

**HOUSING AUTHORITY OF THE TOWN OF  
WRAY, COLORADO**

**BASIC FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTAL INFORMATION  
AND  
SUPPLEMENTAL INFORMATION**

**Year Ended March 31, 2023**

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**REQUIRED SUPPLEMENTAL INFORMATION-  
MANAGEMENT'S DISCUSSION AND ANALYSIS**



# LOCAL HOUSING AUTHORITY

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WRAY, COLORADO 80758



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## MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended March 31, 2023

This section of the Housing Authority of the City of Wray, Colorado's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on March 31, 2023. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the basic financial statements as a whole.

### FINANCIAL HIGHLIGHTS

The term "Net Position" refers to the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. The Authority's total net position as of March 31, 2023 was \$1,459,592. The net position increased by \$64,185, an increase of 5% over the prior year. Of this amount, \$314,078 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities.

Operating income for the Authority was \$358,221 for the year ended March 31, 2023. This was a decrease of (\$16,243) or 5% from the prior year.

Operating expenses for the Authority were \$557,707 for the year ended March 31, 2023. This was an increase of \$23,342 or 5% over the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management's Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of supplemental information. In addition, the Schedule of Employer's Proportionate Share of Net Pension Liability, Schedule of Employer's Contributions, Notes to Required Supplementary Information is included as RSI. Since the Authority is comprised of all enterprise funds, no entity-wide basic financial statements are shown.

### Required Financial Statements

*Proprietary Fund Financial Statements* - The basic financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources and provides information about the nature and amounts of

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended March 31, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)**

investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The Authority combines all of its programs into a single enterprise fund. The Authority has no nonmajor funds.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

**Supplemental Information**

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *supplemental information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authorities to submit financial information electronically to HUD using the FDS format. The submitted financial information transmitted to the Real Estate Assessment Center (REAC) for the year ended March 31, 2023 is required to be included in the audit reporting package.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended March 31, 2023**

**FINANCIAL ANALYSIS**

**CONDENSED STATEMENT OF NET POSITION**

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 444,155	\$ 415,057	\$ 29,098	7%
Capital assets	1,145,514	1,127,271	18,243	1.6%
Total Assets	<u>1,589,669</u>	<u>1,542,328</u>	<u>47,341</u>	<u>3%</u>
Deferred Outflows of Resources	<u>63,077</u>	<u>9,692</u>	<u>53,385</u>	<u>551%</u>
Current liabilities	42,531	37,030	5,501	15%
Noncurrent liabilities	143,815	9,045	134,770	1490%
Total Liabilities	<u>186,346</u>	<u>46,075</u>	<u>140,271</u>	<u>304%</u>
Deferred Inflows of Resources	<u>6,808</u>	<u>110,538</u>	<u>(103,730)</u>	<u>-94%</u>
Net Position				
Net investment in capital assets	1,145,514	1,127,271	18,243	1.6%
Unrestricted	314,078	268,136	45,942	17%
Total Net Position	<u>\$ 1,459,592</u>	<u>\$ 1,395,407</u>	<u>\$ 64,185</u>	<u>5%</u>

Net Position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,459,592 at the close of the year ended March 31, 2023. This represents an increase of \$64,185 which is an increase of 5% over the prior year. The increase was attributed to Capital Fund Grants, receipt of Federal funding lawsuit settlement and the result of operations for the year ended March 31, 2023.

Current and other assets increased by \$29,098 which was attributed to operations before depreciation, the receipt of Federal funding lawsuit of \$64,423 and offset by non-capital grant funds used for capital improvements which resulted in a net increase in cash and investments of \$35,132. In addition, the amount receivable from HUD decreased by (\$2,671) which is the result of when funds are requisitioned and by a decrease of (\$11,569) in Net pension asset which represents the Authority's proportionate share of PERA pension liability.

Current liabilities increased by \$5,501. There was no unusual reason for the change only the typical variability from year to year based on the timing of payments.

Noncurrent liabilities increased by \$134,770. Of the total, \$134,953 was the increase in the Net Pension Liability from the prior year which represents the Authority's proportionate share of PERA unfunded pension liability. In addition, (\$183) was the change in the Postemployment Benefits Other than Pensions (OPEB) Liability from the prior year which represents the Authority's proportionate share of PERA unfunded OPEB liability.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended March 31, 2023**

**FINANCIAL ANALYSIS (CONT'D)**

The largest portion of the Authority's net position reflects its net investment in capital assets (e.g. land, buildings and equipment less accumulated depreciation). The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

Unrestricted net position as of March 31, 2023 was \$314,078 which increased by \$45,942 over the prior year. Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities. The Authority has sufficient funds to meet requirements for cash outlays in the next fiscal year as well as the financial capacity to sustain operations. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

**CONDENSED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues</b>				
Program revenues				
Rental	\$ 254,055	\$ 237,196	\$ 16,859	7%
HUD program contributions	207,346	211,162	(3,816)	-2%
Net pension income	7,551	45,281	(37,730)	-83%
Net OPEB income	1,481	1,543	(62)	-4%
Other	1,911	1,344	567	42%
General revenue:				
Interest	2,842	1,855	987	53%
<b>Total Revenues</b>	<u>475,186</u>	<u>498,381</u>	<u>(23,195)</u>	<u>-5%</u>
<b>Expenses</b>				
Depreciation	116,566	112,766	3,800	3.4%
Operating	441,141	421,599	19,542	4.6%
Nonoperating	6,957	-	6,957	100%
<b>Total Expenses</b>	<u>564,664</u>	<u>534,365</u>	<u>30,299</u>	<u>6%</u>
Excess (deficiency) before contributions and special items	(89,478)	(35,984)	(53,494)	149%
Capital Contributions	89,240	74,556	14,684	
<b>Special Items:</b>				
Federal funding lawsuit settlement	64,423	-	64,423	
<b>Changes in Net Position</b>	<u>64,185</u>	<u>38,572</u>	<u>25,613</u>	
Beginning Net Position	1,395,407	1,356,835	38,572	
<b>Ending Net Position</b>	<u>\$ 1,459,592</u>	<u>\$ 1,395,407</u>	<u>\$ 64,185</u>	

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended March 31, 2023**

**FINANCIAL ANALYSIS (CONT'D)**

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

As can be seen on the previous page, total revenues decreased by (\$23,195), primarily due to the decrease in Net pension income of (\$37,730) which represents the net change in the net pension liability and net pension asset with PERA. This was offset by an increase of \$16,859 or 7% in rental income which was attributed to the normal fluctuation from year-to-year based on occupancy and rent composition.

HUD operating subsidy for the Authority was \$82,238 for the year ended March 31, 2023. This was a decrease of (\$15,877) from the prior year. The operating subsidy funding is determined by HUD on an annual basis and is primarily based on income and utility expenses. The Authority also expended \$31,885 of HUD capital grants for operations for the fiscal year ended March 31, 2023 compared to \$23,947 in the previous year. This amount will vary on the approved budget by HUD. The Authority has flexibility in the use of these funds.

Operating expenses for the Authority were \$441,141 for the year ended March 31, 2023. This was an increase of \$19,542 or 5% over the prior year. The various expense category fluctuations were not attributed to any specific event or unusual circumstance other than the typical variability from year to year.

HUD capital contributions were \$89,240 for the year ended March 31, 2023. This was an increase of \$14,684 over the prior year. The Authority is allocated capital grant money each year as determined by HUD and remains relatively consistent from year to year based on the Authority's number of units. The amount presented will vary from year to year depending on the timing of projects as outlined in the HUD approved capital grant budget.

Nonoperating expenses increased by \$6,957 which was the removal of capital assets disposed of during the year ended March 31, 2023.

**OCCUPANCY**

The occupancy rate for PH was 98%.

The occupancy rate for LT was 99%.

**CAPITAL ASSETS**

The Authority's net investment in capital assets as of March 31, 2023 amounts to \$1,145,514. This investment in capital assets includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended March 31, 2023**

**CAPITAL ASSETS (CONT'D)**

The total increase in the Authority's net investment in capital assets for the current fiscal year was 1.6% in terms of net book value. The actual amount to purchase or construct capital assets was \$141,767 for the year and consisted of replacing sidewalks, all steps at family units and new patios for family units. Depreciation charges for the year totaled \$116,566. Additional information on the Authority's capital assets can be found in Note H of the notes to the financial statements of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2024 budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The operating expenses are expected to increase by the economy's inflation rate.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Wray Housing Authority, P.O. Box 373, Wray, Colorado 80758.

**INDEPENDENT AUDITOR'S REPORT**



Randal D. Niewedde, CPA  
Jeffrey J. Wiens, CPA

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinion*

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

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

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Housing Authority of the City of Wray, Colorado's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Wray, Colorado'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, amount 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 employer's proportionate share of net pension liability, schedule of employer's proportionate share of the collective net OPEB liability, schedule of employer's contributions-pension plan, schedule of employer contributions-OPEB plan and the notes to required supplementary information for the pension plan and OPEB plan be presented to supplement the basic financial statements. Such information, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of the City of Wray, Colorado's basic financial statements. The Program Financial Schedules and Financial Data Schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements. The Program Financial Schedules and Financial Data Schedule are 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 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Program Financial Schedules and Financial Data Schedule are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023 on our consideration of the Housing Authority of the City of Wray, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Wray, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Wray, Colorado's internal control over financial reporting and compliance.

*Niewedde & Wiens, CPA's*

York, Nebraska  
October 23, 2023

## **BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**March 31, 2023**

<b>ASSETS</b>	<u>Housing</u>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 142,227
Investments	253,663
Accounts receivable, net	5,656
Due from other governments	3,894
Accrued interest receivable	1,656
Prepaid insurance	17,619
<i>Restricted:</i>	
Cash and cash equivalents	19,440
<b>TOTAL CURRENT ASSETS</b>	<u>444,155</u>
<b>NONCURRENT ASSETS:</b>	
Capital Assets, non-depreciable	135,129
Capital Assets, depreciable, net	1,010,385
<b>TOTAL NONCURRENT ASSETS</b>	<u>1,145,514</u>
<b>TOTAL ASSETS</b>	<u>1,589,669</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
OPEB related deferred outflows of resources	1,574
Pension related deferred outflows of resources	61,503
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>63,077</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	9,827
Accrued payroll and benefits payable	3,166
Tenant security deposits payable	19,440
Compensated absences payable	6,485
Unearned revenue	3,613
<b>TOTAL CURRENT LIABILITIES</b>	<u>42,531</u>
<b>NONCURRENT LIABILITIES:</b>	
Net OPEB liability	8,862
Net pension liability	134,953
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>143,815</u>
<b>TOTAL LIABILITIES</b>	<u>186,346</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
OPEB related deferred inflows of resources	3,642
Pension related deferred inflows of resources	3,166
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>6,808</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,145,514
Unrestricted	314,078
<b>TOTAL NET POSITION</b>	<u>\$ 1,459,592</u>

See accompanying notes.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET POSITION - PROPRIETARY FUND**  
**Year Ended March 31, 2023**

		<b>Housing</b>
<b>OPERATING REVENUES</b>		
Rental income	\$	254,055
HUD Section 8 program income		93,223
Net pension income		7,551
Net OPEB income		1,481
Other income		1,911
		358,221
<b>TOTAL OPERATING REVENUES</b>		
 <b>OPERATING EXPENSES</b>		
Administrative		114,919
Tenant services		3,832
Utilities		58,594
Ordinary maintenance and operations		220,208
General expense		43,588
Depreciation		116,566
		557,707
<b>TOTAL OPERATING EXPENSES</b>		
		<b>OPERATING INCOME (LOSS)</b>
		<b>(199,486)</b>
 <b>NONOPERATING REVENUES (EXPENSES)</b>		
HUD operating subsidy		82,238
HUD capital grants - operations		31,885
Interest income		2,842
Loss on capital asset dispositions		(6,957)
		110,008
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>		
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND SPECIAL ITEMS</b>		
		<b>(89,478)</b>
 <b>CAPITAL CONTRIBUTIONS</b>		
HUD capital fund grants		89,240
 <b>SPECIAL ITEMS</b>		
Federal funding lawsuit settlement		64,423
		64,185
<b>INCREASE (DECREASE) IN NET POSITION</b>		
 <b>NET POSITION</b>		
Net position, beginning balance		1,395,407
		1,395,407
<b>TOTAL NET POSITION - ENDING BALANCE</b>		
	<b>\$</b>	<b>1,459,592</b>

See accompanying notes.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
Year Ended March 31, 2023

	<u>Housing</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Rental receipts	\$ 252,911
HUD Section 8 program receipts	93,223
Other receipts	1,911
Tenant security deposits	1,032
Cash payments for goods and services	(276,510)
Cash payments to employees for services	(168,090)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(95,523)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
HUD operating subsidy	84,909
HUD capital grants - operations	31,885
Federal funding lawsuit settlement proceeds	64,423
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>181,217</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases and construction of capital assets	(141,767)
HUD capital fund grants	89,240
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(52,527)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Net (deposits) withdrawals to investments	(1,859)
Interest received	1,965
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>106</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>33,273</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>128,394</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 161,667</b>

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)  
Year Ended March 31, 2023

RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	<u>Housing</u>
Operating income (loss)	\$ (199,486)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	116,566
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(2,616)
(Increase) decrease in prepaid insurance	(4,712)
(Increase) decrease in net pension asset	11,569
(Increase) decrease in deferred outflows of resources, pension	(52,485)
(Increase) decrease in deferred outflows of resources, OPEB	(900)
Increase (decrease) in accounts payable	(1,251)
Increase (decrease) in tenant security deposits	1,032
Increase (decrease) in accrued payroll and benefits	(996)
Increase (decrease) in accrued compensated absences	5,244
Increase (decrease) in unearned revenue	1,472
Increase (decrease) in net pension liability	134,953
Increase (decrease) in collective net OPEB liability	(183)
Increase (decrease) in deferred inflows of resources, pension	(103,332)
Increase (decrease) in deferred inflows of resources, OPEB	(398)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(95,523)</u>

See accompanying notes.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Authority was created under the laws of the State of Colorado. The purpose of the Authority is to administer the Housing programs authorized by the United States Housing Act of 1937 and amendments contained in the Quality Housing and Work Responsibility Act of 1998. These programs are subsidized by the Federal Government through the U.S. Department of Housing and Urban Development (HUD).

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

Financial Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit. Based on these criteria, there are no additional agencies or entities which should be included in the Basic Financial Statements of the Authority.

Basis of accounting, measurement focus, and financial statement presentation

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures or expenses, as appropriate.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Authority distinguishes between operating and nonoperating revenues and expenses in its Statement of Revenues, Expenses and Changes in Fund Net Position. For this purpose, the Authority's operating revenues result from providing low-income housing services such as tenant rent, rental assistance and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

revenues and expenses. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

The model as defined in Statement No. 34 establishes criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for determination of major Funds. If non-major funds exist, these funds are combined in a single column in the fund financial statements.

The Authority has a sole enterprise fund which includes the activities of the following programs:

***Public Housing Program*** - This program accounts for the operation, maintenance, and development of housing 41-units which are owned by the Authority. The development of the projects was funded primarily by the U.S. Department of Housing and Urban Development through loans and bonds. The loans have been forgiven by HUD and the bond debt service and repayment requirements are the responsibility of HUD and therefore no outstanding liabilities are recorded. The program is subsidized annually by operating subsidy from HUD and through Capital Grants for capital improvements.

***Lincoln Terrace Program*** - This program accounts for the operation, maintenance, and development of a 20-unit project. The project is funded by tenant rents and HUD Section 8 Contributions. The program funds rental assistance payments to eligible low-income housing participants.

**Budgetary Process**

The Authority establishes a budget for the fiscal year and is adopted by the Board of Commissioners.

**Cash and Investments**

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities that are owned by a specific amount and that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents".

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificate of deposit, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Accounts Receivable

All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible. Allowances are reported when accounts are proven to be uncollectible.

Prepaid Items

Prepaid balances are for payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

Capital Assets and Depreciation

Property and equipment are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets are recorded at acquisition value at the date received. The Authority generally capitalized assets with cost of \$1,000 or more as purchases and construction outlays occur.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-40 years
Building improvements	10-40 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Authority's policy is to apply restricted net position first.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, deferred outflows, liabilities, deferred inflows, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

Grant Revenue

The Authority, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any), when all applicable eligibility requirements, including time requirements are met in accordance with GASB Statement No. 33. Resources transmitted to the Authority before the eligibility requirements are met are reported as unearned revenue.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that is applicable to future reporting periods. Deferred outflows of resources in the Statement of Net Position consist of the unamortized portions of the net difference between projected and actual earnings on pension plan and OPEB investments, the net difference between actual expected and actual experience with regard to economic and demographic factors in the measurement of the total pension and OPEB liabilities, changes of assumptions about future economic or demographic factors or other inputs and the net effect of the change in the employer's proportion share of the collective net pension and OPEB liabilities and collective deferred outflows of resources and deferred inflows of resources related to pensions and OPEB. Deferred outflows also contain employer pension and OPEB contributions made after the measurement date.

Pensions

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

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that is applicable to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portions of the net difference between projected and actual earnings on pension and OPEB plan investments, the net difference between actual expected and actual experience with regard to economic and demographic factors in the measurement of the total pension and OPEB liabilities, changes of assumptions about future economic or demographic factors or other inputs and the net effect of the change in the employer's proportion share of the collective net pension and OPEB liabilities and collective deferred outflows of resources and deferred inflows of resources related to pensions and OPEB.

Compensated Absences

The Authority's policy allows employees to accumulate unused vacation leave for 90 days past their date of hire. Any vacation time not taken is lost by year end and no monetary compensation will be given. Sick leave may be accumulated but not paid upon termination.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Postemployment Benefits Other Than Pensions (OPEB)

OPEB benefits are part of an exchange of salaries and/or benefits in a future period as the result of employee services rendered during employment. In accordance with the accrual basis of accounting, generally benefits should be associated with the periods in which the exchange occurs, rather than with the periods when benefits are paid or provided. The Housing Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA").

Leases

The leases entered into are considered short-term operating leases. The Authority has not entered into any material leases to be accrued as defined by GASB 87.

Income Taxes

The Authority is a governmental subdivision of the State of Colorado and is exempt from Federal and State income taxes.

Taxpayer's Bill of Rights

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

**NOTE B - DEPOSITS AND INVESTMENTS**

At March 31, 2023, the Authority's carrying amount of deposits was \$415,230 and the bank balances were \$430,430. The Authority had cash on hand of \$100 as of March 31, 2023. As required by the Colorado Public Deposit Protection Act (PDPA), any amount in excess of the FDIC insurance threshold shall be collateralized as required by the Public Deposit Protection Acts, article 10.5 of title 11, C.R.S., as amended or article 47 of title 11, C.R.S, as amended. Of the balance, \$419,484 was covered by FDIC insurance and \$10,946 was covered by the Public Deposit Protection Act.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE C – ACCOUNTS RECEIVABLE**

A summary of accounts receivable as presented in the Statement of Net Position at March 31, 2023 are as follows:

Tenants	\$	6,250
Allowance for doubtful accounts		<u>(594)</u>
	\$	<u>5,656</u>

**NOTE D – DUE FROM OTHER GOVERNMENTS**

A summary of due from other governments as presented in the Statement of Net Position at March 31, 2023 is as follows:

HUD – operating subsidy	\$	<u>3,894</u>
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**NOTE E – RESTRICTED ASSETS**

Cash and cash equivalents of \$19,440 as presented in the Statement of Net Position at March 31, 2023 is restricted for Tenant Security Deposits.

**NOTE F – ACCOUNTS PAYABLE**

A summary of accounts payable as presented in the Statement of Net Position at March 31, 2023 is as follows:

Vendors and contractors	\$	<u>9,827</u>
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**NOTE G – UNEARNED REVENUE**

A summary of unearned revenue as presented in the Statement of Net Position at March 31, 2023 is as follows:

Tenant prepaid rents	\$	<u>3,613</u>
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**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE H – CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2023 was as follows:

	Balance 4/1/2022	Increases	Decreases	Balance 3/31/2023
<b>Non-depreciable assets:</b>				
Land	\$ 135,129	\$ -	\$ -	\$ 135,129
Construction in progress	-	89,240	(89,240)	-
<b>Total non-depreciable assets</b>	<u>135,129</u>	<u>89,240</u>	<u>(89,240)</u>	<u>135,129</u>
<b>Depreciable assets</b>				
Buildings	3,617,015	139,030	(9,415)	3,746,630
Equipment - Dwelling	74,580	2,736	-	77,316
Equipment - Administration	71,953	-	-	71,953
<b>Total depreciable assets</b>	<u>3,763,548</u>	<u>141,766</u>	<u>(9,415)</u>	<u>3,895,899</u>
<b>Total Capital Assets</b>	<u>3,898,677</u>	<u>231,006</u>	<u>(98,655)</u>	<u>4,031,028</u>
<b>Accumulated depreciation</b>				
Buildings	2,674,317	102,966	(2,458)	2,774,825
Equipment - Dwelling	55,827	2,879	-	58,706
Equipment - Administration	41,263	10,721	-	51,984
<b>Total accumulated depreciation</b>	<u>2,771,407</u>	<u>116,566</u>	<u>(2,458)</u>	<u>2,885,515</u>
<b>Depreciable assets, net</b>	<u>992,141</u>	<u>25,200</u>	<u>(6,957)</u>	<u>1,010,385</u>
<b>Capital assets, net</b>	<u>\$ 1,127,270</u>	<u>\$ 114,440</u>	<u>\$ (96,197)</u>	<u>\$ 1,145,514</u>

**NOTE I—NET POSITION**

The fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets and unrestricted.

- **Net Investment in Capital Assets** – This component groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- **Unrestricted** – This category represents net position of the Authority, not restricted for any project or other purposes.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE J – SPECIAL ITEMS**

The Authority was a plaintiff in a class action lawsuit in order to seek damages for the reduction of operating subsidy in 2012 in the Public Housing Program. As a result of this action the Authority received a judgment in the amount of \$64,423 during the year ended March 31, 2023. The amount was paid from the Judgment Fund which is an appropriation administered by the Department of Treasury.

**NOTE K – CONTINGENCIES**

The Authority recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any to be immaterial.

**NOTE L - RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance.

During the year ended March 31, 2023, the Authority did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

**NOTE M – DEFINED BENEFIT PENSION PLAN**

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

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

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)**

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 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 March 31, 2023: Eligible employees of, Wray 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 March 31, 2023 are summarized in the table on the next page:

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)**

	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 (all employees other than State Troopers)	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%
<b>Total employer contribution rate to the LGDTF</b>	<b>13.21%</b>	<b>13.71%</b>	<b>13.74%</b>	<b>13.74%</b>

\*\*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 Wray Housing Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Wray Housing Authority were \$16,523 for the year ended March 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 Wray Housing Authority's proportion of the net pension liability was based on the Wray Housing Authority contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)**

At March 31, 2023, the Wray Housing Authority reported a liability of \$134,953 for its proportionate share of the net pension liability.

At December 31, 2022, the Wray Housing Authority proportion was .0134608000%, which was a decrease of .0000325% from its proportion measured as of December 31, 2021.

For the year ended March 31, 2023, the Wray Housing Authority recognized pension income of \$7,551. At March 31, 2023, the Wray Housing Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Changes in assumptions	\$	--	\$	-
Difference between expected and actual experience	\$	--	\$	673
Difference between projected and actual earnings on pension plan investments	\$	55,094	\$	--
Changes in proportion differences between employer contributions and proportionate share of contributions	\$	666	\$	2,493
Contributions paid to IPERS from January 1, 2023 through the FYE March 31, 2023	\$	5,743	\$	--
<b>Total</b>	<b>\$</b>	<b>61,503</b>	<b>\$</b>	<b>3,166</b>

At March 31, 2023, the Agency reported deferred outflows of resources of \$5,743 which represents contributions from January 1, 2023 to March 31, 2023. These contributions will be recognized as a reduction of the net pension liability in the year ended March 31, 2024.

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

Year Ended March 31,	Total
2024	(\$7,839)
2025	\$8,207
2026	\$19,948
2027	\$32,278
2028	-
Thereafter	-
Total	\$52,594

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)**

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 investment expenses, including price inflation Discount rate	7.25%
	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	1.00%

<sup>1</sup> 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 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.

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.

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. The actuarial assumptions used in the December 31, 2021, valuation were based on the

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)**

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.

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%
<b>Total</b>	<b>100.00%</b>	

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.

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**NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)**

- 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.
- 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 Wray Housing Authority's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, 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	\$226,552	\$134,953	\$58,269

*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](http://www.copera.org/investments/pera-financial-reports).

Payables to the Pension Plan

At March 31, 2023, the Authority had zero payable to the defined benefit pension plan for legally required employer and employee contributions which had been withheld from employee wages but not yet remitted to PERA.

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**NOTE N – DEFINED CONTRIBUTION PENSION PLAN**

Voluntary Investment Program (PERAPlus 401(k) Plan)

*Plan Description* - Employees of the Wray Housing Authority that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://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 Wray Housing Authority has agreed to match employee contributions up to 3% of covered salary as determined by the Internal Revenue Service.

Employees are immediately vested in their own contributions, employer contributions and investments earnings. For the year ended March 31, 2023, program members contributed \$3,651 and the Wray Housing Authority contributed \$3,653.

**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the Wray Housing Authority are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, 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. Colorado State law provisions may be amended 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](http://www.copera.org/investments/pera-financial-reports).

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**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)**

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

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

Enrollment in the PERACare 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.

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**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)**

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% 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 Wray Housing Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Wray Housing Authority were \$1,241 for the year ended March 31, 2023.

At March 31, 2023, the Wray Housing Authority reported a liability of \$8,862 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 Wray Housing Authority proportion of the net OPEB liability was based on Wray Housing Authority 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 Wray Housing Authority proportion was .0010853860%, which was an increase of .00003646% over its proportion measured as of December 31, 2021.

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**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)**

For the year ended March 31, 2023, the Wray Housing Authority recognized OPEB income of \$1,481. At March 31, 2023, the Wray Housing 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>
Changes in assumptions	\$	142	\$	978
Difference between expected and actual experience	\$	2	\$	2,144
Difference between projected and actual earnings on OPEB plan investments	\$	545	\$	--
Changes in proportion differences between employer contributions and proportionate share of contributions	\$	459	\$	520
Contributions paid to PERA from January 1, 2023 through the FYE March 31, 2023	\$	426	\$	--
<b>Total</b>	<b>\$</b>	<u>1,574</u>	<b>\$</b>	<u>3,642</u>

\$426 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 March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended March 31,	Total
2024	(\$1,054)
2025	(\$850)
2026	(\$263)
2027	(\$50)
2028	(\$226)
Thereafter	(51)
Total	(\$2,494)

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**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)**

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
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

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The 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.

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**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)**

**Age-Related Morbidity Assumptions**

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

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

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

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**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)**

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

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

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

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**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)**

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.

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.

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

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

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**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)**

long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate <sup>1</sup>	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	\$10,274	\$8,862	\$7,655

<sup>1</sup>For 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.

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**NOTE O – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)**

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the Wray Housing Authority proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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 liability	\$10,274	\$8,862	\$7,655

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

Payables to the Pension Plan

At March 31, 2023, the Authority reported zero payable to the defined benefit pension plan for legally required employer and employee contributions which have been withheld from employee wages but not yet remitted to PERA.

**REQUIRED SUPPLEMENTAL INFORMATION-  
PENSION SCHEDULES AND NOTES**

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
For the Last Ten Fiscal Years\***

PERA Pension Plan Year Ended	Authority's Proportion of the Net Pension Liability	Authority's Proportionate Share of the Net Pension Liability (Asset)	Authority's Covered- Payroll	Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2013	0.0198908345%	\$ 200,684	\$ 106,119	189%	78%
12/31/2014	0.0203657444%	\$ 182,540	\$ 111,594	164%	81%
12/31/2015	0.0189890712%	\$ 209,180	\$ 107,843	194%	77%
12/31/2016	0.0157706091%	\$ 212,957	\$ 95,589	223%	74%
12/31/2017	0.0151212919%	\$ 168,365	\$ 94,443	178%	79%
12/31/2018	0.0142951115%	\$ 179,720	\$ 94,761	190%	76%
12/31/2019	0.0134136442%	\$ 98,106	\$ 91,429	107%	86%
12/31/2020	0.0135833938%	\$ 70,787	\$ 96,519	73%	91%
12/31/2021	0.0134932986%	\$ (11,569)	\$ 101,106	-11%	101%
12/31/2022	0.0134608000%	\$ 134,953	\$ 106,664	127%	83%

\* - The amounts presented for each fiscal year were determined as of the Pension fiscal year that occurred within the fiscal year. Additional years will be displayed as they become available.

See accompanying notes to required supplemental information.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2023**

**NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION**

*2022 Changes in Plan Provisions Since 2021*

- House Bill (HB) 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars) with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to a negative investment return in 2022.
- The total pension liability for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.
- Actual employe contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

*2021 Changes in Plan Provisions Since 2020*

The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021 and effective July 1, 2022:

- Member contribution rates increase by .50%.
- Employer contribution rates increase by .50%.
- Annual Increase (AI) cap is lowered from 1.25% per year to 1.00%.

*2020 Changes in Plan Provisions Since 2019*

- House Bill (HB) 20-1379, enacted on June 29, 2020, suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 20-21 fiscal year.

*2019 Changes in Plan Provisions Since 2018*

- Senate Bill (SB) 18-200 was enacted on June 4, 2018, which included the adoption of the automatic adjustment provision (AAP). The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:

Member contribution rates increase by .5 percent  
Employer contribution rates increase by .5 percent  
Annual Increase (AI) cap is lowered from 1.5 percent per year to 1.25 percent per year.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2023**

**NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION (CONT'D)**

- House Bill (HB) 19-1217, enacted May 20, 2019, repealed the member contribution increase scheduled for the Local Government Division pursuant to SB 18-200.

*2018 Changes in Plan Provisions Since 2017*

The following changes were made to the plan provisions as part of Senate Bill (SB) 18-200:

- Member contribution rates increase by .75 percent effective July 1, 2019, an additional .75 percent effective July 1, 2020, and an additional .50 percent effective July 1, 2021.
- An annual direct distribution of \$225 million (actual dollars) from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
- Annual Increase (AI) cap is lowered from 2.00 percent per year to 1.50 percent per year.
- Initial AI waiting period is extended from one year after retirement to three years after retirement.
- AI payments are suspended for 2018 and 2019.
- The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.

*2017 Changes in Plan Provisions Since 2016*

Following the 2018 legislative session, Governor Hickenlooper signed into law SB 18-200, which includes the following reforms:

- Incrementally increases the member contribution percentage a total of 2.00 percent as follows:
  - .75 percent on July 1, 2019
  - .75 percent on July 1, 2020
  - .50 percent on July 1, 2021
- Increase employer contributions 0.25 percent on July 1, 2019, for all divisions except for the Local Government Division.
- PERA will receive an annual direct distribution from the State in the amount of \$225 million (in actual dollars). The distribution will occur on July 1, 2018 and on July 1 each year thereafter until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.
- Beginning January 1, 2021, and every year thereafter, employer contribution rates for the State and Local Government Divisions will be adjusted to include a defined contribution supplement. The defined contribution supplement for these two divisions will be the employer contribution amount paid to defined contribution plan participant accounts that would have

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2023**

**NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION (CONT'D)**

otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon, expressed as a percentage of salary on which employer contributions have been made.

*2016 Changes in Plan Provisions Since 2015*

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

*2015 Changes in Plan Provisions Since 2014*

- Division's ratios of unfunded actuarial accrued liability (UAAL) to payroll, as of December 31, 2039. Subsequently, the Colorado General Assembly passed HB 15-1391, reducing the employer contribution rate of the DPS Division from 13.75% to 10.15%, effective January 1, 2015.

*2014 Changes in Plan Provisions Since 2013*

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

**NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL VALUATION:**

*2022 Changes in Assumptions or Other Inputs Since 2021*

- There were not changes made to the actuarial methods or assumptions.

*2021 Changes in Assumptions or Other Inputs Since 2020*

- The assumption used to value the AI cap benefit provisions was changed from 1.25% to 1.00% price inflation assumption was lowered from 2.40 percent to 2.30 percent.

*2020 Changes in Assumptions or Other Inputs Since 2019*

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2023**

**NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL VALUATION (CONT'D):**

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

*2020 Changes in Assumptions or Other Inputs Since 2019 (cont'd)*

- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
  - **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disables Retiree Table using 99 percent of the rates from all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

*2019 Changes in Assumptions or Other Inputs Since 2018*

The assumption used to value the AI cap benefit provision was changed from 1.5 percent to 1.25 percent.

*2018 Changes in Assumptions or Other Inputs Since 2017*

There are no changes in economic and demographic actuarial assumptions incorporated into the actuarial valuation as of December 31, 2018, since the last actuarial valuation as of December 31, 2017.

*2017 Changes in Assumptions or Other Inputs Since 2016*

There are no changes in economic and demographic actuarial assumptions incorporated into the actuarial valuation as of December 31, 2017, since the last actuarial valuation as of December 31, 2016.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2023**

**NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL VALUATION (CONT'D):**

*2016 Changes in Assumptions or Other Inputs Since 2015*

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The post-retirement mortality assumption for healthy lives for the State and Local Government Divisions was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of 73 percent factor applied to ages below 80 and 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from .35 percent to .40 percent.
- The SEIR for the Local Government Division was lowered from 7.50 percent to 7.25 percent reflecting the change in the long-term rate of return.

*2015 Changes in Assumptions or Other Inputs Since 2014*

The following programming changes were made:

- Valuation of full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month AI timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35 percent of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2023**

**NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL VALUATION (CONT'D):**

*2014 Changes in Assumptions or Other Inputs Since 2013*

- In 2012, a lawsuit was initiated to determine the amount owed to PERA by Memorial and the City of Colorado Springs (City) for Memorial's departure from PERA. In September 2014, PERA and the City agreed to resolve the lawsuit. The agreement provided for the City to pay PERA \$190,000 for the liabilities associated with the retirement and health care benefits already earned by 7,666 Memorial employees for the work that they performed before Memorial ceased to be a PERA employer. On October 3, 2014, PERA received a disaffiliation payment from the City, which was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$186,006 and \$3,994, respectively.

*2013 Changes in Assumptions or Other Inputs Since 2012*

- The investment return assumption was lowered from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 3.50 percent to 2.80 percent.
- The wage inflation assumption was lowered from 4.25 percent to 3.90 percent.

**NOTE C – METHODS AND ASSUMPTIONS USED IN CALCULATION OF ACTUARIALLY DETERMINED CONTRIBUTION (ADC)**

The ADC rates, as a percentage of covered payroll, used to determine the ADC amounts in the Schedule of Employer and Nonemployer Contributions are calculated as of December 31, two years prior to the end of the year in which ADC amounts are reported. The following actuarial methods and assumptions from the December 31, 2020, actuarial valuation were used to determine contribution rates reported in that schedule for the year ending December 31, 2022:

Actuarial Cost Method	Entry age
Amortization method	Level percentage of payroll
Amortization period	30 years, closed
Asset valuation method	4-year smoothed market
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	2.80 to 12.40%
Long-term investment rate of return	7.25%
PERA benefit structure hired prior to 1/1/07	1.5 percent compounded annually
PERA benefit structure hired after 12/31/06	0 percent, as financed by the AIR

**REQUIRED SUPPLEMENTAL INFORMATION-  
OPEB SCHEDULES AND NOTES**

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY**  
**For the Last Ten Fiscal Years\***

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PERA OPEB Plan Year Ended	Authority's Proportion of the Collective Net OPEB Liability	Authority's Proportionate Share of the Collective Net OPEB Liability	Authority's Covered- Payroll	Authority's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered-Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2017	0.0011749769%	\$ 15,270	\$ 94,443	16%	17.53%
12/31/2018	0.0011086023%	\$ 15,083	\$ 94,761	16%	17.03%
12/31/2019	0.0010273225%	\$ 11,547	\$ 91,429	13%	24.49%
12/31/2020	0.0010370175%	\$ 9,854	\$ 96,519	10%	32.78%
12/31/2021	0.0010489309%	\$ 9,045	\$ 101,106	9%	39.40%
12/31/2022	0.0010853860%	\$ 8,862	\$ 106,664	8%	38.57%

\* - The amounts presented for each fiscal year were determined as of the OPEB Plan fiscal year that occurred within the fiscal year. Additional years will be displayed as they become available.

See accompanying notes to required supplemental information.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS - OPEB PLAN**  
**For the Last Ten Fiscal Years\***

Authority's Fiscal Year Ended	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Authority's Covered- Payroll	Contributions as a percentage of Covered- Payroll
3/31/2018	\$ 977	\$ 977	\$ -	\$ 95,774	1.02%
3/31/2019	\$ 933	\$ 933	\$ -	\$ 91,481	1.02%
3/31/2020	\$ 1,033	\$ 1,033	\$ -	\$ 101,281	1.02%
3/31/2021	\$ 1,009	\$ 1,009	\$ -	\$ 98,917	1.02%
3/31/2022	\$ 1,033	\$ 1,033	\$ -	\$ 101,311	1.02%
3/31/2023	\$ 1,241	\$ 1,241	\$ -	\$ 121,714	1.02%

\* - The amounts presented for each fiscal year were determined as of the Authority's fiscal year.  
 Additional years will be displayed as they become available.

See accompanying notes to required supplemental information.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2023**

**NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION**

*2022 Changes in Plan Provisions Since 2021*

- The total OPEB liability for the Health Care Trust Fund (HCTF), as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S 24-51-313, of the Tri-County Health Department (Tri County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date. .

*2021 Changes in Plan Provisions Since 2020*

- There were no changes made to the plan provisions.

*2020 Changes in Plan Provisions Since 2019*

- There were no changes made to the plan provisions.

*2019 Changes in Plan Provisions Since 2018*

- There were no changes made to the plan provisions.

*2018 Changes in Plan Provisions Since 2017*

- There were no changes made to the plan provisions.

*2017 Changes in Plan Provisions Since 2016*

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the Health Care Trust Fund (HCTF) on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063 and \$96, respectively.
- The new Defined Benefit OPEB Funding Policy was adopted by the Board of Trustees on January 19, 2018.

**NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION**

*2021 Changes in Assumptions or Other Inputs Since 2020*

- There were no changes made to the actuarial methods or assumptions.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2023**

**NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION (CONT'D)**

*2022 Changes in Assumptions or Other Inputs Since 2021*

- The timing of the retirement decrement was adjusted to middle-of-year.

*2020 Changes in Assumptions or Other Inputs Since 2019*

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience
  
- The pre-retirement mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
  
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
  - **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disables Retiree Table using 99 percent of the rates from all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

*2019 Changes in Assumptions or Other Inputs Since 2018*

- There were no changes made to the actuarial methods or assumptions.

*2018 Changes in Assumptions or Other Inputs Since 2017*

- There were no changes made to the actuarial methods or assumptions.

*2017 Changes in Assumptions or Other Inputs Since 2016*

- There were no changes made to the actuarial methods or assumptions.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2023**

**NOTE C – METHODS AND ASSUMPTIONS USED IN CALCULATION OF ACTUARIALLY DETERMINED CONTRIBUTION (ADC)**

The ADC rates, as a percentage of covered payroll, used to determine the ADC amounts in the Schedule of Employer and Nonemployer Contributions are calculated as of December 31, two years prior to the end of the year in which ADC amounts are reported. The following actuarial methods and assumptions from the December 31, 2020, actuarial valuation were used to determine contribution rates reported in that schedule for the year ending December 31, 2022:

Actuarial Cost Method	Entry age
Amortization method	Level percentage of payroll
Amortization period	30 years, closed
Asset valuation method	4-year smoothed market
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.00% in aggregate
Long-term investment rate of return	7.25%
Service-based premium subsidy	0.00%
Medicare Part A premiums	4.50% initial, 4.50% ultimate

**SUPPLEMENTAL INFORMATION –  
PROGRAM FINANCIAL SCHEDULES**

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**PROGRAM SCHEDULE OF NET POSITION**  
**March 31, 2023**

<b>ASSETS</b>	<b>Public Housing</b>	<b>Lincoln Terrace</b>	<b>Totals</b>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 72,094	\$ 70,133	\$ 142,227
Investments	253,663	-	253,663
Accounts receivable, net	4,866	790	5,656
Due from other governments	3,894	-	3,894
Accrued interest receivable	1,656	-	1,656
Prepaid insurance	12,261	5,358	17,619
<i>Restricted:</i>			
Cash and cash equivalents	13,449	5,991	19,440
<b>TOTAL CURRENT ASSETS</b>	<b>361,883</b>	<b>82,272</b>	<b>444,155</b>
<b>NONCURRENT ASSETS:</b>			
Capital Assets, non-depreciable	51,500	83,629	135,129
Capital Assets, depreciable, net	784,780	225,605	1,010,385
<b>TOTAL NONCURRENT ASSETS</b>	<b>836,280</b>	<b>309,234</b>	<b>1,145,514</b>
<b>TOTAL ASSETS</b>	<b>1,198,163</b>	<b>391,506</b>	<b>1,589,669</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
OPEB related deferred outflows of resources	1,052	522	1,574
Pension related deferred outflows of resources	40,990	20,513	61,503
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>42,042</b>	<b>21,035</b>	<b>63,077</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	8,354	1,473	9,827
Accrued payroll and benefits payable	2,942	224	3,166
Tenant security deposits payable	13,449	5,991	19,440
Compensated absences payable	4,280	2,205	6,485
Unearned revenue	2,436	1,177	3,613
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,461</b>	<b>11,070</b>	<b>42,531</b>
<b>NONCURRENT LIABILITIES:</b>			
Net OPEB liability	5,938	2,924	8,862
Net pension liability	89,967	44,986	134,953
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>95,905</b>	<b>47,910</b>	<b>143,815</b>
<b>TOTAL LIABILITIES</b>	<b>127,366</b>	<b>58,980</b>	<b>186,346</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
OPEB related deferred inflows of resources	2,440	1,202	3,642
Pension related deferred inflows of resources	2,031	1,135	3,166
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,471</b>	<b>2,337</b>	<b>6,808</b>
<b>NET POSITION</b>			
Net investment in capital assets	836,280	309,234	1,145,514
Unrestricted	272,088	41,990	314,078
<b>TOTAL NET POSITION</b>	<b>\$ 1,108,368</b>	<b>\$ 351,224</b>	<b>\$ 1,459,592</b>

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**PROGRAM SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Year Ended March 31, 2023**

	Public Housing	Lincoln Terrace	Totals
<b>OPERATING REVENUES</b>			
Rental income	\$ 171,867	\$ 82,188	\$ 254,055
HUD Section 8 program income	-	93,223	93,223
Net pension income	5,134	2,417	7,551
Net OPEB income	990	491	1,481
Other income	6,730	1,181	7,911
TOTAL OPERATING REVENUES	184,721	179,500	364,221
<b>OPERATING EXPENSES</b>			
Administrative	74,673	46,246	120,919
Tenant services	2,164	1,668	3,832
Utilities	33,497	25,097	58,594
Ordinary maintenance and operations	153,436	66,772	220,208
General expense	25,842	17,746	43,588
Depreciation	84,438	32,128	116,566
TOTAL OPERATING EXPENSES	374,050	189,657	563,707
OPERATING INCOME (LOSS)	(189,329)	(10,157)	(199,486)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
HUD operating subsidy	82,238	-	82,238
HUD capital grants - operations	31,885	-	31,885
Interest income	2,737	105	2,842
Loss on capital asset dispositions	(6,957)	-	(6,957)
TOTAL NONOPERATING REVENUES (EXPENSES)	109,903	105	110,008
INCOME (LOSS) BEFORE CONTRIBUTIONS AND SPECIAL ITEMS	(79,426)	(10,052)	(89,478)
<b>CAPITAL CONTRIBUTIONS</b>			
HUD capital fund grants	89,240	-	89,240
<b>SPECIAL ITEMS</b>			
Federal funding lawsuit settlement	64,423	-	64,423
INCREASE (DECREASE) IN NET POSITION	74,237	(10,052)	64,185
<b>NET POSITION</b>			
Net position, beginning balance	1,034,131	361,276	1,395,407
TOTAL NET POSITION - ENDING BALANCE	\$ 1,108,368	\$ 351,224	\$ 1,459,592

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**PROGRAM SCHEDULE OF CASH FLOWS**  
**Year Ended March 31, 2023**

	<b>Public Housing</b>	<b>Lincoln Terrace</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Rental receipts	\$ 170,264	\$ 82,647	\$ 252,911
HUD Section 8 program receipts	-	93,223	93,223
Other receipts	6,730	1,181	7,911
Tenant security deposits	456	576	1,032
Cash payments for goods and services	(178,706)	(103,804)	(282,510)
Cash payments to employees for services	(111,832)	(56,258)	(168,090)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(113,088)</b>	<b>17,565</b>	<b>(95,523)</b>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
HUD operating subsidy	84,909	-	84,909
HUD capital grants - operations	31,885	-	31,885
Federal funding lawsuit settlement proceeds	64,423	-	64,423
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>181,217</b>	<b>-</b>	<b>181,217</b>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases and construction of capital assets	(124,008)	(17,759)	(141,767)
HUD capital fund grants	89,240	-	89,240
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(34,768)</b>	<b>(17,759)</b>	<b>(52,527)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net (deposits) withdrawals to investments	(1,859)	-	(1,859)
Interest received	1,859	106	1,965
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>-</b>	<b>106</b>	<b>106</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>33,361</b>	<b>(88)</b>	<b>33,273</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>52,182</b>	<b>76,212</b>	<b>128,394</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 85,543</b>	<b>\$ 76,124</b>	<b>\$ 161,667</b>

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**PROGRAM SCHEDULE OF CASH FLOWS (CONT'D)**  
Year Ended March 31, 2023

	<b>Public Housing</b>	<b>Lincoln Terrace</b>	<b>Totals</b>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (189,329)	\$ (10,157)	\$ (199,486)
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	84,438	32,128	116,566
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
(Increase) decrease in accounts receivable	(2,835)	219	(2,616)
(Increase) decrease in prepaid insurance	(3,201)	(1,511)	(4,712)
(Increase) decrease in net pension asset	7,729	3,840	11,569
(Increase) decrease in deferred outflows of resources, pension	(34,978)	(17,507)	(52,485)
(Increase) decrease in deferred outflows of resources, OPEB	(601)	(299)	(900)
Increase (decrease) in accounts payable	860	(2,111)	(1,251)
Increase (decrease) in tenant security deposits	456	576	1,032
Increase (decrease) in accrued payroll and benefits	(876)	(120)	(996)
Increase (decrease) in accrued compensated absences	3,453	1,791	5,244
Increase (decrease) in unearned revenue	1,232	240	1,472
Increase (decrease) in net pension liability	89,967	44,986	134,953
Increase (decrease) in net OPEB liability	(122)	(61)	(183)
Increase (decrease) in deferred inflows of resources, pension	(69,014)	(34,318)	(103,332)
Increase (decrease) in deferred inflows of resources, OPEB	(267)	(131)	(398)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (113,088)</b>	<b>\$ 17,565</b>	<b>\$ (95,523)</b>

**SUPPLEMENTAL INFORMATION –  
FINANCIAL DATA SCHEDULE**

Housing Authority of the City of Wray (CO22)  
WRAY, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2023

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$72,094	\$70,133	\$142,227		\$142,227
114 Cash - Tenant Security Deposits	\$13,449	\$5,991	\$19,440		\$19,440
100 Total Cash	\$85,543	\$76,124	\$161,667		\$161,667
122 Accounts Receivable - HUD Other Projects	\$3,894		\$3,894		\$3,894
126 Accounts Receivable - Tenants	\$5,366	\$884	\$6,250		\$6,250
126.1 Allowance for Doubtful Accounts - Tenants	-\$500	-\$94	-\$594		-\$594
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0
129 Accrued Interest Receivable	\$1,656		\$1,656		\$1,656
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$10,416	\$790	\$11,206		\$11,206
131 Investments - Unrestricted	\$253,663		\$253,663		\$253,663
142 Prepaid Expenses and Other Assets	\$12,261	\$5,358	\$17,619		\$17,619
150 Total Current Assets	\$361,883	\$82,272	\$444,155		\$444,155
161 Land	\$51,500	\$83,629	\$135,129		\$135,129
162 Buildings	\$2,573,046	\$1,173,584	\$3,746,630		\$3,746,630
163 Furniture, Equipment & Machinery - Dwellings	\$58,177	\$19,139	\$77,316		\$77,316
164 Furniture, Equipment & Machinery - Administration	\$51,420	\$20,533	\$71,953		\$71,953
166 Accumulated Depreciation	-\$1,897,863	-\$987,651	-\$2,885,514		-\$2,885,514
160 Total Capital Assets, Net of Accumulated Depreciation	\$936,280	\$309,234	\$1,145,514		\$1,145,514
174 Other Assets	\$0	\$0	\$0		\$0
180 Total Non-Current Assets	\$936,280	\$309,234	\$1,145,514		\$1,145,514
200 Deferred Outflow of Resources	\$42,042	\$21,035	\$63,077		\$63,077
280 Total Assets and Deferred Outflow of Resources	\$1,240,205	\$412,541	\$1,652,746		\$1,652,746
312 Accounts Payable <= 90 Days	\$6,186	\$403	\$6,589		\$6,589
321 Accrued Wage/Payroll Taxes Payable	\$2,942	\$224	\$3,166		\$3,166
322 Accrued Compensated Absences - Current Portion	\$4,280	\$2,205	\$6,485		\$6,485
341 Tenant Security Deposits	\$13,449	\$5,991	\$19,440		\$19,440
342 Unearned Revenue	\$2,436	\$1,177	\$3,613		\$3,613
346 Accrued Liabilities - Other	\$2,168	\$1,070	\$3,238		\$3,238
310 Total Current Liabilities	\$31,461	\$11,070	\$42,531		\$42,531
357 Accrued Pension and OPEB Liabilities	\$95,905	\$47,910	\$143,815		\$143,815
350 Total Non-Current Liabilities	\$95,905	\$47,910	\$143,815		\$143,815
300 Total Liabilities	\$127,366	\$58,980	\$186,346		\$186,346
400 Deferred Inflow of Resources	\$4,471	\$2,337	\$6,808		\$6,808
508.4 Net Investment in Capital Assets	\$836,280	\$309,234	\$1,145,514		\$1,145,514
512.4 Unrestricted Net Position	\$272,088	\$41,990	\$314,078		\$314,078
513 Total Equity - Net Assets / Position	\$1,108,368	\$351,224	\$1,459,592		\$1,459,592
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,240,205	\$412,541	\$1,652,746		\$1,652,746

Housing Authority of the City of Wray (CO022)  
WRAY, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2023

	Project Total	14,195 Section 8 Housing Assistance Payments Program_Special Allocations	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$160,774	\$76,211	\$236,985		\$236,985
70400 Tenant Revenue - Other	\$11,093	\$5,977	\$17,070		\$17,070
70500 Total Tenant Revenue	\$171,867	\$82,188	\$254,055	\$0	\$254,055
70600 HUD PHA Operating Grants	\$114,123	\$93,223	\$207,346		\$207,346
70610 Capital Grants	\$89,240		\$89,240		\$89,240
70700 Total Fee Revenue			\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$2,737	\$105	\$2,842		\$2,842
71500 Other Revenue	\$12,854	\$4,089	\$16,943	-\$6,000	\$10,943
71600 Gain or Loss on Sale of Capital Assets	-\$6,957		-\$6,957		-\$6,957
70000 Total Revenue	\$383,864	\$179,605	\$563,469	-\$6,000	\$557,469
91100 Administrative Salaries	\$57,521	\$17,432	\$64,953		\$64,953
91200 Auditing Fees	\$3,850	\$1,400	\$5,250		\$5,250
91500 Employee Benefit contributions - Administrative	\$13,798	\$11,095	\$24,893		\$24,893
91600 Office Expenses	\$7,675	\$8,018	\$15,693	-\$6,000	\$9,693
91700 Legal Expense	\$141		\$141		\$141
91800 Travel	\$3,618	\$1,590	\$5,208		\$5,208
91900 Other	\$8,070	\$6,711	\$14,781		\$14,781
91000 Total Operating - Administrative	\$74,673	\$46,246	\$120,919	-\$6,000	\$114,919
92400 Tenant Services - Other	\$2,164	\$1,668	\$3,832		\$3,832
92500 Total Tenant Services	\$2,164	\$1,668	\$3,832	\$0	\$3,832
93100 Water	\$6,458	\$4,153	\$10,611		\$10,611
93200 Electricity	\$14,131	\$9,219	\$23,350		\$23,350
93300 Gas	\$9,092	\$7,225	\$16,317		\$16,317
93600 Sewer	\$4,826	\$4,500	\$9,326		\$9,326
93000 Total Utilities	\$33,497	\$25,097	\$58,594	\$0	\$58,594
94100 Ordinary Maintenance and Operations - Labor	\$36,670	\$19,731	\$56,401		\$56,401
94200 Ordinary Maintenance and Operations - Materials and Other	\$26,744	\$12,726	\$39,470		\$39,470
94300 Ordinary Maintenance and Operations Contracts	\$69,088	\$29,498	\$98,586		\$98,586
94500 Employee Benefit Contributions - Ordinary Maintenance	\$20,934	\$4,817	\$25,751		\$25,751
94000 Total Maintenance	\$153,436	\$66,772	\$220,208	\$0	\$220,208
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$18,130	\$12,610	\$30,740		\$30,740
96120 Liability Insurance	\$667	\$1,376	\$2,043		\$2,043
96130 Workmen's Compensation	\$1,574	\$739	\$2,313		\$2,313
96140 All Other Insurance	\$947	\$660	\$1,607		\$1,607
96100 Total insurance Premiums	\$22,118	\$15,385	\$37,503	\$0	\$37,503
96210 Compensated Absences	\$4,324	\$2,161	\$6,485		\$6,485
96000 Total Other General Expenses	\$4,324	\$2,161	\$6,485	\$0	\$6,485
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$289,612	\$157,529	\$447,141	-\$6,000	\$441,141
97000 Excess of Operating Revenue over Operating Expenses	\$94,252	\$22,076	\$116,328	\$0	\$116,328
97400 Depreciation Expense	\$84,438	\$32,128	\$116,566		\$116,566
90000 Total Expenses	\$374,050	\$189,657	\$563,707	-\$6,000	\$557,707
10010 Operating Transfer In	\$31,885		\$31,885	-\$31,885	\$0
10020 Operating transfer Out	-\$31,885		-\$31,885	\$31,885	\$0
10080 Special Items (Net Gain/Loss)	\$64,423		\$64,423		\$64,423
10100 Total Other financing Sources (Uses)	\$64,423	\$0	\$64,423	\$0	\$64,423
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$74,237	-\$10,052	\$64,185	\$0	\$64,185
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,034,131	\$361,276	\$1,395,407		\$1,395,407
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$0		\$0
11180 Unit Months Available	492	240	732		732
11210 Number of Unit Months Leased	484	240	724		724
11270 Excess Cash	\$294,027		\$294,027		\$294,027
11610 Land Purchases	\$0		\$0		\$0
11620 Building Purchases	\$121,272		\$121,272		\$121,272
11630 Furniture & Equipment - Dwelling Purchases	\$2,736		\$2,736		\$2,736

Housing Authority of the City of Wray (CO022)  
WRAY, CO

Single Project Revenue and Expense

Submission Type: Audited/Non Single  
Audit

Fiscal Year End: 03/31/2023

Project: CO022072757 WRAY

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$160,774		\$160,774
70400 Tenant Revenue - Other	\$11,093		\$11,093
70500 Total Tenant Revenue	\$171,867	\$0	\$171,867
70600 HUD PHA Operating Grants	\$82,238	\$31,885	\$114,123
70510 Capital Grants		\$89,240	\$89,240
71100 Investment Income - Unrestricted	\$2,737		\$2,737
71500 Other Revenue	\$12,854		\$12,854
71600 Gain or Loss on Sale of Capital Assets	-\$6,957		-\$6,957
70000 Total Revenue	\$262,739	\$121,125	\$383,864
91100 Administrative Salaries	\$37,521		\$37,521
91200 Auditing Fees	\$3,850		\$3,850
91500 Employee Benefit contributions - Administrative	\$13,798		\$13,798
91600 Office Expenses	\$7,675		\$7,675
91700 Legal Expense	\$141		\$141
91800 Travel	\$3,618		\$3,618
91900 Other	\$8,070		\$8,070
91000 Total Operating - Administrative	\$74,673	\$0	\$74,673
92400 Tenant Services - Other	\$2,164		\$2,164
92500 Total Tenant Services	\$2,164	\$0	\$2,164
93100 Water	\$6,458		\$6,458
93200 Electricity	\$14,131		\$14,131
93300 Gas	\$8,082		\$8,082
93600 Sewer	\$4,826		\$4,826
93000 Total Utilities	\$33,497	\$0	\$33,497
94100 Ordinary Maintenance and Operations - Labor	\$36,670		\$36,670
94200 Ordinary Maintenance and Operations - Materials and Other	\$26,744		\$26,744
94300 Ordinary Maintenance and Operations Contracts	\$69,088		\$69,088
94500 Employee Benefit Contributions - Ordinary Maintenance	\$20,934		\$20,934
94000 Total Maintenance	\$153,436	\$0	\$153,436
96110 Property Insurance	\$18,130		\$18,130
96120 Liability Insurance	\$867		\$867
96130 Workmen's Compensation	\$1,574		\$1,574
96140 All Other Insurance	\$947		\$947
96100 Total Insurance Premiums	\$21,518	\$0	\$21,518
98210 Compensated Absences	\$4,324		\$4,324
96000 Total Other General Expenses	\$4,324	\$0	\$4,324
98700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$269,612	\$0	\$269,612
97000 Excess of Operating Revenue over Operating Expenses	-\$26,873	\$121,125	\$94,252
97400 Depreciation Expense	\$84,438		\$84,438
90000 Total Expenses	\$374,050	\$0	\$374,050
10010 Operating Transfer In	\$31,885		\$31,885
10020 Operating transfer Out		-\$31,885	-\$31,885
10080 Special Items (Net Gain/Loss)	\$64,423		\$64,423
10100 Total Other financing Sources (Uses)	\$95,308	-\$31,885	\$64,423
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$15,003	\$89,240	\$74,237
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,034,131	\$0	\$1,034,131
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$89,240	-\$89,240	\$0
11190 Unit Months Available	492		492
11210 Number of Unit Months Leased	484		484
11270 Excess Cash	\$294,027		\$294,027
11620 Building Purchases	\$32,032	\$89,240	\$121,272
11630 Furniture & Equipment - Dwelling Purchases	\$2,736	\$0	\$2,736

**GOVERNMENT AUDITING STANDARDS SECTION**

**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**

**Independent Auditors Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the major fund of the Housing Authority of the City of Wray, Colorado, as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Wray, Colorado's basic financial statements, and have issued our report thereon dated October 23, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Wray, Colorado's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Wray, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Wray, Colorado's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonably possibility that a material misstatement of the entity's basic 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify a deficiency in internal control that we consider to be a material weakness and is described in the accompanying schedule of findings and responses as Finding 2023-1.

## **Report on Compliance and Other Matters**

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

### **Housing Authority of the City of Wray, Colorado Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Housing Authority of the City of Wray, Colorado's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Housing Authority of the City of Wray, Colorado's response was not subjected to the other auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

### **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.

*Niewedde & Wiens, CPA's*

York, Nebraska  
October 23, 2023

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**March 31, 2023**

The audit report for the year ended March 31, 2022 contained one finding and no questioned costs.

**Finding 2022-1: Internal Controls** – This finding is repeated because the Authority is a small entity and it is not financially feasible to correct this finding.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**March 31, 2023**

**Finding 2023-1: Internal Control System/Financial Reporting**  
**Material Weakness**

**Criteria:** A properly designed internal control structure relies greatly on a proper segregation of duties between several individuals. The duties related to initiating, authorizing, recording, processing and reporting financial data would be segregated so there is less likelihood that a misstatement of the entity's financial statements would occur.

In addition, the Authority should accrue compensated absences based on the Authority's personnel policy.

**Condition:** The Authority consists of one administrative employee and as a result does not have personnel assigned responsibilities in such a way that different employees handle different parts of the same transaction. The limited number of employees results in an inadequate overall internal control structure design.

In addition, during our audit we noted the Authority had over accrued compensated absences in the amount of \$6,950.04 as of March 31, 2023. According to the personnel policy "any unused vacation must be taken no later than three months following the anniversary date of the employee". "Any vacation time not taken is lost by years end and no monetary compensation will be given". The Authority had recorded the cumulative vacation days not taken over the years since the employees started, instead of the calculation as previously cited.

**Cause:** The Authority has limited staff and does not have the resources to properly segregate duties. For the second item, the Authority's internal controls over financial reporting did not identify the error.

**Effect or Potential Effect:** The lack of segregation of duties related to the controls over the categories above are significant deficiencies that could result in a material misstatement in the financial statements. Also prior to the adjustment prepaid expense were overstated as noted above.

**Recommendation:** The Authority has limited resources and additional controls are not financially feasible in the hiring of additional staff. The Authority is a small entity and the lack of segregation of duties is common among entities with minimal employees and should be recognized as such. However, it is not our intent to establish internal controls as the Authority's Board should make the final determination in the cost versus benefit.

For the comment regarding compensated absences, the Authority should review the personnel policy and adjust the leave records accordingly.



# LOCAL HOUSING AUTHORITY

CITY OF WRAY  
722 Hale Street – P.O. Box 373  
WRAY, COLORADO 80758



Wray Ven Manor  
Phone 970-332-4238

Clay Street Apartments

Lincoln Terrace  
Fax 970-332-2047

Colorado Relay Service 1-800-659-2656  
EMAIL - wrayven@plains.netel.com

## CORRECTIVE ACTION PLAN Year Ended March 31, 2023

The following is the response to and the corrective action to be taken in regard to the finding as reported in the accompanying Schedule of Findings and Responses for the fiscal year ended March 31, 2023:

### ITEM

**2023-1** The Authority is a small entity and recognizes the lack of segregation of duties associated with the limited number of personnel. Due to our small size the cost of adding employees to implement these controls, the expected benefit would be a significant increase in the cost and at this time we feel the cost would exceed the benefit. The Authority does hire a fee accountant that specializes in Housing Authorities which helps to mitigate the weakness in controls over the general ledger. However, the Authority recognizes the limitations of the service and does not rely on this as an over all control of the Authority.

The Authority will review the vacation days. Any unused vacation leave must be taken no later than three months following the anniversary date of any full-time employee. Any vacation time not taken will be lost by years-end and no monetary compensation will be given.

Contact Person: Cindy Hull, Executive Director  
P.O. Box 373  
Wray, CO 80758  
970-332-4238

**AGREED-UPON PROCEDURE**

Randal D. Niewedde, CPA  
Jeffrey J. Wiens, CPA

**Independent Accountant's Report on Applying Agreed-Upon Procedure**

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

We have performed the procedures enumerated below on whether the electronic submission of certain information agrees with the hard copy documents within the reporting package for the year ended March 31, 2023. The U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) is responsible for the Uniform Financial Reporting Standards (UFRS) procedures.

The Housing Authority of the City of Wray, Colorado has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with the REAC's UFRS requirements for the submission of the PHA financial data for the year ended March 31, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below:

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue and Revenue and Expense (account numbers 111 to 13901)	Financial Data Schedule, all Assistance Listing Numbers, if applicable.	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (date element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

We were engaged by the Housing Authority of the City of Wray, Colorado to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on UFRS Rule Information. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Housing Authority of the City of Wray, Colorado and REAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedure engagement.

This report is intended solely for the information and use of the Housing Authority of the City of Wray, Colorado and REAC, and is not intended to be, and should not be, used by anyone other than these specified parties.

We were engaged to perform an audit of the financial statements of the Housing Authority of the City of Wray, Colorado as of and for the year ended March 31, 2023, and have issued our report thereon dated October 23, 2023. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority of the City of Wray, Colorado's Financial Data Schedule dated October 23, 2023, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package and the Financial Data Schedule, which includes the auditor's report, is available in its entirety from the Housing Authority of the City of Wray, Colorado. We have not performed any additional auditing procedures since the date of the aforementioned audit report.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

*Niewedde & Wiens, CPA's*

York, Nebraska  
October 23, 2023