

cPa DIXON, WALLER & CO., INC.

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HOUSING AUTHORITY OF THE  
CITY OF LA JUNTA

LA JUNTA, COLORADO

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

DIXON, WALLER & CO., INC.

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HOUSING AUTHORITY OF THE

CITY OF LA JUNTA

YEAR ENDED MARCH 31, 2020

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FINANCIAL SECTION

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Independent Auditor's Report

Board of Directors  
La Junta Housing Authority  
La Junta, CO 81050

***Report on the Financial Statements***

We have audited the accompanying financial statements of the business-type activities and each major fund, of the La Junta Housing Authority, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the La Junta Housing 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***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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 we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the La Junta Housing Authority as of March 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***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 through 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the La Junta Housing Authority's basic financial statements. The financial data schedules 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 financial data schedules 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 our opinion, the financial data schedules 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*, we have also issued our report dated October 26, 2020 on our consideration of the La Junta Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 La Junta Housing Authority's internal control over financial reporting and compliance.

*Quinn, Waller & Co., Inc.*

October 26, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

# ***La Junta Housing Authority Management's Discussion and Analysis For the Year Ended March 31, 2020***

## **Introduction**

This Management's Discussion and Analysis (MD&A) of the La Junta Housing Authority (Authority) provides an introduction and overview to the financial statements of the La Junta Housing Authority for the fiscal year ended March 31, 2020. The La Junta Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended March 31, 2020, 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 enterprise fund encompassing all programs administered by the La Junta Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's basic financial statements and related notes to the financial statements.

The Authority has five individual programs. They include the Low Rent Public Housing Program, Section 8 Program, Capital Fund Program, and two Rural Development Programs. The Low Rent Program consists of 86 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. The Section 8 Program (HCV Program) has 102 units and is funded by the Department of Housing & Urban Development based on a formula. The Capital Fund Program is also a formula based program from HUD. 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. Other Programs have 56 combined units. Tenants typically pay rent, which is 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 basic financial statements. The basic 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

## *Management's Discussion and Analysis-Cont.*

**The Statement of Net Position** presents information on the Position and liabilities, 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:

- *Investment in Capital Assets, Net of Related Debt* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets.
- *Restricted Component of Net Position* consists of assets that are restricted by limitations placed on these resources by an external source or party.
- *Unrestricted Component of Net Position* consists of net assets that do not meet the definition of the above categories. Unrestricted Component of Net Position is basically the amount of funds 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, 2020, to determine the change in net position for the fiscal year.

**The Statement of Cash Flows** reports 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, 2020.

### *Financial Highlights*

- The La Junta Housing Authority's total net position increased from \$2,687,739 to \$2,751,546, an increase of \$63,807.
- The unrestricted component of net position balance is \$1,394,428 at March 31, 2020. This represents an increase of \$147,008 or 12% from the previous year.
- Total revenues increased from \$1,384,102 to \$1,497,826, an increase of \$113,724.
- Total expenses increased by \$39,062, from \$1,326,019 to \$1,365,081 for the current year. This represents an increase of 3%.

### *Housing Authority Activities & Highlights*

The 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, 2020, and March 31, 2019.

# Management's Discussion and Analysis-Cont.

## Summary Statement of Net Position March 31, 2020 and March 31, 2019

Category	3/31/2020	3/31/2019	Change \$	Change %
Current Assets	\$ 1,454,618	\$ 1,315,853	\$ 138,765	11%
Fixed Assets (Net of Depreciation)	\$ 1,362,041	\$ 1,464,660	\$ (102,619)	-7%
Total Assets	\$ 2,816,659	\$ 2,780,513	\$ 36,146	1%
Current Liabilities	\$ 65,113	\$ 76,599	\$ (11,486)	-15%
Non-Current Liabilities	\$ -	\$ 16,175	\$ (16,175)	-100%
Total Liabilities	\$ 65,113	\$ 92,774	\$ (27,661)	-30%
Unrestricted	\$ 1,394,428	\$ 1,247,420	\$ 147,008	12%
Restricted	\$ 3,994	\$ 3,499	\$ 495	1%
Net Investment in Capital Assets	\$ 1,353,124	\$ 1,436,820	\$ (83,696)	-6%
Total Net Position	\$ 2,751,546	\$ 2,687,739	\$ 63,807	2%

### Current Assets

Cash and investment balances increased from \$1,130,095 to \$1,248,286, an increase of \$118,191 from March 31, 2019 to March 31, 2020. This is due to operating revenues exceeding operating expenses. Accounts receivable increased by \$7,376.

### Noncurrent Assets

Noncurrent assets decreased by \$102,619 from the previous year due primarily to depreciation expense charged in the current fiscal year. For additional information, please refer to the Capital Asset section.

### Net Position

The Authority's total net position balance increased by \$63,807 from the previous year's balance.

The Authority's unrestricted component of net position increased from \$1,247,420 to \$1,394,428, an increase of \$147,008 or 12% for the current year. Individual unrestricted component of net position balances by program are as follows:

Low Rent Program	\$ 726,902
Housing Choice Voucher	\$ 155,659
Other Programs	<u>\$ 511,867</u>
Total	\$1,394,428

The unrestricted component of net position account balance is the amount available for future appropriations. These balances remain subject to program specific guidelines.

## *Management's Discussion and Analysis-Cont.*

Net investment in capital assets decreased by \$85,504 during the current fiscal year. This is due primarily to completed capital projects and capital expenditures less depreciation expense charged in the current fiscal year. This will be discussed in further detail in another section.

### *Summary Statement of Revenues & Expenses and Changes in Net Position Years Ended March 31, 2020 and 2019*

Category	3/31/2020	3/31/2019	Change \$	Change %
<b>Program Revenues:</b>				
Tenant Revenue	\$ 434,145	\$ 390,237	\$ 43,908	11%
Government Operating Grants	\$ 937,151	\$ 860,361	\$ 76,790	9%
Capital Grants	\$ 77,764	\$ 62,349	\$ 15,415	25%
Other Revenue	\$ 46,993	\$ 69,382	\$ (22,389)	-32%
Interest Income	\$ 1,773	\$ 1,773	\$ -	0%
<b>Total Revenue</b>	<b>\$ 1,497,826</b>	<b>\$ 1,384,102</b>	<b>\$ 113,724</b>	<b>8%</b>
<b>Expenses:</b>				
Administration	\$ 248,622	\$ 203,204	\$ 45,418	22%
Utilities	\$ 129,617	\$ 139,422	\$ (9,805)	-7%
Ordinary Maintenance	\$ 308,424	\$ 327,855	\$ (19,431)	-6%
Protective Services	\$ 744	\$ 400	\$ 344	86%
General/Insurance Expense	\$ 112,257	\$ 106,179	\$ 6,078	6%
Depreciation	\$ 193,578	\$ 190,157	\$ 3,421	2%
Housing Assistance Payments	\$ 370,289	\$ 355,391	\$ 14,898	4%
Interest Expense	\$ 1,550	\$ 3,411	\$ (1,861)	-55%
<b>Total Expenses</b>	<b>\$ 1,365,081</b>	<b>\$ 1,326,019</b>	<b>\$ 39,062</b>	<b>3%</b>
<b>Excess (Deficiency) Before Special Items</b>	<b>\$ 132,745</b>	<b>\$ 58,083</b>	<b>\$ 74,662</b>	<b>129%</b>
Special Item/Casualty Losses	\$ (68,938)	\$ -	\$ (68,938)	%
<b>Change in Net Position</b>	<b>\$ 63,807</b>	<b>\$ 58,083</b>	<b>\$ 5,724</b>	<b>10%</b>
<b>Net Position, Beginning of Year</b>	<b>\$ 2,687,739</b>	<b>\$ 2,629,656</b>	<b>\$ 58,083</b>	<b>2%</b>
<b>Net Position, End of Year</b>	<b>\$ 2,751,546</b>	<b>\$ 2,687,739</b>	<b>\$ 63,807</b>	<b>2%</b>

### *Results of Operations*

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenues increased by \$113,724 during the current fiscal year as compared to the previous fiscal year. Significant differences between the years include the following:

- Tenant revenue increased from \$390,237 in 2019 to \$434,145 in 2020. This is primarily due to the increase in average rents increasing from \$147.31 in 2019 to \$160.25 in 2020.

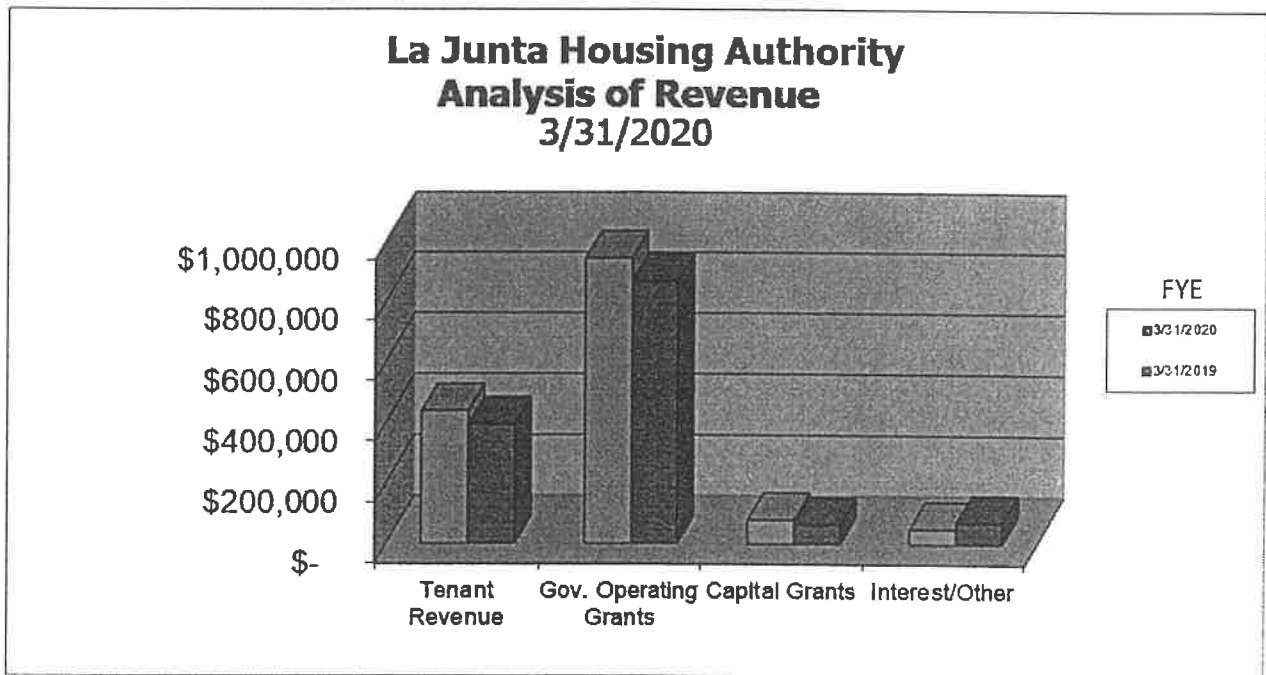
## *Management's Discussion and Analysis-Cont.*

- HUD operating grants increased by \$76,790 or 9% from \$860,361 in 2019 to \$937,151 in 2020 due primarily to an increase in CFP operations transfers to the Low Rent program. CFP capital grants increased by \$15,415 due to an increase in capital activity.
- Funding for the HCV Program increased by \$80,960 from the previous year. The implementation of cash management in the HCV program resulted in increased funding levels as compared to the prior year for increased leasing. Leasing increased from 987 in 2019 to 1,040 in 2020.

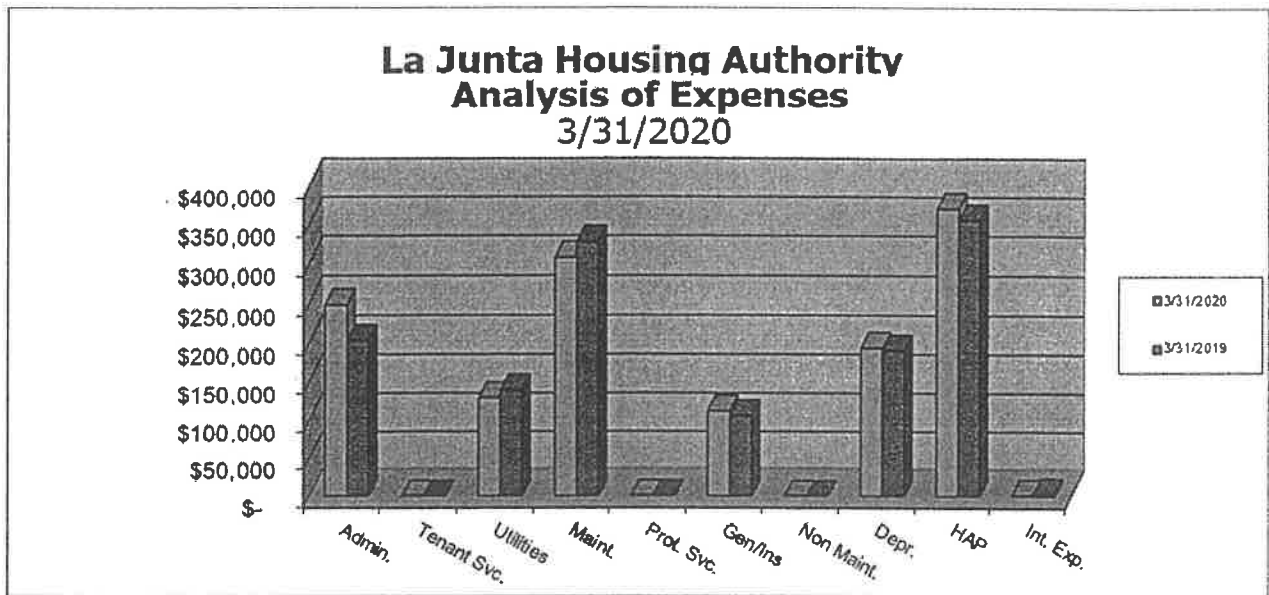
Total expenses increased by \$39,062. Significant differences between the years include the following:

- Maintenance expenses decreased by \$19,431 during the current year. While maintenance labor and benefits costs increased by \$22,323, maintenance materials decreased by \$18,841 and contract costs decreased by \$22,913.
- HAP costs increased by \$14,898 from the previous year due to an increase in the unit months leased. Unit months leased increased from a 2019 level of 987 to 1,040 in 2020.

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



## Management's Discussion and Analysis-Cont.



### Capital Assets

As of March 31, 2020, the Authority's investment in capital assets was \$1,351,316. This investment includes land, building, and equipment net of accumulated depreciation. The principal balance of the notes has been reduced from the cost of the fixed assets in the calculation of investment in capital assets.

Category	3/31/2020	3/31/2019	Change \$	Change %
Land	\$ 248,976	\$ 248,976	\$ -	0%
Buildings	\$ 6,947,851	\$ 6,878,763	\$ 69,088	1%
Equipment	\$ 254,462	\$ 236,273	\$ 18,189	8%
Accumulated Depreciation	\$ (6,089,248)	\$ (5,899,352)	\$ (189,896)	3%
<b>Total Net Fixed Assets</b>	<b>\$ 1,362,041</b>	<b>\$ 1,464,660</b>	<b>\$ (102,619)</b>	<b>-7%</b>

Additions noted to the building account were due a bathroom & deck renovation projects in the Low Rent Program & A/C's in the Townhouse program. Equipment additions included a new copier for all programs and washers and dryers for the Elderly II program.

### Debt Administration

At March 31, 2020, the Authority had \$8,918 in loans outstanding versus \$27,840 in the previous year. During the fiscal year, the Housing Authority did not incur any additional debt.

## *Management's Discussion and Analysis-Cont.*

### *Subsequent Event*

Due to the 2020 Congressional Appropriations, the Authority's operating subsidy for the 2020 calendar year is estimated at 96.54%.

The amount of funding for the 2020 calendar year for the Housing Choice Voucher Program has not been finalized by HUD. The 2020 administrative fees are estimated at 80% and HAP funding at 99.4%.

Additional funding from the Cares Act legislation has been provided to the Low Rent Housing Program and the Housing Choice Voucher Program to aid in the preventing, preparing and responding to the COVID-19 virus. This funding, totaling \$39,272 and \$24,510 respectively, has been obligated. The supplemental funding for both the Low Rent Program and the Housing Choice Voucher must be spent by December 31, 2021.

### *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:

La Junta Housing Authority  
Diane McAtee, Executive Director  
P.O. Box 376  
La Junta, CO 81050

BASIC FINANCIAL STATEMENTS

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

March 31, 2020

	Business – Type Activities – Enterprise Funds				
	PHA- 31-1&31-2 DEN-287	Elderly II Project CO- 99-0007-004	Section 8 Voucher DEN-2556	Townhouse Park	Total
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Interest Bearing Investments	702,255	198,935	157,793	193,298	1,252,281
Accounts Receivable:					
Tenants	2,951	-	-	542	3,493
HUD	7,313	-	3,096	-	10,409
Other	1,720	-	-	-	1,720
Accrued Interest	-	-	-	2	2
Prepaid Expenses	17,137	3,221	-	350	20,708
Due from Other Funds	3,341	-	-	-	3,341
Other Assets	-	-	-	-	-
<b>Total Current Assets</b>	<b>734,717</b>	<b>202,156</b>	<b>160,889</b>	<b>194,192</b>	<b>1,291,954</b>
<b>Restricted</b>					
Cash	28,093	7,089	-	130,823	166,005
<b>Land, Structures and Equipment</b>					
Land, Structures and Equipment	6,240,329	841,357	-	369,602	7,451,288
Less Accumulated Depreciation	(5,146,232)	(694,859)	-	(248,155)	(6,089,246)
<b>Net Property, Plant &amp; Equipment</b>	<b>1,094,097</b>	<b>146,498</b>	<b>-</b>	<b>121,447</b>	<b>1,362,042</b>
<b>TOTAL ASSETS</b>	<b>1,856,907</b>	<b>355,743</b>	<b>160,889</b>	<b>446,462</b>	<b>2,820,001</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	7,548	2,047	843	2,349	12,787
Accrued Interest Payable	-	-	-	-	-
Amounts Payable to HUD	-	-	-	-	-
Prepaid Rent	268	86	-	345	699
Tenant Security Deposits	28,092	7,089	-	7,528	42,709
Compensated Absences Payable	-	-	-	-	-
Due to Other Funds	-	1,016	392	1,933	3,341
Current Portion of Long-Term Debt	-	-	-	8,918	8,918
<b>Total Current Liabilities</b>	<b>35,908</b>	<b>10,238</b>	<b>1,235</b>	<b>21,073</b>	<b>68,454</b>
<b>NonCurrent Liabilities</b>					
Notes Payable	-	-	-	-	-
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>35,908</b>	<b>10,238</b>	<b>1,235</b>	<b>21,075</b>	<b>68,454</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	1,094,097	146,498	-	112,529	1,353,124
Restricted	-	-	3,994	-	3,994
Unrestricted	726,902	199,007	155,660	312,860	1,394,429
<b>TOTAL NET POSITION</b>	<b>1,820,999</b>	<b>345,505</b>	<b>159,654</b>	<b>425,389</b>	<b>2,751,547</b>

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

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended March 31, 2020

	Business – Type Activities – Enterprise Funds				
	PHA- 31-1&31-2 DEN-287	Elderly II Project CO- 99-0007-004	Section 8 Voucher DEN-2556	Townhouse Park	Total
<b><u>OPERATING REVENUES</u></b>					
Dwelling Rental	256,176	86,754	-	80,206	423,136
Excess Utilities	-	-	-	-	-
HUD – Rent Subsidy	-	92,994	370,038	136,672	599,704
HUD – Operating Subsidy	278,106	-	57,129	-	335,235
Other	10,133	3,801	1,973	42,095	58,002
<b><u>Total Operating Revenues</u></b>	<b><u>544,415</u></b>	<b><u>183,549</u></b>	<b><u>429,140</u></b>	<b><u>258,973</u></b>	<b><u>1,416,077</u></b>
<b><u>Operating Expenses</u></b>					
Administrative Salaries	36,604	11,137	12,722	11,979	72,442
Employee Benefits & Taxes	26,359	6,926	2,689	9,047	45,021
Allocated Overhead	70,193	22,005	8,742	29,809	130,749
Office & Other Administrative	34,996	2,758	2,116	2,010	41,880
Travel & Training	8,526	-	-	-	8,526
Utilities	54,429	42,790	-	32,399	129,618
Repairs and Maintenance	161,816	50,695	-	132,145	344,656
Insurance	61,408	9,858	466	11,958	83,690
Accounting & Audit	4,370	3,150	2,775	1,725	12,020
Housing Assistance Payments	-	-	370,289	-	370,289
Depreciation	161,798	13,604	-	18,176	193,578
<b><u>Total Operating Expenses</u></b>	<b><u>620,499</u></b>	<b><u>162,923</u></b>	<b><u>399,799</u></b>	<b><u>249,248</u></b>	<b><u>1,432,469</u></b>
<b><u>Operating Income (Loss)</u></b>	<b><u>(76,084)</u></b>	<b><u>20,626</u></b>	<b><u>29,341</u></b>	<b><u>9,725</u></b>	<b><u>(16,392)</u></b>
<b><u>Non-Operating Revenues (Expenses)</u></b>					
Public Housing Capital Funds	79,976	-	-	-	79,976
Capital Grants	-	-	-	-	-
Interest Earned	1,165	395	41	172	1,773
Interest Paid	-	-	-	(1,549)	(1,549)
<b><u>Total Non-Operating Revenues (Expenses)</u></b>	<b><u>81,141</u></b>	<b><u>395</u></b>	<b><u>41</u></b>	<b><u>(1,377)</u></b>	<b><u>80,200</u></b>
<b><u>CHANGE IN NET POSITION</u></b>	<b><u>5,057</u></b>	<b><u>21,021</u></b>	<b><u>29,382</u></b>	<b><u>8,348</u></b>	<b><u>63,808</u></b>
<b><u>TOTAL NET POSITION, Beginning</u></b>	<b><u>1,815,942</u></b>	<b><u>324,484</u></b>	<b><u>130,272</u></b>	<b><u>417,041</u></b>	<b><u>2,687,739</u></b>
<b><u>TOTAL NET POSITION, Ending</u></b>	<b><u>1,820,999</u></b>	<b><u>345,505</u></b>	<b><u>159,654</u></b>	<b><u>425,389</u></b>	<b><u>2,751,547</u></b>

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

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended March 31, 2020

	Business – Type Activities – Enterprise Funds				Total
	PHA- 31-1&31-2 DEN-287	Elderly II Project CO- 99-0007-004	Section 8 Voucher DEN-2556	Townhouse Park	
<u>Cash Flows from Operating Activities</u>					
Receipts from Rents, Subsidies & Other Revenues	535,522	182,942	429,239	259,146	1,406,849
Payments for Salaries & Benefits	(140,301)	(37,581)	(15,411)	(49,943)	(243,236)
Payments to Vendors, Homeowners	(330,456)	(111,569)	(383,804)	(180,453)	(1,006,282)
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>64,765</u>	<u>33,792</u>	<u>30,024</u>	<u>28,750</u>	<u>157,331</u>
<u>Cash Flows from Investing Activities</u>					
Interest Earnings	1,171	395	41	172	1,779
<u>Net Cash from Investing Activities</u>	<u>1,171</u>	<u>395</u>	<u>41</u>	<u>172</u>	<u>1,779</u>
<u>Cash Flows from Non-Capital Financing Activities</u>					
Change in Due From/Due To Funds	(5,305)	1,057	390	3,858	-
Transfers In (Out)	-	-	-	-	-
<u>Net Cash from Non-Capital Financing Activities</u>	<u>(5,305)</u>	<u>1,057</u>	<u>390</u>	<u>3,858</u>	<u>-</u>
<u>Cash Flows from Capital &amp; Related Financing Activities</u>					
Acquisition of Capital Assets	(80,085)	(6,670)	-	(4,205)	(90,960)
Principal Paid on Notes	-	-	-	(18,922)	(18,922)
Interest Paid on Notes	-	-	-	(1,549)	(1,549)
Public Housing Capital Funds	79,976	-	-	-	79,976
<u>Net Cash from Capital &amp; Related Financing Activities</u>	<u>(109)</u>	<u>(6,670)</u>	<u>-</u>	<u>(24,676)</u>	<u>(31,455)</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	<u>60,522</u>	<u>28,574</u>	<u>30,455</u>	<u>8,104</u>	<u>127,655</u>
<u>Cash and Cash Equivalents at Beginning of Year</u>	<u>669,826</u>	<u>177,450</u>	<u>127,338</u>	<u>316,017</u>	<u>1,290,631</u>
<u>Cash and Cash Equivalents at End of Year</u>	<u>730,348</u>	<u>206,024</u>	<u>157,793</u>	<u>324,121</u>	<u>1,418,286</u>
<u>Cash Flows from Operating Activities</u>					
Operating Income (Loss)	(76,084)	20,626	29,341	9,725	(16,392)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	161,798	13,604	-	18,176	193,578
(Gain) Loss on Disposition of Assets	-	-	-	-	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Prepaids	(3,023)	(129)	170	(93)	(3,075)
(Increase) Decrease in Accounts Receivable	(7,789)	21	99	(372)	(8,041)
(Increase) Decrease in Other Assets	-	-	-	-	-
Increase (Decrease) in Prepaid Rent	(1,104)	(628)	-	254	(1,478)
Increase (Decrease) in Accounts Payable	(10,892)	715	414	515	(9,248)
Increase (Decrease) in Tenant Deposits	1,859	(417)	-	545	1,987
<u>Net Cash Flows from Operating Activities</u>	<u>64,765</u>	<u>33,792</u>	<u>30,024</u>	<u>28,750</u>	<u>157,331</u>
<u>Cash – Statement of Net Position</u>					
Restricted					166,005
Unrestricted					1,252,281
Total Cash (Above)					<u>1,418,286</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2020

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of the City of La Junta (the Housing Authority) is a local government unit created for the purpose of owning and managing rental properties and programs.

A.    Reporting Entity

The reporting entity, for financial purposes, is defined as the primary government (the Housing Authority of the City of La Junta) and its component units. The Housing Authority has no component units; the financial statements are comprised of the funds more fully described in subsequent information contained in the footnotes.

The accounting policies of the Housing Authority of the City of La Junta conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

B.    Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. All activities of the Housing Authority of the City of La Junta are reported as business-type. Likewise, the *primary government* is reported separately from the Housing Authority's legally separate *component units* for which the Housing Authority is financially accountable.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C.    Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2020

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Housing Authority consists of the following major proprietary funds:

- PHA – 31-1 & 31-2
- Elderly II
- Section 8 - Vouchers
- Townhouse Park

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Housing Authority are rents and rent supplements. Operating expenses for the Housing Authority include the cost of services, administrative expenses, and depreciation on capital assets.

D. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the financial statements. Capital assets are defined by the Housing Authority as assets with an initial estimated useful life in excess of two years having a value equal to or greater than \$1,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings, Fixtures & Equipment	5-40

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2020

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E.    Budgets and Budgetary Accounting

Revenues and expenses are controlled by budgetary accounting systems in accordance with various legal and grant requirements. Budgets are prepared on the same basis as that used for accounting purposes.

F.    Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. All encumbrances lapse at the end of the year.

G.    Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when they are used.

H.    Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits Amounts

Accumulated unpaid vacation, sick pay, and other employee benefits amounts should be accrued when incurred in proprietary funds (using the accrual basis of accounting). Such amounts would not be accrued in governmental funds (using the modified accrual basis of accounting). Accrued vacation and sick leave costs have been reflected in the financial statements and funded by making payments to Otero County Housing Authority. That entity holds the cash and associated liabilities.

I.    Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2020

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J.    Deposits and Investments

The Housing Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Housing Authority to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, banker's acceptances, and mutual funds composed of otherwise legal investments.

K.    Long-Term Obligations

In the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

L.    Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position sometimes reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time

M.    Fund Equity

In the financial statements, funds report reservations of net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of net position represent tentative management plans that are subject to change.

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2020

NOTE 2    CAPITAL ASSETS

Capital Assets activity for the year ended March 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Land	248,976	-	-	248,976
Capital Assets Being Depreciated:				
Structures	6,878,763	65,887	-	6,944,650
Furniture, Fixtures & Equip.	236,273	25,073	3,684	257,662
Construction in Progress	-	-	-	-
Total Capital Assets Being Depreciated	<u>7,115,036</u>	<u>90,960</u>	<u>3,684</u>	<u>7,202,312</u>
Less Accumulated Depreciation	<u>5,899,352</u>	<u>193,578</u>	<u>3,684</u>	<u>6,089,246</u>
<u>Business-Type Activities</u>				
<u>Capital Assets, Net</u>	<u>1,464,660</u>	<u>(102,618)</u>	<u>-</u>	<u>1,362,042</u>

NOTE 3    CASH AND DEPOSITS

The Housing Authority's deposits at year-end were entirely covered by Federal Depository Insurance or secured under the Public Deposit Protection Act of the State of Colorado, whereby the custodial bank pledges collateral for amounts on deposit in excess of the amount guaranteed by the FDIC for governmental entities.

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Insured	703,157	703,157
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	<u>744,674</u>	<u>707,566</u>
<u>Sub-Total</u>	1,447,831	1,410,723
Cash on Hand and in Escrow	-	7,563
<u>Total Cash and Deposits</u>	<u>1,447,831</u>	<u>1,418,286</u>

As presented above, deposits with a bank balance of \$744,674 and a carrying balance of \$707,566 as of March 31, 2020 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 4    NOTES PAYABLE

Notes payable consist of the following:

<u>Note</u>	<u>Effective Interest Rate</u>	<u>3-31-2019 Principal Balances</u>	<u>Principal Increase (Reduction)</u>	<u>3-31-2020 Principal Balances</u>	<u>Current Portion</u>
<u>Townhouse Park Colorado Housing and Finance Authority Note</u>	8.0	<u>27,840</u>	<u>(18,922)</u>	<u>8,918</u>	<u>8,918</u>

The following additional information is provided for notes payable.

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
 NOTES TO FINANCIAL STATEMENTS  
 March 31, 2020

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NOTE 4    NOTES PAYABLE (Continued)

Townhouse Park, Colorado Housing and Finance Authority Note, Annual debt reduction requirements are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total Payments Required</u>
2021	<u>275</u>	<u>8,918</u>	<u>9,193</u>

NOTE 5    CONTINGENCIES

The Housing Authority receives contributions from HUD which has final review and approval as to the allowability of expenditures. The amount, if any, of the expenditures which may be disallowed by HUD cannot be determined at this time although the La Junta Housing Authority expects such amounts, if any, to be immaterial.

NOTE 6    TOWNHOUSE PARK

In September of 1993, the Housing Authority borrowed \$153,000 from the Colorado Housing and Financing Authority. The proceeds were used to purchase the Townhouse Park Apartments and to establish required replacement reserves. Restricted cash for replacement reserves at March 31, 2020 was \$123,296.

NOTE 7    CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. (The Authority's management believes its operations may qualify for this exclusion.)

The Authority is a statutorily created entity (upon application to the State of Colorado) that exists for the purpose of administering programs funded by the federal government to assist low-income and elderly in obtaining adequate housing. They have no taxing authority and are able to issue debt without a vote of the public. Resources other than federal grants consist generally of rents.

HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2020

NOTE 7      CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS (Continued)

The Authority's management believes it is in compliance with the provisions (if any) of TABOR which are applicable to this entity. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification as an Enterprise) will require judicial interpretation.

NOTE 8      RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The Authority maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9      DEFINED CONTRIBUTION PLAN

The Authority makes contributions to a Simplified Employee Pension - Individual Retirement Account (IRA) plan. The contributions are discretionary and are made in accordance with the restrictions of Internal Revenue Service Code Section 408 (k) directly to the IRA of the employee. Employees are eligible if at least 21 years of age and have been employed for at least 3 years. Contributions are based on a percentage of compensation. The Housing Authority made 5.7% contributions for the year of \$13,069. The compensation for which contributions were calculated was \$229,281.

The Authority also maintains a Salary Reduction Simplified Employee Pension – Individual Retirement Account Plan to which elective deferrals can be made in accordance with allowable Internal Revenue Service guidelines.

NOTE 10      PUBLIC HOUSING CAPITAL FUND

The Housing Authority received amounts under the HUD Public Housing Capital Fund Program in the year ended March 31, 2020. \$79,976 was recognized as revenue in the period.

NOTE 11      INTERFUND BALANCES

	<u>Due From</u>	<u>Due To</u>
PHA 31-1 & 31-2	3,341	-
Elderly II	-	1,016
Section 8 – Vouchers	-	392
Town House Park	<u>-</u>	<u>1,933</u>
	<u>3,341</u>	<u>3,341</u>

Disbursements to vendors and for payroll are all made by PHA 31-1 & 31-2. The costs are directly allocated to the proper fund and a due to PHA 31-1 & 31-2 is set up at the fund level. Interfund balances represent unsettled amounts at year end. All are expected to be repaid within one year.

HOUSING AUTHORITY OF THE CITY OF LA JUNTA  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2020

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NOTE 12    RESTRICTED NET POSITION

Net position restricted in the Section 8 Vouchers fund represents amounts received from HUD in excess of amounts earned for housing assistance payments and administrative fees. The funds restricted are to be used in future periods in the vouchers program. The restriction at March 31, 2020 is \$3,994.

NOTE 13    ALLOCATED OVERHEAD COSTS

The La Junta Housing Authority shares administration and operations employees and activities with the Otero County Housing Authority. The following are the total costs of shared services that have been allocated to each fund in the housing authorities and the percentage used to make the allocation by fund for the La Junta Housing Authority.

Administrative Salaries and Benefits	150,551
Office Expenses	6,978
Accounting Fees	23,120
Computer Cost	-
Materials	7,727
Other General Administrative	<u>7,529</u>
	<u>195,905</u>

The allocation percentages for La Junta Housing Authority were:

PHA 31-1 & 31-2	37%
Elderly II	12%
Section 8 Vouchers	4%
Townhouse Park	16%

SUPPLEMENTARY INFORMATION

La Junta Housing Authority (CO031)  
LA JUNTA, CO  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14.871 Housing Choice Vouchers	14.134 Mortgage Insurance_Rental Housing	14.138 Mortgage Insurance_Rental Housing for the Elderly	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$702,255	\$153,798	\$193,287	\$198,936	\$1,248,286	\$0	\$1,248,286
112 Cash - Restricted - Modernization and Development	\$0	\$0			\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$3,994	\$123,296		\$127,290	\$0	\$127,290
114 Cash - Tenant Security Deposits	\$28,092	\$0	\$7,528	\$7,089	\$42,709	\$0	\$42,709
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0			\$0	\$0	\$0
100 Total Cash	\$730,347	\$157,792	\$324,121	\$206,025	\$1,418,285	\$0	\$1,418,285
121 Accounts Receivable - PHA Projects	\$0	\$0			\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$7,313	\$3,096			\$10,409	\$0	\$10,409
124 Accounts Receivable - Other Government	\$1,721	\$0			\$1,721	\$0	\$1,721
125 Accounts Receivable - Miscellaneous	\$0	\$0			\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$4,547	\$0	\$905		\$5,452	\$0	\$5,452
126.1 Allowance for Doubtful Accounts - Tenants	(\$1,596)	\$0	(\$363)		(\$1,959)	\$0	(\$1,959)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0			\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0			\$0	\$0	\$0
128 Fraud Recovery	\$0	\$674			\$674	\$0	\$674
128.1 Allowance for Doubtful Accounts - Fraud	\$0	(\$674)			(\$674)	\$0	(\$674)
129 Accrued Interest Receivable	\$0	\$0	\$2		\$2	\$0	\$2
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$11,985	\$3,096	\$544	\$0	\$15,625	\$0	\$15,625
131 Investments - Unrestricted	\$0	\$0			\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0			\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0			\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$17,137	\$0	\$350	\$3,221	\$20,708	\$0	\$20,708
143 Inventories	\$0	\$0			\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0			\$0	\$0	\$0
144 Inter Program Due From	\$3,341	\$0			\$3,341	(\$3,341)	\$0
145 Assets Held for Sale	\$0	\$0			\$0	\$0	\$0
150 Total Current Assets	\$762,810	\$160,888	\$325,015	\$209,246	\$1,457,959	(\$3,341)	\$1,454,618
161 Land	\$209,636	\$0		\$39,340	\$248,976	\$0	\$248,976
162 Buildings	\$5,799,375	\$0	\$356,846	\$791,630	\$6,947,851	\$0	\$6,947,851
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0			\$0	\$0	\$0

La Junta Housing Authority (CO031)  
LA JUNTA, CO  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14.871 Housing Choice Vouchers	14,134 Mortgage Insurance_Rental Housing	14,138 Mortgage Insurance_Rental Housing for the Elderly	Subtotal	ELIM	Total
164 Furniture, Equipment & Machinery - Administration	\$231,319	\$0	\$12,756	\$10,387	\$254,462	\$0	\$254,462
165 Leasehold Improvements	\$0	\$0			\$0	\$0	\$0
166 Accumulated Depreciation	(\$5,148,233)	\$0	(\$248,155)	(\$694,860)	(\$6,089,248)	\$0	(\$6,089,248)
167 Construction in Progress	\$0	\$0			\$0	\$0	\$0
168 Infrastructure	\$0	\$0			\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,094,097	\$0	\$121,447	\$146,497	\$1,362,041	\$0	\$1,362,041
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0			\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0			\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0			\$0	\$0	\$0
174 Other Assets	\$0	\$0			\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0			\$0	\$0	\$0
180 Total Non-Current Assets	\$1,094,097	\$0	\$121,447	\$146,497	\$1,362,041	\$0	\$1,362,041
200 Deferred Outflow of Resources	\$0	\$0			\$0	\$0	\$0
280 Total Assets and Deferred Outflow of Resources	\$1,856,907	\$160,888	\$446,462	\$355,743	\$2,820,000	(\$3,341)	\$2,816,659
311 Bank Overdraft	\$0	\$0			\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$1,165	\$219	\$411	\$290	\$2,085	\$0	\$2,085
313 Accounts Payable >90 Days Past Due	\$0	\$0			\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$445	\$0			\$445	\$0	\$445
322 Accrued Compensated Absences - Current Portion	\$0	\$0			\$0	\$0	\$0
324 Accrued Contingency Liability	\$0	\$0			\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0			\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0			\$0	\$0	\$0
332 Account Payable - PHA Projects	\$5,938	\$624	\$1,938	\$1,757	\$10,257	\$0	\$10,257
333 Accounts Payable - Other Government	\$28,092	\$0	\$7,528	\$7,089	\$42,709	\$0	\$42,709
341 Tenant Security Deposits	\$288	\$0	\$345	\$86	\$699	\$0	\$699
342 Unearned Revenue	\$0	\$0	\$8,918		\$8,918	\$0	\$8,918
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0			\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0			\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0			\$0	\$0	\$0

La Junta Housing Authority (CO031)  
LA JUNTA, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14.871 Housing Choice Vouchers	14.134 Mortgage Insurance_Rental Housing	14.138 Mortgage Insurance_Rental Housing for the Elderly	Subtotal	ELIM	Total
346 Accrued Liabilities - Other	\$0	\$0			\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$392	\$1,933	\$1,016	\$3,341	(\$3,341)	\$0
348 Loan Liability - Current	\$0	\$0			\$0	\$0	\$0
310 Total Current Liabilities	\$35,908	\$1,235	\$21,073	\$10,238	\$68,454	(\$3,341)	\$65,113
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0			\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0			\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0			\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$0	\$0			\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0			\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0			\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0			\$0	\$0	\$0
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$35,908	\$1,235	\$21,073	\$10,238	\$68,454	(\$3,341)	\$65,113
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	\$1,094,097		\$112,529	\$146,497	\$1,353,123		\$1,353,123
511.4 Restricted Net Position		\$3,994			\$3,994		\$3,994
512.4 Unrestricted Net Position	\$726,902	\$155,659	\$312,860	\$199,008	\$1,394,429		\$1,394,429
513 Total Equity - Net Assets / Position	\$1,820,999	\$159,653	\$425,389	\$345,505	\$2,751,546	\$0	\$2,751,546
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,856,907	\$160,888	\$446,462	\$355,743	\$2,820,000	(\$3,341)	\$2,816,659

La Junta Housing Authority (CO031)  
LA JUNTA, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14,871 Housing Choice Vouchers	14,134 Mortgage Insurance_Rental Housing	14,138 Mortgage Insurance_Rental Housing for the Elderly	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$256,176	\$0	\$80,206	\$86,754	\$423,136	\$0	\$423,136
70400 Tenant Revenue - Other	\$6,922	\$0	\$3,596	\$1,490	\$12,008	\$0	\$12,008
70500 Total Tenant Revenue	\$263,098	\$0	\$83,802	\$88,244	\$435,144	\$0	\$435,144
70600 HUD PHA Operating Grants	\$278,106	\$427,167			\$705,273	\$0	\$707,485
70610 Capital Grants	\$79,976	\$0			\$79,976	\$0	\$77,764
70710 Management Fee					\$0	\$0	\$0
70720 Asset Management Fee					\$0	\$0	\$0
70730 Book Keeping Fee					\$0	\$0	\$0
70740 Front Line Service Fee					\$0	\$0	\$0
70750 Other Fees					\$0	\$0	\$0
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$136,672	\$92,994	\$229,666	\$0	\$229,666
71100 Investment Income - Unrestricted	\$1,165	\$41	\$172	\$395	\$1,773	\$0	\$1,773
71200 Mortgage interest income	\$0	\$0			\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0			\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0			\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$1,972			\$1,972	\$0	\$1,972
71500 Other Revenue	\$3,212	\$0	\$38,499	\$2,310	\$44,021	\$0	\$44,021
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0			\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0			\$0	\$0	\$0
70000 Total Revenue	\$625,557	\$429,180	\$259,145	\$183,943	\$1,497,825	\$0	\$1,497,825
91100 Administrative Salaries	\$21,128	\$11,103	\$6,649	\$6,803	\$45,683	\$0	\$45,683
91200 Auditing Fees	\$3,250	\$2,125	\$1,725	\$3,150	\$10,250	\$0	\$10,250
91300 Management Fee	\$0	\$0			\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0			\$0	\$0	\$0
91400 Advertising and Marketing	\$1,079	\$0			\$1,079	\$0	\$1,079
91500 Employee Benefit contributions - Administrative	\$5,402	\$2,689	\$1,722	\$1,758	\$11,571	\$0	\$11,571
91600 Office Expenses	\$23,615	\$1,314	\$1,127	\$2,729	\$28,785	\$0	\$28,785
91700 Legal Expense	\$1,114	\$0	\$733		\$1,847	\$0	\$1,847
91800 Travel	\$3,793	\$0			\$3,793	\$0	\$3,793
91810 Allocated Overhead	\$70,193	\$6,742	\$29,809	\$22,005	\$130,749	\$0	\$130,749
91900 Other	\$13,864	\$971		\$30	\$14,865	\$0	\$14,865
91000 Total Operating - Administrative	\$143,438	\$26,944	\$41,765	\$36,475	\$248,622	\$0	\$248,622

La Junta Housing Authority (CO031)  
LA JUNTA, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14,871 Housing Choice Vouchers	14,134 Mortgage Insurance Rental Housing	14,138 Mortgage Insurance Rental Housing for the Elderly	Subtotal	ELIM	Total
92000 Asset Management Fee	\$0	\$0			\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0			\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0			\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0			\$0	\$0	\$0
92400 Tenant Services - Other	\$0	\$0			\$0	\$0	\$0
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$6,841	\$0	\$8,409	\$4,604	\$19,854	\$0	\$19,854
93200 Electricity	\$17,983	\$0	\$2,328	\$15,664	\$35,975	\$0	\$35,975
93300 Gas	\$9,881	\$0	\$9,065	\$5,601	\$23,547	\$0	\$23,547
93400 Fuel	\$0	\$0			\$0	\$0	\$0
93500 Labor	\$0	\$0			\$0	\$0	\$0
93600 Sewer	\$18,724	\$0	\$14,597	\$16,920	\$50,241	\$0	\$50,241
93700 Employee Benefit Contributions - Utilities	\$0	\$0			\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0			\$0	\$0	\$0
93000 Total Utilities	\$64,429	\$0	\$32,399	\$42,789	\$129,617	\$0	\$129,617
94100 Ordinary Maintenance and Operations - Labor	\$77,338	\$0	\$28,917	\$19,518	\$125,773	\$0	\$125,773
94200 Ordinary Maintenance and Operations - Materials and Other	\$32,349	\$0	\$11,677	\$3,464	\$47,490	\$0	\$47,490
94300 Ordinary Maintenance and Operations Contracts	\$52,130	\$0	\$22,613	\$26,968	\$101,711	\$0	\$101,711
94500 Employee Benefit Contributions - Ordinary Maintenance	\$20,957	\$0	\$7,325	\$5,168	\$33,450	\$0	\$33,450
94000 Total Maintenance	\$182,774	\$0	\$70,532	\$55,118	\$308,424	\$0	\$308,424
95100 Protective Services - Labor	\$0	\$0			\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0			\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0		\$744	\$744	\$0	\$744
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$744	\$744	\$0	\$744
95000 Total Protective Services	\$0	\$0	\$0	\$744	\$744	\$0	\$744
96110 Property Insurance	\$45,620	\$0	\$10,414	\$6,396	\$62,630	\$0	\$62,630
96120 Liability Insurance	\$2,535	\$0		\$1,679	\$4,214	\$0	\$4,214
96130 Workmen's Compensation	\$2,735	\$296	\$937	\$674	\$4,642	\$0	\$4,642
96140 All Other Insurance	\$10,318	\$170	\$607	\$1,109	\$12,204	\$0	\$12,204
96100 Total Insurance Premiums	\$61,408	\$466	\$11,958	\$9,858	\$83,690	\$0	\$83,690
96200 Other General Expenses	\$0	\$0			\$0	\$0	\$0
96210 Compensated Absences	\$15,476	\$1,619	\$5,330	\$4,334	\$26,759	\$0	\$26,759

La Junta Housing Authority (CO031)  
LA JUNTA, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14,871 Housing Choice Vouchers	14,134 Mortgage Insurance_Rental Housing	14,138 Mortgage Insurance_Rental Housing for the Elderly	Subtotal	ELIM	Total
96300 Payments in Lieu of Taxes	\$0	\$0			\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$1,177	\$0	\$150		\$1,327	\$0	\$1,327
96500 Bad debt - Mortgages	\$0	\$0			\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$481			\$481	\$0	\$481
96800 Severance Expense	\$0	\$0			\$0	\$0	\$0
96000 Total Other General Expenses	\$16,653	\$2,100	\$5,480	\$4,334	\$28,567	\$0	\$28,567
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$1,549		\$1,549	\$0	\$550
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0			\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0			\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$1,549	\$0	\$1,549	\$0	\$550
96900 Total Operating Expenses	\$458,702	\$29,510	\$163,683	\$149,318	\$801,213	\$0	\$800,214
97000 Excess of Operating Revenue over Operating Expenses	\$166,855	\$399,670	\$95,462	\$34,625	\$696,612	\$0	\$696,612
97100 Extraordinary Maintenance	\$0	\$0			\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$68,936		\$68,936	\$0	\$68,936
97300 Housing Assistance Payments	\$0	\$370,289			\$370,289	\$0	\$370,289
97350 HAP Portability-In	\$0	\$0			\$0	\$0	\$0
97400 Depreciation Expense	\$161,798	\$0	\$18,176	\$13,604	\$193,578	\$0	\$193,578
97500 Fraud Losses	\$0	\$0			\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense	\$0	\$0			\$0	\$0	\$0
90000 Total Expenses	\$620,500	\$399,799	\$250,797	\$162,922	\$1,434,018	\$0	\$1,434,018
10010 Operating Transfer In	\$2,212	\$0			\$2,212	(\$2,212)	\$0
10020 Operating transfer Out	(\$2,212)	\$0			(\$2,212)	\$2,212	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0			\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0			\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0			\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0			\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0			\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0			\$0	\$0	\$0

La Junta Housing Authority (CO031)  
LA JUNTA, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	14,871 Housing Choice Vouchers	14,134 Mortgage Insurance, Rental Housing	14,138 Mortgage Insurance, Rental Housing for the Elderly	Subtotal	ELIM	Total
10093 Transfers between Program and Project - In	\$0	\$0			\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0			\$0	\$0	\$0
10100 Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$5,057	\$29,381	\$8,348	\$21,021	\$63,807		\$63,807
11020 Required Annual Debt Principal Payments	\$0	\$0	\$8,918	\$0	\$8,918		\$8,918
11030 Beginning Equity	\$1,915,942	\$130,272	\$417,041	\$324,484	\$2,687,739	\$0	\$2,687,739
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0			\$0	\$0	\$0
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity		\$155,659			\$155,659		\$155,659
11180 Housing Assistance Payments Equity		\$3,994			\$3,994		\$3,994
11190 Unit Months Available	1032	1140	336	360	2868	0	2868
11210 Number of Unit Months Leased	1019	1040	304	346	2709	0	2709
11270 Excess Cash	\$671,540				\$671,540		\$671,540
11610 Land Purchases	\$0				\$0		\$0
11620 Building Purchases	\$65,887				\$65,887		\$65,887
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$11,877				\$11,877		\$11,877
11650 Leasehold Improvements Purchases	\$0				\$0		\$0
11660 Infrastructure Purchases	\$0				\$0		\$0
13510 CFFP Debt Service Payments	\$0				\$0		\$0
13901 Replacement Housing Factor Funds	\$0				\$0		\$0

SINGLE AUDIT SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
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**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 Directors  
La Junta Housing Authority  
La Junta, Colorado 81050

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 business-type activities and each major fund of La Junta Housing Authority as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise La Junta Housing Authority's basic financial statements, and have issued our report thereon dated October 26, 2020.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (See item 2020-001).

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sizor, Waller & Co., Inc.*  
October 26, 2020

164 E. MAIN  
TRINIDAD, COLORADO 81082  
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**INDEPENDENT AUDITOR'S  
REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY UNIFORM GUIDANCE**

Board of Directors  
La Junta Housing Authority  
La Junta, Colorado 81050

**Report on Compliance for Each Major Federal Program**

We have audited La Junta Housing Authority'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 La Junta Housing Authority's major federal programs for the year ended March 31, 2020. La Junta Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of La Junta Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we 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 La Junta Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Each Major Federal Program

In our opinion, La Junta Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2020.

## Report on Internal Control Over Compliance

Management of La Junta Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered La Junta Housing 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of La Junta Housing 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.

Our 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. We did not identify any deficiencies in internal control over compliance that we 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Deifon, Waller & Co., Inc.*

October 26, 2020

THE CITY OF LA JUNTA HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended March 31, 2020

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SECTION I - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

An unmodified report has been issued on the financial statements of La Junta Housing Authority.

Internal Control Over Financial Reporting

A significant deficiency was disclosed by the audit; there were no material weaknesses identified.

Noncompliance Material to Financial Statements

No instances of noncompliance in amounts material to the financial statements of La Junta Housing Authority were disclosed by the audit.

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Report on Compliance for Major Programs

An unmodified report has been issued on La Junta Housing Authority compliance for major programs.

Audit Findings

No findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

Major Programs

Section 8 Housing Choice Vouchers      14.871

Dollar Threshold to Distinguish Type A and Type B Programs

\$ 750,000.

Qualification as low-risk auditee

La Junta Housing Authority qualified as a low-risk auditee for the year ended March 31, 2020.

THE CITY OF LA JUNTA HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended March 31, 2020

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(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

Item 2020-001

La Junta Housing Authority has an inherent problem it shares with other entities in that it has a limited number of personnel performing accounting and administrative functions. Therefore, a proper separation of duties and responsibilities is not possible.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

THE CITY OF LA JUNTA HOUSING AUTHORITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended March 31, 2020

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<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Grantor</u>	<u>Expenditures</u>
<u>Federal Grantor</u>			
<u>U.S. Department of Housing and Urban Development:</u>			
Public and Indian Housing	14.850		278,106
Section 8 - Housing Assistance Payments Program	14.195	Colorado Housing & Finance Authority	229,666
Section 8 - Housing Choice Vouchers	14.871		427,167
Public Housing – Capital Fund	14.872		<u>79,976</u>
Total Department of Housing			<u>1,014,915</u>
<u>TOTAL</u>			<u>1,014,915</u>

The accompanying notes are an integral part of this schedule.

THE CITY OF LA JUNTA HOUSING AUTHORITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended March 31, 2020

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NOTE 1    Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of La Junta Housing Authority and is presented on the accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

NOTE 2    INDIRECT COST

The Housing Authority has elected not to use the 10 percent de minimis indirect cost rate.