

CONEJOS COUNTY HOUSING AUTHORITY
FINANCIAL STATEMENTS
MARCH 31, 2022

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Conejos County Housing Authority

Opinions

We have audited the accompanying financial statements of the Conejos County Housing Authority as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Conejos County Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Conejos County Housing Authority as of March 31, 2022, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

PO Box 865
Longmont, CO 80502

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Conejos County Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conejos County Housing Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Conejos County Housing Authority's basic financial statements. The Financial Data Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Longmont, CO
November 8, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management Discussion and Analysis

As management of the Conejos County Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2022.

Financial Highlights

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$941,847.

Overview of the Financial Statements

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

Financial Statements

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Authority has one proprietary fund, an Enterprise Fund. The Authority uses an Enterprise Fund to account for its low-income affordable housing activities. Note 1 to the financial statements provides additional information on Authority's funds.

Notes to the Financial Statements

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

Financial Analysis

As noted, Net Position may, over time serve as a useful indicator of the Authority's financial position. The largest portion of the Authority's Net Position reflects its investment in capital assets (e.g. land improvements, building, and equipment), less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide affordable low rent housing to its tenants and are not available for future spending.

Condensed Statement of Net Position

| | 2022 | 2021 | Change |
|----------------------------------|-------------------|-------------------|--------------------|
| ASSETS | | | |
| Cash and investments | \$ 693,433 | \$ 682,735 | \$ 10,698 |
| Other current assets | 7,117 | 17,800 | (10,683) |
| Capital assets | 277,061 | 312,612 | (35,551) |
| Total Assets | <u>977,611</u> | <u>1,013,147</u> | <u>(35,536)</u> |
| LIABILITIES | | | |
| Current liabilities | 35,764 | 39,254 | (3,490) |
| Total liabilities | <u>35,764</u> | <u>39,254</u> | <u>(3,490)</u> |
| NET POSITION | | | |
| Net investment in capital assets | 277,061 | 321,124 | (44,063) |
| Restricted | 115,524 | 103,227 | |
| Unrestricted | 549,262 | 549,542 | (280) |
| Total Net Position | <u>\$ 941,847</u> | <u>\$ 973,893</u> | <u>\$ (44,343)</u> |

As of the current fiscal year, as well as in the previous fiscal year, the Authority is able to report a positive balance in the Net Position. Capital assets have decreased over the prior year. This is due to improvements added during year 2022 in an amount less than the depreciation incurred during the year. Current assets have fluctuated due to tenant receivables and a change in accounting policy relating to inventory. Current liabilities have fluctuated due to the normal timing of payments. The net position increased due to revenues exceeding expenses for the year.

Change in Net Position

| | 2022 | 2021 | Increase (Decrease) |
|-------------------------|-------------------|-------------------|------------------------|
| Revenue: | | | |
| Operating Revenue | | | |
| Charges for Services | \$ 149,526 | \$ 138,707 | \$ 10,819 |
| Grants and Contribution | 198,805 | 191,175 | 7,630 |
| Other Income | 488 | 4,205 | (3,717) |
| Total Revenue | <u>348,819</u> | <u>334,087</u> | <u>14,732</u> |
| Expenses: | | | |
| Operating Expenses | 380,865 | 330,845 | 50,020 |
| Total Expenses | <u>380,865</u> | <u>330,845</u> | <u>50,020</u> |
| Change in Net Position | (32,046) | 3,242 | (35,288) |
| Net Position-Beginning | 973,893 | 970,651 | 3,242 |
| Net Position-Ending | <u>\$ 941,847</u> | <u>\$ 973,893</u> | <u>\$ (32,046)</u> |

The revenue is increased in 2022, from the prior year due to an increase in grants, and rental income. The expenses are increased over the prior years due to higher wages and benefits and maintenance costs.

Cash Flows

| | <u>2022</u> | <u>2021</u> | Increase (Decrease) |
|--|-------------------|-------------------|------------------------|
| Cash Flows Used by Operating Activities | \$ (173,590) | \$ (136,549) | \$ (37,041) |
| Cash Flows From (Used) by Non Capital Financing Activities | 198,805 | 191,175 | 7,630 |
| Cash Flows From (Used) by Capital and Related Financing Activities | (15,005) | 1,968 | (16,973) |
| Cash Flows From (Used) by Investing Activities | 488 | (4,127) | 4,615 |
| Change in Cash and Cash Equivalents | <u>10,698</u> | <u>52,467</u> | <u>(41,769)</u> |
| Cash and Cash Equivalents Beginning of Year | 682,735 | 630,268 | 52,467 |
| Cash and Cash Equivalents Ending of Year | <u>\$ 693,433</u> | <u>\$ 682,735</u> | <u>\$ 10,698</u> |

Capital Assets

The Authority's investment in capital assets as of March 31, 2022, amounts to \$277,061 (net of accumulated depreciation). This investment in capital assets included Land Improvements, Building and Equipment. The Authority's capital expenditures were \$15,005 during fiscal year 2022. The Authority disposed of assets during the year in the amount of \$5,873 that were fully depreciated. Additional information on the Authority's capital assets can be found in note 3 to the financial statements.

Long Term Debt

At the end of the year, the Authority did not have any outstanding debt.

Economic Factors and Next Year's Revenue

The Authority does not receive any revenue by taxes. Due to changing market conditions there have been fluctuations in vacancy rates.

Request for Information

This financial report is designed to provide an overview of the Conejos County Housing Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to:

Conejos County Housing Authority
510 Richfield Road
La Jara, Colorado 81140

BASIC FINANCIAL STATEMENTS

Conejos County Housing Authority
Statement of Net Position
March 31, 2022

ASSETS

| | |
|-----------------------------------|----------------|
| Current Assets | |
| Cash and cash equivalents | \$ 566,494 |
| Prepaid expenses | 1,847 |
| Accounts receivable- tenants, net | 5,270 |
| Restricted cash | 126,939 |
| Total Current Assets | 700,550 |
| Noncurrent Assets | |
| Capital assets | |
| Nondepreciable | 28,653 |
| Depreciable | 3,954,009 |
| Less: accumulated depreciation | (3,705,601) |
| Net Capital Assets | 277,061 |
| Total Noncurrent Assets | 277,061 |
| Total Assets | 977,611 |

LIABILITIES

| | |
|------------------------------|--------|
| Current Liabilities | |
| Accounts payable | 3,715 |
| Other accrued liabilities | 11,162 |
| Tenant security deposits | 11,415 |
| Unearned revenue | 1,301 |
| Accrued compensated absences | 8,171 |
| Total Current Liabilities | 35,764 |

Net Position

| | |
|-------------------------------------|-------------------|
| Net investment in capital assets | 277,061 |
| Restricted for replacement reserves | 115,524 |
| Unrestricted | 549,262 |
| Total Net Position | \$ 941,847 |

Conejos County Housing Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended March 31, 2022

| | |
|---|------------|
| Operating Revenues | |
| Dwelling rental - net | \$ 139,983 |
| Management fees and other income | 9,543 |
| Total Operating Revenues | 149,526 |
| Operating Expenses | |
| General and administrative | 160,230 |
| Utilities | 40,120 |
| Maintenance and operation | 129,959 |
| Depreciation | 50,556 |
| Total Operating Expenses | 380,865 |
| Operating Income (Loss) | (231,339) |
| Non-Operating Revenues (Expenses) | |
| HUD contributions and grants | 198,805 |
| Interest income | 488 |
| Total Non-Operating Revenues (Expenses) | 199,293 |
| Change in Net Position | (32,046) |
| Net Position, Beginning of Year | 973,893 |
| Net Position, End of Year | \$ 941,847 |

**Conejos County Housing Authority
Statement of Cash Flows
For the Year Ended March 31, 2022**

| | |
|--|------------|
| Cash Flows From Operating Activities: | |
| Cash received from tenants | \$ 146,674 |
| Cash payments to tenants and suppliers | (191,383) |
| Cash payments to employees | (128,881) |
| Net Cash (Used) For Operating Activities | (173,590) |
| Cash Flows From Noncapital Financing Activities: | |
| HUD contributions and grants | 198,805 |
| Net Cash Provided by Non-Capital Financing Activities | 198,805 |
| Cash Flows From Capital and Related Financing Activities: | |
| Purchase of property, plant and equipment | (15,005) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (15,005) |
| Cash Flows from Investing Activities: | |
| Interest income | 488 |
| Net Cash Provided by Investing Activities | 488 |
| Net increase in Cash and Cash Equivalents | 10,698 |
| Cash and Cash Equivalents, Beginning | 682,735 |
| Cash and Cash Equivalents, Ending | \$ 693,433 |
| Detail of cash and cash equivalents: | |
| Cash - Unrestricted | 566,494 |
| Cash-Restricted | 126,939 |
| Total | \$ 693,433 |
| Reconciliation of Operating Income to Net Cash Used for Operating Activities: | |
| Operating (Loss) | (231,339) |
| Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities: | |
| Depreciation and Amortization | 50,556 |
| Changes in Assets and Liabilities: | |
| Accounts Receivable - Tenants | (4,125) |
| Prepaid expenses | 47 |
| Inventory | 14,761 |
| Accounts payable | (1,981) |
| Accrued liabilities | (5,367) |
| Accrued compensated absences | 2,585 |
| Deferred revenue | 1,132 |
| Tenant security deposits | 141 |
| Net Cash Used for Operating Activities | (173,590) |

Conejos County Housing Authority
Notes to Financial Statements
October 31, 2022

Note 1 Summary of Significant Accounting Policies

The Conejos County Housing Authority (the Authority) was established in order to provide low-income housing and consists of 44 public housing units funded by a Project Based Rental Assistance (PBRA) HAP contract. The Authority is managed by a Board of Commissioners. The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP). The significant accounting policies of the Authority are described below.

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the Authority's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, "The Financial Reporting Entity" as amended by GASB No. 39. GASB pronouncements set forth the financial accountability of governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. Based upon the application of these criteria, no entities will be included in the Authority's reporting entity.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Enterprise fund accounting is utilized by the Authority in accordance with accounting principles generally accepted in the United States of America.

Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets. Retirement of bonds is recorded as a reduction of liabilities.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to tenants for rent. Operating expenses include the cost of providing low-income housing, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Authority applies GASB pronouncements in the financial statements which is the authoritative body. The Authority follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Statement No. 34 establishes standards for external financial reporting for all state and local governmental entities which includes a management's discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows.

It requires the classification of net position into three components: Net investment in capital assets; restricted; and unrestricted. When both restricted and unrestricted assets are available to be used it is the Authority's policy to utilize restricted assets first.

Conejos County Housing Authority
Notes to Financial Statements (Continued)
March 31, 2022

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of Accounting (continued)

Proprietary Fund – The Authority’s operations are accounted for in a single enterprise fund. Enterprise funds account for those operations financed and operated in a manner similar to private business or where the Authority has decided that determination of revenues earned, costs incurred, and net income is necessary for management accountability.

Assets and Liabilities

Investments – investments are recorded at fair value, which approximates cost.

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

Inventory – Inventory consists of maintenance supplies to be used on the properties and is valued at fair market value net of allowances for excess and obsolete inventory. The inventory had previously included items used in the maintenance of the organization. For the year ended March 31, 2022 the Authority elected to change the accounting policy regarding inventory and removed these items from the inventory listing. This resulted in a one-time charge to operations of \$15,312.

Capital assets - assets are stated at cost or estimated cost. The capitalization threshold for fixed assets is \$1,000. Depreciation over the estimated useful lives of the assets is computed using the straight-line method. The estimated useful lives are 10-40 years for buildings and improvements, and 3-10 years for equipment.

Cash and Cash Equivalents

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

Use of Estimates in the Preparation of Financial Statements

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

Compensated Absences

The Authority’s personnel policies permit employees to accrue compensated absences during the year. These consist of services previously provided by employees in which they will be compensated for them in a future period. A liability for these services has been established on the Statement of Net Position in the estimated amount of these future services.

**Conejos County Housing Authority
Notes to Financial Statements (Continued)
March 31, 2022**

Note 1 Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

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

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

Note 2 Cash and Investments

Restricted Cash

Security deposits received from tenants are classified as restricted cash on the Statement of Net Position in the amount of \$11,415 as of March 31, 2022. The Authority has also restricted \$115,524 relating to repairs and improvements of the buildings.

Cash Deposits

As of March 31, 2022, the Authority's cash deposits had a carrying balance of \$38,774 and corresponding bank balance of \$45,900. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Authority had \$0 collateralized under PDPA at March 31, 2022, accordingly the Authority was not exposed to credit risk.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of March 31, 2022, none of the Authority's bank deposits were exposed to custodial credit risk.

| Cash and Cash Equivalents | |
|---------------------------------|------------|
| Cash deposits | \$ 38,774 |
| Cash on hand | 200 |
| Colostrust | 654,459 |
| Total Cash and Cash Equivalents | \$ 693,433 |

Conejos County Housing Authority
Notes to Financial Statements (Continued)
March 31, 2022

Note 2 Cash and Investments (Continued)

Investments

Colorado statutes specify in which investment instruments the units of local government may invest. The Authority has not adopted a formal investment policy.

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

At March 31, 2022 the Authority had \$654,459, invested in COLOTRUST which are investment vehicles established for government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement.

The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Note 3 Capital Assets

The following is a summary of fixed assets at March 31, 2022:

| | Balance 3/31/2021 | Increase | Decrease | Balance 3/31/2022 |
|--|----------------------|--------------------|----------------|----------------------|
| Non-depreciable | | | | |
| Land | \$ 28,653 | \$ - | \$ - | \$ 28,653 |
| Total non-depreciable | <u>28,653</u> | <u>-</u> | <u>-</u> | <u>28,653</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 3,843,683 | 12,616 | - | 3,856,299 |
| Equipment | 101,194 | 2,389 | (5,873) | 97,710 |
| Total capital assets being depreciated | <u>3,944,877</u> | <u>15,005</u> | <u>(5,873)</u> | <u>3,954,009</u> |
| Total Capital Assets | <u>3,973,530</u> | <u>15,005</u> | <u>(5,873)</u> | <u>3,982,662</u> |
| Less accumulated depreciation | <u>(3,660,918)</u> | <u>(50,556)</u> | <u>5,873</u> | <u>(3,705,601)</u> |
| Net Capital Assets | <u>\$ 312,612</u> | <u>\$ (35,551)</u> | <u>\$ -</u> | <u>\$ 277,061</u> |

**Conejos County Housing Authority
Notes to Financial Statements (Continued)
March 31, 2022**

Note 4 Tenant Receivable

Following is detail of Tenant Receivable

| | Total |
|--------------------|----------|
| Tenant Receivable | \$ 5,270 |
| Bad Debt Allowance | - |
| Net Receivable | \$ 5,270 |

Note 5 Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The Authority carries commercial insurance for these risks of loss. The Authority has not experienced losses that exceeded commercial coverage in any of the last three years.

Note 6 Contingencies and Economic Dependency

The Authority participates in a number of federal, state, and local programs that are funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of March 31, 2022, significant amounts of grant expenses have not been audited, but the Authority believes that disallowed expenses, if any, will not have a material effect on any of the individual funds or the overall financial position of the Authority. The Authority is economically dependent on annual contributions and grants received from HUD. The extent of this funding from HUD depends upon appropriations from the Federal government.

Note 7 Tax, Spending, and Debt Limitation

Article X, Section 20 of the Colorado Constitution, The Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The Authority has created an enterprise operation in compliance with Colorado law, which exempts certain business-like operations from Article X, Section 20 of the Colorado Constitution. The Authority believes it is in compliance with the requirements of TABOR.

SUPPLEMENTAL SECTION

Conejos County Housing Authority (CO038)
La Jara, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2022

| | Project Total | 1 Business Activities | 14.195 Section 8 Housing Assistance Payments Program_Special Allocations | Subtotal | Total |
|---|---------------|-----------------------|--|--------------|--------------|
| 111 Cash - Unrestricted | | \$3,497 | \$562,997 | \$566,494 | \$566,494 |
| 112 Cash - Restricted - Modernization and Development | | | | | |
| 113 Cash - Other Restricted | | | \$115,524 | \$115,524 | \$115,524 |
| 114 Cash - Tenant Security Deposits | | | \$11,415 | \$11,415 | \$11,415 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | | |
| 100 Total Cash | \$0 | \$3,497 | \$689,936 | \$693,433 | \$693,433 |
| 121 Accounts Receivable - PHA Projects | | | | | |
| 122 Accounts Receivable - HUD Other Projects | | | | | |
| 124 Accounts Receivable - Other Government | | | | | |
| 125 Accounts Receivable - Miscellaneous | | | | | |
| 126 Accounts Receivable - Tenants | | | \$5,270 | \$5,270 | \$5,270 |
| 126.1 Allowance for Doubtful Accounts - Tenants | \$0 | | \$0 | \$0 | \$0 |
| 126.2 Allowance for Doubtful Accounts - Other | | | | | |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | | | |
| 128 Fraud Recovery | | | | | |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | | | |
| 129 Accrued Interest Receivable | | | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$0 | \$0 | \$5,270 | \$5,270 | \$5,270 |
| 131 Investments - Unrestricted | | | | | |
| 132 Investments - Restricted | | | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | | | |
| 142 Prepaid Expenses and Other Assets | | | \$1,847 | \$1,847 | \$1,847 |
| 143 Inventories | | | | | |
| 143.1 Allowance for Obsolete Inventories | | | | | |
| 144 Inter Program Due From | | | | | |
| 145 Assets Held for Sale | | | | | |
| 150 Total Current Assets | \$0 | \$3,497 | \$697,053 | \$700,550 | \$700,550 |
| 161 Land | | | \$28,653 | \$28,653 | \$28,653 |
| 162 Buildings | | | \$2,983,615 | \$2,983,615 | \$2,983,615 |
| 163 Furniture, Equipment & Machinery - Dwellings | | | \$20,736 | \$20,736 | \$20,736 |
| 164 Furniture, Equipment & Machinery - Administration | | | \$76,975 | \$76,975 | \$76,975 |
| 165 Leasehold Improvements | | | \$872,683 | \$872,683 | \$872,683 |
| 166 Accumulated Depreciation | | | -\$3,705,601 | -\$3,705,601 | -\$3,705,601 |
| 167 Construction in Progress | | | | | |
| 168 Infrastructure | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$0 | \$277,061 | \$277,061 | \$277,061 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | | | | |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | | | | |
| 173 Grants Receivable - Non Current | | | | | |
| 174 Other Assets | | | | | |
| 176 Investments in Joint Ventures | | | | | |
| 180 Total Non-Current Assets | \$0 | \$0 | \$277,061 | \$277,061 | \$277,061 |
| 200 Deferred Outflow of Resources | | | | | |
| 290 Total Assets and Deferred Outflow of Resources | \$0 | \$3,497 | \$974,114 | \$977,611 | \$977,611 |
| 311 Bank Overdraft | | | | | |
| 312 Accounts Payable <= 90 Days | | | \$1,315 | \$1,315 | \$1,315 |
| 313 Accounts Payable >90 Days Past Due | | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | | \$270 | \$1,321 | \$1,591 | \$1,591 |
| 322 Accrued Compensated Absences - Current Portion | | | \$4,471 | \$4,471 | \$4,471 |

See the accompanying Independent Auditor's report

Conejos County Housing Authority (CO038)
La Jara, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2022

| | Project Total | 1 Business Activities | 14.195 Section 8 Housing Assistance Payments Program_Special Allocations | Subtotal | Total |
|---|---------------|-----------------------|--|-----------|-----------|
| 324 Accrued Contingency Liability | | | | | |
| 325 Accrued Interest Payable | | | | | |
| 331 Accounts Payable - HUD PHA Programs | | | | | |
| 332 Account Payable - PHA Projects | | | | | |
| 333 Accounts Payable - Other Government | | | \$9,571 | \$9,571 | \$9,571 |
| 341 Tenant Security Deposits | | | \$11,415 | \$11,415 | \$11,415 |
| 342 Unearned Revenue | \$0 | | \$1,301 | \$1,301 | \$1,301 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | | | | | |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | | | |
| 345 Other Current Liabilities | | | | | |
| 346 Accrued Liabilities - Other | | | \$2,400 | \$2,400 | \$2,400 |
| 347 Inter Program - Due To | | | | | |
| 348 Loan Liability - Current | | | | | |
| 310 Total Current Liabilities | \$0 | \$270 | \$31,794 | \$32,064 | \$32,064 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | | | | |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | | | |
| 353 Non-current Liabilities - Other | | | | | |
| 354 Accrued Compensated Absences - Non Current | | | \$3,700 | \$3,700 | \$3,700 |
| 355 Loan Liability - Non Current | | | | | |
| 356 FASB 5 Liabilities | | | | | |
| 357 Accrued Pension and OPEB Liabilities | | | | | |
| 350 Total Non-Current Liabilities | \$0 | \$0 | \$3,700 | \$3,700 | \$3,700 |
| 300 Total Liabilities | \$0 | \$270 | \$35,494 | \$35,764 | \$35,764 |
| 400 Deferred Inflow of Resources | | | | | |
| 508.4 Net Investment in Capital Assets | | | \$277,061 | \$277,061 | \$277,061 |
| 511.4 Restricted Net Position | | | \$115,524 | \$115,524 | \$115,524 |
| 512.4 Unrestricted Net Position | \$0 | \$3,227 | \$546,035 | \$549,262 | \$549,262 |
| 513 Total Equity - Net Assets / Position | \$0 | \$3,227 | \$938,620 | \$941,847 | \$941,847 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$0 | \$3,497 | \$974,114 | \$977,611 | \$977,611 |

See the accompanying Independent Auditor's report

Conejos County Housing Authority (CO038)
La Jara, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2022

| | Project Total | 1 Business Activities | 14.195 Section 8 Housing Assistance Payments Program_Special Allocations | Subtotal | Total |
|---|---------------|-----------------------|--|-----------|-----------|
| 70300 Net Tenant Rental Revenue | | | \$139,665 | \$139,665 | \$139,665 |
| 70400 Tenant Revenue - Other | | \$6,660 | \$2,899 | \$9,559 | \$9,559 |
| 70500 Total Tenant Revenue | \$0 | \$6,660 | \$142,564 | \$149,224 | \$149,224 |
| 70600 HUD PHA Operating Grants | | | \$191,410 | \$191,410 | \$191,410 |
| 70610 Capital Grants | | | | | |
| 70710 Management Fee | | | | | |
| 70720 Asset Management Fee | | | | | |
| 70730 Book Keeping Fee | | | | | |
| 70740 Front Line Service Fee | | | | | |
| 70750 Other Fees | | | | | |
| 70700 Total Fee Revenue | | | | | |
| 70800 Other Government Grants | | | | | |
| 71100 Investment Income - Unrestricted | | \$5 | \$413 | \$418 | \$418 |
| 71200 Mortgage Interest Income | | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | | |
| 71310 Cost of Sale of Assets | | | | | |
| 71400 Fraud Recovery | | | | | |
| 71500 Other Revenue | | \$7,395 | \$302 | \$7,697 | \$7,697 |
| 71600 Gain or Loss on Sale of Capital Assets | | | | | |
| 72000 Investment Income - Restricted | | | \$70 | \$70 | \$70 |
| 70000 Total Revenue | \$0 | \$14,060 | \$334,759 | \$348,819 | \$348,819 |
| 91100 Administrative Salaries | | \$5,298 | \$72,908 | \$78,206 | \$78,206 |
| 91200 Auditing Fees | | | \$5,895 | \$5,895 | \$5,895 |
| 91300 Management Fee | | | | | |
| 91310 Book-keeping Fee | | | | | |
| 91400 Advertising and Marketing | | | \$396 | \$396 | \$396 |
| 91500 Employee Benefit contributions - Administrative | | \$389 | \$17,400 | \$17,789 | \$17,789 |
| 91600 Office Expenses | | \$631 | \$5,040 | \$5,671 | \$5,671 |
| 91700 Legal Expense | | | \$812 | \$812 | \$812 |
| 91800 Travel | | | \$2,745 | \$2,745 | \$2,745 |
| 91810 Allocated Overhead | | | | | |
| 91900 Other | | \$617 | \$14,939 | \$15,556 | \$15,556 |
| 91000 Total Operating - Administrative | \$0 | \$6,935 | \$120,135 | \$127,070 | \$127,070 |
| 92000 Asset Management Fee | | | | | |
| 92100 Tenant Services - Salaries | | | | | |
| 92200 Relocation Costs | | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | | | |
| 92400 Tenant Services - Other | | | | | |
| 92500 Total Tenant Services | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93100 Water | | | \$12,268 | \$12,268 | \$12,268 |
| 93200 Electricity | | | \$6,647 | \$6,647 | \$6,647 |
| 93300 Gas | | | \$7,939 | \$7,939 | \$7,939 |
| 93400 Fuel | | | | | |
| 93500 Labor | | | | | |
| 93600 Sewer | | | \$13,266 | \$13,266 | \$13,266 |
| 93700 Employee Benefit Contributions - Utilities | | | | | |
| 93800 Other Utilities Expense | | | | | |
| 93000 Total Utilities | \$0 | \$0 | \$40,120 | \$40,120 | \$40,120 |
| 94100 Ordinary Maintenance and Operations - Labor | | \$601 | \$58,558 | \$59,159 | \$59,159 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | | \$11,768 | \$30,318 | \$42,086 | \$42,086 |

See the accompanying Independent Auditor's report

Conejos County Housing Authority (CO038)
La Jara, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2022

| | Project Total | 1 Business Activities | 14.195 Section 8 Housing Assistance Payments Program_Special Allocations | Subtotal | Total |
|---|---------------|-----------------------|--|-----------|-----------|
| 94300 Ordinary Maintenance and Operations Contracts | | | \$14,243 | \$14,243 | \$14,243 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | \$41 | \$14,042 | \$14,083 | \$14,083 |
| 94000 Total Maintenance | \$0 | \$12,410 | \$117,161 | \$129,571 | \$129,571 |
| 95100 Protective Services - Labor | | | | | |
| 95200 Protective Services - Other Contract Costs | | | | | |
| 95300 Protective Services - Other | | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | | |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | | | \$15,880 | \$15,880 | \$15,880 |
| 96120 Liability Insurance | | | | | |
| 96130 Workmen's Compensation | | | \$2,371 | \$2,371 | \$2,371 |
| 96140 All Other Insurance | | | \$3,291 | \$3,291 | \$3,291 |
| 96100 Total Insurance Premiums | \$0 | \$0 | \$21,542 | \$21,542 | \$21,542 |
| 96200 Other General Expenses | | | | | |
| 96210 Compensated Absences | | | | | |
| 96300 Payments in Lieu of Taxes | | | \$10,271 | \$10,271 | \$10,271 |
| 96400 Bad debt - Tenant Rents | | | \$1,735 | \$1,735 | \$1,735 |
| 96500 Bad debt - Mortgages | | | | | |
| 96600 Bad debt - Other | | | | | |
| 96800 Severance Expense | | | | | |
| 96000 Total Other General Expenses | \$0 | \$0 | \$12,006 | \$12,006 | \$12,006 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | | | |
| 96730 Amortization of Bond Issue Costs | | | | | |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$0 | \$19,345 | \$310,964 | \$330,309 | \$330,309 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$0 | -\$5,285 | \$23,795 | \$18,510 | \$18,510 |
| 97100 Extraordinary Maintenance | | | | | |
| 97200 Casualty Losses - Non-capitalized | | | | | |
| 97300 Housing Assistance Payments | | | | | |
| 97350 HAP Portability-In | | | | | |
| 97400 Depreciation Expense | | | \$50,556 | \$50,556 | \$50,556 |
| 97500 Fraud Losses | | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | |
| 97800 Dwelling Units Rent Expense | | | | | |
| 90000 Total Expenses | \$0 | \$19,345 | \$361,520 | \$380,865 | \$380,865 |
| 10010 Operating Transfer In | | | | | |
| 10020 Operating transfer Out | | | | | |
| 10030 Operating Transfers from/to Primary Government | | | | | |
| 10040 Operating Transfers from/to Component Unit | | | | | |
| 10050 Proceeds from Notes, Loans and Bonds | | | | | |
| 10060 Proceeds from Property Sales | | | | | |
| 10070 Extraordinary Items, Net Gain/Loss | | | | | |
| 10080 Special Items (Net Gain/Loss) | | | | | |
| 10091 Inter Project Excess Cash Transfer In | | | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | | | |
| 10093 Transfers between Program and Project - In | | | | | |

See the accompanying Independent Auditor's report

Conejos County Housing Authority (CO038)
La Jara, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2022

| | Project Total | 1 Business Activities | 14.195 Section 8 Housing Assistance Payments Program_Special Allocations | Subtotal | Total |
|---|---------------|-----------------------|--|-----------|-----------|
| 10094 Transfers between Project and Program - Out | | | | | |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$0 | -\$5,285 | -\$26,761 | -\$32,046 | -\$32,046 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$0 | \$8,512 | \$965,381 | \$973,893 | \$973,893 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | | | | | |
| 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 | | | | | |
| 11180 Housing Assistance Payments Equity | | | | | |
| 11190 Unit Months Available | 0 | | 528 | 528 | 528 |
| 11210 Number of Unit Months Leased | 0 | | 517 | 517 | 517 |
| 11270 Excess Cash | \$0 | | | \$0 | \$0 |
| 11610 Land Purchases | \$0 | | | \$0 | \$0 |
| 11620 Building Purchases | \$0 | | | \$0 | \$0 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$0 | | | \$0 | \$0 |
| 11640 Furniture & Equipment - Administrative Purchases | \$0 | | | \$0 | \$0 |
| 11650 Leasehold Improvements Purchases | \$0 | | | \$0 | \$0 |
| 11660 Infrastructure Purchases | \$0 | | | \$0 | \$0 |
| 13510 CFFP Debt Service Payments | \$0 | | | \$0 | \$0 |
| 13901 Replacement Housing Factor Funds | \$0 | | | \$0 | \$0 |

See the accompanying Independent Auditor's report