

cPa DIXON, WALLER & CO., INC.

HOUSING AUTHORITY OF THE
CITY OF LA JUNTA

LA JUNTA, COLORADO

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

DIXON, WALLER & CO., INC.
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HOUSING AUTHORITY OF THE
CITY OF LA JUNTA
YEAR ENDED MARCH 31, 2023

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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

Opinions

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, 2023, 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.

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, 2023, 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 La Junta 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the La Junta 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 the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the La Junta 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 La Junta 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 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 an opinion on the financial statements that collectively comprise the La Junta Housing Authority's basic financial statements. The accompanying financial data schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to 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 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 July 20, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the La Junta Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the La Junta Housing Authority's internal control over financial reporting and compliance.



July 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

La Junta Housing Authority Management's Discussion and Analysis For the Year Ended March 31, 2023

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, 2023. The La Junta Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended March 31, 2023, 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, 2023, 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, 2023.

Financial Highlights

- The La Junta Housing Authority's total net position increased from \$3,058,704 to \$3,111,358, an increase of \$52,654.
- The unrestricted component of net position balance is \$1,735,975 at March 31, 2023. This represents an increase of \$97,375 or 6% from the previous year.
- Total revenues increased from \$1,637,006 to \$1,730,864, an increase of \$93,858.
- Total expenses increased by \$147,791, from \$1,530,419 to \$1,678,210 for the current year. This represents an increase of 10%.

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, 2023, and March 31, 2022.

Management's Discussion and Analysis-Cont.

Summary Statement of Net Position March 31, 2023 and March 31, 2022

Category	3/31/2023	3/31/2022	Change \$	Change %
Current Assets	\$ 1,899,594	\$ 1,712,565	\$ 187,029	11%
Fixed Assets (Net of Depreciation)	\$ 1,375,383	\$ 1,408,198	\$ (32,815)	-2%
Total Assets	\$ 3,274,977	\$ 3,120,763	\$ 154,214	5%
Current Liabilities	\$ 163,619	\$ 62,059	\$ 101,560	164%
Non Current Liabilities	\$ -	\$ -	\$ -	0%
Total Liabilities	\$ 163,619	\$ 62,059	\$ 101,560	164%
Unrestricted	\$ 1,735,975	\$ 1,638,600	\$ 97,375	6%
Restricted	\$ -	\$ 11,906	\$ (11,906)	-100%
Net Investment in Capital Assets	\$ 1,375,383	\$ 1,408,198	\$ (32,815)	-2%
Total Net Position	\$ 3,111,358	\$ 3,058,704	\$ 52,654	2%

Current Assets

Current assets increased by \$187,029 or 11% during the current year. Unrestricted cash and investment balances increased from \$1,503,176 to \$1,765,031, an increase of \$261,855 from March 31, 2022 to March 31, 2023. This is due to operating revenues exceeding operating expenses.

Noncurrent Assets

Noncurrent assets decreased by \$32,815. This is discussed further in the capital assets section.

Net Position

The Authority's total net position balance increased by \$52,654 from the previous year's balance.

The Authority's unrestricted component of net position increased from \$1,638,600 to \$1,735,975, an increase of \$97,375 or 6% for the current year. Individual unrestricted component of net position balances by program are as follows:

Low Rent Program	\$ 907,941
Housing Choice Voucher	\$ 258,564
Other Programs	\$ 569,470
Total	<u>\$1,735,975</u>

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.

Summary Statement of Revenues & Expenses and Changes in Net Position Years Ended March 31, 2023 and 2022

Category	3/31/2023	3/31/2022	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 480,825	\$ 427,720	\$ 53,105	12%
Government Operating Grants	\$ 1,218,441	\$ 1,063,233	\$ 155,208	15%
Capital Grants	\$ -	\$ 115,000	\$ (115,000)	-100%
Other Revenue	\$ 28,945	\$ 30,272	\$ (1,327)	-4%
Interest Income	\$ 2,653	\$ 781	\$ 1,872	240%
Total Revenue	\$ 1,730,864	\$ 1,637,006	\$ 93,858	6%
Expenses:				
Administration	\$ 271,135	\$ 337,042	\$ (65,907)	-20%
Utilities	\$ 151,510	\$ 140,675	\$ 10,835	8%
Ordinary Maintenance	\$ 499,315	\$ 399,830	\$ 99,485	25%
Protective Services	\$ 444	\$ -	\$ 444	100%
General/Insurance Expense	\$ 143,066	\$ 90,422	\$ 52,644	58%
Nonroutine Maintenance	\$ 29,208	\$ -	\$ 29,208	100%
Depreciation	\$ 165,311	\$ 184,499	\$ (19,188)	-10%
Housing Assistance Payments	\$ 418,221	\$ 377,951	\$ 40,270	11%
Total Expenses	\$ 1,678,210	\$ 1,530,419	\$ 147,791	10%
Excess (Deficiency) Before Special Items	\$ 52,654	\$ 106,587	\$ (53,933)	-51%
Change in Net Position	\$ 52,654	\$ 106,587	\$ (53,933)	-51%
Net Position, Beginning of Year	\$ 3,058,704	\$ 2,952,117	\$ 106,587	4%
Net Position, End of Year	\$ 3,111,358	\$ 3,058,704	\$ 52,654	2%

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenues increased by \$93,858 during the current fiscal year as compared to the previous fiscal year. Significant differences between the years include the following:

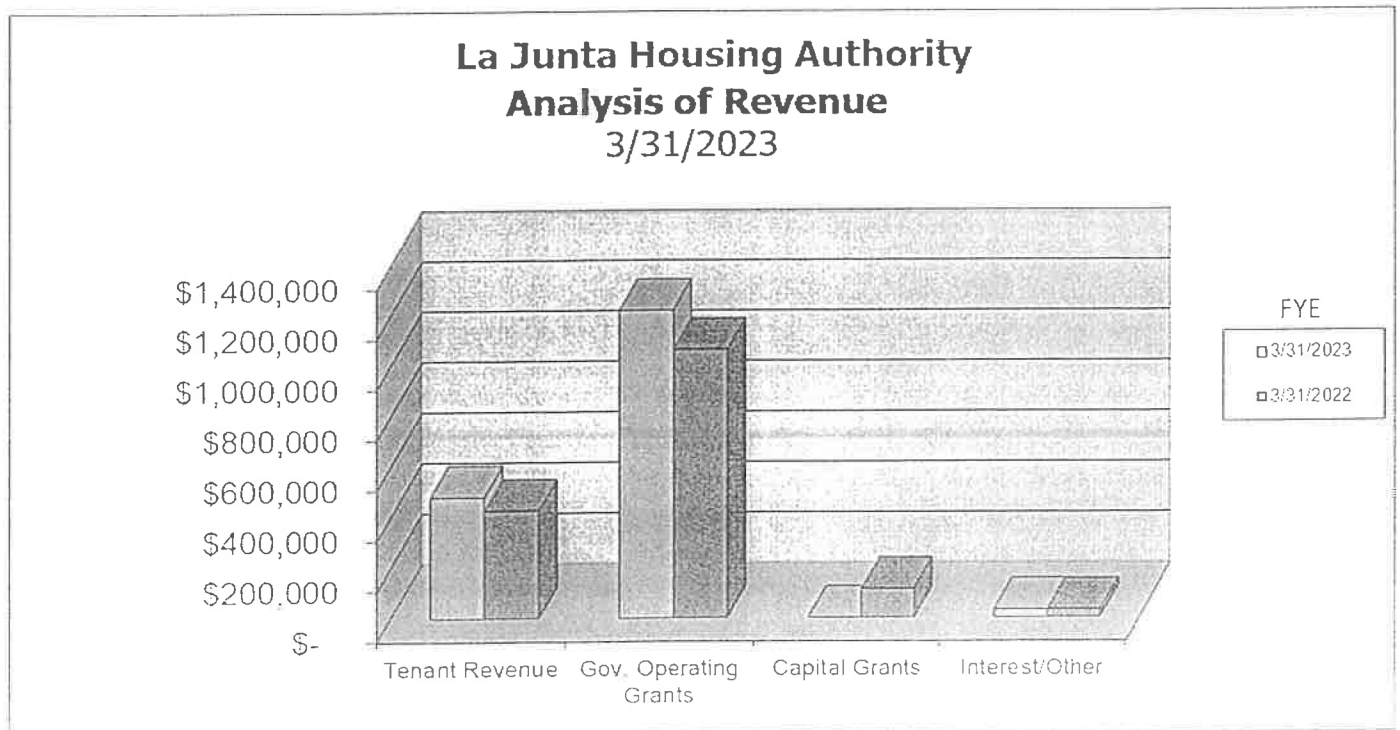
- Tenant revenue increased by \$53,105 or 12% during the current year. The average rent for the Low Rent program increased from \$250 in 2022 to \$312 in 2023.
- Government operating grants increased by \$155,208. This is primarily due to an increase in operating grants relating to the Capital Fund program in the amount of \$212,501.
- Capital grants decreased by \$115,000 during the current year. This is due to a decrease in capital activity related to the CFP grants.

Management's Discussion and Analysis-Cont.

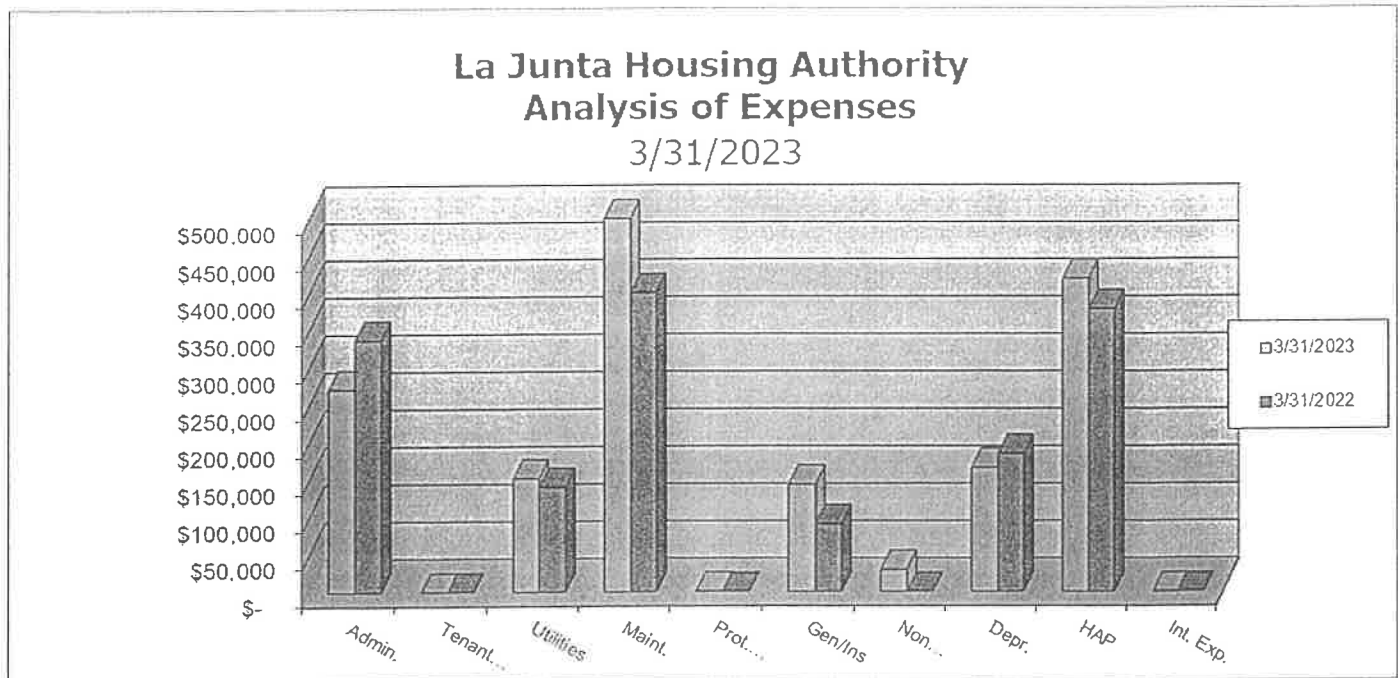
Total expenses increased by \$147,791. Significant differences between the years include the following:

- Administration expenses decreased from \$337,042 to \$271,135 during the current year. This is primarily due to a decrease in salaries and benefits in the amount of \$74,500. In contrast, allocated overhead increased by \$23,247.
- Ordinary maintenance costs increased by \$99,485 or 25% during the year primarily due to an increase in unit turnaround costs by \$16,102 and other miscellaneous costs by \$56,515.
- General/insurance expenses increased by \$52,644 or 58%. Property insurance increased by \$12,457 and compensated absences increased by \$39,472 due to a reclassification.
- Nonroutine maintenance expenses consisted of roof work at Townhouse Apartments.
- HAP payments increased from \$377,951 to \$418,221, an increase of \$147,791. The average rent increased from \$401 to \$472 during the current year.

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, 2023, the Authority's investment in capital assets was \$1,375,383. This investment includes land, building, and equipment net of accumulated depreciation.

Category	3/31/2023	3/31/2022	Change \$	Change %
Land	\$ 248,975	\$ 248,975	\$ -	0%
Buildings	\$ 7,403,397	\$ 7,350,756	\$ 52,641	1%
Equipment	\$ 260,089	\$ 267,324	\$ (7,235)	-3%
Accumulated Depreciation	\$ (6,537,078)	\$ (6,458,857)	\$ (78,221)	1%
Total Net Fixed Assets	\$ 1,375,383	\$ 1,408,198	\$ (32,815)	-2%

Additions to buildings includes landscaping work and roof work in the Low Rent program.

The change in equipment consists of the purchase of a Dodge truck and the disposition of a Chevy Impala.

Subsequent Event

As of the analysis, HUD has not finalized the funding levels for the 2023 calendar year. The operating subsidy of the Low Rent Housing Program is estimated to be funded at 93%

The amount of funding for the 2023 calendar year for the Housing Choice Voucher Program will include an estimated proration of administrative fees at 97.5% and HAP funding at 100%.

Management's Discussion and Analysis-Cont.

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, 2023

	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	
ASSETS					
Current Assets					
Cash and Cash Interest Bearing Investments	915,533	284,782	245,181	175,330	1,620,826
Accounts Receivable:					
Tenants	1,035	470	-	1,984	3,489
HUD	-	-	17,680	-	17,680
Other	9,175	826	76	1,641	11,718
Accrued Interest	-	-	-	-	-
Prepaid Expenses	45,534	3,806	-	6,559	55,899
Due from Other Funds	6,673	-	-	-	6,673
Other Assets	-	-	-	-	-
Total Current Assets	<u>977,950</u>	<u>289,884</u>	<u>262,937</u>	<u>185,514</u>	<u>1,716,285</u>
Restricted					
Cash	31,754	8,178	-	150,050	189,982
Land, Structures and Equipment					
Land, Structures and Equipment	6,725,919	810,794	-	375,748	7,912,461
Less Accumulated Depreciation	(5,534,969)	(698,792)	-	(303,317)	(6,537,078)
Net Property, Plant & Equipment	<u>1,190,950</u>	<u>112,002</u>	<u>-</u>	<u>72,431</u>	<u>1,375,383</u>
TOTAL ASSETS	<u>2,200,654</u>	<u>410,064</u>	<u>262,937</u>	<u>407,995</u>	<u>3,281,650</u>
DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	14,578	5,618	710	38,635	59,541
Accrued Interest Payable	-	-	-	-	-
Amounts Payable to HUD	-	-	1,511	-	1,511
Prepaid Rent	1,613	539	-	820	2,972
Unearned Grant Revenue	53,818	-	-	-	53,818
Tenant Security Deposits	31,754	8,178	-	5,845	45,777
Compensated Absences Payable	-	-	-	-	-
Due to Other Funds	-	602	2,152	3,919	6,673
Current Portion of Long-Term Debt	-	-	-	-	-
Total Current Liabilities	<u>101,763</u>	<u>14,937</u>	<u>4,373</u>	<u>49,219</u>	<u>170,292</u>
NonCurrent Liabilities					
Notes Payable	-	-	-	-	-
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>101,763</u>	<u>14,937</u>	<u>4,373</u>	<u>49,219</u>	<u>170,292</u>
DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	1,190,950	112,002	-	72,431	1,375,383
Restricted	-	-	-	-	-
Unrestricted	907,941	283,125	258,564	286,345	1,735,975
TOTAL NET POSITION	<u>2,098,891</u>	<u>395,127</u>	<u>258,564</u>	<u>358,776</u>	<u>3,111,358</u>

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, 2023

	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>OPERATING REVENUES</u>					
Dwelling Rental	303,189	95,965	-	75,387	474,541
Excess Utilities	135	-	-	-	135
HUD – Rent Subsidy	-	101,413	406,315	120,977	628,705
HUD – Operating Subsidy	260,335	-	64,126	-	324,461
Other	<u>12,868</u>	<u>2,367</u>	<u>1,499</u>	<u>16,861</u>	<u>33,595</u>
<u>Total Operating Revenues</u>	<u>576,527</u>	<u>199,745</u>	<u>471,940</u>	<u>213,225</u>	<u>1,461,437</u>
<u>Operating Expenses</u>					
Administrative Salaries	46,899	5,587	18,702	10,470	81,658
Employee Benefits & Taxes	30,671	3,055	3,931	4,431	42,088
Allocated Overhead	105,659	18,672	12,443	29,308	166,082
Office & Other Administrative	29,914	3,338	1,390	1,534	36,176
Travel & Training	1,046	-	149	-	1,195
Utilities	71,717	49,080	-	43,276	164,073
Repairs and Maintenance	259,838	51,766	-	176,333	487,937
Insurance	75,677	11,423	395	15,554	103,049
Accounting & Audit	4,720	3,350	2,600	1,750	12,420
Housing Assistance Payments	-	-	418,221	-	418,221
Depreciation	<u>135,272</u>	<u>11,788</u>	<u>-</u>	<u>18,251</u>	<u>165,311</u>
<u>Total Operating Expenses</u>	<u>761,413</u>	<u>158,059</u>	<u>457,831</u>	<u>300,907</u>	<u>1,678,210</u>
<u>Operating Income (Loss)</u>	<u>(184,886)</u>	<u>41,686</u>	<u>14,109</u>	<u>(87,682)</u>	<u>(216,773)</u>
<u>Non-Operating Revenues (Expenses)</u>					
Public Housing Capital Funds	266,774	-	-	-	266,774
Capital Grants	-	-	-	-	-
Interest Earned	1,771	650	106	126	2,653
Interest Paid	-	-	-	-	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>268,545</u>	<u>650</u>	<u>106</u>	<u>126</u>	<u>269,427</u>
<u>CHANGE IN NET POSITION</u>	83,659	42,336	14,215	(87,556)	52,654
<u>TOTAL NET POSITION, Beginning</u>	<u>2,015,232</u>	<u>352,791</u>	<u>244,349</u>	<u>446,332</u>	<u>3,058,704</u>
<u>TOTAL NET POSITION, Ending</u>	<u>2,098,891</u>	<u>395,127</u>	<u>258,564</u>	<u>358,776</u>	<u>3,111,358</u>

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, 2023

	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	555,660	196,486	453,942	193,049	1,399,137
Payments for Salaries & Benefits	(170,772)	(17,046)	(22,633)	(37,561)	(248,012)
Payments to Vendors, Homeowners	(477,092)	(124,008)	(433,336)	(190,181)	(1,224,617)
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>(92,204)</u>	<u>55,432</u>	<u>(2,027)</u>	<u>(34,693)</u>	<u>(73,492)</u>
<u>Cash Flows from Investing Activities</u>					
Interest Earnings	1,771	650	106	126	2,653
<u>Net Cash from Investing Activities</u>	<u>1,771</u>	<u>650</u>	<u>106</u>	<u>126</u>	<u>2,653</u>
<u>Cash Flows from Non-Capital Financing Activities</u>					
Change in Due From/Due To Funds	(6,246)	270	2,404	3,572	-
Transfers In (Out)	-	-	-	-	-
<u>Net Cash from Non-Capital Financing Activities</u>	<u>(6,246)</u>	<u>270</u>	<u>2,404</u>	<u>3,572</u>	<u>-</u>
<u>Cash Flows from Capital & Related Financing Activities</u>					
Acquisition of Capital Assets	(132,495)	-	-	-	(132,495)
Principal Paid on Notes	-	-	-	-	-
Interest Paid on Notes	-	-	-	-	-
Public Housing Capital Funds	320,592	-	-	-	320,592
<u>Net Cash from Capital & Related Financing Activities</u>	<u>188,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,097</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	<u>91,418</u>	<u>56,352</u>	<u>483</u>	<u>(30,995)</u>	<u>117,258</u>
<u>Cash and Cash Equivalents at Beginning of Year</u>	<u>855,869</u>	<u>236,608</u>	<u>244,698</u>	<u>356,375</u>	<u>1,693,550</u>
<u>Cash and Cash Equivalents at End of Year</u>	<u>947,287</u>	<u>292,960</u>	<u>245,181</u>	<u>325,380</u>	<u>1,810,808</u>
<u>Cash Flows from Operating Activities</u>					
Operating Income (Loss)	(184,886)	41,686	14,109	(87,682)	(216,773)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	135,272	11,788	-	18,251	165,311
(Gain) Loss on Disposition of Assets	-	-	-	-	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Prepays	(40,954)	(290)	-	1,728	(39,516)
(Increase) Decrease in Accounts Receivable	(8,405)	(826)	(17,756)	(3,271)	(30,258)
(Increase) Decrease in Other Assets	-	-	-	-	-
Increase (Decrease) in Prepaid Rent	541	(66)	-	(44)	431
Increase (Decrease) in Accounts Payable	3,411	1,828	1,620	35,924	42,783
Increase (Decrease) in Tenant Deposits	2,817	1,312	-	401	4,530
<u>Net Cash Flows from Operating Activities</u>	<u>(92,204)</u>	<u>55,432</u>	<u>(2,027)</u>	<u>(34,693)</u>	<u>(73,492)</u>
<u>Cash - Statement of Net Position</u>					
Restricted					189,982
Unrestricted					1,620,826
Total Cash (Above)					<u>1,810,808</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, 2023

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, 2023

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, 2023

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.

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.

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 2 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Land	<u>248,976</u>	-	-	<u>248,976</u>
Capital Assets Being Depreciated:				
Structures	7,347,555	87,457	34,817	7,400,195
Furniture, Fixtures & Equip.	270,524	45,039	52,273	263,290
Construction in Progress	-	-	-	-
Total Capital Assets Being Depreciated	<u>7,618,079</u>	<u>132,496</u>	<u>87,090</u>	<u>7,663,485</u>
Less Accumulated Depreciation	<u>6,458,857</u>	<u>165,311</u>	<u>87,090</u>	<u>6,537,078</u>
<u>Business-Type Activities</u>				
Capital Assets, Net	<u>1,408,198</u>	<u>(32,815)</u>	-	<u>1,375,383</u>

THE HOUSING AUTHORITY OF THE CITY OF LA JUNTA
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

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	724,380	724,380
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	<u>1,098,672</u>	<u>1,086,303</u>
<u>Sub-Total</u>	<u>1,823,052</u>	<u>1,810,683</u>
Cash on Hand and in Escrow	-	125
<u>Total Cash and Deposits</u>	<u>1,823,052</u>	<u>1,810,808</u>

As presented above, deposits with a bank balance of \$1,098,672 and a carrying balance of \$1,086,303 as of March 31, 2023 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 4 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 5 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, 2023 was \$144,205.

NOTE 6 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 HOUSING AUTHORITY OF THE CITY OF LA JUNTA
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 6 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

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.

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 7 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 8 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 \$10,720. The compensation for which contributions were calculated was \$188,070.

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 9 PUBLIC HOUSING CAPITAL FUND

The Housing Authority received amounts under the HUD Public Housing Capital Fund Program in the year ended March 31, 2023. \$266,774 was recognized as revenue in the period.

HOUSING AUTHORITY OF THE CITY OF LA JUNTA
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 10 INTERFUND BALANCES

	<u>Due From</u>	<u>Due To</u>
PHA 31-1 & 31-2	6,673	-
Elderly II	-	602
Section 8 – Vouchers	-	2,152
Town House Park	<u>-</u>	<u>3,919</u>
	<u>6,673</u>	<u>6,673</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.

NOTE 11 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. There were no restricted funds at March 31, 2023.

NOTE 12 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 costs of shared services that have been allocated to each fund in the housing authority and the percentage used to make the allocation of expenses other than salaries and benefits by fund for the La Junta Housing Authority.

The amounts and allocation percentages for La Junta Housing Authority were:

PHA 31-1 & 31-2	105,659
Elderly II	18,672
Section 8 Vouchers	12,443
Townhouse Park	<u>29,308</u>
	<u>166,082</u>
PHA 31-1 & 31-2	46%
Elderly II	8%
Section 8 Vouchers	8%
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: 03/31/2023

	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	\$915,533	\$245,181	\$319,535	\$284,782	\$1,765,031	\$0	\$1,765,031
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$31,754	\$0	\$5,845	\$6,178	\$45,777	\$0	\$45,777
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$947,287	\$245,181	\$325,380	\$292,960	\$1,810,808	\$0	\$1,810,808
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$17,680	\$0	\$0	\$17,680	\$0	\$17,680
124 Accounts Receivable - Other Government	\$9,175	\$76	\$1,641	\$826	\$11,718	\$0	\$11,718
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$1,628	\$0	\$2,273	\$495	\$4,396	\$0	\$4,396
126.1 Allowance for Doubtful Accounts - Tenants	(\$593)	\$0	(\$269)	(\$25)	(\$907)	\$0	(\$907)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes Loans & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$881	\$0	\$0	\$881	\$0	\$881
128.1 Allowance for Doubtful Accounts - Fraud	\$0	(\$881)	\$0	\$0	(\$881)	\$0	(\$881)
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$10,210	\$17,756	\$3,625	\$1,296	\$32,887	\$0	\$32,887
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$45,534	\$0	\$6,559	\$3,806	\$55,899	\$0	\$55,899
143 Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$6,673	\$0	\$0	\$0	\$6,673	(\$6,673)	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$1,009,704	\$262,937	\$335,564	\$298,062	\$1,906,267	(\$6,673)	\$1,899,594
161 Land	\$209,636	\$0	\$0	\$0	\$209,636	\$0	\$209,636
162 Buildings	\$6,282,441	\$0	\$359,888	\$39,339	\$7,403,397	\$0	\$7,403,397
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$761,068	\$761,068	\$0	\$761,068

La Junta Housing Authority (CO031)
LA JUNTA, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

104	Furniture, Equipment & Machinery - Administration	\$233,842	\$0	\$15,860	\$10,387	\$260,089	\$0	\$260,089
105	Leasehold Improvements	\$0	\$0			\$0	\$0	\$0
106	Accumulated Depreciation	(\$5,534,969)	\$0	(\$303,317)	(\$698,792)	(\$6,537,078)	\$0	(\$6,537,078)
107	Construction in Progress	\$0	\$0			\$0	\$0	\$0
108	Infrastructure	\$0	\$0			\$0	\$0	\$0
100	Total Capital Assets Net of Accumulated Depreciation	\$1,190,950	\$0	\$72,431	\$112,002	\$1,375,383	\$0	\$1,375,383
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	\$1,190,950	\$0	\$72,431	\$112,002	\$1,375,383	\$0	\$1,375,383
200	Deferred Outflow of Resources	\$0	\$0			\$0	\$0	\$0
290	Total Assets and Deferred Outflow of Resources	\$2,200,654	\$262,837	\$407,995	\$410,064	\$3,281,650	(\$6,673)	\$3,274,977
311	Bank Overdraft	\$0	\$0			\$0	\$0	\$0
312	Accounts Payable <= 90 Days	\$8,965	\$710	\$34,941	\$1,267	\$45,883	\$0	\$45,883
313	Accounts Payable >90 Days Past Due	\$0	\$0			\$0	\$0	\$0
321	Accrued Wage/Payroll Taxes Payable	\$0	\$0			\$0	\$0	\$0
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	\$0	\$0			\$0	\$0	\$0
333	Accounts Payable - Other Government	\$0	\$0			\$0	\$0	\$0
341	Tenant Security Deposits	\$31,754	\$0	\$5,845	\$6,178	\$45,777	\$0	\$45,777
342	Unearned Revenue	\$55,431	\$1,511	\$820	\$539	\$58,301	\$0	\$58,301
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
346	Accrued Liabilities - Other	\$5,613	\$0	\$3,694	\$4,351	\$13,658	\$0	\$13,658
347	Long-Term Program - Due To	\$0	\$2,152	\$3,919	\$602	\$56,673	(\$56,673)	\$0
348	Loan Liability - Current	\$0	\$0			\$0	\$0	\$0
310	Total Current Liabilities	\$101,763	\$4,373	\$49,219	\$14,937	\$170,292	(\$6,673)	\$163,619

La Junta Housing Authority (CO031)
LA JUNTA, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352	Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
353	Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
354	Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
355	Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
356	FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
357	Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350	Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
300	Total Liabilities	\$101,763	\$4,373	\$49,219	\$14,937	\$170,292	(\$6,673)	\$163,619	
400	Deferred Inflow of Resources								
508 4	Net Investment in Capital Assets	\$1,190,950		\$72,431	\$112,002	\$1,375,383		\$1,375,383	
511 4	Restricted Net Position	\$0				\$0		\$0	
512 4	Unrestricted Net Position	\$907,941	\$258,564	\$286,345	\$283,125	\$1,735,975		\$1,735,975	
513	Total Equity - Net Assets / Position	\$2,098,891	\$258,564	\$358,776	\$395,127	\$3,111,358	\$0	\$3,111,358	
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,200,654	\$262,937	\$407,995	\$410,064	\$3,281,650	(\$6,673)	\$3,274,977	

La Junta Housing Authority (CO031)
LA JUNTA, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 03/31/2023

	Project Total	14.871 Housing Choice Vouchers	14.134 Mortgage Insurance_Rental Housing	14.138 Mortgage Insurance_Rental Housing for the Elderly	Subtotal
70300 Net Tenant Rental Revenue	\$303,189	\$0	\$75,387	\$95,965	\$474,541
70400 Tenant Revenue - Other	\$4,585	\$0	\$1,109	\$590	\$6,284
70500 Total Tenant Revenue	\$307,774	\$0	\$76,496	\$96,555	\$480,825
70600 HUD PHA Operating Grants	\$527,109	\$468,942			\$996,051
70610 Capital Grants	\$0	\$0			\$0
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	\$120,977	\$101,413	\$222,390
71100 Investment Income - Unrestricted	\$1,771	\$106	\$126	\$650	\$2,653
71200 Mortgage Interest Income	\$0	\$0			\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0			\$0
71310 Cost of Sale of Assets	\$0	\$0			\$0
71400 Fraud Recovery	\$0	\$1,204			\$1,204
71500 Other Revenue	\$4,518	\$1,794	\$15,752	\$1,777	\$23,841
71600 Gain or Loss on Sale of Capital Assets	\$3,900	\$0			\$3,900
72000 Investment Income - Restricted	\$0	\$0			\$0
70000 Total Revenue	\$845,072	\$472,046	\$213,351	\$200,395	\$1,730,864
91100 Administrative Salaries	\$22,013	\$15,400	\$3,482	\$1,283	\$42,188
91200 Auditing Fees	\$3,450	\$2,200	\$1,750	\$3,350	\$10,750

La Junta Housing Authority (CO031)
LA JUNTA, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

91300 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$1,486	\$0	\$300	\$0	\$1,786	\$1,786
91500 Employee Benefit contributions - Administrative	\$7,853	\$3,931	\$1,241	\$600	\$13,625	\$13,625
91600 Office Expenses	\$17,034	\$1,432	\$728	\$2,563	\$21,757	\$21,757
91700 Legal Expense	\$1,500	\$0	\$505	\$745	\$2,750	\$2,750
91800 Travel	\$0	\$0	\$0	\$0	\$0	\$0
91810 Allocated Overhead	\$105,659	\$12,443	\$29,308	\$18,672	\$166,082	\$166,082
91900 Other	\$11,662	\$507	\$28	\$28	\$12,197	\$12,197
91000 Total Operating - Administrative	\$170,657	\$35,913	\$37,324	\$27,241	\$271,135	\$271,135
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$0	\$0	\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$6,341	\$0	\$6,990	\$3,425	\$16,756	\$16,756
93200 Electricity	\$21,922	\$0	\$3,552	\$17,225	\$42,699	\$42,699
93300 Gas	\$15,814	\$0	\$12,725	\$9,892	\$38,431	\$38,431
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$20,912	\$0	\$15,792	\$16,920	\$53,624	\$53,624
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0
93000 Total Utilities	\$64,989	\$0	\$39,059	\$47,462	\$151,510	\$151,510
94100 Ordinary Maintenance and Operations - Labor	\$93,202	\$0	\$22,660	\$8,404	\$124,266	\$124,266

La Junta Housing Authority (CO031)
LA JUNTA, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 03/31/2023

94200	Ordinary Maintenance and Operations - Materials and Other	\$48,473	\$0	\$16,744	\$7,162	\$72,379
94300	Ordinary Maintenance and Operations Contracts	\$124,893	\$0	\$109,166	\$37,376	\$271,435
94500	Employee Benefit Contributions - Ordinary Maintenance	\$22,818	\$0	\$5,962	\$2,455	\$31,235
94000	Total Maintenance	\$289,386	\$0	\$154,532	\$55,397	\$499,315
95100	Protective Services - Labor	\$0	\$0			\$0
95200	Protective Services - Other Contract Costs	\$0	\$0			\$0
95300	Protective Services - Other	\$0	\$0		\$444	\$444
95500	Employee Benefit Contributions - Protective Services	\$0	\$0			\$0
95000	Total Protective Services	\$0	\$0	\$0	\$444	\$444
96110	Property Insurance	\$58,924	\$0	\$13,808	\$7,591	\$80,323
96120	Liability Insurance	\$368	\$0	\$1,039	\$2,500	\$3,907
96130	Workmen's Compensation	\$2,901	\$395	\$707	\$293	\$4,296
96140	All Other Insurance	\$13,484	\$0		\$1,039	\$14,523
96100	Total Insurance Premiums	\$75,677	\$395	\$15,554	\$11,423	\$103,049
96200	Other General Expenses	\$0	\$0			\$0
96210	Compensated Absences	\$24,887	\$3,302	\$6,979	\$4,304	\$39,472
96300	Payments in Lieu of Taxes	\$0	\$0			\$0
96400	Bad debt - Tenant Rents	\$545	\$0			\$545
96500	Bad debt - Mortgages	\$0	\$0			\$0
96600	Bad debt - Other	\$0	\$0			\$0
96600	Severance Expense	\$0	\$0			\$0
96000	Total Other General Expenses	\$25,432	\$3,302	\$6,979	\$4,304	\$40,017
96710	Interest of Mortgage (or Bonds) Payable	\$0	\$0			\$0
96720	Interest on Notes Payable (Short and Long Term)	\$0	\$0			\$0
96730	Amortization of Bond Issue Costs	\$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: 03/31/2023

96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900	Total Operating Expenses	\$626,141	\$39,610	\$263,448	\$146,271	\$1,065,470	
97000	Excess of Operating Revenue over Operating Expenses	\$218,931	\$432,436	(\$40,097)	\$54,124	\$665,394	
97100	Extraordinary Maintenance	\$0	\$0			\$0	
97200	Casualty Losses - Non-capitalized	\$0	\$0			\$0	
97300	Housing Assistance Payments	\$0	\$418,221			\$418,221	
97350	HAP Portability-In	\$0	\$0			\$0	
97400	Depreciation Expense	\$135,272	\$0	\$18,251	\$11,788	\$165,311	
97500	Fraud Losses	\$0	\$0			\$0	
97600	Capital Outlays - Governmental Funds						
97700	Debt Principal Payment - Governmental Funds						
97800	Dwelling Units Rent Expense	\$0	\$0			\$0	
90000	Total Expenses	\$761,413	\$457,831	\$271,699	\$158,059	\$1,649,002	
10010	Operating Transfer In	\$266,774	\$0			\$266,774	
10020	Operating transfer Out	(\$266,774)	\$0			(\$266,774)	
10030	Operating Transfers from/to Primary Government	\$0	\$0			\$0	
10040	Operating Transfers from/to Component Unit	\$0	\$0			\$0	
10050	Proceeds from Notes, Loans and Bonds						
10060	Proceeds from Property Sales						
10070	Extraordinary Items, Net Gain/Loss	\$0	\$0	(\$29,208)		(\$29,208)	
10080	Special Items (Net Gain/Loss)	\$0	\$0			\$0	
10091	Inter Project Excess Cash Transfer In	\$0				\$0	
10092	Inter Project Excess Cash Transfer Out	\$0				\$0	
10093	Transfers between Program and Project - In	\$0	\$0			\$0	
10094	Transfers between Project and Program - Out	\$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: 03/31/2023

10100	Total Other financing Sources (Uses)	\$0	\$0	(\$29,208)	\$0	(\$29,208)
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$83,659	\$14,215	(\$87,556)	\$42,336	\$52,654
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$2,015,232	\$244,349	\$446,332	\$352,791	\$3,058,704
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$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		\$258,564			\$258,564
11180	Housing Assistance Payments Equity		\$0			\$0
11190	Unit Months Available	1032	1037	336	360	2765
11210	Number of Unit Months Leased	972	887	253	349	2461
11270	Excess Cash	\$810,229				\$810,229
11610	Land Purchases	\$0				\$0
11620	Building Purchases	\$0				\$0
11630	Furniture & Equipment - Dwelling Purchases	\$0				\$0
11640	Furniture & Equipment - Administrative Purchases	\$0				\$0
11650	Leasehold Improvements Purchases	\$0				\$0
11660	Infrastructure Purchases	\$0				\$0
13510	CFFP Debt Service Payments	\$0				\$0
13901	Replacement Housing Factor Funds	\$0				\$0

SINGLE AUDIT SECTION

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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, 2023, 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 July 20, 2023.

Report on 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.

Report on 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.

Aiton, Waller & Co., Inc.

July 20, 2023

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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

Opinion on 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of La Junta Housing Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of La Junta Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to La Junta Housing Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on La Junta Housing Authority's compliance based on our audit. 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, *Government Auditing*

Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about La Junta Housing Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 La Junta Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of La Junta Housing Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of La Junta Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



July 20, 2023

THE CITY OF LA JUNTA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended March 31, 2023

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

No 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

Public Housing – Capital Fund 14.872

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, 2023.

THE CITY OF LA JUNTA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended March 31, 2023

(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None

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, 2023

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>ALN 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		260,335
Section 8 - Housing Assistance Payments Program	14.195	Colorado Housing & Finance Authority	222,390
Section 8 - Housing Choice Vouchers	14.871		470,441
Public Housing – Capital Fund	14.872		<u>266,774</u>
Total Department of Housing			<u>1,219,940</u>
<u>TOTAL</u>			<u>1,219,940</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, 2023

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.