

LAMAR HOUSING AUTHORITY
Lamar, Colorado

Financial Statements

With Independent Auditor's Report

December 31, 2023

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lamar Housing Authority

Opinions

We have audited the accompanying financial statements of Lamar Housing Authority as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Lamar Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lamar Housing Authority as of December 31, 2023, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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 Lamar 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.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, 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, including omissions, 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.

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In performing an audit in accordance with generally accepted auditing standards 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 of 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 Lamar 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 Lamar 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, Schedule of the Authority's Proportionate Share of the Net Pension Liability – PERA, Schedule of Pension Contributions – PERA, Schedule of the Authority's Proportionate Share of the Net OPEB Liability – PERA, Schedule of OPEB Contributions – PERA, 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 Lamar Housing Authority's basic financial statements. The Combining Schedules, Financial Data Schedules, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedules, Financial Data Schedules, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 6, 2024 on our consideration of the Lamar 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 Lamar 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 Lamar Housing Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Gumm + Associates LLC". The signature is written in a cursive, flowing style.

Fort Collins, Colorado
March 6, 2024

Management Discussion and Analysis

Management Discussion and Analysis

As management of the Lamar Housing Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2023.

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

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

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

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

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

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

Financial Analysis

As noted, net position may, over time serve as a useful indicator of the Authority's financial position. Assets exceeded liabilities by \$3,198,440 at the close of the most recent fiscal year.

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

Condensed Statements of Net Position are presented in the following table:

	2023	2022	2021	Increase (Decrease) CY vs. PY
ASSETS				
Cash and equivalents	\$ 1,230,526	\$ 1,182,919	\$ 1,152,784	\$ 47,607
Other assets	7,722	36,175	5,671	(28,453)
Capital assets	2,904,667	2,904,667	3,084,301	-
Total Assets	<u>4,142,915</u>	<u>4,123,761</u>	<u>4,242,756</u>	<u>19,154</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>196,005</u>	<u>64,246</u>	<u>96,180</u>	<u>131,759</u>
LIABILITIES				
Current liabilities	156,325	157,845	150,475	(1,520)
Long term liabilities	808,881	530,148	787,992	278,733
Total liabilities	<u>965,206</u>	<u>687,993</u>	<u>938,467</u>	<u>277,213</u>
DEFERRED INFLOWS OF RESOURCES	<u>25,298</u>	<u>303,382</u>	<u>251,622</u>	<u>(278,084)</u>
NET POSITION				
Net investment in capital assets	2,250,670	2,333,873	2,447,281	(83,203)
Restricted	281,586	304,160	294,165	(22,574)
Unrestricted	666,184	558,590	407,401	107,594
Total Net Position	<u>\$ 3,198,440</u>	<u>\$ 3,196,623</u>	<u>\$ 3,148,847</u>	<u>\$ 1,817</u>

Condensed Statements of Revenues, Expenses, and Changes in Net Position are presented in the following table:

	2023	2022	2021	Increase (Decrease) CY vs. PY
Revenue:				
Operating Revenue	\$ 515,284	\$ 447,434	\$ 440,798	\$ 67,850
HUD Grants	760,398	660,686	509,830	99,712
Other Government Grants	365,608	345,313	335,934	20,295
Gain on Disposal of Assets	4,201	-	-	4,201
Interest Income	13,674	3,502	1,656	10,172
Total Revenue	<u>1,659,165</u>	<u>1,456,935</u>	<u>1,288,218</u>	<u>202,230</u>
Expenses:				
Operating Expenses	1,126,114	923,808	1,028,613	202,306
Housing Assistance Payments	525,831	479,402	442,594	46,429
Interest Expense	5,403	5,949	6,724	(546)
Total Expenses	<u>1,657,348</u>	<u>1,409,159</u>	<u>1,477,931</u>	<u>248,189</u>
Capital Contributions	-	-	147,233	-
Change in Net Position	1,817	47,776	(42,480)	(45,959)
Net Position-Beginning	3,196,623	3,148,847	3,191,327	47,776
Net Position-Ending	<u>\$ 3,198,440</u>	<u>\$ 3,196,623</u>	<u>\$ 3,148,847</u>	<u>\$ 1,817</u>

For the current fiscal year, as well as in the previous fiscal year, the Authority is able to report a positive balance in the net position. Current and other assets are increased due to increase in cash. This is primarily a result of revenues exceeding expenditures, less

depreciation, throughout the year. Long term liabilities decreased due to the changes in pension liabilities and payment of mortgages. Operating revenues increased due to lower vacancy. Operating expenses are increased due to higher operating costs.

Condensed Statements of Cash Flows are presented in the following table:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash from (for) Operating Activities	\$ (467,818)	\$ (427,789)	\$ (401,005)
Cash from Non Capital Financing Activities	600,175	526,597	403,170
Cash from (for) Capital and Related Financing Activities	(98,424)	(72,175)	13,089
Cash from (for) Investing Activities	13,674	3,502	1,656
Increase (Decrease)	47,607	30,135	16,910
Cash and Cash Equivalents, Beginning of Year	1,182,919	1,152,784	1,135,874
Cash and Cash Equivalents, End of Year	<u>\$ 1,230,526</u>	<u>\$ 1,182,919</u>	<u>\$ 1,152,784</u>

Capital Asset and Debt Administration

Capital Assets. The Authority's investment in capital assets as of December 31, 2023, amounts to \$2,754,691 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment. The Authority's capital expenditure during fiscal year 2023 was \$56,073. The Authority disposed of a roof that was damaged by hail and was covered by insurance. Additional information on capital assets can be found in note 5 to the accompanying financial statements.

Long Term Debt

At the end of the year, the Authority had outstanding long-term debt, excluding pension and OPEB related liabilities, of \$504,021. The Authority did not acquire any new long-term debt. The only activity in was the payment of principal and interest. The remaining changes in long-term debt were related to the pension and OPEB liabilities. Additional information on the Authority's Long-Term Debt can be found in Note 6.

Economic Factors and Next Year's Revenue

The Authority does not receive any revenue by taxes. The Authority expects to have vacancy rates vary for their units in 2024. The Authority's rental rates were increased in Emerald Homes in fiscal year 2023. The Authority expects that subsidy will not increase in 2024.

Request for Information

This financial report is designed to provide an overview of the Lamar Housing Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Authority's Accounting Department, 804 South Main Street, Lamar, CO 81052.

Basic Financial Statements

**Lamar Housing Authority
Statement of Net Position
December 31, 2023**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 894,896
Prepaid expenses	6,932
Accounts receivable, net	
Tenants	790
Cash - restricted	335,630
Total Current Assets	<u>1,238,248</u>
Noncurrent Assets	
Capital assets	
Land	220,901
Buildings	6,798,413
Machinery and equipment	329,132
Less: accumulated depreciation	<u>(4,593,755)</u>
Net Capital Assets	<u>2,754,691</u>
Total Noncurrent Assets	2,754,691
Total Assets	<u>3,992,939</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows - Pensions	189,128
Deferred Outflows - OPEB	<u>6,877</u>
Total Deferred Outflows of Resources	<u>196,005</u>

LIABILITIES

Current Liabilities	
Accounts payable	20,549
Other accrued liabilities	6,261
Tenant security deposits	49,111
Accrued compensated absences	12,886
Prepaid tenant rent	747
Long term debt - current portion	<u>66,771</u>
Total Current Liabilities	<u>156,325</u>
Long Term Liabilities	
Net Pension Liability	348,719
Net OPEB Liability	22,912
Long term debt	<u>437,250</u>
Total Long Term Liabilities	<u>808,881</u>
Total Liabilities	<u>965,206</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows - Pensions	12,214
Deferred Inflows - OPEB	<u>13,084</u>
Total Deferred Inflows of Resources	<u>25,298</u>

Net Position

Net investment in capital assets	2,250,670
Restricted other	257,993
Restricted for housing assistance	23,593
Unrestricted	<u>666,184</u>
Total Net Position	<u>\$ 3,198,440</u>

Lamar Housing Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023

Operating Revenues	
Dwelling Rental - Net	\$ 473,491
Management Fee	4,708
Other	37,085
Total Operating Revenues	<u>515,284</u>
Operating Expenses	
General and Administrative	333,476
Utilities	195,430
Maintenance and Operation	416,783
Depreciation	180,425
Total Operating Expenses	<u>1,126,114</u>
Operating Income (Loss)	(610,830)
Non-Operating Revenues (Expenses)	
HUD Contributions and Grants	760,398
Other Government Grants	365,608
Housing Assistance Payments	(525,831)
Gain on Disposal of Assets	4,201
Interest Expense	(5,403)
Interest Income	13,674
Total Non-Operating Revenues (Expenses)	<u>612,647</u>
Change in Net Position	1,817
Net Position, Beginning of Year	3,196,623
Net Position, End of Year	<u>\$ 3,198,440</u>

**Lamar Housing Authority
Statement of Cash Flows
For the Year Ended December 31, 2023**

Cash Flows From Operating Activities:	
Cash Received from Tenants	\$ 515,726
Cash Payments to Tenants and suppliers	(659,613)
Cash Payments to Employees	(323,931)
Net Cash (Used) For Operating Activities	<u>(467,818)</u>
Cash Flows From Noncapital Financing Activities:	
HUD Contributions and Grants	760,398
Housing Assistance Payments	(525,831)
Other Governments Grants	365,608
Net Cash Provided by Non-Capital Financing Activities	<u>600,175</u>
Cash Flows From Capital and Related Financing Activities:	
Purchase of Property, Plant and Equipment	(56,073)
Proceeds from Disposal of Assets	29,825
Repayment of Notes and Mortgage	(66,773)
Interest on Notes and Mortgage	(5,403)
Net Cash Provided by Capital and Related Financing Activities	<u>(98,424)</u>
Cash Flows from Investing Activities:	
Interest Income	13,674
Net Cash Provided by Investing Activities	<u>13,674</u>
Net increase in Cash and Cash Equivalents	47,607
Cash and Cash Equivalents, Beginning	1,182,919
Cash and Cash Equivalents, Ending	<u>\$ 1,230,526</u>
Detail of cash and cash equivalents:	
Cash - Unrestricted	894,896
Cash-Restricted	335,630
Total	<u>\$ 1,230,526</u>
Reconciliation of Operating Income to Net Cash Used for Operating Activities:	
Operating (Loss)	(610,830)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation and Amortization	180,425
Changes in Pension and OPEB Related Items	(31,128)
Changes in Assets and Liabilities:	
Accounts Receivable - Tenants	2,915
Prepaid expenses	(6,932)
Accounts Payable	(3,806)
Accrued Liabilities	(215)
Prepaid Tenant Rent	(4,735)
Accrued Compensated Absences	4,226
Tenant Security Deposits	2,262
Net Cash Used for Operating Activities	<u>(467,818)</u>

Lamar Housing Authority
Notes to the Financial Statements
December 31, 2023

Note 1 Summary of Significant Accounting Policies

The Lamar Housing Authority (the Authority) was established in 1976 by the City of Lamar, Colorado. The Authority is operated by a Board of Commissioners. The accounting policies of the Authority conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority follows all pronouncements issued by GASB. The more significant of the Authority's policies are described below.

Financial Reporting Entity

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

Basis of Accounting

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

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

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

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 1 Summary of Significant Accounting Policies (Continued)

Low Rent Program accounts for the financial activities associated with Strainhurst Court South properties.

Housing Choice Vouchers Program accounts for the financial activities associated with Section 8 Housing Choice Voucher program.

Rural Development Program accounts for the financial activities associated with Emerald Homes property.

Capital Fund Program accounts for financial activities associated with Public Housing capital fund program grant received from HUD.

State and Local Program accounts for the financial activities associated with the administrative fee received from Colorado Department of Housing to administer section 8 program. This program was terminated during 2023.

Section 8 New Construction Program accounts for the financial activities associated with Strainhurst Court property.

Business Fee Program accounts for general administration and operations of the Authority.

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

Assets, Liabilities and Net Position

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

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

Short-Term Interprogram Receivables/Payables - During the course of operations, transactions may occur between individual programs for the goods provided or services rendered. These receivables and payables are classified as “due from other programs” or “due to other programs” on the balance sheet and have been eliminated in the government wide statement of net position.

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 1 Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position (Continued)

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

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

Buildings	20 - 50 years
Improvements	10 - 20 years
Equipment	5 - 20 years

Compensated Absences - Pursuant to its personnel policies, the Authority will compensate individual employment for up to 21 days of vacation. The Authority reports these potential payments as a liability for compensated absences.

Restricted Assets - Certain resources set aside for capital improvements, are classified as restricted assets on the balance sheet in the amount of \$262,926 because they are maintained in separate bank accounts and their use is limited by applicable loan covenants. The Authority receives payments in advance that are designated for housing assistance by the Department of Housing and Urban Development. The Section 8 Housing Choice Voucher program has cash restricted for the use of low-income housing on the statement of net position in the amount of \$23,593. The Authority maintains tenant security deposits in segregated accounts in the amount of \$49,111 that are classified as restricted cash and is offset by a corresponding liability.

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

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net positions are available for future operations or distributions. The Authority utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 1 Summary of Significant Accounting Policies (Continued)

Cash Equivalents

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

Estimates

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

Budgets and Budgetary Accounting

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

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

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2023, the Authority's cash deposits had a carrying balance of \$1,230,526 and a corresponding bank balance of \$1,246,841, of which \$500,000 was insured by the Federal Deposit Insurance Corporation, respectively.

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

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The Authority had \$746,841 collateralized under PDPA.

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 2 Cash and Investments (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2023, none of the Authority’s bank deposits were exposed to custodial credit risk.

Investments

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

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

The Authority does not have a formal investment policy.

Note 3 Accounts Receivable

Accounts receivable balance at December 31, 2023, was comprised of the following:

Program	Tenants Receivable	Allowance for Bad Debt	Receivable Net of Allowance
Rural Development	\$ 1,366	\$ (821)	\$ 545
Section 8 New Construction	-	-	-
Low Rent	245	-	245
Total	<u>\$ 1,611</u>	<u>\$ (821)</u>	<u>\$ 790</u>

Note 4 Interprogram Receivables / Payables

The outstanding balances between programs result mainly from the time lag between the dates that (1) transactions are recorded in the accounting system, and (2) payments between programs are made. The effect of inter program transactions has been eliminated in the Statements of Net Position. The composition of inter program balances as of December 31, 2023, is as follows:

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 4 Interprogram Receivables / Payables (Continued)

Program	Due From Other Program	Due To Other Program	Total
Housing Choice Voucher	\$ -	\$ (5,761)	\$ (5,761)
Rural Development	43,664	(1,428)	42,236
Low Rent	1,428		
Business Fee	5,761	(43,664)	(37,903)
Total	<u>\$ 50,853</u>	<u>\$ (50,853)</u>	<u>\$ -</u>

Note 5 Fixed Assets

The following is a summary of fixed assets at December 31, 2023

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Nondepreciable				
Land	\$ 220,901	\$ -	\$ -	\$ 220,901
Total Nondepreciable	<u>220,901</u>	<u>-</u>	<u>-</u>	<u>220,901</u>
Depreciable				
Buildings and improvements	6,781,875	56,073	(39,535)	6,798,413
Machinery and equipment	329,132	-	-	329,132
Total Depreciable	<u>7,111,007</u>	<u>56,073</u>	<u>(39,535)</u>	<u>7,127,545</u>
TOTAL	<u>7,331,908</u>	<u>56,073</u>	<u>(39,535)</u>	<u>7,348,446</u>
Less Accumulated Depreciation	(4,427,241)	(180,425)	13,911	(4,593,755)
Total Accumulated Depreciation	<u>(4,427,241)</u>	<u>(180,425)</u>	<u>13,911</u>	<u>(4,593,755)</u>
Net Capital Assets	<u>\$ 2,904,667</u>	<u>\$ (124,352)</u>	<u>\$ (25,624)</u>	<u>\$ 2,754,691</u>

Note 6 Notes Payable

Changes in Long-term Debt during 2023 were as follows:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Due Within One Year
USDA Phase One	\$ 101,857	\$ -	\$ 13,946	\$ 87,911	\$ 13,413
USDA Phase Two	424,956	-	50,190	374,766	50,695
USDA Short Term	43,981	-	2,637	41,344	2,663
Total Long-term Debt	<u>\$ 570,794</u>	<u>\$ -</u>	<u>\$ 66,773</u>	<u>\$ 504,021</u>	<u>\$ 66,771</u>

Rural Development Note Payable (Phase I): On January 1, 2002, the Authority obtained a loan from United States Department of Agriculture Rural Development in the amount of \$364,711 with an interest rate of 1%. The loan proceeds were used for building housing. The note is secured by the buildings. The requirements to amortize the loan as of December 31, 2023 are as follows:

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 6 Notes Payable (Continued)

Year	Principal	Interest	Total
2024	\$ 13,413	\$ 1,488	\$ 14,901
2025	13,625	1,276	14,901
2026	13,841	1,060	14,901
2027	14,059	842	14,901
2028	14,282	619	14,901
2029-2030	18,691	172	18,863
Total	<u>\$ 87,911</u>	<u>\$ 5,457</u>	<u>\$ 93,368</u>

Rural Development Note Payable (Phase II): On January 1, 2002, the Authority obtained a loan from United States Department of Agriculture Rural Development in the amount of \$1,370,943 and carries a rate of interest of 1%. The loan proceeds were used for the construction of housing. The requirements to amortize the loan as of December 31, 2023 are as follows:

Year	Principal	Interest	Total
2024	\$ 50,695	\$ 3,516	\$ 54,211
2025	51,204	3,007	54,211
2026	51,719	2,492	54,211
2027	52,238	1,973	54,211
2028	52,762	1,449	54,211
2029-2031	116,148	1,310	117,458
Total	<u>\$ 374,766</u>	<u>\$ 13,747</u>	<u>\$ 388,513</u>

Rural Development Temporary Note Payable. - On June 15, 2005 the Authority borrowed \$60,000 from United States Department of Agriculture Rural Development for construction. The Authority borrowed additional amounts of \$21,274 on August 1, 2007 on this note. The note is unsecured and the rate of interest is 1%. The Authority started paying this loan on September 6, 2007 in monthly payments of \$255 including interest. The requirements to amortize the loan as of December 31, 2023 are as follows:

Year	Principal	Interest	Total
2024	\$ 2,663	\$ 402	\$ 3,065
2025	2,690	375	3,065
2026	2,717	348	3,065
2027	2,744	321	3,065
2028	2,772	293	3,065
2029-2033	14,281	1,040	15,321
2034-2038	13,477	311	13,788
Total	<u>\$ 41,344</u>	<u>\$ 3,090</u>	<u>\$ 44,434</u>

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 7 Defined Benefit Pension Plan

Defined Benefit Pension Plan – Information about the plan

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

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

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

In all cases the service retirement benefit is limited to 100% 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, 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 the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% 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. For State Troopers whose disability is caused by an on- the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 7 Defined Benefit Pension Plan (Continued)

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

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employee contribution	8.50%	9.00%	9.00%	9.00%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42). The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employer contribution rate	10.50%	11.00%	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%)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.48%	9.98%	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.03%	0.03%	0.06%	0.06%
Total employer contribution rate to the LGDTF	13.21%	13.71%	13.74%	13.74%

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 7 Defined Benefit Pension Plan (Continued)

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Authority were \$38,333 for the year ended December 31, 2023.

Pension Liabilities, 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 Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

Note 7 Defined Benefit Pension Plan (Continued)

At December 31, 2023, the Authority reported a liability of \$348,719 for its proportionate share of the net pension liability. At December 31, 2022, the Authority's proportion was .0347826937%, which was -.0030891272% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Authority recognized pension income of \$27,899. At December 31, 2023 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$142,363	\$1,738
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on pension plan investments	0	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,750	10,476
Contributions subsequent to the measurement date	45,015	N/A
Total	\$189,128	\$12,214

\$45,015 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended <Insert Employers Year-End plus one year>. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 7 Defined Benefit Pension Plan (Continued)

December 31	
2024	\$(22,868)
2025	19,239
2026	52,112
2027	83,416
2028	0
Thereafter	0

Actuarial assumptions. The TPL 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	7.25%
investment expenses, including price inflation	
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	1.00%
and DPS benefit structure (compounded annually)	
PERA benefit structure hired after 12/31/061	Financed by the AIR

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

The TPL 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

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 7 Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 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 at least every five years for PERA. 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.

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 7 Defined Benefit Pension Plan (Continued)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

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

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

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

Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 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%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

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

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 7 Defined Benefit Pension Plan (Continued)

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

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, 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	\$585,410	\$348,718	\$150,568

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

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description - Employees of the the 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 PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

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 Authority has agreed to match employee contributions up to 0% of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2023, program members contributed \$0 and the Authority recognized pension expense and a liability of \$0 and \$0, respectively, for the PERAPlus 401(k) Plan.

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 7 Defined Benefit Pension Plan (Continued)

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description – Eligible employees of the LGDTF hired on or after January 1, 2019, have the option to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution Retirement Plan (PERA DC Plan).

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The PERA DC Plan is also included in PERA’s ACFR as referred to above.

Funding Policy – All participating employees in the PERA DC Plan and the the Authority are required to contribute a percentage of the participating employees’ PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period MMDDYYYY, through MMDDYYYY are summarized in the tables below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employee Contribution Rates:				
All employees other than State Troopers	8.50%	9.00%	9.00%	9.00%
State Troopers	12.50%	13.00%	13.00%	13.00%
Employer Contribution Rates:				
On behalf of all employees other than State Troopers	10.00%	10.00%	10.00%	10.00%
State Troopers	12.85%	12.85%	12.85%	12.85%

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

Additionally, the employers are required to contribute AED, SAED, and other statutory amounts for employees other than State Troopers to the LGDTF, as follows:

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 7 Defined Benefit Pension Plan (Continued)

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Automatic Adjustment Provision (AAP) as specified in C.R.S. § 24-51-413	0.50%	1.00%	1.00%	1.00%
Additional Contribution Supplement as specified in C.R.S. § 24-51-401 and § 24-51-415	0.03%	0.03%	0.06%	0.06%
Total employer contribution rate to the LGDTF	4.23%	4.73%	4.76%	4.76%

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

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed \$0 and the Authority recognized pension expense and a liability of \$0, respectively, for the PERA DC Plan.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description - Employees of the the Authority may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 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 PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The PERAPlus 457 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,

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan

Section 1603 of the C.R.S., as amended. In addition, the Authority has agreed to match employee contributions up to 0% of covered salary as determined by the Internal Revenue Service. Members are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2023, program members contributed \$0 and the Authority recognized pension expense and a liability of \$0 and \$0, respectively, for the PERAPlus 457 Plan.

Summary of Significant Accounting Policies

OPEB The Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (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 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, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies.

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

Enrollment in the PERACare health benefits program 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% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the December 31, 2023 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Authority were \$2,905 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 Authority reported a liability of \$22,912 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 (TOL) 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 TOL to December 31, 2022. The Authority's proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Authority's proportion was .0028062325%, which was a decrease of .0001378210% from its proportion measured as of December 31, 2021.

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

For the year ended December 31, 2023, the Authority recognized OPEB income of \$3,229. At December 31, 2023 the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual	\$3	\$5,541
Changes of assumptions or other inputs	368	2,529
Net difference between projected and actual earnings on OPEB plan investments	1,399	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,696	5,014
Contributions subsequent to the measurement date	3,411	N/A
Total	\$6,877	\$13,084

\$3,411 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31	
2023	\$(2,283)
2024	(3,436)
2025	(1,976)
2026	(206)
2027	(798)
Thereafter	(919)

Actuarial assumptions. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

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

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.

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase
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	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.

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan (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 TOL 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 on 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.

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.

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

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

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

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

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

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

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

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

- 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.
- 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 at least every five years for PERA. 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:

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

Asset Class	Target Allocation	30 Year Geometric Real Rate	Expected Rate of
Global Equity	54.00 %	5.60%	
Fixed Income	23.00 %	1.30%	
Private Equity	8.50 %	7.10%	
Real Estate	8.50 %	4.40%	
Alternatives	6.00 %	4.70%	
Total	100.00 %		

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	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	\$26,562	\$22,912	\$19,791

¹For the January 1, 2023, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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%.
- 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.

**Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 8 Defined Benefit Other Post Employment Benefit (OPEB) 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.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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%)
Proportionate share of the net OPEB	\$26,562	\$22,912	\$19,791

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at 918 www.copera.org/investments/pera-financial-reports.

Note 9 Contingencies and Commitments

The Authority is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority participates in Colorado Intergovernmental Risk Sharing Agency(CIRSA/PC) and Colorado Intergovernmental Risk Sharing Agency for Workers' Compensation (CIRSA/WC). CIRSA provides member municipalities within the State of Colorado property, liability and workers compensation coverage and related services. CIRSA's general objectives are to provide member municipalities' defined property and liability and/or workers' compensation coverage through self-insurance and excess insurance purchased from commercial companies. The Authority makes an annual contribution to CIRSA for its insurance coverage.

The Authority's deductible for property and liability insurance coverage range from \$500 to \$1,000 per occurrence. Settle claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk. Losses have not exceeded commercial insurance coverage in any of the last three years.

Lamar Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 9 Contingencies and Commitments (Continued)

The Authority participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of December 31, 2023, significant amounts of grant expenses have not been audited, but the Authority believes that disallowed expenses, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the Authority.

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

Required Supplemental Information

Lamar Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability - PERA
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.0347826937%	0.0378718209%	0.0310579188%	0.0368114913%	0.0383575118%	0.0365651199%	0.0352950779%	0.0367209739%	0.0387098781%	0.0424133344%
Authority's proportional share of the net pension liability (asset)	\$ 348,719	\$ (32,470)	\$ 189,871	\$ 269,237	\$ 482,236	\$ 406,535	\$ 476,604	\$ 404,511	\$ 346,960	\$ 349,028
Authority's covered payroll	284,767	287,055	262,194	251,583	238,659	218,035	205,077	206,616	226,279	229,977
Authority's percentage of net pension liability as a percent of covered payroll	122%	-11%	72%	107%	202%	186%	232%	196%	153%	152%
Total pension liability	5,895,159,000	5,758,380,000	5,715,765,000	5,324,353,000	5,228,602,000	5,396,516,000	5,123,847,000	4,762,090,000	4,647,777,000	4,517,239,000
Plan fiduciary net position	4,892,596,000	5,844,117,000	5,194,638,000	4,592,962,000	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000	3,751,468,000	3,508,312,000
Net pension liability	\$ 1,002,563,000	\$ (85,737,000)	\$ 521,127,000	\$ 731,391,000	\$ 1,257,213,000	\$ 1,113,430,000	\$ 1,350,341,000	\$ 1,101,581,000	\$ 896,309,000	\$ 1,008,927,000

Plan fiduciary net position as a percentage of the total pension liability

	83.0%	101.5%	90.9%	86.3%	76.0%	79.4%	73.6%	76.9%	80.7%	77.7%
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Net pension liability as a percentage of covered payroll

	122%	-11%	72%	107%	202%	186%	232%	196%	153%	152%
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Lamar Housing Authority
Required Supplementary Information
Schedule of Pension Contributions - PERA
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily Required Contribution	\$ 38,333	\$ 34,610	\$ 33,259	\$ 31,901	\$ 30,262	\$ 29,731	\$ 27,647	\$ 26,004	\$ 26,199	\$ 28,693
Contributions in Relation to the Statutorily Required Contribution	38,333	34,610	33,259	31,901	30,262	29,731	27,647	26,004	26,199	28,693
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-

Covered Payroll	\$ 284,767	\$ 287,055	\$ 262,194	\$ 251,583	\$ 238,659	\$ 218,035	\$ 205,077	\$ 206,616	\$ 226,279	\$ 229,977
Contributions as a % of Covered Payroll	13.46%	12.06%	12.68%	12.68%	12.68%	13.64%	13.48%	12.59%	11.58%	12.48%

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

	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability	0.0028062325%	0.0029440535%	0.0027785688%	0.0028193144%	0.0029746262%	0.0028371532%	0.0027093774%
Authority's proportional share of the net OPEB liability	\$ 22,912	\$ 25,386	\$ 26,402	\$ 31,689	\$ 40,471	\$ 36,872	\$ 35,211
Authority's covered payroll	284,767	287,055	262,194	251,583	238,659	218,035	205,077
Authority's percentage of net OPEB liability as a percent of covered payroll	8%	9%	10%	13%	17%	17%	17%
Total OPEB liability	1,329,183,000	1,423,054,000	1,413,526,000	1,488,508,000	1,639,734,000	1,575,822,000	1,556,762,000
Plan fiduciary net position	512,704,000	560,749,000	463,301,000	364,510,000	279,192,000	276,222,000	260,228,000
Net OPEB liability	\$ 816,479,000	\$ 862,305,000	\$ 950,225,000	\$ 1,123,998,000	\$ 1,360,542,000	\$ 1,299,600,000	\$ 1,296,534,000

Plan fiduciary net position as a percentage of the total OPEB liability

Net OPEB liability as a percentage of covered payroll

	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%
	8%	9%	10%	13%	17%	17%	17%

*This report is intended to show 10 years of data. Additional years will be presented as the information becomes available.

**Lamar Housing Authority
Required Supplementary Information
Schedule of OPEB Contributions - PERA
Last 10 Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	\$ 2,905	\$ 2,928	\$ 2,674	\$ 2,566	\$ 2,434	\$ 2,224	\$ 2,092
Contributions in Relation to the Statutorily Required Contribution	2,905	2,928	2,674	2,566	2,434	2,224	2,092
Contribution Deficiency (Excess)	-	-	-	-	-	-	-

Covered Payroll	\$ 284,767	\$ 287,055	\$ 262,194	\$ 251,583	\$ 238,659	\$ 218,035	\$ 205,077
Contributions as a % of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

*This report is intended to show 10 years of data. Additional years will be presented as the information becomes available.

Other Supplemental Information

Lamar Housing Authority
Combining Schedule of Program Net Position
December 31, 2023

	Low Rent	Housing Choice Vouchers	Rural Development	State and Local	Section 8 New Construction	Business Fee	Total
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 253,461	\$ 135,745	\$ -	\$ -	\$ 491,741	\$ 230,198	\$ 1,111,145
Prepaid expenses	1,969	167	1,349	-	1,974	1,473	6,932
Accounts receivable, net	-	-	-	-	-	-	-
Tenants	245	-	545	-	-	-	790
Due from other programs	1,428	-	43,664	-	-	5,761	50,853
Cash - restricted	8,932	23,593	290,737	-	12,368	-	335,630
Total Current Assets	266,035	159,505	336,295	-	506,083	237,432	1,505,350
Noncurrent Assets							
Capital assets							
Land	35,957	-	147,012	-	37,932	-	220,901
Buildings	1,414,887	-	3,962,636	-	1,420,890	-	6,798,413
Machinery and equipment	105,882	-	67,467	-	140,783	15,000	329,132
Less: accumulated depreciation	(1,083,941)	-	(2,191,356)	-	(1,303,458)	(15,000)	(4,593,755)
Net Capital Assets	472,785	-	1,985,759	-	296,147	-	2,754,691
Total Noncurrent Assets	472,785	-	1,985,759	-	296,147	-	2,754,691
Total Assets	738,820	159,505	2,322,054	-	802,230	237,432	4,260,041
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows - Pensions	58,583	22,534	39,512	-	59,565	8,934	189,128
Deferred Outflows - OPEB	2,130	819	1,437	-	2,166	325	6,877
Total Deferred Outflows of Resources	60,713	23,353	40,949	-	61,731	9,259	196,005
LIABILITIES							
Current Liabilities							
Accounts payable	-	159	-	-	-	20,390	20,549
Bank overdraft	-	-	216,249	-	-	-	216,249
Other accrued liabilities	-	-	-	-	-	6,261	6,261
Tenant security deposits	8,932	-	27,811	-	12,368	-	49,111
Accrued compensated absences	3,976	1,816	2,188	-	4,034	872	12,886
Prepaid tenant rent	-	-	-	-	747	-	747
Due to other programs	-	5,761	1,428	-	-	43,664	50,853
Long term debt - current portion	-	-	66,771	-	-	-	66,771
Total Current Liabilities	12,908	7,736	314,447	-	17,149	71,187	423,427
Long Term Liabilities							
Net Pension Liability	108,017	41,549	72,853	-	109,828	16,472	348,719
Net OPEB Liability	7,097	2,730	4,787	-	7,216	1,082	22,912
Long term debt	-	-	437,250	-	-	-	437,250
Total Long Term Liabilities	115,114	44,279	514,890	-	117,044	17,554	808,881
Total Liabilities	128,022	52,015	829,337	-	134,193	88,741	1,232,308
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows - Pensions	3,783	1,455	2,552	-	3,847	577	12,214
Deferred Inflows - OPEB	4,053	1,559	2,733	-	4,121	618	13,084
Total Deferred Inflows of Resources	7,836	3,014	5,285	-	7,968	1,195	25,298
Net Position							
Net investment in capital assets	472,785	-	1,481,738	-	296,147	-	2,250,670
Restricted - other	-	-	257,993	-	-	-	257,993
Restricted for housing assistance	-	23,593	-	-	-	-	23,593
Unrestricted	190,890	104,236	(211,350)	-	425,653	156,755	666,184
Total Net Position	663,675	127,829	1,528,381	\$ -	\$ 721,800	\$ 156,755	\$ 3,198,440

Lamar Housing Authority
Combining Schedule of Program Revenues, Expenses and Changes in Net Position
December 31, 2023

	Low Rent	Housing Choice Vouchers	Rural Development	State and Local	Section 8 New Construction	Business Fee	Total
Operating Revenues							
Dwelling Rental - Net	\$ 134,816	-	\$ 167,482	\$ -	\$ 171,193	\$ -	\$ 473,491
Management Fee	-	-	-	-	-	4,708	4,708
Other	-	2,040	841	-	23,716	10,488	37,085
Total Operating Revenues	134,816	2,040	168,323	-	194,909	15,196	515,284
Operating Expenses							
General and Administrative	96,465	67,571	52,694	6,378	92,521	17,847	333,476
Utilities	50,591	-	48,393	-	92,885	3,561	195,430
Maintenance and Operation	113,839	-	160,194	-	141,694	1,056	416,783
Depreciation	36,457	-	110,585	-	33,383	-	180,425
Total Operating Expenses	297,352	67,571	371,866	6,378	360,483	22,464	1,126,114
Operating Income (Loss)	(162,536)	(65,531)	(203,543)	(6,378)	(165,574)	(7,268)	(610,830)
Non-Operating Revenues (Expenses)							
HUD Contributions and Grants	135,314	625,084	-	-	-	-	760,398
Other Government Grants	-	-	236,422	2,430	126,756	-	365,608
Housing Assistance Payments	-	(525,831)	-	-	-	-	(525,831)
Gain on Disposal of Assets	-	-	4,201	-	-	-	4,201
Interest Expense	-	-	(5,403)	-	-	-	(5,403)
Interest Income	4,342	305	4,569	-	3,726	732	13,674
Total Non-Operating Revenues (Expenses)	139,656	99,558	239,789	2,430	130,482	732	612,647
Income (Loss) Before Transfers and Capital Transfers In (Out)	(22,880)	34,027	36,246	(3,948)	(35,092)	(6,536)	1,817
Change in Net Position	(22,880)	34,027	36,246	66,737	-	(66,737)	-
Net Position, Beginning of Year	686,555	93,802	1,492,135	62,789	(35,092)	(73,273)	1,817
Net Position, End of Year	\$ 663,675	\$ 127,829	\$ 1,528,381	\$ (62,789)	\$ 756,892	\$ 230,028	\$ 3,196,623
						\$ 156,755	\$ 3,198,440

Housing Authority of the City of Lamar (CO006)
Lamar, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	14,182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	10,415 Rural Rental Housing Loans	14,871 Housing Choice Vouchers	10,427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$253,461	\$491,741	\$230,198					\$975,400		\$975,400
112 Cash - Restricted - Modernization and Development		\$0					\$262,926	\$262,926		\$262,926
113 Cash - Other Restricted	\$6,932	\$12,368				\$159,338	\$27,811	\$159,338		\$159,338
114 Cash - Tenant Security Deposits								\$49,111		\$49,111
115 Cash - Restricted for Payment of Current Liabilities	\$262,993	\$504,109	\$230,198	\$0	\$0	\$159,338	\$290,737	\$1,446,775		\$1,446,775
100 Total Cash										
121 Accounts Receivable - PHA Projects										
122 Accounts Receivable - HUD Other Projects										
124 Accounts Receivable - Other Government										
125 Accounts Receivable - Miscellaneous	\$245						\$1,366	\$1,611		\$1,611
126 Accounts Receivable - Tenants	\$0						-\$821	-\$821		-\$821
126.1 Allowance for Doubtful Accounts - Tenants										
126.2 Allowance for Doubtful Accounts - Other										
127 Notes, Loans, & Mortgages Receivable - Current										
128 Fraud Recovery										
128.1 Allowance for Doubtful Accounts - Fraud										
129 Accrued Interest Receivable										
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$245	\$0	\$0	\$0	\$0	\$0	\$545	\$790		\$790
131 Investments - Unrestricted										
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability	\$1,969	\$1,974	\$1,473			\$167	\$1,349	\$6,932		\$6,932
142 Prepaid Expenses and Other Assets										
143 Inventories										
143.1 Allowance for Obsolete Inventories										
144 Inter Program Due From	\$1,428		\$5,761				\$43,664	\$50,853		\$50,853
145 Assets Held for Sale										
150 Total Current Assets	\$296,035	\$506,083	\$237,432	\$0	\$0	\$159,505	\$336,295	\$1,505,350		\$1,505,350
161 Land	\$35,957	\$37,932					\$147,012	\$220,901		\$220,901
162 Buildings	\$1,414,887	\$1,420,890					\$3,962,636	\$6,798,413		\$6,798,413
163 Furniture, Equipment & Machinery - Dwellings	\$76,472	\$140,783					\$67,467	\$284,722		\$284,722
164 Furniture, Equipment & Machinery - Administration	\$29,410		\$15,000					\$44,410		\$44,410
165 Leasehold Improvements										
166 Accumulated Depreciation	-\$1,083,941	-\$1,303,458	-\$15,000				-\$2,191,356	-\$4,593,755		-\$4,593,755
167 Construction in Progress										
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	\$472,785	\$296,147	\$0	\$0	\$0	\$0	\$1,965,759	\$2,754,691		\$2,754,691
171 Notes, Loans and Mortgages Receivable - Non-Current										
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due										
173 Grants Receivable - Non Current										
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
176 Investments in Joint Ventures										
180 Total Non-Current Assets	\$472,785	\$296,147	\$0	\$0	\$0	\$0	\$1,965,759	\$2,754,691		\$2,754,691
200 Deferred Outflow of Resources	\$60,713	\$61,731	\$9,259			\$23,353	\$40,949	\$196,005		\$196,005
290 Total Assets and Deferred Outflow of Resources	\$799,533	\$863,961	\$246,691	\$0	\$0	\$182,858	\$2,363,003	\$4,456,046		\$4,456,046

Housing Authority of the City of Lamar (CO006)
Lamar, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
311 Bank Overdraft								\$216,249		\$216,249
312 Accounts Payable <= 90 Days			\$20,390			\$159		\$20,549		\$20,549
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable			\$6,261					\$6,261		\$6,261
322 Accrued Compensated Absences - Current Portion	\$3,976	\$4,034	\$972			\$1,816	\$2,188	\$12,886		\$12,886
324 Accrued Contingency Liability										
325 Accrued Interest Payable										
331 Accounts Payable - HUD PHA Programs										
332 Account Payable - PHA Projects										
333 Accounts Payable - Other Government										
341 Tenant Security Deposits	\$8,932	\$12,368					\$27,811	\$49,111		\$49,111
342 Unearned Revenue		\$747						\$747		\$747
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue										
344 Current Portion of Long-term Debt - Operating Borrowings								\$66,771		\$66,771
345 Other Current Liabilities										
346 Accrued Liabilities - Other			\$43,664			\$5,761	\$1,428	\$50,853		\$50,853
347 Inter Program - Due To										
348 Loan Liability - Current										
310 Total Current Liabilities	\$12,908	\$17,149	\$71,187	\$0	\$0	\$7,736	\$314,447	\$423,427		\$423,427
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue								\$437,250		\$437,250
352 Long-term Debt, Net of Current - Operating Borrowings										
353 Non-current Liabilities - Other										
354 Accrued Compensated Absences - Non Current										
355 Loan Liability - Non Current										
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities	\$115,114	\$117,044	\$17,554			\$44,279	\$77,640	\$371,631		\$371,631
350 Total Non-Current Liabilities	\$115,114	\$117,044	\$17,554	\$0	\$0	\$44,279	\$14,890	\$908,881		\$908,881
300 Total Liabilities	\$128,022	\$134,193	\$88,741	\$0	\$0	\$52,015	\$829,337	\$1,232,308		\$1,232,308
400 Deferred Inflow of Resources	\$7,836	\$7,968	\$1,195			\$3,014	\$5,285	\$25,298		\$25,298
508.4 Net Investment in Capital Assets	\$472,785	\$286,147								\$2,250,670
511.4 Restricted Net Position						\$23,593	\$257,993	\$281,586		\$281,586
512.4 Unrestricted Net Position	\$190,890	\$425,653	\$156,755	\$0	\$0	\$104,236	-\$211,350	\$666,184		\$666,184
513 Total Equity - Net Assets / Position	\$663,675	\$721,800	\$156,755	\$0	\$0	\$127,829	\$1,528,381	\$3,198,440		\$3,198,440
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$799,533	\$863,961	\$246,691	\$0	\$0	\$182,858	\$2,363,003	\$4,456,046		\$4,456,046

Housing Authority of the City of Lamar (CO006)
Lamar, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	14,182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	10,415 Rural Rental Housing Loans	14,871 Housing Choice Vouchers	10,427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
7000 Net Tenant Rental Revenue	\$121,682	\$171,193					\$154,283	\$477,058		\$477,058
7040 Tenant Revenue - Other	\$13,234	\$23,716					\$13,199	\$50,149		\$50,149
7090 Total Tenant Revenue	\$134,916	\$194,909	\$0	\$0	\$0	\$0	\$167,482	\$497,207		\$497,207
7060 HUD PHA Operating Grants		\$126,756				\$625,084		\$751,840		\$751,840
70610 Capital Grants	\$135,314							\$135,314		\$135,314
70710 Management Fee										
70720 Asset Management Fee										
70730 Book Keeping Fee										
70740 Front Line Service Fee										
70750 Other Fees										
70700 Total Fee Revenue										
7090 Other Government Grants										
71100 Investment Income - Unrestricted	\$4,342	\$3,726	\$732				\$236,422	\$236,422		\$236,422
71200 Mortgage Interest Income							\$4,569	\$13,369		\$13,369
71300 Proceeds from Disposition of Assets Held for Sale										
71310 Cost of Sale of Assets										
71400 Fraud Recovery										
71500 Other Revenue			\$15,196	\$2,430		\$1,290		\$1,290		\$1,290
71600 Gain or Loss on Sale of Capital Assets						\$750	\$5,042	\$23,418		\$23,418
72000 Investment Income - Restricted										
7000 Total Revenue	\$274,472	\$325,391	\$15,928	\$2,430	\$0	\$627,429	\$413,515	\$1,659,165		\$1,659,165
91100 Administrative Salaries	\$45,081	\$45,081	\$15,398	\$2,172		\$38,840	\$12,244	\$158,816		\$158,816
91200 Auditing Fees	\$4,020	\$4,020				\$1,340	\$4,020	\$13,400		\$13,400
91300 Management Fee						\$3,563		\$3,583		\$3,583
91310 Book-keeping Fee				\$1,125				\$1,125		\$1,125
91400 Advertising and Marketing	\$246	\$125				\$6	\$311	\$688		\$688
91500 Employee Benefit Contributions - Administrative	\$35,173	\$32,523	\$1,863	\$894		\$11,405	\$20,676	\$102,554		\$102,554
91600 Office Expenses	\$10,663	\$9,780	\$413	\$826		\$4,729	\$8,770	\$35,181		\$35,181
91700 Legal Expense		\$266					\$182	\$448		\$448
91800 Travel										
91810 Allocated Overhead										
91900 Other										
91000 Total Operating - Administrative	\$95,183	\$91,795	\$17,694	\$5,017	\$0	\$59,903	\$46,203	\$315,795		\$315,795
92000 Asset Management Fee										
92100 Tenant Services - Salaries										
92200 Relocation Costs										
92300 Employee Benefit Contributions - Tenant Services										
92400 Tenant Services - Other										
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
93100 Water	\$6,640	\$14,116	\$694				\$25,079	\$46,529		\$46,529
93200 Electricity	\$23,160	\$39,816	\$1,765				\$9,907	\$74,648		\$74,648
93300 Gas	\$5,657	\$19,794	\$965				\$4,547	\$33,963		\$33,963
93400 Fuel										
93500 Labor										
93600 Sewer	\$876	\$397	\$136				\$8,601	\$10,210		\$10,210

Housing Authority of the City of Lamar (CO006)
Lamar, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	14,182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	10,415 Rural Rental Housing Loans	14,871 Housing Choice Vouchers	10,427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities							\$60	\$30,079		\$30,079
93800 Other Utilities Expense	\$11,258	\$18,761	\$3,560	\$0	\$0	\$0	\$48,394	\$195,429		\$195,429
93000 Total Utilities	\$50,591	\$92,884	\$3,560	\$0	\$0	\$0	\$48,394	\$195,429		\$195,429
94100 Ordinary Maintenance and Operations - Labor	\$55,884	\$57,587	\$92				\$55,859	\$169,422		\$169,422
94200 Ordinary Maintenance and Operations - Materials and Other	\$32,004	\$55,846	\$974			\$28	\$66,928	\$155,780		\$155,780
94300 Ordinary Maintenance and Operations Contracts	\$9,530	\$11,681					\$19,949	\$41,160		\$41,160
94500 Employee Benefit Contributions - Ordinary Maintenance										
94000 Total Maintenance	\$97,428	\$125,114	\$1,056	\$0	\$0	\$28	\$142,736	\$366,362		\$366,362
95100 Protective Services - Labor										
95200 Protective Services - Other Contract Costs	\$984	\$1,152					\$1,478	\$3,614		\$3,614
95300 Protective Services - Other										
95500 Employee Benefit Contributions - Protective Services										
95000 Total Protective Services	\$984	\$1,152	\$0	\$0	\$0	\$0	\$1,478	\$3,614		\$3,614
96110 Property Insurance	\$15,429	\$15,429		\$1,577			\$15,980	\$46,838		\$46,838
96120 Liability Insurance						\$6,689		\$8,266		\$8,266
96130 Workmen's Compensation										
96140 All Other Insurance										
96100 Total Insurance Premiums	\$15,429	\$15,429	\$0	\$1,577	\$0	\$6,689	\$15,980	\$55,104		\$55,104
96200 Other General Expenses										
96210 Compensated Absences	\$1,280	\$1,303	\$153	-\$215		\$951	\$749	\$4,221		\$4,221
96300 Payments in Lieu of Taxes										
96400 Bad debt - Tenant Rents										
96500 Bad debt - Mortgages										
96600 Bad debt - Other										
96800 Severance Expense										
96000 Total Other General Expenses	\$1,280	\$726	\$153	-\$215	\$0	\$951	\$6,490	\$9,385		\$9,385
96710 Interest of Mortgage (or Bonds) Payable							\$5,403	\$5,403		\$5,403
96720 Interest on Notes Payable (Short and Long Term)										
96730 Amortization of Bond Issue Costs										
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$5,403	\$5,403		\$5,403
96900 Total Operating Expenses	\$260,955	\$327,100	\$22,463	\$6,379	\$0	\$67,571	\$266,694	\$951,092		\$951,092
97000 Excess of Operating Revenue over Operating Expenses	\$13,577	-\$1,709	-\$6,535	-\$3,949	\$0	\$559,858	\$146,831	\$708,073		\$708,073
97100 Extraordinary Maintenance										
97200 Casualty Losses - Non-capitalized										
97300 Housing Assistance Payments						\$525,831		\$525,831		\$525,831
97350 HAP Portability-in										
97400 Depreciation Expense	\$36,457	\$33,383					\$110,585	\$180,425		\$180,425
97500 Fraud Losses										
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense										
90000 Total Expenses	\$297,352	\$360,483	\$22,463	\$6,379	\$0	\$593,402	\$377,269	\$1,657,348		\$1,657,348

Housing Authority of the City of Lamar (CO006)
Lamar, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
10010 Operating Transfer In	\$135,314							\$135,314		\$135,314
10020 Operating Transfer Out	-\$135,314							-\$135,314		-\$135,314
10030 Operating Transfers from/to Primary Government										
10040 Operating Transfers from/to Component Unit										
10050 Proceeds from Notes, Loans and Bonds										
10060 Proceeds from Property Sales										
10070 Extraordinary Items, Net Gain/Loss										
10080 Special Items (Net Gain/Loss)										
10091 Inter Project Excess Cash Transfer In										
10092 Inter Project Excess Cash Transfer Out										
10093 Transfers between Program and Project - In				\$66,738				\$66,738		\$66,738
10094 Transfers between Project and Program - Out								-\$66,738		-\$66,738
10100 Total Other financing Sources (Uses)	\$0	\$0	-\$66,738	\$66,738	\$0	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$22,860	-\$35,092	\$73,273	\$62,789	\$0	\$34,027	\$36,246	\$1,817		\$1,817
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$66,731	\$66,731		\$66,731
11030 Beginning Equity	\$686,555	\$756,892	\$230,028	-\$62,789	\$0	\$93,802	\$1,402,135	\$3,196,623		\$3,196,623
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors										
11050 Changes in Contingent Liability Balance		\$0					\$0	\$0		\$0
11060 Changes in Contingent Liability Balance										
11070 Changes in Unrecognized Pension Transition Liability										
11080 Changes in Special Term/Severance Benefits Liability										
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents										
11100 Changes in Allowance for Doubtful Accounts - Other										
11170 Administrative Fee Equity						\$104,236		\$104,236		\$104,236
11180 Housing Assistance Payments Equity										
11190 Unit Months Available	360	600	0					\$23,693		\$23,693
11210 Number of Unit Months Leased	357	580	0			1284	720	2964		2964
11270 Excess Cash	\$229,417					1148	636	2721		2721
11610 Land Purchases	\$0							\$229,417		\$229,417
11620 Building Purchases	\$0							\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$27,105							\$27,105		\$27,105
11640 Furniture & Equipment - Administrative Purchases	\$0							\$0		\$0
11650 Leasehold Improvements Purchases	\$0							\$0		\$0
11660 Infrastructure Purchases	\$0							\$0		\$0
13510 CFFP Debt Service Payments	\$0							\$0		\$0
13901 Replacement Housing Factor Funds	\$0							\$0		\$0

SINGLE AUDIT SECTION

Green & Associates LLC

Certified Public Accountants & Business Consultants

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

To the Board of Commissioners
Lamar Housing Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Lamar Housing Authority, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Lamar Housing Authority's basic financial statements, and have issued our report thereon dated March 6, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lamar Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lamar Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Lamar Housing Authority's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Gnum + Associates LLC". The signature is written in black ink and is positioned above the typed address and date.

Fort Collins, Colorado
March 6, 2024

Green & Associates LLC

Certified Public Accountants & Business Consultants

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

To the Board of Commissioners
Lamar Housing Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lamar Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lamar Housing Authority's major federal programs for the year ended December 31, 2023. Lamar Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lamar Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lamar 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 generally accepted auditing standards, *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 Lamar Housing Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Lamar 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 Lamar 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 Lamar 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.

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

Report on Internal Control over Compliance

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

requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Gumm + Associates LLC". The signature is written in black ink and is positioned above the typed address and date.

Fort Collins, Colorado
March 6, 2024

**Lamar Housing Authority
Schedule of Expenditures of Federal Awards
December 31, 2023**

Federal Grantor	CFDA Number	EXPENDITURES
U.S. Department of Housing and Urban Development:		
Housing Choice Vouchers (Cluster Total)	14.871	\$ 625,084
Capital Fund Program	14.872	135,314
Section 8 New Construction (Cluster Total)	14.195	126,756
Total US Department of Housing and Urban Development		887,154
U.S. Department of Agriculture		
Rural Development-Rental Assistance	10.427	236,422
Rural Development Loan	10.415	570,794
Total U.S. Department of Agriculture		807,216
Total Federal Financial Assistance		\$ 1,694,370

Notes to the Schedule of Expenditures of Federal Awards

The schedule of expenditures of federal awards is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore some amounts presented in this schedule may differ from amounts presented in the financial statement.

Loan Guarantees

The Authority had three loans that were guaranteed by the U.S. Department of Agriculture. The ending balances of each of the loans at December 31, 2023 were \$87,911, \$374,766, and \$41,344.

The Organization uses the de minimis rate of 10% to recover allowable indirect costs.

Lamar Housing Authority
Schedule of Findings and Questioned Costs
December 31, 2023

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material Weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? Yes None reported

Noncompliance material to financial

- statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material Weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? 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 section 2 CFR 200.516(a)?

Yes No

Identification of major programs:

Rural Rental Housing Loans CFDA # 10.415
Rural Rental Housing Assistance CFDA # 10.427

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

Audited qualified as low-risk audited? Yes No

Lamar Housing Authority
Schedule of Findings and Questioned Costs (Continued)
December 31, 2023

Current Year Findings:

None

Prior Year Findings:

2022-001 (Implemented)

Federal Program: United States Department of Agriculture CFDA # 10.415 Rural Rental Housing Loans

Criteria: The PHA is required to accurately report tenant income to the USDA utilizing the Management Interactive Network Connection (MINC) system. MINC is an interactive system that collects project budget and tenant residency status information. This system is used to evaluate tenant eligibility requirements under 7 CFR 3560.152 and determines the amount of rental assistance to be remitted to the housing authority.

Conditions / Context: The control deficiency exists due to one instance out of a sample size of eight, in which the Authority's personnel did not accurately report the income of the tenant into the USDA MINC system which is utilized to determine the amount of rental assistance.

Cause: The cause of the deficiency is related to the manual entry of the tenant's income into the MINC system that was previously verified upon the tenant's re-certification.

Effect: The error in reporting the income of the tenant into the MINC system has resulted in incorrect amounts being paid to the housing authority for rental assistance. The housing authority over reported income resulting in an amount remitted being less than the amount allowed.

Recommendation: We recommend the Authority review their policies and procedures to ensure that the information entered into MINC for tenants is submitted timely and accurately.

Management's Response:

Lamar Housing Authority will begin making a copy of what is put in MINC and will check income from the worksheet we get at the beginning of each month before we submit it we will make changes to what was submitted into MINC, this will be a double check of income to make sure it was entered into MINC correctly.