Colorado)	7,106	-	-	-	-	-	-	7,106
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>236,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,420</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 864,458</u>	<u>\$ 297,110</u>	<u>\$ 295,063</u>	<u>\$ 635,798</u>	<u>\$ 28,143</u>	<u>\$ 26,924</u>	<u>\$ (44,256)</u>	<u>\$ 2,103,240</u>

(Continued on page 40)

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
COMBINING STATEMENT OF NET POSITION - Continued
DECEMBER 31, 2023

<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	GENERAL ADMINISTRATION	SECTION 8 HOUSING CHOICE VOUCHERS	UNCLE BOB FOUNDATION	VALLEY SENIOR HOUSING	REHABILITATION	VALLEY SENIOR CENTER	ELIMINATING ENTRY	TOTAL
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable	\$ 225	\$ 6,355	\$ -	\$ 8,607	\$ -	\$ -	\$ -	\$ 15,187
Compensated absences	5,729	-	-	-	-	-	-	5,729
Unearned revenue	-	-	-	-	1,210	-	-	1,210
Due to other programs	44,256	-	-	-	-	-	(44,256)	-
Tenants' security deposits	-	-	-	7,877	-	-	-	7,877
Current portion of long-term debt	3,070	27,630	-	12,418	-	-	-	43,118
TOTAL CURRENT LIABILITIES	<u>53,280</u>	<u>33,985</u>	<u>-</u>	<u>28,902</u>	<u>1,210</u>	<u>-</u>	<u>(44,256)</u>	<u>73,121</u>
NONCURRENT LIABILITIES								
Net pension liability (PERA of Colorado)	422,310	-	-	-	-	-	-	422,310
Net OPEB liability (PERA of Colorado)	27,751	-	-	-	-	-	-	27,751
Long-term debt	7,154	64,387	-	383,883	-	-	-	455,424
Compensated absences	27,968	-	-	-	-	-	-	27,968
TOTAL NONCURRENT LIABILITIES	<u>485,183</u>	<u>64,387</u>	<u>-</u>	<u>383,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>933,453</u>
TOTAL LIABILITIES	<u>538,463</u>	<u>98,372</u>	<u>-</u>	<u>412,785</u>	<u>1,210</u>	<u>-</u>	<u>(44,256)</u>	<u>1,006,574</u>
DEFERRED INFLOWS OF RESOURCES								
Pension (PERA of Colorado)	18,894	-	-	-	-	-	-	18,894
OPEB (PERA of Colorado)	13,259	-	-	-	-	-	-	13,259
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>32,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,153</u>
NET POSITION								
Net investment in capital assets	8,908	8,909	-	185,322	-	25,486	-	228,625
Restricted	-	68,293	-	-	-	-	-	68,293
Unrestricted	284,934	121,536	295,063	37,691	26,933	1,438	-	767,595
TOTAL NET POSITION	<u>293,842</u>	<u>198,738</u>	<u>295,063</u>	<u>223,013</u>	<u>26,933</u>	<u>26,924</u>	<u>-</u>	<u>1,064,513</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 864,458</u>	<u>\$ 297,110</u>	<u>\$ 295,063</u>	<u>\$ 635,798</u>	<u>\$ 28,143</u>	<u>\$ 26,924</u>	<u>\$ (44,256)</u>	<u>\$ 2,103,240</u>

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado

COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

	SECTION 8						ELIMINATING ENTRY	TOTAL
	GENERAL ADMINISTRATION	HOUSING CHOICE VOUCHERS	UNCLE BOB FOUNDATION	VALLEY SENIOR HOUSING	REHABILITATION	VALLEY SENIOR CENTER		
OPERATING REVENUE								
Dwelling rental	\$ -	\$ -	\$ -	\$ 49,708	\$ -	\$ -	\$ -	\$ 49,708
Operating grants	100,000	4,798,757	-	85,519	-	-	-	4,984,276
Other operating revenue	260,964	9,581	-	20,378	3,290	6	(27,907)	266,312
TOTAL OPERATING REVENUE	<u>360,964</u>	<u>4,808,338</u>	<u>-</u>	<u>155,605</u>	<u>3,290</u>	<u>6</u>	<u>(27,907)</u>	<u>5,300,296</u>
OPERATING EXPENSES								
Administration	70,709	591,363	3,500	31,333	-	-	(9,536)	687,369
Tenant services	-	5,979	-	-	-	-	-	5,979
Utilities	-	-	-	9,114	-	-	-	9,114
Maintenance and operations	801	6,878	-	66,784	-	-	(18,371)	56,092
General expenses	(4,696)	7,404	-	7,532	-	-	-	10,240
Housing assistance payments	-	4,132,026	-	-	-	-	-	4,132,026
Depreciation and amortization	7,951	30,188	-	18,017	-	1,825	-	57,981
TOTAL OPERATING EXPENSES	<u>74,765</u>	<u>4,773,838</u>	<u>3,500</u>	<u>132,780</u>	<u>-</u>	<u>1,825</u>	<u>(27,907)</u>	<u>4,958,801</u>
OPERATING INCOME (LOSS)	<u>286,199</u>	<u>34,500</u>	<u>(3,500)</u>	<u>22,825</u>	<u>3,290</u>	<u>(1,819)</u>	<u>-</u>	<u>341,495</u>
NONOPERATING REVENUE (EXPENSE)								
Interest income	2,259	590	5,985	813	153	-	-	9,800
Operating transfers (out) in	(482,261)	-	-	482,261	-	-	-	-
Interest expense	(386)	(3,473)	-	(36,385)	-	-	-	(40,244)
NET NONOPERATING (EXPENSE) REVENUE	<u>(480,388)</u>	<u>(2,883)</u>	<u>5,985</u>	<u>446,689</u>	<u>153</u>	<u>-</u>	<u>-</u>	<u>(30,444)</u>
CHANGE IN NET POSITION	<u>(194,189)</u>	<u>31,617</u>	<u>2,485</u>	<u>469,514</u>	<u>3,443</u>	<u>(1,819)</u>	<u>-</u>	<u>311,051</u>
NET POSITION AT BEGINNING OF YEAR	<u>484,141</u>	<u>147,431</u>	<u>287,178</u>	<u>(248,638)</u>	<u>23,490</u>	<u>28,743</u>	<u>-</u>	<u>722,345</u>
PRIOR PERIOD ADJUSTMENT	<u>3,890</u>	<u>19,690</u>	<u>5,400</u>	<u>2,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,117</u>
NET POSITION AT END OF YEAR	<u>\$ 293,842</u>	<u>\$ 198,738</u>	<u>\$ 295,063</u>	<u>\$ 223,013</u>	<u>\$ 26,933</u>	<u>\$ 26,924</u>	<u>\$ -</u>	<u>\$ 1,064,513</u>

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	SECTION 8						ELIMINATING ENTRY	TOTAL
	GENERAL ADMINISTRATION	HOUSING CHOICE VOUCHERS	UNCLE BOB FOUNDATION	VALLEY SENIOR HOUSING	REHABILITATION	VALLEY SENIOR CENTER		
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from tenants/participants	\$ -	\$ -	\$ -	\$ 51,597	\$ -	\$ -	\$ -	\$ 51,597
Cash received from operating grants	83,951	4,798,757	-	85,519	-	-	-	4,968,227
Other income received	260,964	9,581	-	20,378	3,290	6	(27,907)	266,312
Cash received from (payments for) interprogram services provided	314,690	(44,256)	-	(270,434)	-	-	-	-
Cash payments to vendors	(76,576)	(626,203)	(3,500)	(110,290)	-	-	27,907	(788,662)
Cash payments to employees	(79,626)	-	-	-	-	-	-	(79,626)
Cash payments for housing assistance	-	(4,132,026)	-	-	-	-	-	(4,132,026)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	503,403	5,853	(3,500)	(223,230)	3,290	6	-	285,822
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition of capital assets	-	-	-	(223,882)	-	-	-	(223,882)
Note receivable	-	-	9,232	-	-	-	-	9,232
Principal payments	(2,888)	(25,992)	-	(11,348)	-	-	-	(40,228)
Interest paid	(386)	(3,473)	-	(36,385)	-	-	-	(40,244)
NET CASH (USED IN) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,274)	(29,465)	9,232	(271,615)	-	-	-	(295,122)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Prior period adjustment	3,890	19,690	5,400	2,137	-	-	-	31,117
Operating transfers in	(482,261)	-	-	482,261	-	-	-	-
NET CASH (USED IN) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(478,371)	19,690	5,400	484,398	-	-	-	31,117
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	2,259	590	5,985	813	153	-	-	9,800
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,017	(3,332)	17,117	(9,634)	3,443	6	-	31,617
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	539,727	157,500	109,060	61,918	23,490	1,432	-	893,127
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 563,744	\$ 154,168	\$ 126,177	\$ 52,284	\$ 26,933	\$ 1,438	\$ -	\$ 924,744

(Continued on page 43)

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
COMBINING STATEMENT OF CASH FLOWS - Continued
YEAR ENDED DECEMBER 31, 2023

	GENERAL ADMINISTRATION	SECTION 8 HOUSING CHOICE VOUCHERS	UNCLE BOB FOUNDATION	VALLEY SENIOR HOUSING	REHABILITATION	VALLEY SENIOR CENTER	ELIMINATING ENTRY	TOTAL
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION								
Cash and cash equivalents	\$ 563,744	85,875	\$ 126,177	\$ 5,731	\$ 26,933	\$ 1,438	\$ -	\$ 809,898
Cash and cash equivalents - restricted	-	68,293	-	46,553	-	-	-	114,846
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	\$ 563,744	154,168	\$ 126,177	\$ 52,284	\$ 26,933	\$ 1,438	\$ -	\$ 924,744
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	\$ 286,199	34,500	\$ (3,500)	\$ 22,825	\$ 3,290	\$ (1,819)	\$ -	\$ 341,495
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation and amortization	7,951	30,188	-	18,017	-	1,825	-	57,981
Changes in assets and liabilities								
Decrease (increase) in assets								
Accounts receivable	-	2,828	-	3,888	44,289	-	-	51,005
Due from other governments	(16,049)	-	-	-	-	-	-	(16,049)
Due from other programs	270,434	(44,256)	-	-	-	-	(226,178)	-
Prepaid expenses	-	212	-	-	-	-	-	212
(Decrease) increase in liabilities								
Accounts payable	(9,762)	(17,619)	-	4,473	-	-	-	(22,908)
Due to other funds	44,256	-	-	(270,434)	-	-	226,178	-
Unearned revenue	-	-	-	-	(44,289)	-	-	(44,289)
Compensated absences	(10,961)	-	-	-	-	-	-	(10,961)
Tenants' security deposits	-	-	-	(1,999)	-	-	-	(1,999)
Net pension asset/liability and deferred inflows/outflows	(62,664)	-	-	-	-	-	-	(62,664)
Net OPEB asset/liability and deferred inflows/outflows	(6,001)	-	-	-	-	-	-	(6,001)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 503,403	5,853	\$ (3,500)	\$ (223,230)	\$ 3,290	\$ 6	\$ -	\$ 285,822

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

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>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	N/A	-	\$ 4,222,228
Emergency Housing Vouchers	14.871	N/A	-	209,710
Mainstream Vouchers	14.879	N/A	-	366,819
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>4,798,757</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Rural Rental Housing Loans (includes interest subsidy of \$34,439)	10.415	N/A	-	442,088
Rural Rental Assistance Payments	10.427	N/A	-	51,080
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>493,168</u>
TOTAL EXPENDITURE OF FEDERAL AWARDS				<u>\$ 5,291,925</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Garfield County Housing Authority 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 Garfield County Housing Authority 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

The Authority also participates in the following Rural Housing Service loan program, a direct program, through the U.S. Department of Agriculture-Rural Development Division. The outstanding loan balance as of December 31, 2023 was \$396,301.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado

OTHER REPORTS



**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
Garfield County Housing Authority
Rifle, 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 Garfield County Housing Authority ("Housing Authority"), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report hereon dated June 26, 2024.

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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*, and which are described in the accompanying schedule of findings and questioned costs.

The Authority's Response to Findings

The Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

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 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
June 26, 2024



**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
Garfield County Housing Authority
Rifle, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Garfield County Housing Authority'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, 2023. 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, 2023.

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 Garfield County Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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
June 26, 2024

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes 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 No

Identification of federal major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program/Cluster</u>
14.871 & 14.879	Housing Voucher Cluster

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

Auditee qualified as low-risk auditee? Yes No

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
YEAR ENDED DECEMBER 31, 2023

Section II - Financial Statement Findings

Item 2023-001 - Management's Responsibility for Preparation of Financial Statements

Program: Entity-wide

Requirement: Management is responsible for the preparation of annual financial statements.

Criteria: Adequate internal controls necessitate that personnel (management or others) of the Authority have adequate training and knowledge that would enable them to prepare financial statements, including footnotes, in accordance with generally accepted accounting principles (GAAP).

Condition: The training and knowledge of personnel limits their ability to prepare GAAP basis financial statements with related footnote disclosures.

Questioned Costs: Not determinable.

Effect: This weakness could result in the possibility of undetected errors and irregularities. Without additional training of personnel, adequate internal control over financial reporting is not possible.

Prior Year Finding: 2022-001

Information: Sampling was not applicable to this finding and systemic problem.

Recommendation: We recommend that the Authority continues to evaluate internal staff capacity to determine if internal control over annual financial reporting is beneficial.

Management's Response: Management agrees with the recommendations and will develop internal controls sufficient to prepare the financial statements in conformity with GAAP only if doing so is justified on a cost benefit basis; if not, management will continue to review and approve the annual financial statements prepared by the audit firm.

Item 2023-002 - Material Audit Adjustments

Program: Entity-wide

Requirement: Accounting records should be maintained in adequate detail and reconciled throughout the year to support balances in the general ledger.

Criteria: Several large adjusting entries and numerous minor entries had to be booked to balance the records to the general ledger. Several of the general ledger accounts were not reconciled before the audit fieldwork started.

Condition: Improper delegation of duties and responsibilities in the finance department due to staff turnover in prior years. The Finance Director needs to have enough time to review the work performed by staff and delegate more areas of the financial reporting to the staff.

GARFIELD COUNTY HOUSING AUTHORITY
Rifle, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
YEAR ENDED DECEMBER 31, 2023

Section II - Financial Statement Findings - Continued

Item 2023-002 - Material Audit Adjustments - Continued

Questioned Costs: Not applicable.

Effect: These deficiencies result in the possibility that errors or irregularities can exist and not be detected by the Housing Authority's internal control.

Prior Year Finding: 2022-001

Information: Sampling was not applicable to this finding and systemic problem.

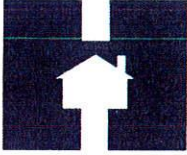
Recommendation: The Housing Authority should reconcile all year-end balances in a timely manner. Periodic reviews of the general ledger should be performed.

Management's Response: Management concurs with the recommendation to implement timely reconciliations of all year-end balances and periodic reviews of the general ledger. Additionally, the management finance team will be instituting processes to at least quarterly (a) reconcile key balance sheet accounts and (b) perform statement of activity accounts variance analyses for amounts falling outside defined limits.

Section III - Federal Award Findings and Questioned Costs - NONE

Section IV - Prior Year Findings

Item 2022-001 - Internal Control Over Financial Reporting - Repeated in 2023



GARFIELD COUNTY HOUSING AUTHORITY

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Garfield County Housing Authority

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN DECEMBER 31, 2023

Summary of Prior Audit Findings

Audit Finding Number: 2022-001 – Internal Control over Financial Reporting
Current year status: Repeated in 2023

Corrective Action Plan

Audit Finding Number: 2023-001 – Management's Responsibility for Preparation of Financial Statements

Agency: Entity Wide

Responsible Person, Title: Cheryl Strouse, Executive Director

Completion date: 01/01/2024

Agency Response: Concur

Corrective Action Plan: Management agrees with the recommendations and will develop internal controls sufficient to prepare the financial statements in conformity with GAAP only if doing so is justified on a cost benefit basis; if not, management will continue to review and approve the annual financial statements prepared by the audit firm.

Audit Finding Number: 2023-002 – Material Audit Adjustments

Agency: Entity Wide

Responsible Person, Title: Cheryl Strouse, Executive Director

Completion date: 01/01/2024

Agency Response: Concur

Corrective Action Plan: Management concurs with the recommendation to implement timely reconciliations of all year-end balances and periodic reviews of the general ledger. Additionally, the management finance team will be instituting processes to at least quarterly (a) reconcile key balance sheet accounts and (b) perform statement of activity accounts variance analyses for amounts falling outside defined limits.

Signature: Cheryl Strouse

Title: Executive Director