

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

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

Year Ended March 31, 2026

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



LOCAL HOUSING AUTHORITY

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MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended March 31, 2026

This section of the Housing Authority of the City of Wray, Colorado's annual financial report presents management's discussion and analysis of the Authority's financial performance for the fiscal year ended March 31, 2026. This discussion and analysis is designed to assist readers in focusing on significant financial issues and activities and to identify 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, 2026 was \$2,066,391. The net position decreased by (\$35,968), a decrease of 2% from the prior year. Of this amount, \$297,605 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 \$389,838 for the year ended March 31, 2026. This was an increase of \$14,263 or 4% over the prior year.

Operating expenses for the Authority were \$630,082 for the year ended March 31, 2026. This was an increase of \$47,477 or 9% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes Management's Discussion and Analysis, the basic financial statements, and the notes to the financial statements. The report also includes the Financial Data Schedule (FDS) in the supplemental information section. In addition, the Schedule of Employer's Proportionate Share of Net Pension Liability, the Schedule of Employer's Contributions, and the Notes to Required Supplementary Information are included as required supplementary information. Because the Authority is comprised entirely of enterprise funds, no government-wide basic financial statements are presented.

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, 2026

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 presented in the basic financial statements.

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, 2026 is required to be included in the audit reporting package.

Net Position may serve, over time, as a useful indicator of a government's financial position. As seen on the next page, the Authority's, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,066,391 at the close of the year ended March 31, 2026. This represents a decrease of (\$35,968) which was a decrease of 2% from the prior year. The decrease was mostly attributed HUD Capital Fund Grants and the result of operations for the year ended March 31, 2026.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2026

FINANCIAL ANALYSIS

CONDENSED STATEMENT OF NET POSITION

	FY 2026	FY 2025	Dollar Change	Percent Change
Current and other assets	\$ 428,266	\$ 895,798	\$ (467,532)	-52%
Capital assets	1,768,786	1,327,626	441,160	33%
Total Assets	<u>2,197,052</u>	<u>2,223,424</u>	<u>(26,372)</u>	<u>-1%</u>
Deferred Outflows of Resources	<u>11,911</u>	<u>22,730</u>	<u>(10,819)</u>	<u>-48%</u>
Current liabilities	63,576	43,813	19,763	45%
Noncurrent liabilities	32,929	89,867	(56,938)	-63%
Total Liabilities	<u>96,505</u>	<u>133,680</u>	<u>(37,175)</u>	<u>-28%</u>
Deferred Inflows of Resources	<u>46,067</u>	<u>10,115</u>	<u>35,952</u>	<u>355%</u>
Net Position				
Net investment in capital assets	1,768,786	1,327,626	441,160	33%
Restricted	-	435,756	(435,756)	100%
Unrestricted	297,605	338,977	(41,372)	-12%
Total Net Position	<u>\$ 2,066,391</u>	<u>\$ 2,102,359</u>	<u>\$ (35,968)</u>	<u>-2%</u>

Current and other assets decreased by (\$467,532) which was attributed to operations before depreciation, the receipt of insurance proceeds and offset by non-capital grant funds used for capital improvements and insurance proceeds used for repairs to the property which resulted in a net decrease in cash and investments of (\$42,417). In addition, a receivable was recorded in the prior year in the amount of \$435,755 from the insurance company and the funds were received during the current fiscal year ending March 31, 2026.

Current liabilities increased by \$19,763 during the year. In addition, a payable recorded in the amount of \$6,901 due to the U.S. Treasury in accordance with HUD PIH Notice 2024-25 and 2 CFR 200.305(b)(12), which require the remittance of interest earned in excess of \$500 on federal cash balances. The remaining changes in current liabilities were primarily related to the timing of vendor payments.

Noncurrent liabilities decreased by (\$56,938). Of the total, (\$45,601) was the decrease in the Net Pension Liability from the prior year which represents the Authority's proportionate share of PERA unfunded pension liability. In addition, (\$2,015) 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. In addition, as noted above the Director is retiring in 2026 and the entire leave balance is being recognized as current. The prior year balance was \$9,322.

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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2026

FINANCIAL ANALYSIS (CONT'D)

Unrestricted net position as of March 31, 2026 was \$297,605, a decrease of \$35,968 from the prior year. Unrestricted net position represents the amount available to meet the Authority's ongoing obligations to creditors and to support facility operations. The Authority has sufficient funds to meet expected cash outlay requirements in the next fiscal year and has the financial capacity to sustain operations. The Authority had no restricted net position subject to external restrictions on how those resources may be used. In the prior year, the Authority reported restricted net position of \$435,756 for repairs to the property resulting from storm damage in 2024. Those funds were expended during the year ended March 31, 2026.

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.

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

	FY 2026	FY 2025	Dollar Change	Percent Change
Revenues				
Program revenues				
Rental	\$ 307,156	\$ 295,090	\$ 12,066	4%
HUD program contributions	236,447	228,735	7,712	3%
Other	2,233	1,690	543	32%
General revenue:				
Interest	1,432	5,526	(4,094)	-74%
Total Revenues	<u>547,268</u>	<u>531,041</u>	<u>16,227</u>	<u>3%</u>
Expenses				
Depreciation	126,734	99,767	26,967	27%
Operating	503,348	482,838	20,510	4%
Nonoperating	-	190,723	(190,723)	-100%
Total Expenses	<u>630,082</u>	<u>773,328</u>	<u>(143,246)</u>	<u>-19%</u>
Excess (deficiency) before contributions and special items	(82,814)	(242,287)	159,473	-66%
Capital Contributions	50,286	48,402	1,884	
Special Items:				
Nonroutine maintenance	(3,900)	-	(3,900)	
Casualty loss income	1,013	921,963	(920,950)	
Casualty loss expense	-	(20,140)	20,140	
Changes in Net Position	<u>(35,415)</u>	<u>707,938</u>	<u>(743,353)</u>	
Beginning Net Position, restated	2,101,806	1,394,421	707,385	
Ending Net Position	<u>\$ 2,066,391</u>	<u>\$ 2,102,359</u>	<u>\$ (35,968)</u>	

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2026

FINANCIAL ANALYSIS (CONT'D)

As can be seen on the previous page, total revenues increased by \$16,227, primarily due to the increase in rental income of \$12,066 or 4% and by an increase of \$7,712 in Federal operating grants. The rental income increase was attributed to the normal fluctuation from year-to-year based on occupancy and rent composition.

During the year ended March 31, 2026, the Authority's interest income decreased by (\$4,094). The decrease was primarily attributable to Public Housing Program restrictions that permit the Authority to retain only the first \$500 of interest earned on federal cash balances. Interest earned in excess of that threshold must be remitted to HUD and therefore is not available to support the Authority's operations or financial position.

HUD operating subsidy for the Authority was \$84,477 for the year ended March 31, 2026. This was an increase of \$2,492 over 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 \$71,521 of HUD capital grants for operations for the fiscal year ended March 31, 2026 compared to \$67,955 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 \$503,348 for the year ended March 31, 2026. This was an increase of \$20,510 or 4% over the prior year. The most significant increase was in general expenses which increased by \$22,938. This consisted of an increase of insurance premiums of \$14,203 and collection losses of \$7,031. The various other 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 \$50,286 for the year ended March 31, 2026. This was an increase of \$1,884 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.

OCCUPANCY

The occupancy rate for PH was 98%.

The occupancy rate for LT was 96%.

CAPITAL ASSETS

The Authority's capital assets as of March 31, 2026 amounts to \$1,768,786. This capital assets includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation.

The total increase in the Authority's net investment in capital assets for the current fiscal year was 33% in terms of net book value. The actual amount to purchase or construct capital assets was \$567,894 for the year and consisted primarily roof replacement and other exterior repairs as the result of a hail storm in 2024. Depreciation charges for the year totaled \$126,734. Additional information on the Authority's capital assets can be found in Note I of the notes to the financial statements of this report.

**HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2026**

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 2027 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

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, 2026, 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 major fund of the Housing Authority of the City of Wray, Colorado as of March 31, 2026, 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, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of 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 inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because 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 Schedules 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 Schedules 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 Schedules 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 September 18, 2026 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
September 18, 2026

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
STATEMENT OF NET POSITION - PROPRIETARY FUND
March 31, 2026

ASSETS	<u>Housing</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 84,940
Investments	276,600
Accounts receivable, net	2,514
Due from other governments	2,558
Accrued interest receivable	3,836
Prepaid insurance	35,926
<i>Restricted:</i>	
Cash and cash equivalents	<u>21,892</u>
TOTAL CURRENT ASSETS	428,266
NONCURRENT ASSETS:	
Capital Assets, non-depreciable	135,129
Capital Assets, depreciable, net	<u>1,633,657</u>
TOTAL NONCURRENT ASSETS	1,768,786
TOTAL ASSETS	<u>2,197,052</u>
DEFERRED OUTFLOWS OF RESOURCES:	
OPEB related deferred outflows of resources	598
Pension related deferred outflows of resources	<u>11,313</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>11,911</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	9,551
Accrued payroll and benefits payable	4,179
Due to other governments	6,901
Tenant security deposits payable	21,892
Compensated absences payable	14,245
Unearned revenue	<u>6,808</u>
TOTAL CURRENT LIABILITIES	63,576
NONCURRENT LIABILITIES:	
Net OPEB liability	2,684
Net pension liability	<u>30,245</u>
TOTAL NONCURRENT LIABILITIES	32,929
TOTAL LIABILITIES	<u>96,505</u>
DEFERRED INFLOWS OF RESOURCES:	
OPEB related deferred inflows of resources	3,622
Pension related deferred inflows of resources	<u>42,445</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>46,067</u>
NET POSITION	
Net investment in capital assets	1,768,786
Unrestricted	<u>297,605</u>
TOTAL NET POSITION	<u>\$ 2,066,391</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, 2026

	<u>Housing</u>
OPERATING REVENUES	
Rental income	\$ 307,156
HUD Section 8 program income	80,449
Other income	<u>2,233</u>
TOTAL OPERATING REVENUES	389,838
OPERATING EXPENSES	
Administrative	119,132
Tenant services	2,859
Utilities	48,545
Ordinary maintenance and operations	244,072
General expense	88,740
Depreciation	<u>126,734</u>
TOTAL OPERATING EXPENSES	630,082
OPERATING INCOME (LOSS)	<u>(240,244)</u>
NONOPERATING REVENUES (EXPENSES)	
HUD operating subsidy	84,477
HUD capital grants - operations	71,521
Interest income	<u>1,432</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>157,430</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND SPECIAL ITEMS	(82,814)
CAPITAL CONTRIBUTIONS	
HUD capital fund grants	50,286
SPECIAL ITEMS	
Casualty loss income	1,013
Nonroutine maintenance	<u>(3,900)</u>
INCREASE (DECREASE) IN NET POSITION	(35,415)
NET POSITION	
Net position, beginning balance	2,102,359
Prior period adjustments	<u>(553)</u>
Net position, beginning balance, restated	<u>2,101,806</u>
TOTAL NET POSITION - ENDING BALANCE	\$ <u><u>2,066,391</u></u>

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended March 31, 2026

	<u>Housing</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Rental receipts	\$ 313,709
HUD Section 8 program receipts	80,449
Other receipts	2,233
Tenant security deposits	932
Cash payments for goods and services	(337,415)
Cash payments to employees for services	<u>(176,499)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(116,591)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
HUD operating subsidy	81,919
HUD capital grants - operations	71,875
Nonroutine maintenance	<u>(3,900)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	149,894
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases and construction of capital assets	(567,895)
HUD capital fund grants	50,286
Casualty loss, insurance proceeds	<u>436,769</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(80,840)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net (deposits) withdrawals to investments	11,912
Interest received	<u>5,120</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>17,032</u>
NET INCREASE (DECREASE) IN CASH	(30,505)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>137,337</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 106,832</u>

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)
Year Ended March 31, 2026

RECONCILIATION OF INCOME (LOSS) FROM
OPERATIONS TO NET CASH PROVIDED
(USED) BY OPERATING ACTIVITIES:

	<u>Housing</u>
Operating income (loss)	\$ (240,244)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	126,734
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	5,602
(Increase) decrease in prepaid insurance	(11,378)
(Increase) decrease in deferred outflows of resources, pension	10,654
(Increase) decrease in deferred outflows of resources, OPEB	165
Increase (decrease) in accounts payable	(677)
Increase (decrease) in tenant security deposits	932
Increase (decrease) in accrued payroll and benefits	520
Increase (decrease) in accrued compensated absences	1,814
Increase (decrease) in unearned revenue	951
Increase (decrease) in net pension liability	(45,601)
Increase (decrease) in collective net OPEB liability	(2,015)
Increase (decrease) in deferred inflows of resources, pension	36,040
Increase (decrease) in deferred inflows of resources, OPEB	(88)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(116,591)</u>

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

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, 2026

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, certificates 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, 2026

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 capitalizes 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, 2026

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 and any accrued vacation time for the year above 160 hours will be paid on the final paycheck of the year. Sick leave may be accumulated but not paid upon termination.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

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.

Subscription-Based Information Technology Arrangements

The Authority has not entered into any material subscription-based information technology arrangements to be accrued as defined by GASB 96.

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, 2026, the Authority's carrying amount of deposits was \$383,432 and the bank balances were \$407,392. 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, \$384,835 was covered by FDIC insurance and \$22,557 was covered by the Public Deposit Protection Act.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE C – ACCOUNTS RECEIVABLE

A summary of accounts receivable as presented in the Statement of Net Position at March 31, 2026 are as follows:

Tenants	\$	10,482
Allowance for doubtful accounts		(7,968)
	\$	<u>2,514</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, 2026 is as follows:

HUD – operating subsidy	\$	<u>2,558</u>
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NOTE E – RESTRICTED ASSETS

Cash and cash equivalents of \$21,892 as presented in the Statement of Net Position at March 31, 2026 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, 2026 is as follows:

Vendors and contractors	\$	<u>9,551</u>
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NOTE G – DUE TO OTHER GOVERNMENTS

A summary of due to other governments as presented in the Statement of Net Position at March 31, 2026 is as follows:

HUD – interest payback	\$	<u>6,901</u>	[1]
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[1] – This represents interest income earned in excess of \$500 to be remitted to U.S Treasury via Health and Human Services as required by 2 CFR 200.305(b)(12).

NOTE H – UNEARNED REVENUE

A summary of unearned revenue as presented in the Statement of Net Position at March 31, 2026 is as follows:

Tenant prepaid rents	\$	<u>6,808</u>
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HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE I – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2026 was as follows:

	Balance 4/1/2025	Increases	Decreases	Balance 3/31/2026
Non-depreciable assets:				
Land	\$ 135,129	\$ -	\$ -	\$ 135,129
Construction in progress	-	50,286	(50,286)	-
Total non-depreciable assets	<u>135,129</u>	<u>50,286</u>	<u>(50,286)</u>	<u>135,129</u>
Depreciable assets				
Buildings	4,044,488	539,557	-	4,584,045
Equipment - Dwelling	77,316	21,913	-	99,229
Equipment - Administration	71,953	6,424	-	78,377
Total depreciable assets	<u>4,193,757</u>	<u>567,894</u>	<u>-</u>	<u>4,761,651</u>
Total Capital Assets	<u>4,328,886</u>	<u>618,180</u>	<u>(50,286)</u>	<u>4,896,780</u>
Accumulated depreciation				
Buildings	2,869,842	119,302	-	2,989,144
Equipment - Dwelling	64,459	4,516	-	68,975
Equipment - Administration	66,959	2,916	-	69,875
Total accumulated depreciation	<u>3,001,260</u>	<u>126,734</u>	<u>-</u>	<u>3,127,994</u>
Depreciable assets, net	<u>1,192,497</u>	<u>441,160</u>	<u>-</u>	<u>1,633,657</u>
Capital assets, net	<u>\$ 1,327,626</u>	<u>\$ 491,446</u>	<u>\$ (50,286)</u>	<u>\$ 1,768,786</u>

NOTE J—ACCRUED COMPENSATED ABSENCES

A summary of accrued compensated absences as presented in the Statement of Net Position as of March 31, 2026 is as follows:

	Beginning Balance	Net Change	Ending Balance	Due within One Year
Compensated absences	\$ <u>12,430</u>	\$ <u>1,815</u>	\$ <u>14,245</u>	\$ <u>14,245</u>

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE K—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.

NOTE L—PRIOR PERIOD ADJUSTMENTS

The Authority recognized a prior period adjustment of (\$553) to record prior-year interest income owed to HUD under PIH Notice 2024-25, which requires remittance of interest earned in excess of \$500 on federal cash balances.

NOTE M – 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 N - 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, 2026, 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 O – 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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE O – DEFINED BENEFIT PENSION PLAN (CONT'D)

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/forms-resources/financial-reports-and-studies.

Benefits provided as of December 31, 2025. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at

C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts on 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 Safety Officers 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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE O – DEFINED BENEFIT PENSION PLAN (CONT'D)

Contributions provisions as of March 31, 2026: 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, 2025, through March 31, 2026 are summarized in the following tables:

	January 1, 2025 Through December 31, 2025	January 1, 2026 Through December 31, 2026
Employee contribution (all employees other than Safety Officers)	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 Safety Officers are summarized in the following table:

	January 1, 2025 Through December 31, 2025	January 1, 2026 Through June 30, 2026	July 1, 2026 Through December 31, 2026
Employer contribution rate	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%)	(0.52%)
Amount apportioned to the LGDTF	9.98%	9.98%	10.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.70%	2.70%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	2.00%	2.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.11%	0.10%	0.10%
Total employer contribution rate to the LGDTF	13.79%	14.78%	15.28%

*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 \$17,407 for the pension year ended December 31, 2025.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE O – DEFINED BENEFIT PENSION PLAN (CONT'D)

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, 2025, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. Standard update procedures were used to roll-forward the TPL to December 31, 2025. 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 2025 relative to the total contributions of participating employers.

At March 31, 2026, the Wray Housing Authority reported a liability of \$30,245 for the pension year for which its proportionate share of the net pension liability.

At March 31, 2026, the Wray Housing Authority proportion was .012277297% for the pension year, which was a decrease of .00008350% from its proportion measured as of December 31, 2024.

For the year ended March 31, 2026, the Wray Housing Authority recognized pension expense of \$19,367. At March 31, 2026, the Wray Housing Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 145	\$ --
Difference between expected and actual experience	\$ 5,127	\$ --
Difference between projected and actual earnings on pension plan investments	\$ --	\$ 37,479
Changes in proportion differences between employer contributions and proportionate share of contributions	\$ 1,266	\$ 4,966
Contributions paid to IPERS from January 1, 2026 through the FYE March 31, 2026	\$ 4,775	\$ --
Total	\$ <u>11,313</u>	\$ <u>42,445</u>

At March 31, 2026, the Authority reported deferred outflows of resources of \$4,775 which represents contributions from January 1, 2026 to March 31, 2026. These contributions will be recognized as a reduction of the net pension liability in the year ended March 31, 2027.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE O – DEFINED BENEFIT PENSION PLAN (CONT'D)

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
2027	\$11,748
2028	(\$22,103)
2029	(\$15,923)
2030	(\$9,628)
2031	(\$1)
Thereafter	-
Total	(\$35,907)

Actuarial assumptions. The TPL in the December 31, 2024, 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 Safety Officers	3.40%-13.00%
Safety Officers	3.20%-16.30%
Long-term investment rate of return, net of pension plan	7.25%
investment expenses, including price inflation Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	1.00%
PERA benefit structure hired after 12/31/06	Financed by the AIR

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

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE O – DEFINED BENEFIT PENSION PLAN (CONT'D)

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 scale MP-2021.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
		Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Members other than Safety Officers	PubG-2010 Healthy Retiree	
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
		Males: 92% of the rates for all ages Females: 100% of the rates for all ages
All Beneficiaries	Pub-2010 Contingent Survivor	
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2024, valuations were based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, through December 31, 2023. Revised economic and demographic assumptions were adopted by the PERA Board on January 17, 2025.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

NOTE O – DEFINED BENEFIT PENSION PLAN (CONT'D)

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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. 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	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Calculations regarding employee and employer contribution rate increases for the State and Local Government Divisions are based on closed group projections using a blended mix of members other than Safety Officers and Safety Officers. The blend is determined by the projected payroll of the current members in each group. Because Safety Officers are expected to retire earlier, their projected payroll declines more rapidly over time, and the remaining projected payroll becomes increasingly weighted toward members other than Safety Officers. As a result, the blended contribution rate trends back toward the lower rate over time.

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NOTE O – DEFINED BENEFIT PENSION PLAN (CONT'D)

- 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	\$123,892	\$30,245	(\$48,396)

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/forms-resources/financial-reports-and-studies.

Payables to the Pension Plan

At March 31, 2026, the Authority had \$2,422 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.

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.

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

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March 31, 2026

NOTE O – DEFINED BENEFIT PENSION PLAN (CONT'D)

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, 2026, program members contributed \$3,696 and the Wray Housing Authority contributed \$3,696.

NOTE P – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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/forms-resources/financial-reports-and-studies.

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.

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

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.

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. Effective July 1, 2026, HB 26-1400 also reduces the PERA employer contribution rate allocated to the HCTF, by 0.50% from 1.02% to 0.52% of member salaries for the State, School, Local Government and Judicial Divisions.

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 \$1,288 for the year ended March 31, 2026.

At March 31, 2026, the Wray Housing Authority reported a liability of \$2,684 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2025, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2024. Standard update procedures were used to roll-forward the TOL to December 31, 2025. The Wray Housing Authority proportion of the net OPEB liability was based on Wray

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

Housing Authority contributions to the HCTF for the calendar year 2025 relative to the total contributions of participating employers to the HCTF.

At December 31, 2025, the measurement date, the Wray Housing Authority proportion was .0009960396%, which was an increase of .00001326% over its proportion measured as of December 31, 2024.

For the year ended March 31, 2026, the Wray Housing Authority recognized OPEB expense of \$764. At March 31, 2026, 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	\$ 29	\$ 1,303
Difference between expected and actual experience	\$ --	\$ 1,086
Difference between projected and actual earnings on OPEB plan investments	\$ 15	\$ 429
Changes in proportion differences between employer contributions and proportionate share of contributions	\$ 224	\$ 804
Contributions paid to PERA from January 1, 2026 through the FYE March 31, 2026	\$ 330	\$ --
Total	\$ 598	\$ 3,622

\$330 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, 2027. 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
2027	(\$736)
2028	(\$902)
2029	(\$702)
2030	(\$615)
2031	(\$332)
Thereafter	(67)
Total	(\$3,354)

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March 31, 2026

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

Actuarial assumptions. The total OPEB liability in the December 31, 2024 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	3.40% - 13%
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	8% in 2025, gradually decreasing to 4.50% in 2035
Medicare Part A premiums	3.50% in 2025, gradually increasing to 4.50% in 2033

Each year the per capita health care costs are developed by plan option. As of the December 31, 2024, actuarial valuation, costs are based on 2025 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. MAPD premium costs are not age graded, an allowed exception under Section 3.7.7 (c) of Actuarial Standard of Practice No. 6.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	\$4,188	\$8,928
MAPD PPO #2	2,028	5,508
MAPD HMO (Kaiser)	2,040	7,596

The 2025 Medicare Part A premium is \$518 per month.

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

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.

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March 31, 2026

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

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. PERACare Medicare plan rates are applied where members have no premium-free Part A.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the following table:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2025	8.00%	3.50%
2026	7.65%	3.75%
2027	7.30%	3.75%
2028	6.95%	4.00%
2029	6.60%	4.00%
2030	6.25%	4.25%
2031	5.90%	4.25%
2032	5.55%	4.25%
2033	5.20%	4.50%
2034	4.85%	4.50%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2024, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2024, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2024. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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, 2024, 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 were updated to reflect costs for the 2025 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums.

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NOTES TO FINANCIAL STATEMENTS
March 31, 2026

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

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The actuarial assumptions used in the December 31, 2024, valuations were based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, through December 31, 2023. Revised economic and demographic assumptions were adopted by the Board on January 17, 2025.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. 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	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%. For projections, geometric long-term returns are converted to arithmetic returns, which reflect the expected one-year annual performance.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	6.65%	7.65%	8.65%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$3,695	\$2,684	\$1,812

¹For the January 1, 2026, plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2024, and the financial status of the HCTF as of the current measurement date (December 31, 2025). 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, 2025, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. The current employer contribution rate for the HCTF is 1.02% of salary. HB26-1400, effective July 1, 2026, reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, School, Local Government, and Judicial Divisions.
- 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.

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NOTES TO FINANCIAL STATEMENTS
March 31, 2026

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

Based on the above assumptions and methods, the FNP for the HCTF 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 did 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	\$3,695	\$2,684	\$1,812

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/forms-resources/financial-reports-and-studies.

Payables to the Pension Plan

At March 31, 2026, the Authority reported \$102 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
				Pension Liability as a Percentage of its Covered-Payroll	Covered-Payroll	
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%
12/31/2023	0.0139683449%	\$ 102,533	\$ 136,672	75%		88%
12/31/2024	0.0123607937%	\$ 75,846	\$ 120,673	63%		90%
12/31/2025	0.0122772973%	\$ 30,245	\$ 127,759	24%		96%

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS - PENSION 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
3/31/2017	\$ 12,121	\$ 12,121	\$ -	95,589	12.68%
3/31/2018	\$ 12,144	\$ 12,144	\$ -	95,774	12.68%
3/31/2019	\$ 11,600	\$ 11,600	\$ -	91,481	12.68%
3/31/2020	\$ 12,842	\$ 12,842	\$ -	101,281	12.68%
3/31/2021	\$ 12,956	\$ 12,956	\$ -	98,917	13.10%
3/31/2022	\$ 13,235	\$ 13,235	\$ -	101,311	13.06%
3/31/2023	\$ 16,523	\$ 16,523	\$ -	121,714	13.58%
3/31/2024	\$ 16,821	\$ 16,821	\$ -	129,036	13.04%
3/31/2025	\$ 16,692	\$ 16,692	\$ -	123,051	13.57%
3/31/2026	\$ 17,256	\$ 17,256	\$ -	124,039	13.91%

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2026

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

2025 Changes in Plan Provisions Since 2024

- SB 24-186, enacted June 5, 2024, and effective January 1, 2025, modifies the definition of “State Trooper” to include employees of a Local Government Division employer classified as a coroner or deputy coroner who were elected, reelected, or appointed on or after January 1, 2021, which includes the Boulder County Coroner. The bill applies the “State Trooper” member and employer contribution rates and benefit structure to eligible employees meeting these criteria.
- SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500,000 on or after July 1, 2025, and before October 1, 2025. These dollars are held by PERA in a custodial capacity on behalf of the State of Colorado to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an automatic adjustment provision (AAP) assessment ratio below the 98% benchmark and the alternative allocation method results in an AAP ratio that meets or exceeds the 98% benchmark.

2024 Changes in Plan Provisions Since 2023

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

2023 Changes in Plan Provisions Since 2022

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$24.967 million and \$1.033 million, respectively.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2026

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

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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 employee 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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2026

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

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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 employee 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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2026

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

- 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 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.

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

2025 Changes in Assumptions or Other Inputs Since 2024

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

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2026

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

- The estimated administrative expense as a percentage of covered payroll was increased from .40% to .45%.

2023 Changes in Assumptions or Other Inputs Since 2022

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

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.
- 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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2026

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

- 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.

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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2026

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

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.

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.

**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*

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
				Percentage of its Covered-Payroll	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%	
12/31/2023	0.0011104920%	\$ 7,926	\$ 136,672	6%	46.16%	
12/31/2024	0.0009827825%	\$ 4,699	\$ 120,673	4%	59.83%	
12/31/2025	0.0009960396%	\$ 2,684	\$ 127,759	2%	76.07%	

* - 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%
3/31/2024	\$ 1,316	\$ 1,316	-	\$ 129,036	1.02%
3/31/2025	\$ 1,255	\$ 1,255	-	\$ 123,051	1.02%
3/31/2026	\$ 1,265	\$ 1,265	-	\$ 124,039	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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2026

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

2025 Changes in Plan Provisions Since 2024

- There were no changes made to the plan provisions.

2024 Changes in Plan Provisions Since 2023

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

2023 Changes in Plan Provisions Since 2022

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2026

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

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 (CONT'D)

2025 Changes in Assumptions or Other Inputs Since 2024

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

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer graded.

2023 Changes in Assumptions or Other Inputs Since 2022

- 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, 2026

**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

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

2021 Changes in Assumptions or Other Inputs Since 2022

- 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.

**SUPPLEMENTAL INFORMATION –
PROGRAM FINANCIAL SCHEDULES**

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
PROGRAM SCHEDULE OF NET POSITION
March 31, 2026

ASSETS	Public Housing	Lincoln Terrace	Totals
CURRENT ASSETS:			
Cash and cash equivalents	\$ 59,453	\$ 25,487	\$ 84,940
Investments	265,111	11,489	276,600
Accounts receivable, net	2,514	-	2,514
Due from other governments	2,558	-	2,558
Accrued interest receivable	3,808	28	3,836
Prepaid insurance	24,572	11,354	35,926
<i>Restricted:</i>			
Cash and cash equivalents	13,909	7,983	21,892
TOTAL CURRENT ASSETS	371,925	56,341	428,266
NONCURRENT ASSETS:			
Capital Assets, non-depreciable	51,500	83,629	135,129
Capital Assets, depreciable, net	1,276,656	357,001	1,633,657
TOTAL NONCURRENT ASSETS	1,328,156	440,630	1,768,786
TOTAL ASSETS	1,700,081	496,971	2,197,052
DEFERRED OUTFLOWS OF RESOURCES:			
OPEB related deferred outflows of resources	401	197	598
Pension related deferred outflows of resources	7,594	3,719	11,313
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,995	3,916	11,911
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	5,961	3,590	9,551
Accrued payroll and benefits payable	4,160	19	4,179
Due to other governments	6,901	-	6,901
Tenant security deposits payable	13,909	7,983	21,892
Compensated absences payable	9,497	4,748	14,245
Unearned revenue	4,690	2,118	6,808
TOTAL CURRENT LIABILITIES	45,118	18,458	63,576
NONCURRENT LIABILITIES:			
Net OPEB liability	1,798	886	2,684
Net pension liability	20,302	9,943	30,245
TOTAL NONCURRENT LIABILITIES	22,100	10,829	32,929
TOTAL LIABILITIES	67,218	29,287	96,505
DEFERRED INFLOWS OF RESOURCES:			
OPEB related deferred inflows of resources	2,427	1,195	3,622
Pension related deferred inflows of resources	28,491	13,954	42,445
TOTAL DEFERRED INFLOWS OF RESOURCES	30,918	15,149	46,067
NET POSITION			
Net investment in capital assets	1,328,156	440,630	1,768,786
Unrestricted	281,784	15,821	297,605
TOTAL NET POSITION	\$ 1,609,940	\$ 456,451	\$ 2,066,391

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
PROGRAM SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended March 31, 2026

	Public Housing	Lincoln Terrace	Totals
OPERATING REVENUES			
Rental income	\$ 187,270	\$ 119,886	\$ 307,156
HUD Section 8 program income	-	80,449	80,449
Other income	5,752	1,481	7,233
TOTAL OPERATING REVENUES	193,022	201,816	394,838
OPERATING EXPENSES			
Administrative	78,546	45,586	124,132
Tenant services	1,535	1,324	2,859
Utilities	25,156	23,389	48,545
Ordinary maintenance and operations	165,029	79,043	244,072
General expense	62,721	26,019	88,740
Depreciation	94,366	32,368	126,734
TOTAL OPERATING EXPENSES	427,353	207,729	635,082
OPERATING INCOME (LOSS)	(234,331)	(5,913)	(240,244)
NONOPERATING REVENUES (EXPENSES)			
HUD operating subsidy	84,477	-	84,477
HUD capital grants - operations	71,521	-	71,521
Interest income	500	932	1,432
TOTAL NONOPERATING REVENUES (EXPENSES)	156,498	932	157,430
INCOME (LOSS) BEFORE CONTRIBUTIONS AND SPECIAL ITEMS	(77,833)	(4,981)	(82,814)
CAPITAL CONTRIBUTIONS			
HUD capital fund grants	50,286	-	50,286
SPECIAL ITEMS			
Casualty loss income	-	1,013	1,013
Nonroutine maintenance	(3,900)	-	(3,900)
INCREASE (DECREASE) IN NET POSITION	(31,447)	(3,968)	(35,415)
NET POSITION			
Net position, beginning balance	1,641,940	460,419	2,102,359
Prior period adjustments	(553)	-	(553)
Net position, beginning balance, restated	1,641,387	460,419	2,101,806
TOTAL NET POSITION - ENDING BALANCE	\$ 1,609,940	\$ 456,451	\$ 2,066,391

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS
Year Ended March 31, 2026

	Public Housing	Lincoln Terrace	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Rental receipts	\$ 194,016	\$ 119,693	\$ 313,709
HUD Section 8 program receipts	-	80,449	80,449
Other receipts	5,752	1,481	7,233
Tenant security deposits	185	747	932
Cash payments for goods and services	(212,053)	(130,362)	(342,415)
Cash payments to employees for services	(117,771)	(58,728)	(176,499)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(129,871)	13,280	(116,591)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
HUD operating subsidy	81,919	-	81,919
HUD capital grants - operations	71,875	-	71,875
Interfund borrowing	9,856	(9,856)	-
Nonroutine maintenance	(3,900)	-	(3,900)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	159,750	(9,856)	149,894
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases and construction of capital assets	(462,119)	(105,776)	(567,895)
HUD capital fund grants	50,286	-	50,286
Casualty loss, insurance proceeds	354,076	82,693	436,769
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(57,757)	(23,083)	(80,840)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net (deposits) withdrawals to investments	(4,132)	16,044	11,912
Interest received	4,132	988	5,120
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	17,032	17,032
NET INCREASE (DECREASE) IN CASH	(27,878)	(2,627)	(30,505)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	101,240	36,097	137,337
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 73,362	\$ 33,470	\$ 106,832

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS (CONT'D)
Year Ended March 31, 2026

	Public Housing	Lincoln Terrace	Totals
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (234,331)	\$ (5,913)	\$ (240,244)
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	94,366	32,368	126,734
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
(Increase) decrease in accounts receivable	5,602	-	5,602
(Increase) decrease in prepaid insurance	(71)	(11,307)	(11,378)
(Increase) decrease in deferred outflows of resources, pension	7,110	3,544	10,654
(Increase) decrease in deferred outflows of resources, OPEB	110	55	165
Increase (decrease) in accounts payable	2,017	(2,694)	(677)
Increase (decrease) in tenant security deposits	185	747	932
Increase (decrease) in accrued payroll and benefits	520	-	520
Increase (decrease) in accrued compensated absences	1,210	604	1,814
Increase (decrease) in unearned revenue	1,144	(193)	951
Increase (decrease) in net pension liability	(30,523)	(15,078)	(45,601)
Increase (decrease) in net OPEB liability	(1,350)	(665)	(2,015)
Increase (decrease) in deferred inflows of resources, pension	24,199	11,841	36,040
Increase (decrease) in deferred inflows of resources, OPEB	(59)	(29)	(88)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(129,871)</u>	\$ <u>13,280</u>	\$ <u>(116,591)</u>

**SUPPLEMENTAL INFORMATION –
FINANCIAL DATA SCHEDULE**

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2026

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$59,453	\$25,487	\$84,940		\$84,940
114 Cash - Tenant Security Deposits	\$13,909	\$7,983	\$21,892		\$21,892
100 Total Cash	\$73,362	\$33,470	\$106,832		\$106,832
122 Accounts Receivable - HUD Other Projects	\$2,558		\$2,558		\$2,558
126 Accounts Receivable - Tenants	\$9,545	\$937	\$10,482		\$10,482
126.1 Allowance for Doubtful Accounts - Tenants	-\$7,031	-\$937	-\$7,968		-\$7,968
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0
129 Accrued Interest Receivable	\$3,808	\$28	\$3,836		\$3,836
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$8,880	\$28	\$8,908		\$8,908
131 Investments - Unrestricted	\$265,111	\$11,489	\$276,600		\$276,600
142 Prepaid Expenses and Other Assets	\$24,572	\$11,354	\$35,926		\$35,926
150 Total Current Assets	\$371,925	\$56,341	\$428,266		\$428,266
161 Land	\$51,500	\$83,629	\$135,129		\$135,129
162 Buildings	\$3,230,899	\$1,353,146	\$4,584,045		\$4,584,045
163 Furniture, Equipment & Machinery - Dwellings	\$80,090	\$19,139	\$99,229		\$99,229
164 Furniture, Equipment & Machinery - Administration	\$55,703	\$22,674	\$78,377		\$78,377
166 Accumulated Depreciation	-\$2,090,036	-\$1,037,958	-\$3,127,994		-\$3,127,994
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,328,156	\$440,630	\$1,768,786		\$1,768,786
180 Total Non-Current Assets	\$1,328,156	\$440,630	\$1,768,786		\$1,768,786
200 Deferred Outflow of Resources	\$7,995	\$3,916	\$11,911		\$11,911
290 Total Assets and Deferred Outflow of Resources	\$1,708,076	\$500,887	\$2,208,963		\$2,208,963
312 Accounts Payable <= 90 Days	\$4,635	\$2,225	\$6,860		\$6,860
321 Accrued Wage/Payroll Taxes Payable	\$4,180	\$19	\$4,179		\$4,179
322 Accrued Compensated Absences - Current Portion	\$9,497	\$4,748	\$14,245		\$14,245
331 Accounts Payable - HUD PHA Programs	\$6,901		\$6,901		\$6,901
341 Tenant Security Deposits	\$13,909	\$7,983	\$21,892		\$21,892
342 Unearned Revenue	\$4,690	\$2,118	\$6,808		\$6,808
346 Accrued Liabilities - Other	\$1,326	\$1,365	\$2,691		\$2,691
310 Total Current Liabilities	\$45,118	\$18,458	\$63,576		\$63,576
357 Accrued Pension and OPEB Liabilities	\$22,100	\$10,829	\$32,929		\$32,929
350 Total Non-Current Liabilities	\$22,100	\$10,829	\$32,929		\$32,929
300 Total Liabilities	\$67,218	\$29,287	\$96,505		\$96,505
400 Deferred Inflow of Resources	\$30,918	\$15,149	\$46,067		\$46,067
508.4 Net Investment in Capital Assets	\$1,328,156	\$440,630	\$1,768,786		\$1,768,786
512.4 Unrestricted Net Position	\$281,784	\$15,821	\$297,605		\$297,605
513 Total Equity - Net Assets / Position	\$1,609,940	\$456,451	\$2,066,391		\$2,066,391
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,708,076	\$500,887	\$2,208,963		\$2,208,963

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: 03/31/2026

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$168,605	\$109,719	\$278,324		\$278,324
70400 Tenant Revenue - Other	\$18,665	\$10,167	\$28,832		\$28,832
70500 Total Tenant Revenue	\$187,270	\$119,886	\$307,156	\$0	\$307,156
70600 HUD PHA Operating Grants	\$155,998	\$80,449	\$236,447		\$236,447
70610 Capital Grants	\$50,286		\$50,286		\$50,286
71100 Investment Income - Unrestricted	\$500	\$932	\$1,432		\$1,432
71500 Other Revenue	\$5,752	\$1,481	\$7,233	-\$5,000	\$2,233
70000 Total Revenue	\$399,806	\$202,748	\$602,554	-\$5,000	\$597,554
91100 Administrative Salaries	\$33,467	\$16,734	\$50,201		\$50,201
91200 Auditing Fees	\$4,585	\$2,105	\$6,690		\$6,690
91400 Advertising and Marketing	\$50	\$25	\$75		\$75
91500 Employee Benefit contributions - Administrative	\$14,569	\$6,933	\$21,502		\$21,502
91600 Office Expenses	\$8,933	\$11,811	\$20,744	-\$5,000	\$15,744
91700 Legal Expense	\$2,066	\$1,758	\$3,824		\$3,824
91800 Travel	\$3,769	\$2,045	\$5,814		\$5,814
91900 Other	\$11,107	\$4,175	\$15,282		\$15,282
91000 Total Operating - Administrative	\$78,546	\$45,586	\$124,132	-\$5,000	\$119,132
92400 Tenant Services - Other	\$1,535	\$1,324	\$2,859		\$2,859
92500 Total Tenant Services	\$1,535	\$1,324	\$2,859	\$0	\$2,859
93100 Water	\$1,752	\$3,642	\$5,394		\$5,394
93200 Electricity	\$10,930	\$8,109	\$19,039		\$19,039
93300 Gas	\$7,504	\$7,138	\$14,642		\$14,642
93600 Sewer	\$4,970	\$4,500	\$9,470		\$9,470
93000 Total Utilities	\$25,156	\$23,389	\$48,545	\$0	\$48,545
94100 Ordinary Maintenance and Operations - Labor	\$42,324	\$20,384	\$62,708		\$62,708
94200 Ordinary Maintenance and Operations - Materials and Other	\$26,836	\$10,766	\$37,602		\$37,602
94300 Ordinary Maintenance and Operations Contracts	\$74,520	\$36,583	\$111,103		\$111,103
94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,349	\$11,310	\$32,659		\$32,659
94000 Total Maintenance	\$165,029	\$79,043	\$244,072	\$0	\$244,072
96110 Property Insurance	\$44,421	\$19,977	\$64,398		\$64,398
96120 Liability Insurance	\$1,480	\$830	\$2,310		\$2,310
96130 Workmen's Compensation	\$1,446	\$589	\$2,035		\$2,035
96140 All Other Insurance	\$1,082	\$47	\$1,109		\$1,109
96100 Total Insurance Premiums	\$48,409	\$21,443	\$69,852	\$0	\$69,852
96210 Compensated Absences	\$7,281	\$3,639	\$10,920		\$10,920
96300 Payments in Lieu of Taxes	\$0	\$0	\$0		\$0
96400 Bad debt - Tenant Rents	\$7,031	\$937	\$7,968		\$7,968
96000 Total Other General Expenses	\$14,312	\$4,576	\$18,888	\$0	\$18,888
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$332,987	\$175,361	\$508,348	-\$5,000	\$503,348
97000 Excess of Operating Revenue over Operating Expenses	\$66,819	\$27,387	\$94,206	\$0	\$94,206
97400 Depreciation Expense	\$94,366	\$32,368	\$126,734		\$126,734
90000 Total Expenses	\$427,353	\$207,729	\$635,082	-\$5,000	\$630,082
10010 Operating Transfer In	\$71,521		\$71,521	-\$71,521	\$0
10020 Operating transfer Out	-\$71,521		-\$71,521	\$71,521	\$0
10080 Special Items (Net Gain/Loss)	-\$3,900	\$1,013	-\$2,887		-\$2,887
10100 Total Other financing Sources (Uses)	-\$3,900	\$1,013	-\$2,887	\$0	-\$2,887
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$31,447	-\$3,968	-\$35,415	\$0	-\$35,415
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$1,641,940	\$460,419	\$2,102,359		\$2,102,359
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$553		-\$553		-\$553
11190 Unit Months Available	492	240	732		732
11210 Number of Unit Months Leased	479	229	708		708
11270 Excess Cash	\$274,487		\$274,487		\$274,487
11620 Building Purchases	\$435,922		\$435,922		\$435,922
11630 Furniture & Equipment - Dwelling Purchases	\$21,913		\$21,913		\$21,913
11640 Furniture & Equipment - Administrative Purchases	\$4,283		\$4,283		\$4,283

Housing Authority of the City of Wray (CO022)

WRAY, CO

Single Project Revenue and Expense

Submission Type: Audited/Non Single
Audit

Fiscal Year End: 03/31/2026

Project: CO022072757 WRAY

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$168,605	\$0	\$168,605
70400 Tenant Revenue - Other	\$18,665	\$0	\$18,665
70500 Total Tenant Revenue	\$187,270	\$0	\$187,270
70600 HUD PHA Operating Grants	\$84,477	\$71,521	\$155,998
70610 Capital Grants		\$50,286	\$50,286
71100 Investment Income - Unrestricted	\$500	\$0	\$500
71500 Other Revenue	\$5,752	\$0	\$5,752
70000 Total Revenue	\$277,999	\$121,807	\$399,806
91100 Administrative Salaries	\$33,467		\$33,467
91200 Auditing Fees	\$4,585	\$0	\$4,585
91400 Advertising and Marketing	\$50	\$0	\$50
91500 Employee Benefit contributions - Administrative	\$14,569		\$14,569
91600 Office Expenses	\$8,933	\$0	\$8,933
91700 Legal Expense	\$2,066	\$0	\$2,066
91800 Travel	\$3,769	\$0	\$3,769
91900 Other	\$11,107	\$0	\$11,107
91000 Total Operating - Administrative	\$78,546	\$0	\$78,546
92400 Tenant Services - Other	\$1,535	\$0	\$1,535
92500 Total Tenant Services	\$1,535	\$0	\$1,535
93100 Water	\$1,752	\$0	\$1,752
93200 Electricity	\$10,930	\$0	\$10,930
93300 Gas	\$7,504	\$0	\$7,504
93600 Sewer	\$4,970	\$0	\$4,970
93000 Total Utilities	\$25,156	\$0	\$25,156
94100 Ordinary Maintenance and Operations - Labor	\$42,324	\$0	\$42,324
94200 Ordinary Maintenance and Operations - Materials and Other	\$26,836	\$0	\$26,836
94300 Ordinary Maintenance and Operations Contracts	\$74,520	\$0	\$74,520
94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,349	\$0	\$21,349
94000 Total Maintenance	\$165,029	\$0	\$165,029
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$44,421	\$0	\$44,421
96120 Liability Insurance	\$1,480	\$0	\$1,480
96130 Workmen's Compensation	\$1,446	\$0	\$1,446
96140 All Other Insurance	\$1,062	\$0	\$1,062
96100 Total insurance Premiums	\$48,409	\$0	\$48,409
96210 Compensated Absences	\$7,281	\$0	\$7,281
96300 Payments in Lieu of Taxes		\$0	\$0
96400 Bad debt - Tenant Rents	\$7,031	\$0	\$7,031
96000 Total Other General Expenses	\$14,312	\$0	\$14,312
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$332,987	\$0	\$332,987
97000 Excess of Operating Revenue over Operating Expenses	\$54,988	\$121,807	\$66,819
97400 Depreciation Expense	\$94,366	\$0	\$94,366
90000 Total Expenses	\$427,353	\$0	\$427,353
10010 Operating Transfer In	\$71,521	\$0	\$71,521
10020 Operating transfer Out		-\$71,521	-\$71,521
10080 Special Items (Net Gain/Loss)	-\$3,900	\$0	-\$3,900
10100 Total Other financing Sources (Uses)	\$67,621	-\$71,521	-\$3,900
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$81,733	\$50,286	-\$31,447
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,641,940	\$0	\$1,641,940
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$49,733	-\$50,286	-\$553
11190 Unit Months Available	492		492
11210 Number of Unit Months Leased	479		479
11270 Excess Cash	\$274,487		\$274,487
11620 Building Purchases	\$409,480	\$26,442	\$435,922
11630 Furniture & Equipment - Dwelling Purchases	\$2,352	\$19,581	\$21,913
11640 Furniture & Equipment - Administrative Purchases	\$0	\$4,283	\$4,283

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, 2026, 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 September 18, 2026.

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 2026-1.

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 is 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
September 18, 2026

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
March 31, 2026

The audit report for the year ended March 31, 2025 contained two findings and no questioned costs.

Finding 2025-1: Lack of segregation of duties – This finding is repeated due to the Authority's status as a small entity with limited staffing. As a result, it is not financially feasible to implement full segregation of duties.

Finding 2025-2: Financial Reporting – This finding has been cleared.

HOUSING AUTHORITY OF THE CITY OF WRAY, COLORADO
SCHEDULE OF FINDINGS AND RESPONSES
March 31, 2026

Finding 2026-1: Internal Control Structure
Material Weakness

Criteria: A properly designed internal control structure depends significantly on appropriate segregation of duties among multiple individuals. Duties related to initiating, authorizing, recording, processing, and reporting financial data should be divided among personnel to reduce the risk of error or fraud that could lead to a material misstatement of the financial statements.

Condition: The Authority employs only one administrative staff member. As a result, responsibilities are not assigned in a manner that allows different employees to handle different aspects of a transaction. This lack of personnel results in an inadequate internal control structure.

Cause: The Authority operates with limited staff and financial resources, which makes the segregation of duties impractical.

Effect or Potential Effect: The absence of segregation of duties constitutes a significant deficiency in internal control. This deficiency increases the risk of material misstatement in the financial statements, whether due to error or fraud.

Recommendation: Due to the Authority's size and limited resources, hiring additional staff to achieve full segregation of duties may not be financially feasible. This situation is common among small entities. However, the Authority's Board should evaluate the cost-benefit of implementing any additional compensating controls. While it is not our role to design internal controls, we recommend that the Board consider the risk and determine whether additional oversight or mitigating procedures are warranted.



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@plainsnet.net

CORRECTIVE ACTION PLAN

Year Ended March 31, 2026

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, 2026:

ITEM

- 2026-1** 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.

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

AGREED-UPON PROCEDURE

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, 2026. 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, 2026. 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, 2026, and have issued our report thereon dated September 18, 2026. 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 September 18, 2026, 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
September 18, 2026