

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

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2019**

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Trinidad
Trinidad, Colorado

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Trinidad (Authority), Colorado, as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the City of Trinidad, Colorado, as of March 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages i-vii 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Trinidad, Colorado’s basic financial statements. The accompanying PHA’s Statement of Certification of Actual Modernization Costs and the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The accompanying PHA’s Statement of Certification of Actual Modernization Costs, the Financial Data Schedule and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying PHA’s Statement of Certification of Actual Modernization Costs, the Financial Data Schedule and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 18, 2019, on my consideration of the Housing Authority of the City of Trinidad, Colorado’s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Housing Authority of the City of Trinidad, Colorado’s internal control over financial reporting and compliance.

Audit Solutions, LLC

Chesterfield, Missouri

June 18, 2019

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
March 31, 2019

Introduction

This Management's Discussion and Analysis (MD&A) of the Trinidad Housing Authority (Authority) provides an introduction and overview to the financial statements of the Trinidad Housing Authority for the fiscal year ended March 31, 2019. The Trinidad Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended March 31, 2019, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Trinidad Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has several individual programs. These programs are listed as follows:

- Low Rent Public Housing Program: The Low Rent Program consists of 198 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.
- Capital Fund Program: The Capital Fund program is also funded from HUD based on a formula. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.
- Housing Choice Voucher Program: The Housing Choice Voucher Program provides rental assistance to aid low income families to afford, decent, safe and sanitary rental housing. The Housing Authority provides rental assistance in the form of a Housing Assistance Payment to a landlord on behalf of the tenant. The Housing Authority currently has 83 units available. Funds are provided by HUD to provide rental assistance payments. The Housing Authority is provided an administrative fee for the purpose of covering the administrative costs of the program. The fee is preset by HUD on an annual basis.
- Management Program: The purpose of the Management Program is to manage and operate non owned low-income housing. One apartment complex is currently being managed from this fund. A management fee is paid to the fund from the Section 8 New Construction Program.
- Section 8 New Construction Program: The Section 8 New Construction Program is a project-based apartment complex that HUD has entered into a contract to provide Housing Assistance Payments (HAP) to the Authority for these specific units. This program is managed by the Authority. It consists of 50 units. Tenants typically pay rent which is the 30 percent of the adjusted gross income. The remaining portion of the rent is provided by HUD in the form of rental assistance.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2019

Overview of the Financial Statements – (Continued)

The Statement of Net Position presents information on the assets, deferred outflows or resources, and liabilities, and deferred inflows of resources with the differences between the two being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- *Net Investment in Capital Assets* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets
- *Restricted Component of Net Position* consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through constitutional provisions.
- *Unrestricted Component of Net Position* represents the remaining resources available that does not meet the definition of the above categories. The unrestricted component of net position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended March 31, 2019, to determine the change in net position for the fiscal year.

The Statement of Cash Flows report cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended March 31, 2019.

Financial Highlights

- The Trinidad Housing Authority's Net Position increased from the March 31, 2018 balance of \$3,869,260 to the March 31, 2019 balance of \$3,958,195, an increase of \$88,935 or 2%. The total assets increased during the same time frame by \$36,743 or 1%.
- Total revenues decreased from \$2,716,077 earned for the year ended March 31, 2018, to \$2,195,294 earned for the year ended March 31, 2019, a decrease of \$520,783 or 19%.
- Total expenses increased by \$86,086, from \$2,020,273 incurred for the year ended March 31, 2018, to \$2,106,359 incurred for the year ended March 31, 2019. This represents an increase of 4%.

Housing Authority Activities & Highlights

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended March 31, 2019 and March 31, 2018.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2019

Housing Authority Activities & Highlights – (Continued)

***Summary Statement of Net Position
As of March 31, 2019 & 2018***

Category	3/31/2019	3/31/2018	Change \$	Change %
Current Assets	\$ 1,969,582	\$ 1,997,037	\$ (27,455)	-1%
Fixed Assets (Net of Depreciation)	\$ 3,675,938	\$ 3,611,740	\$ 64,198	2%
Total Assets	\$ 5,645,520	\$ 5,608,777	\$ 36,743	1%
Current Liabilities	\$ 246,939	\$ 273,679	\$ (26,740)	-10%
Non Current Liabilities	\$ 1,440,386	\$ 1,465,838	\$ (25,452)	-2%
Total Liabilities	\$ 1,687,325	\$ 1,739,517	\$ (52,192)	-3%
Unrestricted	\$ 1,625,551	\$ 1,623,974	\$ 1,577	0%
Restricted	\$ 89,582	\$ 85,951	\$ 3,631	4%
Net Investment in Capital Assets	\$ 2,243,062	\$ 2,159,335	\$ 83,727	4%
Total Net Position	\$ 3,958,195	\$ 3,869,260	\$ 88,935	2%

Current Assets

Current assets decreased by \$27,455 due primarily to a decrease in A/R – HUD of \$28,497 and A/R – other government of \$75,661. This was offset by an increase in cash of \$56,711.

Noncurrent Assets

Noncurrent assets increased by \$64,198. See the capital asset section for further information.

Current Liabilities

Current liabilities decreased by \$26,740. This was primarily due to a decrease in accounts payable in the amount of \$70,076 offset by an increase in other current liabilities by \$34,848.

Net Position

Restricted

The restricted component of net position of the Authority increased by \$3,631 from the previous fiscal year. The increase was due primarily to the N/C S/R Section 8 Program restricted accounts increasing by \$13,734 in addition to an increase in restricted net position in the Community Development Block Grant Program by \$3,631 during the current year. In contrast, restricted net position on the HCV program decreased by \$13,734 as a result of excess HAP costs over HAP funding.

Unrestricted

The Authority's unrestricted component of Net Position changed from \$1,623,974 to \$1,625,551, a change of \$1,577 for the current year. This balance is subject to program specific guidelines.

The individual program balances that comprise the unrestricted component of net position are as follows:

▪ Low Rent Housing Program	\$1,635,503
▪ Housing Choice Voucher	5,804
▪ Section 8 New Construction	(13,476)
▪ Management Program	<u>(2,280)</u>
Total	<u>\$1,625,551</u>

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2019

Housing Authority Activities & Highlights – (Continued)

***Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended March 31, 2019 and 2018***

Category	3/31/2019	3/31/2018	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 562,067	\$ 507,440	\$ 54,627	11%
Government Operating Grants	\$ 1,254,667	\$ 1,758,641	\$ (503,974)	-29%
Capital Grants	\$ 350,478	\$ 269,895	\$ 80,583	30%
Other Revenue	\$ 19,003	\$ 172,000	\$ (152,997)	-89%
Interest Income	\$ 9,079	\$ 8,101	\$ 978	12%
Total Revenue	\$ 2,195,294	\$ 2,716,077	\$ (520,783)	-19%
Expenses:				
Administration	\$ 456,740	\$ 433,560	\$ 23,180	5%
Tenant Services	\$ 784	\$ 7,971	\$ (7,187)	-90%
Utilities	\$ 87,157	\$ 80,739	\$ 6,418	8%
Ordinary Maintenance	\$ 617,035	\$ 584,766	\$ 32,269	6%
Protective Services	\$ 9,118	\$ 5,829	\$ 3,289	56%
General/Insurance Expense	\$ 199,719	\$ 194,037	\$ 5,682	3%
Nonroutine Maintenance	\$ 9,994	\$ -	\$ 9,994	N/A
Depreciation	\$ 389,575	\$ 339,704	\$ 49,871	15%
Housing Assistance Payments	\$ 285,603	\$ 294,334	\$ (8,731)	-3%
Interest Expense	\$ 50,634	\$ 79,333	\$ (28,699)	-36%
Total Expenses	\$ 2,106,359	\$ 2,020,273	\$ 86,086	4%
Excess (Deficiency) Before Special Items	\$ 88,935	\$ 695,804	\$ (606,869)	-87%
Change in Net Position	\$ 88,935	\$ 695,804	\$ (606,869)	-87%
Net Position, Beginning of Year	\$ 3,869,260	\$ 3,190,447	\$ 678,813	21%
Prior Period Adjustment	\$ -	\$ (16,991)	\$ 16,991	-100%
Net Position, End of Year	\$ 3,958,195	\$ 3,869,260	\$ 88,935	2%

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's total revenue decreased by \$520,783 from the previous year. Significant variances include the following:

- HUD operating grants decreased by \$128,611. This decrease was due primarily to lower operating grants in the Capital Fund Program of \$51,271, with a decrease of \$43,617 in the Section 8 Voucher Program and \$30,813 in the Operating Fund.
- Capital grant revenue increased by \$80,583 or 30% due to increased capital improvement activity in the current year.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2019

Housing Authority Activities & Highlights – (Continued)

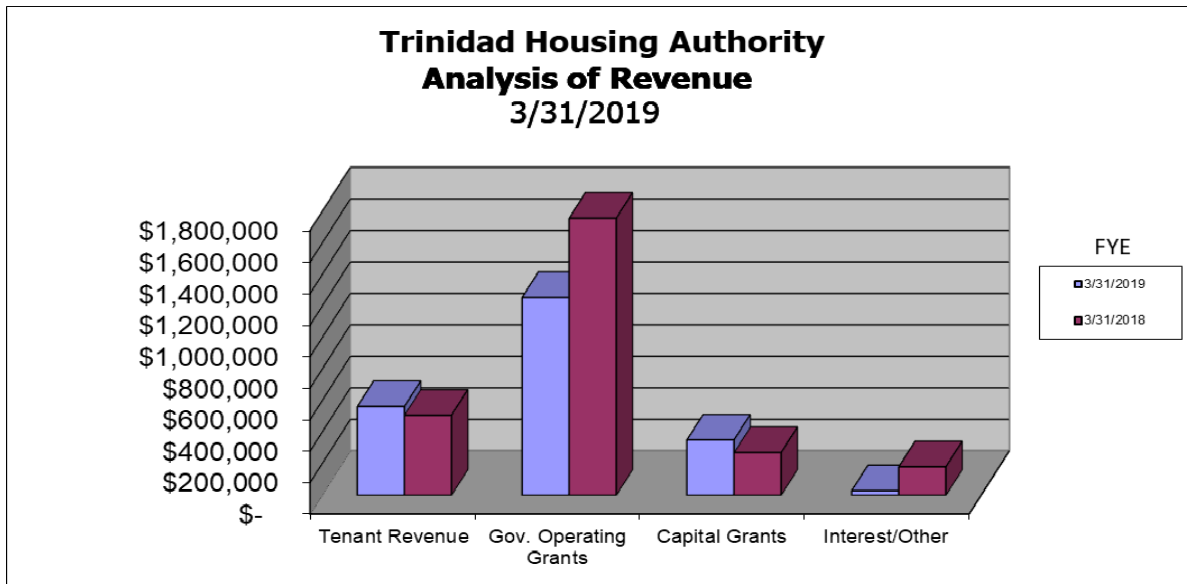
Results of Operations – (Continued)

- Other government grants decreased from \$485,276 to \$109,913 due to the agency receiving less CDBG funds in the current year.
- Other revenue decreased by \$152,997 primarily due to insurance proceeds received in the prior year.

Total expenses increased by \$86,086 from the previous year. Significant variances include the following:

- Administrative costs increased by \$23,180 due primarily to an increase in staffing and benefit costs. Administrative salaries and benefit costs increased by \$24,106 from the previous year due to raises in the current year.
- Tenant services expenses decreased by \$7,187 primarily due to the reduction in tenant services provided in the current year.
- Ordinary maintenance costs increased by \$32,269 primarily due to the significant increase in miscellaneous contract costs of \$35,110, including plumbing and sewer repair contracts.

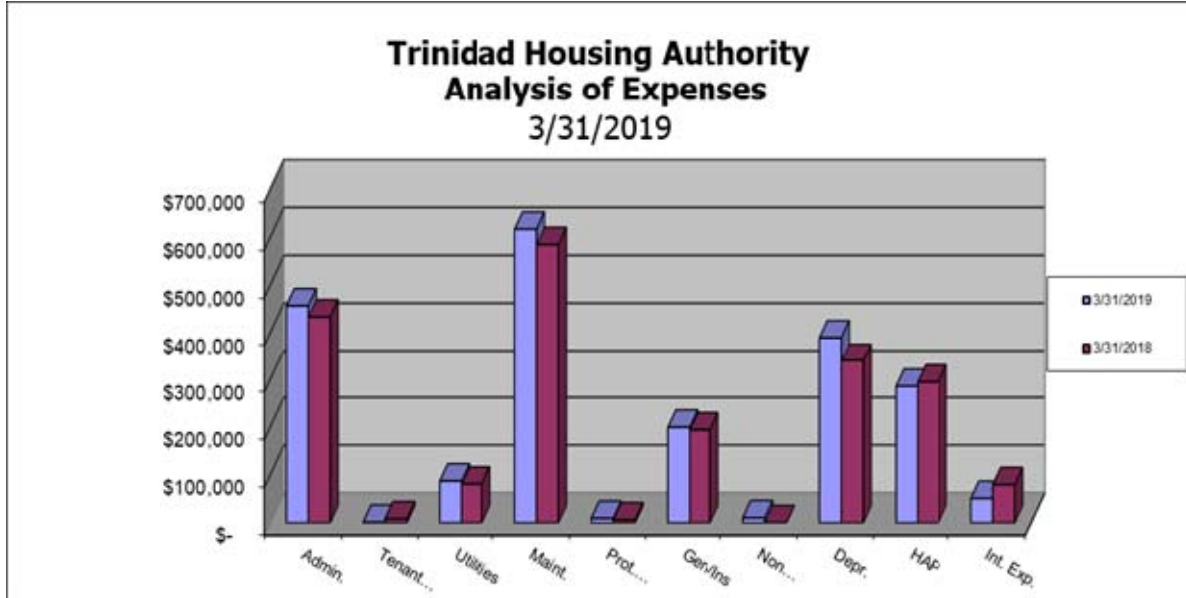
We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:



HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2019

Housing Authority Activities & Highlights – (Continued)



Capital Assets

As of March 31, 2019, the Trinidad Housing Authority's net investment in capital assets was \$2,243,062. This investment includes land, building, site improvement, construction in progress, and equipment, less accumulated depreciation. Any debt associated with the asset including the principal balance of long-term debt is deducted in this balance.

**Summary Statement of Capital Assets
Years Ended March 31, 2019 and 2018**

Category	3/31/2019	3/31/2018	Change \$	Change %
Land	\$ 407,991	\$ 407,991	\$ -	0%
Buildings	\$ 14,190,836	\$ 13,457,738	\$ 733,098	5%
Equipment	\$ 298,788	\$ 298,788	\$ -	0%
Construction in Progress	\$ 240,389	\$ 519,714	\$ (279,325)	-54%
Accumulated Depreciation	\$ (11,462,066)	\$ (11,072,491)	\$ (389,575)	4%
Total Net Fixed Assets	\$ 3,675,938	\$ 3,611,740	\$ 64,198	2%

Additions to buildings consist of LED fixture upgrade and sidewalk replacement funded by the Capital Fund Program. There was also the completion of a fire suppression system funded by a CDBG grant. Construction in progress consisted of apartment conversions not yet completed.

Long Term Debt Activity

At March 31, 2019, the Housing Authority had \$1,432,876 in mortgages payable outstanding versus \$1,452,405 in the previous year, a decrease of 1.34%. During the fiscal year, the Housing Authority did not incur any additional debt. The amount classified at noncurrent is \$1,412,194.

In addition, the Authority classifies a portion of the employee's leave as long-term debt. This is due to the Authority not anticipating to pay-out the total amount in the following year. The amount listed as long term is \$28,192.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
March 31, 2019

Subsequent Event

The Authority's Low Rent Housing Program faces a potential operating subsidy proration of 88.70% for the calendar year 2019.

The amount of funding for the 2019 calendar year for the Housing Choice Voucher Program has been finalized by HUD. Proration funding for administrative fees is estimated to be 80% and HAP funding is 99%. These funding levels will result in similar revenues and services supported during the upcoming fiscal year as the current year.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Trinidad Housing Authority
Rosemarie Shier, Executive Director
128 W First Street
Trinidad, CO 81082

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

STATEMENT OF NET POSITION
March 31, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$	921,495
Cash - restricted		161,705
Investments		747,422
Receivables - net of allowances		28,726
Inventory - net of allowances		54,604
Prepaid expenses		<u>55,630</u>

Total Current Assets 1,969,582

Non-current Assets:

Capital assets:

Land and construction in progress		648,380
Other capital assets, net of depreciation		<u>3,027,558</u>

Total capital assets - net 3,675,938

Total Non-current Assets 3,675,938

Total Assets \$ 5,645,520

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

STATEMENT OF NET POSITION - (Continued)
March 31, 2019

LIABILITIES

Current Liabilities:

Accounts payable	\$	112,039
Accrued salaries and benefits		8,946
Tenant security deposit liability		72,123
Accrued compensated absences		24,038
Accrued interest payable		2,270
Current portion of long-term debt		20,682
Unearned revenues		<u>6,841</u>

Total Current Liabilities 246,939

Non-current Liabilities:

Long term debt, net of current portion		1,412,194
Compensated absences		<u>28,192</u>

Total Non-current Liabilities 1,440,386

Total Liabilities 1,687,325

NET POSITION

Net investment in capital assets		2,243,062
Restricted		89,582
Unrestricted		<u>1,625,551</u>

Total Net Position 3,958,195

Total Liabilities and Net Position \$ 5,645,520

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended March 31, 2019

OPERATING REVENUES	
Tenant revenue	\$ 562,067
Governmental grants and subsidy	1,147,711
Miscellaneous	<u>19,003</u>
Total operating revenue	<u>1,728,781</u>
OPERATING EXPENSES	
Administrative	456,740
Tenant services	784
Utilities	87,157
Ordinary maintenance and operations	617,035
Protective services	9,118
Insurance	85,369
General	114,350
Non routine maintenance	9,994
Housing assistance payment	285,603
Depreciation expense	<u>389,575</u>
Total operating expenses	<u>2,055,725</u>
Operating income (loss)	<u>(326,944)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	9,079
Interest expense	<u>(50,634)</u>
Net non-operating revenues (expenses)	<u>(41,555)</u>
Income (loss) before contributions and transfers	<u>(368,499)</u>
Capital contributions	<u>457,434</u>
Change in net position	88,935
Total net position - beginning of year	<u>3,869,260</u>
Total net position - end of year	<u>\$ 3,958,195</u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Received from tenants	\$ 555,590
Received from governmental grants and subsidy	1,172,536
Received from other operating activities	19,774
Payments for goods and services	(558,794)
Payments to employees	(740,526)
Payment in lieu of taxes	(40,963)
Payment for housing assistance	<u>(285,603)</u>

Net cash provided by (used in) operating activities 122,014

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital contributions	534,959
Purchases of capital assets	(531,328)
Principal paid on capital debt	(19,529)
Interest paid on capital debt	<u>(50,728)</u>

Net cash provided by (used in) capital and related financing activities (66,626)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds (payments) from sale (purchase) of investments	(7,483)
Receipts of interest and dividends	<u>8,806</u>

Net cash provided by (used in) investing activities 1,323

Net increase (decrease) in cash and cash equivalents	56,711
Cash and cash equivalents at beginning of year	<u>1,026,489</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,083,200</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

STATEMENT OF CASH FLOWS - (Continued)
For the Year Ended March 31, 2019

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (326,944)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	389,575
Change in assets and liabilities:	
Receivables, net	28,717
Inventories, net	(19,828)
Prepaid expenses	5,508
Accounts and other payables	47,022
Tenant security deposit	1,759
Unearned revenues	(1,038)
Compensated absences	(411)
Accrued expenses	<u>(2,346)</u>
Net cash provided by (used) by operating activities	\$ <u><u>122,014</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1B. Basis of Presentation - (Continued)

The Authority operates the following programs in the enterprise fund:

Low Rent – The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income individuals.

Capital Fund Program – The purpose of this program is to provide funds annually to housing authorities for the modernization of the housing development and for management improvements.

Housing Choice Vouchers – The objective of the program is to help low-income families obtain decent, safe, and sanitary housing through a system of rental assistance. HUD reimburses the Authority for the rental supplements paid to private landlords and the administrative costs of managing the program.

Business Activities – The Authority acts as a managing agent for Corazon Square property. The Authority receives monthly payment as management fee for the upkeep of the property.

Blended Component Unit (Corazon Square) – The organization operates 50 unit apartment project located in Trinidad, Colorado under Federal Home Administration (FHA) Insured Project. Under this program, HUD provides Section 8 project-based assistance to the housing authorities to help bridge the gap between the rents needed to make a project feasible and the rents affordable to the tenants.

Community Development Block Grant (CDBG) – This program provides communities with resources to address a wide range of unique community development needs by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

1C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting - In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1D. Budgets

Budgets are prepared for regulatory purposes in accordance with the Authority’s contract with HUD on an annual basis for all operating programs and on a project length basis for capital projects funds which are approved by the Board of Commissioners and submitted to HUD for their approval, if required.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1E. Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

1F. Assets, Liabilities, and Equity

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2B and 3A.

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur within individual funds that may result in amounts owed between funds. Inter-fund receivables and payables between funds are eliminated for financial statement presentation.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances consist of HUD, accrued interest, fraud recovery and tenant accounts receivable.

Inventories

Inventories are accounted for under the consumption method and recorded at lower of cost or market. Inventories consist primarily of maintenance materials and supplies held for consumption. The cost of these supplies is regarded as an expenditure at the time the items are consumed. Inventories are classified as current assets on the Statement of Net Position, net of an allowance for obsolete inventory.

Fixed Assets

Fixed assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. It is the policy of the Authority to capitalize all assets with a cost of \$1,000 or greater. The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities, and Equity - (Continued)

Fixed Assets - (Continued)

Depreciation of all exhaustible fixed assets is charged as an expense against operations and is recorded in the Statement of Revenues, Expenses and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	15-40 years
Furniture, equipment and machinery - dwelling	5 years
Furniture, equipment and machinery - administrative	3-15 years

Restricted Assets

Restricted assets include cash of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to the security deposit fund, HAP fund, reserve accounts and restricted cash under the Low Rent, Housing Choice Vouchers, Section 8 N/C and CDBG program.

Compensated Absences

The Authority's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term and short-term liabilities based on historical trends. Amounts not expected to be paid within the next fiscal year are classified as long-term liabilities.

Equity Classifications

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

- 1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted net position - Consists of net position with constraints placed on the use either by (i) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (ii) law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted are available, the Authority's policy is to apply restricted assets to fund restricted costs and then unrestricted as they are needed.

1G. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1G. Revenues, Expenditures, and Expenses – (Continued)

Inter-fund Transfers

Permanent reallocation of resources between programs of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Revenues, Expenses and Change in Net Position, all inter-fund transfers between individual programs, if any, have been eliminated.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2A. Program Accounting Requirements

The Authority's complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

<u>Program</u>	<u>Required By</u>
Public and Indian Housing	U.S. Department of Housing and Urban Development
Capital Fund Program	U.S. Department of Housing and Urban Development
Housing Choice Vouchers	U.S. Department of Housing and Urban Development
Community Development Block Grant	U.S. Department of Housing and Urban Development
Business Activities	Housing Authority
Blended Component Unit: - Corazon Square (Sec 8 N/C)	U.S. Department of Housing and Urban Development

2B. Deposits and Investments Laws and Regulations

It is the Authority's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. The Authority must maintain a written collateral agreement from all financial institutions. As reflected in Note 3A, all deposits were fully insured or collateralized.

Investing is performed in accordance with HUD regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the U.S. Government pledged by its full faith and credit.
- Demand, savings, money-market and certificates of deposit at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC and any deposits in excess of insured amounts are adequately collateralized.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (Continued)

2C. Revenue Restrictions

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Capital Fund Program	Modernization
HAP Grant	Housing assistance payments

For the year ended March 31, 2019, the Authority complied, in all material respects, with these revenue restrictions.

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3A. Cash and Investments

As of March 31, 2019, the Authority had the following cash deposits and investments:

Cash deposits	\$ 1,082,800
Petty cash / Change fund	400
Certificate of deposit	<u>747,422</u>
 Total	 \$ <u><u>1,830,622</u></u>

Following is a reconciliation of the Authority's deposit balances as of March 31, 2019:

Cash and cash equivalents	\$ 921,495
Restricted assets	161,705
Investments	<u>747,422</u>
 Total	 \$ <u><u>1,830,622</u></u>

Deposits

Custodial Credit Risk - Deposits

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At March 31, 2019, the Authority's bank balances of \$1,128,942 were entirely covered by FDIC insurance or by pledged collateral held by the Authority's agent bank.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3A. Cash and Investments – (Continued)

Investments

Custodial Credit Risk - Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At March 31, 2019, the Authority's investment balance of \$747,422 was entirely covered by FDIC insurance or by pledged collateral held by the Authority's agent bank.

The State of Colorado's (the State) Public Deposit Protection Act (PDPA) precludes the Authority from requiring banks to hold securities in the Authority's name. The Authority deposits are subject to and in accordance with the PDPA. Under this act, all uninsured deposits are fully collateralized. The eligible collateral pledged is held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner prescribed by rule and regulation or is segregated from other trust department securities. All collateral so held must be clearly identified as being securities maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and must at all times be entitled to collect and retain all income derived from those investments without restriction.

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organization. As the Authority's investments consist entirely of certificate of deposits, credit risk is not applicable to the Housing Authority.

Concentration of Credit Risk

The Authority places no limit on the amount the Authority may invest in any one issuer. At March 31, 2019, the concentration of the Authority's investment (excluding cash deposits) was as follows:

<u>Type of Investment</u>	<u>Market Value</u>	<u>Maturity Date</u>
Certificate of Deposit	\$ 113,213	7/19/2019
Certificate of Deposit	79,521	2/15/2020
Certificate of Deposit	139,289	12/30/2019
Certificate of Deposit	136,533	4/20/2020
Certificate of Deposit	137,289	4/30/2019
Certificate of Deposit	<u>141,577</u>	1/8/2021
Total	\$ <u>747,422</u>	

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3B. Restricted Assets

Restricted assets at March 31, 2019 consist of the following:

Type of Restricted Assets	Cash Including Time Deposits	Investments	Accrued Interest	Total
Reserve account – Sec 8 N/C	\$ 79,394	\$ ----	\$ ----	\$ 79,394
Restricted cash – CDBG	3,631	----	----	3,631
HAP funds - HCV	6,557	----	----	6,557
Security deposit	72,123	----	----	72,123
Total	\$ 161,705	\$ ----	\$ ----	\$ 161,705

3C. Receivables

Receivables at March 31, 2019, consist of the following:

Tenants - net of allowance	\$ 4,105	
Less: Allowance for doubtful account - tenants	(1,078)	
Tenants - net of allowance		\$ 3,027
Fraud recovery	476	
Less: Allowance for doubtful account - fraud	(286)	
Fraud – net of allowance		190
HUD		24,745
Interest		764
Total Accounts Receivable	\$	\$ 28,726

3D. Inventory

Inventory at March 31, 2019 comprised of the following:

Inventory	\$ 60,671
Less: Allowance for obsolete inventory	(6,067)
Inventory - net of allowance	\$ 54,604

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3E. Capital Assets

A summary of capital asset activity for the year ended March 31, 2019 is as follows:

	<u>Balance April 1, 2018</u>	<u>Additions</u>	<u>(Retirement)</u>	<u>Reclass/ Transfers in (out)</u>	<u>Balance March 31, 2019</u>
Non-depreciable assets:					
Land	\$ 407,991	\$ -	\$ -	\$ -	\$ 407,991
Construction in progress	519,714	205,045	-	(484,370)	240,389
Total non-depreciable assets	<u>927,705</u>	<u>205,045</u>	<u>-</u>	<u>(484,370)</u>	<u>648,380</u>
Depreciable assets:					
Building	13,449,230	248,728	-	484,370	14,182,328
Equipment - dwelling	24,758	-	-	-	24,758
Equipment - administration	274,030	-	-	-	274,030
Leasehold improvements	8,508	-	-	-	8,508
Total depreciable assets	13,756,526	248,728	-	484,370	14,489,624
Accumulated depreciation	<u>(11,072,491)</u>	<u>(389,575)</u>	<u>-</u>	<u>-</u>	<u>(11,462,066)</u>
Total depreciable assets, net	<u>2,684,035</u>	<u>(140,847)</u>	<u>-</u>	<u>484,370</u>	<u>3,027,558</u>
Capital assets, net	<u>\$ 3,611,740</u>	<u>\$ 64,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,675,938</u>

Depreciation expense is charged to programs as follows:

	<u>Business-type Activities</u>
Low Rent	\$ 279,218
CFP	2,483
HCV	470
Sec 8 N/C	59,263
Business Activities	94
CDBG	<u>48,047</u>
Total depreciation expense	<u>\$ 389,575</u>

3F. Accounts Payable

Accounts payable at March 31, 2019, consist of the following:

Vendors & contractors	\$ 8,035
PILOT	45,658
Other current liabilities	51,161
Accrued utilities	<u>7,185</u>
Total Accounts Payable	<u>\$ 112,039</u>

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
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NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3G. Non-current Liabilities

Non-current liabilities at March 31, 2019, consist of the following:

Accrued compensated absences	\$	28,192
Mortgage payable		<u>1,412,194</u>
Total Non-Current Liabilities	\$	<u>1,440,386</u>

The following is the summary of changes in long-term liabilities:

	Balance April 1, 2018	Additions	Deductions	Balance March 31, 2019	Amounts Due within One Year
Accrued compensated absences	32,962	---	4,770	28,192	24,038
Mortgage payable	<u>1,432,876</u>	<u>---</u>	<u>20,682</u>	<u>1,412,194</u>	<u>20,682</u>
Total Non-Current Liabilities	\$ <u>1,465,838</u>	\$ <u>---</u>	\$ <u>25,452</u>	\$ <u>1,440,386</u>	\$ <u>44,720</u>

Annual Debt Service Requirements

The long-term debt consists of the following mortgages:

The Project has a mortgage payable to Colorado Housing and Finance Authority which is due in monthly installments of \$3,949, including principal and interest, with final maturity scheduled for March 2034 at an interest rate of 5.75%. The balance due as of March 31, 2019 is \$473,834 (including current portion). The Corazon Square apartment project serves as collateral for this loan.

Additionally, the Project has a second and third mortgage payable to Federal Housing Administration obtained through the Mark to Market program, consisting of a mortgage restructuring in the amount of \$841,541 and \$117,501 respectively. These mortgages have a maturity date of March 1, 2034 at an interest rate of 5.00%. Principal is due in full at maturity, however, if the Project operates Corazon Square as affordable housing until maturity, the second and third mortgages will be forgiven. The Corazon Square apartment project serves as collateral for this loan.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3G. Non-current Liabilities - (Continued)

The annual debt service requirements to maturity for long-term debt as of March 31, 2019, are as follows:

Year Ending March 31,	Principal	Interest	Total
2020	\$ 20,682	\$ 26,706	\$ 47,388
2021	21,904	25,485	47,389
2022	23,197	24,192	47,389
2023	24,566	22,822	47,388
2024	26,017	21,372	47,389
2025-2029	155,019	81,923	236,942
2030-2034	202,449	30,430	232,879
	<u>\$ 473,834</u>	<u>\$ 232,930</u>	<u>\$ 706,764</u>

3H. Inter-program Transactions and Balances

Transfers are used to move revenues from one program to the other program in accordance with the budgetary authorizations.

Operating Transfers

No operating transfer occurred during FY 2019.

Inter-program Receivable/Payable

Inter-program receivable/payable is eliminated for financial statement presentation. The following inter-program receivable/payable existed at March 31, 2019:

	<u>Due From</u>	<u>Due To</u>
Low Rent	\$ 5,549	\$ ---
HCV	---	(3,905)
Business Activities	---	(1,644)
	<u>\$ 5,549</u>	<u>\$ (5,549)</u>

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
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NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 4 – OTHER NOTES

4A. Employee Pension Plan

The Authority provides pension benefits for all of its full-time employees through a defined contribution plan with Met Life. The Plan administrator has complete control of the administration of the plan, including complete discretions to interpret or construe the provisions of the Plan and under which contributions are established or may be amended.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan requires the Authority to contribute 3% of covered wages. Benefits are fully vested at the time of employment.

The following information related to the defined contribution plan at March 31, 2019:

Total payroll	\$	573,700
Total payroll for eligible participants	\$	294,900
Employer contributions made	\$	8,847

4B. Commitments – Construction

At March 31, 2019, the Authority had the following pending Capital Fund project in progress:

	<u>Funds Approved</u>	<u>Funds Expended - Project to Date</u>
CFP 501-17	\$ 291,622	\$ 144,645

4C. Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee’s health and life; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Authority manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>
a. Torts, errors and omissions	Purchased insurance with State Farm Insurance.
b. Injuries to employees (workers' compensation)	Purchased insurance with Pinnacol Assurance. Claims are administered by the same company.
c. Physical property loss and natural disasters	Purchased commercial insurance with deductible ranging from \$5,000 - \$20,000.
d. Health and life	Purchased health insurance from Blue Cross Blue Shield; Life insurance is provided by Guardian Inc.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
March 31, 2019

NOTE 4 – OTHER NOTES - (Continued)

4D. Contingencies

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

4E. Financial Data Schedule

The Authority prepares its Financial Data Schedule (FDS) in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The FDS format excludes depreciation expense, Housing Assistance Payment (HAP), extraordinary maintenance and interest expense and includes investment income and capital contributions in operating activities, which differs from the presentation of basic financial statements.

4F. Related Party

The Authority is a special limited partner in the Artspace Trinidad Limited Partnership. The ownership interest is .001%. The partnership has been formed to develop, construct, rehabilitate, own, maintain and operate a 41-unit multifamily apartment complex for rental to individuals and families of low -income.

4G. Subsequent Events

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the Authority through June 18, 2019 and concluded that no subsequent events have occurred that would require adjustment to or disclosures within these financial statements.

4H. Economic Dependency

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2020 federal budget.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST
March 31, 2019

1. Actual Capital Fund Program costs are as follows:

	<u>CFP 501-16</u>
Funds approved	\$ 288,555
Funds expended	<u>288,555</u>
Excess of Funds Approved	<u><u>\$ ---</u></u>
Funds advanced	\$ 288,555
Funds expended	<u>288,555</u>
Excess (deficiency) of Funds Advanced	<u><u>\$ ---</u></u>

2. The costs as shown on the Actual Cost Certificate dated March 31, 2019, submitted to HUD for approval is in agreement with the Authority's records as of March 31, 2019.

3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2019

<u>Federal Grantor</u>	<u>Federal CFDA #</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Low Rent Program	14.850	\$ 621,032
Capital Fund Program	14.872	350,478
Housing Voucher Cluster: Section 8 Housing Choice Vouchers	14.871	310,443
Section 8 Project-Based Cluster: Section 8 New Construction & Substantial Rehabilitation	14.182	213,279
Supportive Housing for the Elderly	14.157	1,432,876
Passed through the State of Colorado: Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	<u>106,956</u>
Total Expenditures of Federal Awards		\$ <u><u>3,035,064</u></u>

* Consists of principal loan balance at March 31, 2019.

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Housing Authority of the City of Trinidad (Authority) under programs of the federal government for the year ended March 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
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FINANCIAL DATA SCHEDULE
Year Ended March 31, 2019

	Project Total	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers	14.228 Community Development Block Grants/State's Program	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$871,707	\$35,499	\$14,175		\$114	\$921,495	\$0	\$921,495
113 Cash - Other Restricted	\$0	\$79,394	\$6,557	\$3,631		\$89,582	\$0	\$89,582
114 Cash - Tenant Security Deposits	\$56,942	\$15,181	\$0			\$72,123	\$0	\$72,123
100 Total Cash	\$928,649	\$130,074	\$20,732	\$3,631	\$114	\$1,083,200	\$0	\$1,083,200
122 Accounts Receivable - HUD Other Projects	\$24,745	\$0	\$0			\$24,745	\$0	\$24,745
126 Accounts Receivable - Tenants	\$3,225	\$880	\$0			\$4,105	\$0	\$4,105
126.1 Allowance for Doubtful Accounts -Tenants	-\$1,034	-\$44	\$0			-\$1,078	\$0	-\$1,078
128 Fraud Recovery	\$476	\$0	\$0			\$476	\$0	\$476
128.1 Allowance for Doubtful Accounts - Fraud	-\$286	\$0	\$0			-\$286	\$0	-\$286
129 Accrued Interest Receivable	\$764	\$0	\$0			\$764	\$0	\$764
120 Total Receivables, Net of Allowances for Doubtful Accts	\$27,890	\$836	\$0	\$0	\$0	\$28,726	\$0	\$28,726
131 Investments - Unrestricted	\$747,422	\$0	\$0			\$747,422	\$0	\$747,422
142 Prepaid Expenses and Other Assets	\$46,923	\$8,431	\$230		\$46	\$55,630	\$0	\$55,630
143 Inventories	\$56,231	\$4,440	\$0			\$60,671	\$0	\$60,671
143.1 Allowance for Obsolete Inventories	-\$5,623	-\$444	\$0			-\$6,067	\$0	-\$6,067
144 Inter Program Due From	\$5,549	\$0	\$0			\$5,549	-\$5,549	\$0
150 Total Current Assets	\$1,807,041	\$143,337	\$20,962	\$3,631	\$160	\$1,975,131	-\$5,549	\$1,969,582
161 Land	\$381,908	\$10,000	\$0		\$16,083	\$407,991	\$0	\$407,991
162 Buildings	\$11,402,069	\$1,939,028	\$18,815	\$818,653	\$3,763	\$14,182,328	\$0	\$14,182,328
163 Furniture, Equipment & Machinery - Dwellings	\$24,758	\$0	\$0			\$24,758	\$0	\$24,758
164 Furniture, Equipment & Machinery - Administration	\$256,342	\$17,688	\$0			\$274,030	\$0	\$274,030
165 Leasehold Improvements	\$0	\$0	\$0		\$8,508	\$8,508	\$0	\$8,508
166 Accumulated Depreciation	-\$9,761,043	-\$1,631,880	-\$470	-\$68,579	-\$94	-\$11,462,066	\$0	-\$11,462,066
167 Construction in Progress	\$240,389	\$0	\$0			\$240,389	\$0	\$240,389
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,544,423	\$334,836	\$18,345	\$750,074	\$28,260	\$3,675,938	\$0	\$3,675,938
180 Total Non-Current Assets	\$2,544,423	\$334,836	\$18,345	\$750,074	\$28,260	\$3,675,938	\$0	\$3,675,938

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
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FINANCIAL DATA SCHEDULE - (Continued)
Year Ended March 31, 2019

	Project Total	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers	14.228 Community Development Block Grants/State's Program	1 Business Activities	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	\$4,351,464	\$478,173	\$39,307	\$753,705	\$28,420	\$5,651,069	-\$5,549	\$5,645,520
312 Accounts Payable <= 90 Days	\$6,719	\$941	\$223		\$152	\$8,035	\$0	\$8,035
321 Accrued Wage/Payroll Taxes Payable	\$6,178	\$2,768	\$0			\$8,946	\$0	\$8,946
322 Accrued Compensated Absences - Current Portion	\$17,476	\$5,119	\$963		\$480	\$24,038	\$0	\$24,038
325 Accrued Interest Payable	\$0	\$2,270	\$0			\$2,270	\$0	\$2,270
333 Accounts Payable - Other Government	\$33,015	\$12,643	\$0			\$45,658	\$0	\$45,658
341 Tenant Security Deposits	\$56,942	\$15,181	\$0			\$72,123	\$0	\$72,123
342 Unearned Revenue	\$3,854	\$122	\$2,865			\$6,841	\$0	\$6,841
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$20,682	\$0			\$20,682	\$0	\$20,682
345 Other Current Liabilities	\$24,745	\$26,416	\$0			\$51,161	\$0	\$51,161
346 Accrued Liabilities - Other	\$2,556	\$4,629	\$0			\$7,185	\$0	\$7,185
347 Inter Program - Due To	\$0	\$0	\$3,905		\$1,644	\$5,549	-\$5,549	\$0
310 Total Current Liabilities	\$151,485	\$90,771	\$7,956	\$0	\$2,276	\$252,488	-\$5,549	\$246,939
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$1,412,194	\$0			\$1,412,194	\$0	\$1,412,194
354 Accrued Compensated Absences - Non Current	\$20,053	\$7,330	\$645		\$164	\$28,192	\$0	\$28,192
350 Total Non-Current Liabilities	\$20,053	\$1,419,524	\$645	\$0	\$164	\$1,440,386	\$0	\$1,440,386
300 Total Liabilities	\$171,538	\$1,510,295	\$8,601	\$0	\$2,440	\$1,692,874	-\$5,549	\$1,687,325
508.4 Net Investment in Capital Assets	\$2,544,423	-\$1,098,040	\$18,345	\$750,074	\$28,260	\$2,243,062		\$2,243,062
511.4 Restricted Net Position	\$0	\$79,394	\$6,557	\$3,631	\$0	\$89,582		\$89,582
512.4 Unrestricted Net Position	\$1,635,503	-\$13,476	\$5,804	\$0	-\$2,280	\$1,625,551		\$1,625,551
513 Total Equity - Net Assets / Position	\$4,179,926	-\$1,032,122	\$30,706	\$753,705	\$25,980	\$3,958,195	\$0	\$3,958,195
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,351,464	\$478,173	\$39,307	\$753,705	\$28,420	\$5,651,069	-\$5,549	\$5,645,520

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended March 31, 2019

	Project Total	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers	14.228 Community Development Block Grants/State's Program	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$365,857	\$177,877	\$0			\$543,734	\$0	\$543,734
70400 Tenant Revenue - Other	\$15,277	\$3,056	\$0			\$18,333	\$0	\$18,333
70500 Total Tenant Revenue	\$381,134	\$180,933	\$0	\$0	\$0	\$562,067	\$0	\$562,067
70600 HUD PHA Operating Grants	\$621,032	\$213,279	\$310,443			\$1,144,754	\$0	\$1,144,754
70610 Capital Grants	\$350,478	\$0	\$0			\$350,478	\$0	\$350,478
70800 Other Government Grants	\$0	\$0	\$0	\$106,956	\$2,957	\$109,913	\$0	\$109,913
71100 Investment Income - Unrestricted	\$8,746	\$85	\$28		\$5	\$8,864	\$0	\$8,864
71500 Other Revenue	\$8,806	\$9,087	\$0		\$13,110	\$31,003	-\$12,000	\$19,003
72000 Investment Income - Restricted	\$0	\$215	\$0			\$215	\$0	\$215
70000 Total Revenue	\$1,370,196	\$403,599	\$310,471	\$106,956	\$16,072	\$2,207,294	-\$12,000	\$2,195,294
91100 Administrative Salaries	\$198,315	\$21,716	\$14,564		\$3,540	\$238,135	\$0	\$238,135
91200 Auditing Fees	\$6,199	\$4,395	\$330		\$66	\$10,990	\$0	\$10,990
91300 Management Fee	\$0	\$12,000	\$0			\$12,000	-\$12,000	\$0
91400 Advertising and Marketing	\$815	\$773	\$174		\$390	\$2,152	\$0	\$2,152
91500 Employee Benefit contributions - Administrative	\$64,248	\$14,915	\$5,889		\$1,635	\$86,687	\$0	\$86,687
91600 Office Expenses	\$39,244	\$14,455	\$2,507		\$1,618	\$57,824	\$0	\$57,824
91700 Legal Expense	\$2,660	\$0	\$0			\$2,660	\$0	\$2,660
91800 Travel	\$2,885	\$0	\$203		\$22	\$3,110	\$0	\$3,110
91900 Other	\$17,634	\$25,612	\$4,678		\$7,258	\$55,182	\$0	\$55,182
91000 Total Operating - Administrative	\$332,000	\$93,866	\$28,345	\$0	\$14,529	\$468,740	-\$12,000	\$456,740
92400 Tenant Services - Other	\$784	\$0	\$0			\$784	\$0	\$784
92500 Total Tenant Services	\$784	\$0	\$0	\$0	\$0	\$784	\$0	\$784
93100 Water	\$6,762	\$6,507	\$0			\$13,269	\$0	\$13,269
93200 Electricity	\$12,544	\$34,930	\$0			\$47,474	\$0	\$47,474
93300 Gas	\$5,617	\$6,279	\$0			\$11,896	\$0	\$11,896
93600 Sewer	\$10,788	\$3,730	\$0			\$14,518	\$0	\$14,518
93000 Total Utilities	\$35,711	\$51,446	\$0	\$0	\$0	\$87,157	\$0	\$87,157

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended March 31, 2019

	Project Total	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers	14.228 Community Development Block Grants/State's Program	1 Business Activities	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$223,897	\$61,178	\$0			\$285,075	\$0	\$285,075
94200 Ordinary Maintenance and Operations - Materials and Other	\$91,298	\$16,438	\$0			\$107,736	\$0	\$107,736
94300 Ordinary Maintenance and Operations Contracts	\$70,211	\$76,662	\$1,911			\$148,784	\$0	\$148,784
94500 Employee Benefit Contributions - Ordinary Maintenance	\$75,440	\$0	\$0			\$75,440	\$0	\$75,440
94000 Total Maintenance	\$460,846	\$154,278	\$1,911	\$0	\$0	\$617,035	\$0	\$617,035
95100 Protective Services - Labor	\$0	\$8,698	\$0			\$8,698	\$0	\$8,698
95300 Protective Services - Other	\$420	\$0	\$0			\$420	\$0	\$420
95000 Total Protective Services	\$420	\$8,698	\$0	\$0	\$0	\$9,118	\$0	\$9,118
96110 Property Insurance	\$48,698	\$16,568	\$111		\$22	\$65,399	\$0	\$65,399
96120 Liability Insurance	\$454	\$0	\$4		\$1	\$459	\$0	\$459
96130 Workmen's Compensation	\$6,917	\$2,833	\$368		\$74	\$10,192	\$0	\$10,192
96140 All Other Insurance	\$8,790	\$0	\$431		\$98	\$9,319	\$0	\$9,319
96100 Total insurance Premiums	\$64,859	\$19,401	\$914	\$0	\$195	\$85,369	\$0	\$85,369
96200 Other General Expenses	\$562	\$11,967	\$572			\$13,101	\$0	\$13,101
96210 Compensated Absences	\$33,687	\$9,343	\$1,056		\$1,186	\$45,272	\$0	\$45,272
96300 Payments in Lieu of Taxes	\$33,015	\$12,643	\$0			\$45,658	\$0	\$45,658
96400 Bad debt - Tenant Rents	\$9,448	\$871	\$0			\$10,319	\$0	\$10,319
96000 Total Other General Expenses	\$76,712	\$34,824	\$1,628	\$0	\$1,186	\$114,350	\$0	\$114,350
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$50,634	\$0			\$50,634	\$0	\$50,634
96700 Total Interest Expense and Amortization Cost	\$0	\$50,634	\$0	\$0	\$0	\$50,634	\$0	\$50,634
96900 Total Operating Expenses	\$971,332	\$413,147	\$32,798	\$0	\$15,910	\$1,433,187	-\$12,000	\$1,421,187
97000 Excess of Operating Revenue over Operating Expenses	\$398,864	-\$9,548	\$277,673	\$106,956	\$162	\$774,107	\$0	\$774,107

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended March 31, 2019

	Project Total	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers	14.228 Community Development Block Grants/State's Program	1 Business Activities	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$9,994	\$0	\$0			\$9,994	\$0	\$9,994
97300 Housing Assistance Payments	\$0	\$0	\$285,603			\$285,603	\$0	\$285,603
97400 Depreciation Expense	\$281,701	\$59,263	\$470	\$48,047	\$94	\$389,575	\$0	\$389,575
90000 Total Expenses	\$1,263,027	\$472,410	\$318,871	\$48,047	\$16,004	\$2,118,359	-\$12,000	\$2,106,359
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$107,169	-\$68,811	-\$8,400	\$58,909	\$68	\$88,935	\$0	\$88,935
11020 Required Annual Debt Principal Payments	\$0	\$19,529	\$0	\$0	\$0	\$19,529		\$19,529
11030 Beginning Equity	\$4,072,757	-\$963,311	\$39,106	\$694,796	\$25,912	\$3,869,260	\$0	\$3,869,260
11170 Administrative Fee Equity			\$24,149			\$24,149		\$24,149
11180 Housing Assistance Payments Equity			\$6,557			\$6,557		\$6,557
11190 Unit Months Available	2332	600	743			3675	0	3675
11210 Number of Unit Months Leased	2255	589	613			3457	0	3457
11270 Excess Cash	\$1,477,081					\$1,477,081		\$1,477,081
11620 Building Purchases	\$350,478					\$350,478		\$350,478

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

Board of Commissioners
Housing Authority of the City of Trinidad
Trinidad, Colorado

I 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 business-type activities of the Housing Authority of the City of Trinidad (Authority), Colorado, as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued my report thereon dated June 18, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

Audit Solutions, LLC

Chesterfield, Missouri

June 18, 2019

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Housing Authority of the City of Trinidad
Trinidad, Colorado

Report on Compliance for Each Major Federal Program

I have audited the Housing Authority of the City of Trinidad (Authority), Colorado’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority’s major federal programs for the year ended March 31, 2019. The Authority’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

My responsibility is to express an opinion on compliance for each of the Authority’s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority’s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Authority’s compliance.

Opinion on Each Major Federal Program

In my opinion, the Housing Authority of the City of Trinidad, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2019.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Authority’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Authority’s internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Audit Solutions, LLC

Chesterfield, Missouri

June 18, 2019

HOUSING AUTHORITY OF THE CITY OF TRINIDAD
Trinidad, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
March 31, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
<u>Internal control over financial reporting:</u>	
➤ Material weakness(es) identified?	No
➤ Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

<u>Internal control over major programs:</u>	
➤ Material weakness(es) identified?	No
➤ Significant deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
<u>Identification of Major programs:</u>	
➤ CFDA #14.871	Housing Choice Vouchers
➤ CFDA #14.872	Capital Fund Program
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

The current audit report for the year ended March 31, 2019 disclosed no Financial Statement audit finding.

Section III - Federal Award Findings and Questioned Costs

The current audit report for the period ended March 31, 2019 disclosed no Federal Awards audit finding and questioned costs.