

**HOUSING AUTHORITY OF THE
CITY OF GRAND JUNCTION
Grand Junction, Colorado**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2022

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the City of Grand Junction
Grand Junction, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Housing Authority of the City of Grand Junction ("Housing Authority"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise of the Housing Authority's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 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.

Auditors' 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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, 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 Housing Authority's basic financial statements. The combining financial statements, supplementary information required by HUD, computation of surplus cash, distributions, and residual receipts and the schedule of expenditures of federal awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Department of Housing and Urban Development, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining financial statements, supplementary information required by HUD, computation of surplus Cash, distributions, and residual receipts and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2023, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
August 28, 2023

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED DECEMBER 31, 2022

The management of the Grand Junction Housing Authority (GJHA) offers this narrative overview and analysis of its audited financial statements for fiscal year ended December 31, 2022. The goal is for the reader to better understand the Authority's financial activities and its overall financial position and to show whether current year revenue covered current year expenses and the extent to which GJHA has invested its capital assets. We encourage readers to consider the information presented here in conjunction with GJHA's financial statements, which begins on page 12.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

- GJHA's assets exceed its liabilities as of December 31, 2022 by \$30,843,241 compared to \$28,121,165 as of December 31, 2021. This was an increase of \$2,722,076 from 2021 to 2022, which included an asset increase of \$2,074,860 and a total liability decrease of \$647,216.
- GJHA's net investment in capital assets as of December 31, 2022 was \$5,670,963, reflecting a decrease of \$1,871,866 from December 31, 2021.
- GJHA's total operating revenue for the fiscal year ended December 31, 2022 was \$15,562,581.
- GJHA's total operating expenses for the fiscal year ended December 31, 2022 were \$15,460,693. Therefore, GJHA's total operating revenue exceeded its operating expenses by \$101,888.
- GJHA's total non-operating revenue for the fiscal year ended December 31, 2022 was \$2,716,008, resulting in a net income of \$2,817,896.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following financial statements are included in this report and provide comparisons between this year and last year:

- *Statement of Net Position* - reports GJHA's current financial resources: its cash and other current assets, its current and non-current liabilities and comparing those two elements, the resulting net position of GJHA.
- *Statement of Revenue and Expenses* - reports GJHA's various revenue and expenses.
- *Statement of Cash Flows* - reports GJHA's resulting cash flows from: operating activities, capital and related financing activities, and investing activities.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FISCAL YEAR ENDED DECEMBER 31, 2022

STATEMENT OF NET POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
ASSETS			
Current assets	\$ 10,720,274	\$ 5,727,738	\$ 4,992,536
Capital assets	18,300,951	20,716,771	(2,415,820)
Other assets	14,266,628	14,761,671	(495,043)
Restricted assets	1,279,323	1,286,136	(6,813)
Total Assets	\$ 44,567,176	\$ 42,492,316	\$ 2,074,860
LIABILITIES AND NET POSITION			
Current liabilities	\$ 1,268,473	\$ 2,843,524	\$ (1,575,051)
Non-current liabilities	12,455,462	11,527,627	927,835
Total Liabilities	13,723,935	14,371,151	(647,216)
Net investment in capital assets	3,229,827	7,542,829	(4,313,002)
Restricted	946,181	579,978	366,203
Unrestricted	26,667,233	19,998,358	6,668,875
Total Net Position	30,843,241	28,121,165	2,722,076
Total Liabilities and Net Position	\$ 44,567,176	\$ 42,492,316	\$ 2,074,860

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
OPERATING REVENUE			
Operating grants	\$ 11,177,535	\$ 11,110,198	\$ 67,337
Other operating revenue	1,682,260	2,603,959	(921,699)
Dwelling rentals income - tenants	2,702,786	2,876,708	(173,922)
Total Operating Revenue	15,562,581	16,590,865	(1,028,284)
OPERATING EXPENSES			
Housing assistance payments	7,954,416	7,816,108	138,308
Administration	3,669,298	3,637,687	31,611
Tenant services	457,978	546,492	(88,514)
Depreciation and amortization	1,047,254	1,070,293	(23,039)
Maintenance & operations	1,237,238	1,510,617	(273,379)
Utilities	532,347	447,151	85,196
General & insurance expenses	562,162	510,819	51,343
Total Operating Expenses	15,460,693	15,539,167	(78,474)
NONOPERATING REVENUE (EXPENSES)			
Interest income	651,185	736,867	(85,682)
Interest expense	(341,998)	(574,877)	232,879
Extraordinary items	83,707	-	83,707
Gain on sale of fixed assets	2,323,114	42,839	2,280,275
Total Nonoperating Revenue	2,716,008	204,829	2,511,179
Prior period adjustments	(95,820)	-	(95,820)
Special items	-	1,890,760	(1,890,760)
Change in Net Position	\$ 2,722,076	\$ 3,147,287	\$ (425,211)

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FISCAL YEAR ENDED DECEMBER 31, 2022

ANALYSIS OF FINANCIAL STATEMENTS

STATEMENT OF NET POSITION - see page 6

- **Current Assets** increased \$4,992,536 primarily due to increases in Cash and Investments. This increase was largely due to the cash deposit of \$3,354,414 from the proceeds of the sale of the Lincoln and Courtyard properties.
- **Capital Assets** decreased \$2,415,820 primarily due to the retirement of Buildings and Improvements (-\$2,412,166) due to the disposal of Lincoln & Courtyard apartments and scheduled depreciation.
- **Other Assets** decreased by \$495,043 due to a decrease in notes receivable.
- **Current Liabilities** decreased by \$1,575,051 primarily due to the payment of the current portion of notes payable of \$1,352,872 (the amount of principal scheduled to be paid down within the next 12-month period). Additionally, the decrease in unearned revenue due to the pending revenue incurred during the year of \$207,930.
- **Non-Current Liabilities** increased \$927,835 primarily due to the reclassification of Notes Payable, net of discount after permanent loan conversion (\$1,062,432) to long term liabilities.
- **Net Investment in Capital Assets** decreased \$4,313,002 primarily due to the decrease in net capital assets.
- **Restricted Net Position** increased by \$366,203 primarily due to increase in replacement reserve amounts.
- **Unrestricted Net Position for all programs** increased by \$6,668,875 primarily due to:
 - Net increase in the General Administration fund of \$3,477,979 due to the close out of the Lincoln and Courtyard financial statements to the General Fund. These properties were sold during the year.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FISCAL YEAR ENDED DECEMBER 31, 2022

ANALYSIS OF FINANCIAL STATEMENTS - Continued

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS - see page 6

REVENUE - (Operating and Non-Operating)

- **Operating Grants** Increased by \$67,337, primarily due to:
 - Voucher Administrative Fees increased as a result of increased utilization combined with the HUD Administrative Fee rate increase and the Administrative fee proration increase.
 - Voucher HAP payments were increased due to higher utilization combined with an increase to the payment standards.

Operating Grants Description	2022	2021	Difference
Nellie Bechtel- HUD Rent Assistance Grant	\$225,182	\$198,111	27,071
Housing Advocate – Mesa County Dept. of Human Services	304,540	249,602	54,938
Ratekin Tower – HUD Rent Assistance Grant	603,381	606,962	-3,581
Walnut Park – HUD Rent Assistance Grant	447,423	440,997	6,426
Family Self Sufficiency – HUD Administrative Grant	56,171	54,624	1,547
Vouchers – HUD Housing Assistance Payments	7,397,385	7,327,555	69,830
Vouchers – HUD Administrative Fee Grant	1,160,454	955,263	205,191
Vouchers - CARES Act Funding	0	289,359	-289,359
Mainstream Vouchers	413,515	457,455	-43,940
Tenant Based Rental Assistance – Mesa County DHS	52,207	75,278	-23,071
Tenant Based Rental Assistance – Colorado Division of Housing	148,192	105,750	42,442
Walnut Park Service Coordinator – HUD	49,458	54,125	-4,667
Primary Government/Component Unit Assistance	0	199,255	-199,255
General Fund CHFA Healthy Housing	61,365	0	61,365
Emergency Housing Vouchers	145,580	27,088	118,492
Community Development Block Grant	69,666	46,986	22,680
Doors 2 Success – United Way/Other Support	43,016	21,788	21,228
Total Operating Grants	\$11,177,535	\$11,110,198	\$67,337

- **Other Operating Revenue** - Decreased by \$921,699 primarily due to receipt of Developer Fee (\$1,000,000) in 2021.
- **Dwelling Rentals Income** - Decreased by \$173,922 primarily due to the decrease in number of rental units in 2022 from the sale of the Lincoln and Courtyard properties.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FISCAL YEAR ENDED DECEMBER 31, 2022

ANALYSIS OF FINANCIAL STATEMENTS - Continued

EXPENSES - (Operating and Non-Operating)

- **Housing Assistance Payments** increased by \$138,308 in comparison to 2021, primarily due to the increase in number of vouchers leased combined with an increase in the HUD payment standards.
- **Tenant Services** decreased by \$88,514 due to the decrease in payments to tenants for emergency rent and food assistance funded by Covid grants.
- **Maintenance & Operations** decreased by \$273,379 due primarily to a decrease in staffing levels on the maintenance team. The current maintenance team prioritized large maintenance projects and delayed low priority projects to 2023, therefore decreasing 2022 repairs & maintenance expense.
- **Utilities'** costs increased \$85,196 primarily due to an extraordinarily large rate increase in 2022 for electric and natural gas usage that was experienced throughout the state of Colorado.
- **Interest Expense** decreased by \$232,879 due to the reduction generated through normal amortization combined with the payoff of the Courtyard mortgage.
- The increase in **Gain on sale of fixed assets** of \$2,323,114 is due to the sale of the Lincoln and Courtyard apartments in 2022.
- **Extraordinary items** are from hazard cleanup expenses in 2022.

STATEMENT OF CASH FLOWS - see page 15

Net Cash increased \$5,483,140.

➤ Net Cash Used In Operating Activities was \$1,329,295 primarily from the following:

- Courtyard Apartments used \$129,277
- Crystal Brook provided \$187,564
- Ratekin Tower provided \$271,619
- Walnut Park provided \$261,168
- Housing Choice Vouchers provided \$42,858
- Monument Business Center provided \$120,641 (through commercial leasing)
- Acquisitions and Development used \$342,626
- General Administration provided \$51,764
- Service coordinator used \$9,413
- Nellie Bechtel provided \$355,885
- TBRA used \$26,694

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FISCAL YEAR ENDED DECEMBER 31, 2022

ANALYSIS OF FINANCIAL STATEMENTS - Continued

- Net Cash from Capital and Related Financing activities is from the following:
 - Sale of capital assets of \$3,925,001: (courtyard apartments) (\$2,909,984) and Lincoln (\$1,015,017)
 - Loan proceeds of \$2,000,000
 - Principal payments of (\$2,286,958)
 - Note receivable payments received of \$1,362,453
 - Interest paid (\$498,330)
- Net Cash Provided By Noncapital Financing Activities was \$83,707,
- Net Cash Provided by Investing Activities was \$212,377 from interest received.

SIGNIFICANT TRANSACTIONS

- The Authority closed on the year 15 acquisition of Linden Pointe on January 26, 2022. The Authority obtained a \$2,000,000 mortgage on this property and will use a portion of the proceeds to complete a large roof replacement project at Linden Pointe.
- In January 2022 the 2814 LLLP construction loan was converted into permanent financing. 2814 is a 60 unit 9% LIHTC property (a discretely presented component unit) that was completed and became fully operational in April 2021.
- January 2022, the Authority received \$520,000 from 2814 LLLP for payment of their Developer Fee Receivable. The Authority received and additional \$255,088 from 2814 LLLP in October 2022, therefore the new outstanding balance is \$224,912.
- The Authority received an additional \$798,745 in deferred developer fees, interest, partnership administrative fees, and asset management fees from Arbor Vista, Highlands, Highlands 2, and Village Park. Village Park made their final Deferred Developer Fee payment in 2022, paying their balance down to \$0.
- The Authority was awarded a \$1,170,000 grant from the Colorado Division of Housing, \$406,246 from Energy Outreach Colorado, and obtained a \$1,200,000 loan to fund a large Capital Improvement Project at Walnut Park. Work will begin in 2023 and go through 2024.
- In May of 2022, GJHA executed the sale of the Lincoln and Courtyard properties and realized a gain on sale of \$2,323,114. These funds will go toward future development.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FISCAL YEAR ENDED DECEMBER 31, 2022

BUDGETARY HIGHLIGHTS

- The Authority continues to work on the self-sustainability of all programs/properties by seeking new sources of funding and reducing costs wherever possible.
- During 2022, GJHA utilized 97% of its awarded Housing Choice Voucher Program budget authority.

FUTURE EVENTS

- The Authority received \$194,864 in Deferred Developer Fee and Administrative Fee payments in 2023.
- To capitalize on the current interest rate environment, GJHA obtained approval from the Board of Directors to invest in short-term CDs earning 5%. The Authority currently has \$3,000,000 invested in CDs.
- GJHA continues working toward new development and is in the process of working to acquire vacant land.
- For calendar year 2023, the Authority anticipates it will receive adequate housing assistance payment operating grant funding to achieve nearly full lease up of its Section 8 Housing Choice Voucher Program.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of GJHA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Chief Executive Officer, Chief Operating Officer, or Controller at Grand Junction Housing Authority, 8 Foresight Circle, Grand Junction, CO 81505.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
STATEMENT OF NET POSITION
DECEMBER 31, 2022

<u>ASSETS</u>	<u>PRIMARY GOVERNMENT</u>	<u>DISCRETELY PRESENTED COMPONENT UNITS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
CURRENT ASSETS			
Cash and investments	\$ 9,930,168	\$ 533,891	\$ 10,464,059
Cash and investments - restricted	1,279,323	1,649,333	2,928,656
Receivables			
Tenants, net of allowance for doubtful accounts	44,062	20,881	64,943
Other, net of allowance for doubtful accounts	456,814	849	457,663
Due from other governments	128,642	-	128,642
Inventory	111,048	-	111,048
Prepaid expenses	49,540	786	50,326
TOTAL CURRENT ASSETS	<u>11,999,597</u>	<u>2,205,740</u>	<u>14,205,337</u>
NONCURRENT ASSETS			
Notes receivable	9,713,032	-	9,713,032
Interest receivable	4,261,603	-	4,261,603
Other assets, net of accumulated amortization	291,993	340,436	632,429
Land	2,431,651	3,325,912	5,757,563
Land improvements	3,789,570	6,827,255	10,616,825
Buildings and improvements	30,640,875	64,832,519	95,473,394
Equipment	2,638,042	2,033,608	4,671,650
Construction in progress	48,494	-	48,494
Less accumulated depreciation	<u>(21,247,681)</u>	<u>(16,344,129)</u>	<u>(37,591,810)</u>
TOTAL NONCURRENT ASSETS	<u>32,567,579</u>	<u>61,015,601</u>	<u>93,583,180</u>
 TOTAL ASSETS	 <u>\$ 44,567,176</u>	 <u>\$ 63,221,341</u>	 <u>\$ 107,788,517</u>

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

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
STATEMENT OF NET POSITION - Continued
DECEMBER 31, 2022

<u>LIABILITIES AND NET POSITION</u>	<u>PRIMARY GOVERNMENT</u>	<u>DISCRETELY PRESENTED COMPONENT UNITS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
CURRENT LIABILITIES			
Accounts payable	\$ 95,715	\$ 59,501	\$ 155,216
Accrued expenses	176,844	473,222	650,066
Compensated absences	192,219	-	192,219
Unearned revenue	103,184	-	103,184
Tenants' security deposits	218,245	264,549	482,794
Current portion of notes payable	482,266	175,380	657,646
TOTAL CURRENT LIABILITIES	<u>1,268,473</u>	<u>972,652</u>	<u>2,241,125</u>
NONCURRENT LIABILITIES			
Compensated absences	1,374	-	1,374
Tenants' FSS escrow	52,852	-	52,852
Developer fee payable	-	609,527	609,527
Notes payable, net of discount	12,401,236	16,176,396	28,577,632
Accrued interest payable	-	4,292,084	4,292,084
TOTAL NONCURRENT LIABILITIES	<u>12,455,462</u>	<u>21,078,007</u>	<u>33,533,469</u>
TOTAL LIABILITIES	<u>13,723,935</u>	<u>22,050,659</u>	<u>35,774,594</u>
NET POSITION			
Net investment in capital assets	3,229,827	44,323,389	47,553,216
Restricted	946,181	1,384,784	2,330,965
Unrestricted	26,667,233	(4,537,491)	22,129,742
TOTAL NET POSITION	<u>30,843,241</u>	<u>41,170,682</u>	<u>72,013,923</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 44,567,176</u>	<u>\$ 63,221,341</u>	<u>\$ 107,788,517</u>

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

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022

	PRIMARY GOVERNMENT	DISCRETELY PRESENTED COMPONENT UNITS	TOTAL (MEMORANDUM ONLY)
OPERATING REVENUE			
Dwelling rental	\$ 2,702,786	\$ 3,047,914	\$ 5,750,700
Operating grants	11,177,535	-	11,177,535
Other operating revenue	1,682,260	185,650	1,867,910
TOTAL OPERATING REVENUE	<u>15,562,581</u>	<u>3,233,564</u>	<u>18,796,145</u>
OPERATING EXPENSES			
Administration	3,670,764	1,113,226	4,783,990
Tenant services	456,512	6,659	463,171
Utilities	532,347	326,940	859,287
Maintenance and operations	1,237,238	505,954	1,743,192
General expenses	177,042	278,524	455,566
Insurance	385,120	210,073	595,193
Housing assistance payments	7,954,416	-	7,954,416
Depreciation and amortization	1,047,254	2,323,143	3,370,397
TOTAL OPERATING EXPENSES	<u>15,460,693</u>	<u>4,764,519</u>	<u>20,225,212</u>
OPERATING INCOME (LOSS)	<u>101,888</u>	<u>(1,530,955)</u>	<u>(1,429,067)</u>
NONOPERATING REVENUE (EXPENSE)			
Interest income	651,185	2,854	654,039
Extraordinary items	83,707	-	83,707
Gain on sale of capital assets	2,323,114	-	2,323,114
Interest expense	(341,998)	(1,011,257)	(1,353,255)
NET NONOPERATING REVENUE (EXPENSE)	<u>2,716,008</u>	<u>(1,008,403)</u>	<u>1,707,605</u>
CHANGE IN NET POSITION	<u>2,817,896</u>	<u>(2,539,358)</u>	<u>278,538</u>
NET POSITION AT BEGINNING OF YEAR	<u>28,121,165</u>	<u>33,284,952</u>	<u>61,406,117</u>
PRIOR PERIOD ADJUSTMENTS	<u>(95,820)</u>	<u>-</u>	<u>(95,820)</u>
PARTNERSHIP CONTRIBUTIONS	<u>-</u>	<u>10,425,088</u>	<u>10,425,088</u>
NET POSITION AT END OF YEAR	<u>\$ 30,843,241</u>	<u>\$ 41,170,682</u>	<u>\$ 72,013,923</u>

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

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION

Grand Junction, Colorado STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2022

	PRIMARY GOVERNMENT	DISCRETELY PRESENTED COMPONENT UNITS	TOTAL (MEMORANDUM ONLY)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from tenants/participants	\$ 2,645,036	\$ 3,046,538	\$ 5,691,574
Cash received from operating grants	10,966,050	-	10,966,050
Other income received	1,754,795	167,888	1,922,683
Cash payments to vendors	(3,739,389)	(2,308,779)	(6,048,168)
Cash payments to employees	(2,693,442)	(240,301)	(2,933,743)
Cash payments for housing assistance	(7,954,416)	-	(7,954,416)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>978,634</u>	<u>665,346</u>	<u>1,643,980</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Notes receivable	1,362,453	-	1,362,453
Developer fee paid	-	(1,200,930)	(1,200,930)
Acquisition of capital assets	(293,744)	-	(293,744)
Proceeds from sale of capital assets	3,925,001	-	3,925,001
Proceeds from partnership contributions	-	10,425,088	10,425,088
Loan proceeds	2,000,000	718,823	2,718,823
Debt issuance costs	-	(20,255)	(20,255)
Principal payments	(2,286,958)	(10,667,359)	(12,954,317)
Interest paid	(498,330)	(357,160)	(855,490)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>4,208,422</u>	<u>(1,101,793)</u>	<u>3,106,629</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Extraordinary items	<u>83,707</u>	<u>-</u>	<u>83,707</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>212,377</u>	<u>2,854</u>	<u>215,231</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,483,140	(433,593)	5,049,547
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,726,351</u>	<u>2,616,817</u>	<u>8,343,168</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$11,209,491</u>	<u>\$ 2,183,224</u>	<u>\$ 13,392,715</u>

(Continued on page 16)

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

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION

Grand Junction, Colorado

STATEMENT OF CASH FLOWS - Continued

YEAR ENDED DECEMBER 31, 2022

	PRIMARY GOVERNMENT	DISCRETELY PRESENTED COMPONENT UNITS	TOTAL (MEMORANDUM ONLY)
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</u>			
Cash and investments	\$ 9,930,168	\$ 533,891	\$ 10,464,059
Cash and investments - restricted	<u>1,279,323</u>	<u>1,649,333</u>	<u>2,928,656</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	<u>\$ 11,209,491</u>	<u>\$ 2,183,224</u>	<u>\$ 13,392,715</u>
<u>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</u>			
Operating income (loss)	\$ 101,888	\$ (1,530,955)	\$ (1,429,067)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities			
Depreciation and amortization	1,047,254	2,323,143	3,370,397
Prior period adjustments	(59,542)	-	(59,542)
Changes in assets and liabilities			
Decrease (increase) in assets			
Accounts receivable	72,218	(12,653)	59,565
Due from other governments	(119,109)	-	(119,109)
Inventory	486	-	486
Prepaid expenses	19,616	2,039	21,655
Increase (decrease) in liabilities			
Accounts payable - operations	28,296	21,512	49,808
Accrued expenses	111,296	(181,973)	(70,677)
Unearned revenue	(134,954)	-	(134,954)
Due to other governments	(65,911)	32,439	(33,472)
Tenants' security deposits	(21,204)	11,794	(9,410)
Tenants' FSS escrow	(1,700)	-	(1,700)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>\$ 978,634</u>	<u>\$ 665,346</u>	<u>\$ 1,643,980</u>

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

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION

Grand Junction, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity - The Housing Authority is a separate governmental entity created for the purpose of constructing, maintaining, and operating public housing and providing rental assistance to low income and elderly persons. Most of the Housing Authority's funding is provided by the United States Department of Housing and Urban Development (HUD). All programs of the Housing Authority are included in these statements.

In accordance with Statement No. 61, Government Accounting Standards Board (GASB), the basis criterion for including a legally separate organization as a component unit is the degree of financial accountability the Housing Authority has with the organization. A financial benefit or burden relationship needs to be present between the Housing Authority and that organization for it to be included in the reporting entity as a component unit. The following circumstances set forth the Housing Authority's financial accountability for a legally separate organization:

- a. The Housing Authority is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Housing Authority.
- b. The Housing Authority may be financially accountable if an organization is fiscally dependent on the Housing Authority regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Based upon the application of these criteria, this report includes the following component units.

Blended Component Units:

Doors 2 Success

Doors 2 Success is a local not-for-profit 509(a)(3) corporation established under the laws of the State of Colorado. Its purpose is to work with the Authority through education, advocacy, and supportive services. Separate financial statements for the component unit are not available, and as a component of the Authority's financial aspects, are reported as part of the Authority. The Board of Commissioners of the Authority appoints the governing body of Doors 2 Success. Doors 2 Success provides support and guidance to the supportive service programs of the Authority.

McMahon

McMahon Owners Associate is an entity set up to shared costs at the tax credit properties the Highlands & the Highlands 2. Both tax credits pay fees to the entity in return for upkeep and maintenance at the properties. Separate financial statements for the component unit are not available, and as a component of the Authority's financial aspects, are reported as part of the Authority.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION

Grand Junction, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued DECEMBER 31, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

Linden Pointe LLLP

Linden Pointe, LLLP ("Linden Pointe") was formed on February 18, 2004, as a limited liability limited partnership under the laws of the state of Colorado. It was formed for the purpose of owning and operating a 92-unit low-income housing project called Linden Pointe located in Grand Junction, Colorado. Pursuant to the Assignment and Assumption of Limited Partner Interests and Amendment to the Amended and Restated Agreement of Limited Partnership dated December 31, 2020, the Authority acquired an additional 99.89% interest and Affordable Homes, LLC, an affiliate of the Authority, acquired a .1% limited partnership interest in Linden Pointe.

Discretely Presented Component Units (DPCU):

The DPCU's have qualified and been allocated low-income housing tax credit pursuant to the Internal Revenue Code Section 42 ("Section 42"), which regulates the use of the property as to occupant eligibility and unit gross rent, among other requirements. The DPCU's must meet the provisions of these regulations during each of fifteen (15) consecutive years in order to continue to qualify to receive the tax credits. Failure to comply with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of the previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the limited partners. All units within these DPCU's are subject to the rent restrictions and qualified tenant restrictions as required by the Low Income Housing Tax Credit Program.

Arbor Vista, LLLP

Arbor Vista, LLLP ("Arbor Vista") was formed on June 29, 2007, as a limited liability limited partnership under the laws of the state of Colorado. It was formed for the purpose of owning and operating a 72-unit multifamily housing apartment complex called Arbor Vista located in Grand Junction, Colorado. Arbor Vista is owned 44.995% by Enterprise Housing Partners XVII, L.P. and 54.995% by Enterprise Housing Partners XVIII, L.P. (Limited Partners) and 0.01% by the Grand Junction Housing Authority (General Partner).

The Highlands, LLLP

The Highlands, LLLP ("The Highlands") is a Colorado limited liability partnership formed in February 2015, for the purpose of investment in real property and the provision of low-income housing through the construction, renovation, rehabilitation, operation and leasing of an apartment complex. The Highlands is a 64-unit, multifamily rental housing development in Grand Junction, Colorado, for low to moderate-income residents. The Highlands is owned 99.99% by Wells Fargo Affordable Housing Community Development Corporation (Limited Partner) and .01% by the Grand Junction Housing Authority (General Partner).

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION

Grand Junction, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued DECEMBER 31, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

Village Park, LLLP

Village Park, LLLP ("Village Park") was formed on February 20, 2012, as a limited liability limited partnership under the laws of the state of Colorado. It was formed for the purpose of owning and operating a 72-unit apartment complex in Grand Junction, Colorado. Village Park is owned 99.99% by Wincopin Circle LLLP (Limited Partner) and .01% by the Grand Junction Housing Authority (General Partner).

The Highlands 2 LLLP

The Highlands 2 LLLP ("The Highlands 2") was formed on February 27, 2018, as a limited liability limited partnership under the laws of the state of Colorado. It was formed for the purpose of owning and operating a 72-unit apartment complex for seniors in Grand Junction, Colorado. The Highlands 2 is owned 99.99% by Wells Fargo Affordable Housing Community Development Corporation (Limited Partner) and .01% by the Grand Junction Housing Authority (General Partner).

2814, LLLP

2814, LLLP ("2814") was formed on March 13, 2020, as a limited liability limited partnership under the laws of the state of Colorado. It was formed for the purpose of owning and operating a 60-unit apartment complex in Grand Junction, Colorado. 2814 is owned 99.99% by Wells Fargo Affordable Housing Community Development Corporation (Limited Partner) and .01% by the Grand Junction Housing Authority (General Partner).

The Authority's DPCU's are presented for financial reporting purposes as of and for the year ended December 31, 2021 and reported under the "Discretely Presented Component Units" column on the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position. Separately issued financial statements for the DPCU's can be obtained by writing the Director of Finance, Grand Junction Housing Authority, 8 Foresight Circle, Grand Junction, Colorado, 81505.

Programs Administered by the Housing Authority - The programs of the Housing Authority are recorded in one enterprise fund. Each program is maintained using a separate set of self-balancing accounts. A major fund is defined as a program that total assets, liabilities, revenues, or expenses per program are at least 10 percent of the total category of the Housing Authority. The programs include Local/State, Section 8 New Construction, Section 8 Housing Assistance Program, Multifamily Housing Service Coordinators, Mortgage Insurance for the purchase or Refinancing of Existing Multifamily Housing Projects, Family Self-Sufficiency (FSS), Housing Choice Vouchers, Mainstream Vouchers Program, Emergency Housing Vouchers, Home Investment Partnership Program, Community Development Block Grant/Entitlement Program and Tenant Based Rental Assistance (TBRA).

Basis of Accounting and Measurement Focus - The Housing Authority's basic financial statements are presented on the full accrual basis in accordance with U.S. GAAP. The Housing Authority applies all GASB pronouncement, as well as U.S. GAAP.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION

Grand Junction, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued DECEMBER 31, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

All activities of the Housing Authority are accounted for within one proprietary (enterprise) fund. A proprietary fund is used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

A proprietary fund distinguishes operating revenue and expenses from non-operating items. Operating revenue 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 revenue of the Housing Authority is rent collected from tenants and operating grants. Operating expenses for a proprietary fund include the cost of operating properties owned, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The accounting and financial reporting treatment applied to the Housing Authority is determined by its measurement focus. The transactions of the Housing Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) are segregated into net investment in capital assets, restricted, and unrestricted. When both restricted and unrestricted resources are available for use, it is the Housing Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Housing Authority considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Restricted Cash - Restricted cash is segregated resources for tenants' security deposits and for tenants' family self-sufficiency (FSS) deposits, replacement reserve account, residual receipts account, rehab escrow account, and a laundry account.

Accounts Receivable - Accounts receivable are recorded at gross amount, less an allowance for doubtful accounts. The allowance for doubtful accounts for fraud recovery was \$19,439 for housing choice vouchers and for local/state programs tenant accounts was \$-0- at December 31, 2022.

Accounts Receivable - Component Units - Accounts receivable are recorded at gross amount, less an allowance for doubtful accounts. The allowance for doubtful accounts for tenant accounts receivable was \$-0- for the component units at December 31, 2022.

Insurance - The premiums on all major insurance policies are charged to prepaid insurance and amortized over the life of the policy.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION

Grand Junction, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

DECEMBER 31, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

Other Assets - Component Units - Other assets consist of tax credit fees. Tax credit fees have been capitalized and will be amortized over the 15-year compliance period for Village Park, the Highlands, Highlands 2, and 2814 LLLP, and over 30 years for Arbor Vista. Accumulated amortization was \$176,624 as of December 31, 2022.

Debt Issuance Costs - Component Units - Debt issuance costs will be amortized over the life of the related debt. Accumulated amortization was \$363,607 as of December 31, 2022. Unamortized debt issuance cost was \$163,832.

Capital Assets - Purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, works of art and similar items, and capital assets received in a service concession arrangement are valued at their acquisition value at the date of donation. Buildings and equipment are carried at cost or estimated fair value and depreciated using a straight-line method of depreciation over their estimated useful lives as follows:

Land improvements	5-30 years
Buildings and improvements	5-40 years
Equipment	3-15 years

Capital expenses of \$3,000 or more, with a useful life greater than one year, are capitalized.

Impairment of Long-Lived Assets - The Housing Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized for the year ended December 31, 2022.

Compensated Absences - The Housing Authority allows regular employees to accumulate the following compensated absences:

- Vacation time is earned at a rate of 8-14 hours per month. The maximum accrual an employee can carryover is 24 hours times their current monthly accrual rate. Unused vacation time is paid out at termination.
- Sick pay is earned at a rate of 8 hours per month and can accumulate to a maximum of 240 hours. Sick leave earned beyond this limit shall be converted to annual leave automatically at a rate of one annual leave hour for every three sick leave hours until the maximum annual leave benefit has been accumulated. Unused sick pay is lost at time of voluntary or involuntary termination.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

Net Position - Net position is displayed in three components:

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

Federal and State Aids - Federal and state aids for reimbursable programs are recognized as revenue in the year the related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenue.

Employee Retirement Plan - The Housing Authority has a retirement plan covering all of its eligible employees which is funded through contributions to ICMA-RC.

Due To/From Other Programs - During the course of operations, numerous transactions occur between individual programs for goods provided or services rendered. These receivables and payables are classified as "due from other programs" or "due to other programs" on the combining statement of Net Position and have been eliminated in the basic financial statements.

Interprogram Transactions - Quasi-external transactions are accounted for as revenue or expenses. Transactions that constitute reimbursements to a program for expenses initially made from it that are properly applicable to another program, are recorded as expenses in the reimbursing program and as reductions of expenses in the program that is reimbursed.

Rental Income - Rental income is recognized as rents become due.

Use of Estimates - 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 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - The Housing Authority has evaluated subsequent events through August 28, 2023, the date which the financial statements were available to be issued.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 2 - Cash and Investments

HUD regulations and statutes authorize the Housing Authority to have deposits in checking accounts, certificates of deposit, money-market funds, United States government securities, and repurchase agreements fully collateralized by United States government securities.

At December 31, 2022, the Housing Authority reported cash and cash equivalents as follows:

Cash and investments	\$ 9,930,168
Cash and investments - restricted	<u>1,279,323</u>
	<u>\$11,209,491</u>

At December 31, 2022, the Component Units reported cash and cash equivalents as follows:

Cash and investments	\$ 533,891
Cash and investments - restricted	<u>1,649,333</u>
	<u>\$ 2,183,224</u>

Fair Value of Deposits and Investments - Deposits and investments are reported at fair value. At December 31, 2022, the fair value of the Housing Authority's deposits approximated original cost; therefore, no fair value adjustments were necessary.

Determining Fair Value - Fair value of the Housing Authority's deposits are determined as follows: deposits with stated interest rates (operating accounts, savings accounts, certificates of deposit, repurchase agreements, and money market accounts) are stated at cost.

Income Allocation - Interest income is generally allocated to the program that owns the operating account, savings account, certificate of deposit, repurchase agreement, and money market account.

Custodial Credit Risk - Deposits - Custodial credit is the risk that, in the event of a bank failure, the Housing Authority's deposits may not be returned to it. The Housing Authority does not have a deposit policy for custodial credit risk. As of December 31, 2022, \$10,720,866 of the Housing Authority's bank balance of \$10,970,866 was exposed to custodial credit risk as follows:

Uninsured, collateralized by bank	<u>\$10,720,866</u>
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Deposits - 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 statutes and regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits. At December 31, 2022, the Housing Authority had bank deposits of \$10,720,866 collateralized with securities held by the financial institutions' agents but not in the Housing Authority's name.

Discretely Presented Component Units - The Partnerships maintain operating cash and cash equivalents in various deposit accounts. The operating cash and cash equivalents are insured by the Federal Deposit Insurance Corporation up to \$250,000. Management believes that no significant concentration of credit risk exists with respect to operating cash during the year ended December 31, 2022.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 3 - Capital Assets

A summary of changes in capital assets is as follows:

	BALANCE 01/01/22	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	BALANCE 12/31/22
<i>Capital assets not being depreciated:</i>					
Land	\$ 2,669,478	\$ -	\$ (237,827)	-	\$ 2,431,651
Construction in progress	1,300,909	22,821	-	(1,275,236)	48,494
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>3,970,387</u>	<u>22,821</u>	<u>(237,827)</u>	<u>(1,275,236)</u>	<u>2,480,145</u>
<i>Capital assets being depreciated:</i>					
Land improvements	3,672,594	-	(306,099)	423,075	3,789,570
Buildings and improvements	32,230,625	30,678	(2,412,166)	791,738	30,640,875
Equipment	2,425,837	240,245	(28,040)	-	2,638,042
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>38,329,056</u>	<u>270,923</u>	<u>(2,746,305)</u>	<u>1,214,813</u>	<u>37,068,487</u>
Less accumulated depreciation	<u>(21,582,672)</u>	<u>(1,047,254)</u>	<u>1,382,245</u>	<u>-</u>	<u>(21,247,681)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET OF ACCUMULATED DEPRECIATION	<u>16,746,384</u>	<u>(776,331)</u>	<u>(1,364,060)</u>	<u>1,214,813</u>	<u>15,820,806</u>
TOTAL CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>\$ 20,716,771</u>	<u>\$ (753,510)</u>	<u>\$ (1,601,887)</u>	<u>\$ (60,423)</u>	<u>\$ 18,300,951</u>

A summary of changes in capital assets for the component units as of December 31, 2022, is as follows:

	BALANCE 01/01/22	ADDITIONS	RETIREMENTS	ADJUSTMENTS	BALANCE 12/31/22
<i>Capital assets not being depreciated:</i>					
Land	\$ 3,325,912	\$ -	\$ -	\$ -	\$ 3,325,912
Construction in progress	-	-	-	-	-
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>3,325,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,325,912</u>
<i>Capital assets being depreciated:</i>					
Land improvements	6,827,255	-	-	-	6,827,255
Buildings	64,832,519	-	-	-	64,832,519
Furniture, equipment, and machinery	2,033,608	-	-	-	2,033,608
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>73,693,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,693,382</u>
Less accumulated depreciation	<u>(14,053,575)</u>	<u>(2,290,554)</u>	<u>-</u>	<u>-</u>	<u>(16,344,129)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET OF ACCUMULATED DEPRECIATION	<u>59,639,807</u>	<u>(2,290,554)</u>	<u>-</u>	<u>-</u>	<u>57,349,253</u>
TOTAL CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>\$ 62,965,719</u>	<u>\$ (2,290,554)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,675,165</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 4 - Notes Receivable

At December 31, 2022, notes receivable consists of:

Four notes receivable from Arbor Vista, accruing interest at 5.10 percent with payments due from available cash. Principal and accrued interest are due December 31, 2038. The notes are secured by the underlying property.	\$ 2,471,806
Developer fee receivable from Arbor Vista, accruing interest at 5.10 percent with payments due from available cash. The developer fee and accrued interest are due December 31, 2024.	140,026
Two notes receivable from Village Park, accruing interest at 5.10 percent with payments due from available cash. Principal and accrued interest are due December 31, 2042. The notes are secured by the underlying property.	1,040,000
Three notes receivable from The Highlands, accruing interest at 5.00 percent with payments due from available cash. Principal and accrued interest are due December 31, 2046. The notes are secured by the underlying property.	1,267,721
Four notes receivable from The Highlands 2, accruing interest at 5.00 percent with payments due from available cash. Principal and accrued interest are due February 27, 2058. The notes are secured by the underlying property.	2,260,868
Developer fee receivable from The Highlands 2, accruing interest at 2.74 percent with payments due from available cash. The developer fee and accrued interest are due December 31, 2024.	244,589
Six notes receivable from 2814 LLLP, accruing interest at 1.93 percent with payments due from available cash. Principal and accrued interest are due March 13, 2050. The notes are secured by the underlying property.	2,063,110
Developer fee receivable from 2814 LLLP, accruing interest at 1.93 percent with payments due from available cash. The developer fee and accrued interest are due April 1, 2036.	224,912
TOTAL NOTES RECEIVABLE	<u>\$ 9,713,032</u>

Accrued interest on the aforementioned notes receivable totaled \$4,261,603 as of December 31, 2022.

NOTE 5 - Long-Term Obligations

Details of the Housing Authority's long-term obligations are set forth below:

Summary of Long-Term Obligations

	BALANCE 01/01/22	ADDITIONS	REDUCTIONS	BALANCE 12/31/22	AMOUNT DUE WITHIN ONE YEAR
Compensated absences	\$ 223,481	\$ -	\$ (29,888)	\$ 193,593	\$ 192,219
Tenants' FSS escrow	54,552	-	(1,700)	52,852	-
Notes payable	13,220,053	2,000,000	(2,286,958)	12,908,950	482,266
Discount on note payable	(46,111)	-	20,663	(25,448)	-
	<u>\$ 13,451,975</u>	<u>\$ 2,000,000</u>	<u>\$ (2,297,883)</u>	<u>\$ 13,129,947</u>	<u>\$ 674,485</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 5 - Long-Term Obligations - Continued

At December 31, 2022, long-term debt consists of:

Note payable to Colorado Housing Finance Authority for Ratekin property, interest at 1.75 percent, monthly payments of \$8,001, including interest; matures July 1, 2034. Collateralized by deed of trust on Ratekin.	\$ 1,009,067
Note payable to HUD for Ratekin property, interest at 1.00 percent, annual payments, including interest equal to 75.00 percent of surplus cash as defined; matures August 1, 2033. Collateralized by deed of trust on Ratekin.	2,201,112
Note payable to HUD for Ratekin property, interest at 1.00 percent, principal and interest due in full August 1, 2033. Collateralized by deed of trust on Ratekin.	216,474
Loan payable to the Bank of Colorado. Monthly payments include interest at 3% until November 8, 2018, at which time monthly payments will be \$7,189 including interest at 4.17% until November 8, 2023. The loan then changes to a variable interest rate calculated at the Federal Home Loan Bank of Topeka 5 Year Advance Rate plus a margin of 2%. The loan matures October 8, 2035 and is collateralized by a deed of trust on the Monument Business Center property.	853,207
Note payable to bank, interest at 0 percent, discount is based on imputed interest rate of 5.00 percent, principal due in full February 12, 2024. Collateralized by property owned by Arbor Vista, LLLP.	450,000
Loan payable to the Bank of Colorado which was converted to permanent loan on November 1, 2016. Monthly payments of \$12,372 include interest at 2.75% through December 1, 2020, at which time the rate will become the Federal Home Loan Bank of Topeka 5 Year Advance Rate plus a margin of 2%. The loan matures November 1, 2041 and is collateralized by real property at 8 Foresight Circle.	2,153,102
Note payable to bank for Nellie Bechtel Property, interest at 3.75 percent, monthly Payments of \$18,670, including interest; principal and remaining interest due January 1, 2036, collateralized by deed of trust on Property	3,420,299
Note payable to the State of Colorado - Department of Local Affairs in the original amount of \$1,274,655. Interest accrues at 1% per annum until January 1, 2020 at which time monthly payments including interest at 1% are due. The loan matures on February 1, 2035 and is collateralized by a deed of trust on the Nellie Bechtel property.	352,947
Note payable to the Bank of Colorado in the original amount of \$319,425. Interest accrues at 2.95% with monthly payments of \$1,771 beginning on December 1, 2019. The loan matures on November 1, 2029 and is collateralized by real property at 2517 Foresight Circle.	280,640
Note payable to the Bank of San Juan with monthly payments of \$13,122.75 including interest at 2.25% beginning on March 10th, 2022. Borrower's final payment will be due on February 10, 2037 and is collateralized by the Linden Pointe deed of trust.	1,897,816
TOTAL NOTES PAYABLE	12,908,950
Less discount on note payable	(25,448)
TOTAL DISCOUNTED NOTES PAYABLE	12,883,502
Less current portion	(482,266)
LONG-TERM PORTION	<u>\$12,401,236</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 5 - Long-Term Obligations - Continued

Maturities of Long-Term Debt

The aggregate maturities of long-term debt following December 31, 2022, are as follows:

<u>YEARS</u>	<u>PRINCIPAL</u>	<u>DISCOUNT</u>	<u>INTEREST</u>
2023	\$ 482,266	\$ (21,721)	\$ 314,052
2024	946,220	(3,727)	289,635
2025	496,311	-	266,888
2026	491,747	-	253,937
2027	504,844	-	240,842
2028-2032	2,870,623	-	978,794
2033-2037	6,618,160	-	383,908
2038-2041	498,779	-	16,740
TOTAL	<u>\$ 12,908,950</u>	<u>\$ (25,448)</u>	<u>\$ 2,744,793</u>

Details of the Component Unit's long-term obligations as of December 31, 2022, are set forth below:

Summary of Long-Term Obligations

	<u>BALANCE</u> <u>01/01/2022</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2022</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
Notes payable	<u>\$26,471,418</u>	<u>\$ 725,000</u>	<u>\$(10,680,810)</u>	<u>\$16,515,608</u>	<u>\$ 175,380</u>

At December 31, 2022, the Components Units' long-term debt consists of:

Loan payable to the Colorado Housing and Finance Authority with monthly payments of \$9,490 including interest at 6.08%. The loan matures September 1, 2029 and secured by a deed of trust on the Arbor property. \$ 1,364,547

Loan payable to the Colorado Housing and Finance Authority with monthly payments of \$1,686 including interest at 3%. The loan matures on September 1, 2029 and is secured by a deed of trust on the Arbor property. 266,186

Four (4) loans payable to the Authority with interest accruing at 5.10%. Payments are due to the extent of excess cash flow. The loans mature on December 31, 2038 and are secured by a deed of trust on the Arbor property. 2,471,806

Three (3) loans payable to the Authority accruing interest at 5% with payments due from available cash. The loans mature on December 31, 2046 and are secured by a deed of trust on the Highlands property. 1,267,721

Loan payable to the Bank of Colorado with interest only payments due monthly. The loan accrues interest at 5.19%, matures October 21, 2034 and is secured by a deed of trust on the Village Park property. 2,150,880

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 5 - Long-Term Obligations - Continued

Loan payable to the Colorado Housing and Finance Authority in the original amount of \$500,000. Monthly payments of \$2,108 include interest at 3.00%. The loan matures April 1, 2035 and is secured by a deed of trust on the Highlands property.	\$ 448,494
Loan payable to the Bank of Colorado in the original amount of \$690,000. Monthly payments of \$3,953 include interest at 5.50%. The loan matures March 28, 2038 and is secured by a deed of trust on The Highlands property.	642,324
Two (2) loans payable to the Authority accruing interest at 5.10% with payments due from available cash flow. The loans mature on December 31, 2042 and are secured by deed of trust on the Village Park property.	1,040,000
Four (4) loans payable to the Authority accruing interest at 5.00% with payments due from available cash flow. The loans mature on February 27, 2058 and are secured by a deed of trust on The Highlands 2 property.	2,260,868
On February 27, 2018, a construction loan was entered into with the Bank of Colorado in the maximum amount of \$10,500,000 with an interest rate of 4.00%. Interest was payable monthly with all outstanding principal due on December 1, 2019. The maturity date was extended to March 1, 2020, and the loan was paid off on February 26, 2020. On February 26, 2020, the construction loan was converted to the permanent phase in the principal amount of \$700,000 with an interest rate of 5.75%. The loan matures on February 26, 2050 and is secured by real property.	682,270
On February 26, 2020, Highlands 2 entered into a promissory note with CHFA in the principal amount of \$500,000. The loan bears interest at a rate of 3%, matures on March 1, 2037, and is secured by real property.	470,523
Six (5) loans payable between 2814, LLLP and the Authority in the amounts of \$12,184, \$423,163, \$900,000, \$105,000, \$20,000, and \$580,000. The loans accrue interest at 1.93%, with payments due from available cash flow. The loans mature on March 13, 2050 and are secured by a deed of trust on the 2814, LLLP property.	2,063,110
On March 13, 2020, 2814, LLLP entered into a construction loan with the Bank of Colorado in the maximum amount of \$11,145,000, with an interest rate of 3.250%. On, January 19, 2022, the loan was partially repaid and the terms of the loan Agreement was modified. The remaining unpaid \$675,000 principal balance was converted to a permanent loan and the maturity date was extended to January 19, 2052.	671,769
On January 19, 2022, 2814, LLP entered into a loan agreement with Colorado Housing and Finance Authority in the principal amount of \$725,000. The loan is secured by a deed of trust on the property. The loan bears interest at 3.0% and matures on February 1, 2039.	715,110
TOTAL DISCOUNTED NOTES PAYABLE	16,515,608
Less unamortized debt issuance costs	(163,832)
TOTAL NOTES PAYABLE	16,351,776
Less current portion	(175,380)
LONG-TERM PORTION	<u>\$16,176,396</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 5 - Long-Term Obligations - Continued

Maturities of Component Unit Long-Term Debt

Maturities of the long-term debt at December 31, 2022, are:

<u>YEARS</u>	<u>PRINCIPAL</u>
2023	\$ 175,380
2024	183,252
2025	192,756
2026	202,135
2027	211,690
Thereafter	<u>15,550,395</u>
	<u>\$16,515,608</u>

NOTE 6 - Pension Plan

The Housing Authority has an employee defined contribution pension plan with ICMA-RC.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual accounts are to be determined instead of specifying the amount of benefits the individual is to receive.

Substantially all employees must participate in the retirement plan. Employees are required to contribute 7.65 percent of their salary. The Housing Authority is required to contribute 9.65 percent of an employee's salary. The Housing Authority's actual contribution was \$327,938 for the year ended December 31, 2022. Total employee contributions for the year ended December 31, 2022 were \$259,662. Total eligible wages for the year ended December 31, 2022 were \$3,398,394.

NOTE 7 - Component Unit Developer Fee Payable

Pursuant to the Development Services Agreement for the Arbor Vista Project, the Housing Authority of the City of Grand Junction, as General Partner, is entitled to receive a developer fee equal to \$844,250 for services rendered in connection with the development of the Arbor Vista Project. The General Partner is also entitled to an additional incentive developer fee equal to the excess of projected development costs eligible for low-income housing tax credits over the Partnership's aggregate expenditures for such items. Any unpaid portion of the fee shall accrue interest at a rate of 5.10 percent per annum. The fee shall be paid subject to the terms of the Partnership Agreement. The Partnership is obligated to repay any unpaid developer fee and unpaid interest on or before December 31, 2024. As of December 31, 2022, the Developer had earned \$844,250 and was owed \$140,026.

Pursuant to the Amended and Restated Agreement of Limited Partnership of The Highlands 2 Project, the Housing Authority of the City of Grand Junction, as General Partner, is entitled to receive a developer fee equal to \$1,699,103 for services rendered in connection with the development of The Highlands 2 Project. The General Partner is also entitled to an additional incentive developer fee equal to the excess of projected development costs eligible for low-income housing tax credits over the Partnership's aggregate expenditures for such items. Any unpaid portion of the fee shall accrue. The fee shall be paid subject to the terms of the Partnership Agreement. The Partnership is obligated to repay any unpaid developer fee and unpaid interest on or before December 31, 2032. As of December 31, 2022, the Developer had earned \$1,699,103 and was owed \$244,589.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 7 - Component Unit Developer Fee Payable - Continued

Pursuant to the Amended and Restated Agreement of Limited Partnership of The 2814 Project, the Housing Authority of the City of Grand Junction, as General Partner, is entitled to receive a developer fee equal to \$1,400,000 for services rendered in connection with the development of The 2814 Project. The payable shall bear interest at the long-term Applicable Federal Rate compounded annually. The fee shall be paid subject to the terms of the Partnership Agreement. The Partnership is obligated to repay any unpaid developer fee and unpaid interest on or before April 1, 2026. As of December 31, 2022, the Developer had earned \$1,400,000 and was owed \$224,912.

NOTE 8 - Risk Management

Insured Risk - The Housing Authority purchases commercial insurance with various deductibles and coverages to cover liability, property, workers' compensation, errors, omissions, and employee defalcation risk. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9 - Net Position

The following is a summary of individual net position restrictions at December 31, 2022:

<u>Program</u>	<u>Purpose</u>	<u>Amount</u>
<u>Restricted</u>		
Ratekin Tower	Reserve Accounts	\$ 292,165
Doors 2 Success	Reserve Accounts	52,814
Section 8 Housing Choice Vouchers	FSS Forfeitures	8,343
Nellie Bechtel	Reserve Accounts	43,920
Walnut Park	Reserve Accounts	100,649
Crystal Brook	Reserve Accounts	137,220
Monument Business Center	Reserve Accounts	25,000
General Admin	Reserve Accounts	45,316
Linden Pointe LLP	Reserve Accounts	109,318
Section 8 Housing Choice Vouchers	Future HAP expenditures	131,436
		<u>\$ 946,181</u>

The following is a summary of individual net position restrictions at December 31, 2022 for the Component Units:

<u>Program</u>	<u>Purpose</u>	<u>Amount</u>
<u>Restricted</u>		
Arbor Vista, LLLP	Replacement and operating reserves	\$ 427,682
Village Park, LLLP	Replacement and operating reserves	385,494
The Highlands LLLP	Replacement and operating reserves	229,006
The Highlands 2, LLLP	Replacement and operating reserves	208,115
2814, LLLP	Replacement and operating reserves	134,487
		<u>\$ 1,384,784</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION

Grand Junction, Colorado

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued DECEMBER 31, 2022

NOTE 10 - Prior Period Adjustments

The amount of \$59,542 in General Administration is for an adjustment to December 31, 2021 expenses done in the 2022. The amount of \$36,278 in Acquisitions and Development is to correct beginning CWIP and Principal balance.

NOTE 11 - Economic Dependency

The Housing Authority received approximately 60 percent of its total revenue from the United States Department of Housing and Urban Development. This funding is subject to federal government budget appropriations and potential funding reductions.

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS	GENERAL ADMINISTRATION	ACQUISITIONS AND DEVELOPMENT	MONUMENT BUSINESS CENTER	CRYSTAL BROOK	EMERGENCY HOUSING VOUCHERS	HOUSING PLUS HEALTH	HOUSING SERVICE COORDINATOR	RATEKIN TOWER	WALNUT PARK	SERVICE COORDINATOR	NELLIE BECHTEL
CURRENT ASSETS											
Cash and investments	\$ 6,172,089	\$ 236,847	\$ 67,832	\$ 402,831	\$ 7,137	\$ -	\$ (16,485)	\$ 208,263	\$ 736,653	\$ -	\$ 283,997
Cash and investments - restricted	45,316	-	30,000	166,718	32,045	-	-	330,731	128,134	-	87,013
Receivables											
Tenants, net of allowance for doubtful accounts	-	-	-	190	-	-	-	-	27,162	-	-
Other, net of allowance for doubtful accounts	444,451	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	4,060	-	-	-	-	5,330	-
Due from other programs	263,050	81,416	-	1,760	-	-	-	-	6,050	-	-
Inventory	111,048	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	49,540	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	7,085,494	318,263	97,832	571,499	43,242	-	(16,485)	538,994	897,999	5,330	371,010
NONCURRENT ASSETS											
Notes receivable	1,017,111	11,291,127	-	-	-	-	-	-	-	-	-
Interest receivable	26,700	5,612,213	-	-	-	-	-	-	-	-	-
Other assets, net of accumulated amortization	291,993	-	-	-	-	-	-	-	-	-	-
Land	453,785	430,128	290,008	80,077	-	-	-	485,530	77,974	-	290,337
Land improvements	843,207	-	2,581	128,180	-	-	-	13,300	404,152	-	423,075
Buildings and improvements	2,947,618	-	1,030,122	2,962,147	-	-	-	6,327,725	3,758,176	-	5,546,339
Equipment	899,081	-	65,835	100,041	-	-	-	429,339	204,801	3,532	155,392
Construction in progress	-	-	-	-	-	-	-	-	48,494	-	-
Less accumulated depreciation	(1,551,478)	-	(527,001)	(2,938,593)	-	-	-	(6,062,024)	(3,035,034)	(3,532)	(1,029,450)
TOTAL NONCURRENT ASSETS	4,928,017	17,333,468	861,545	331,852	-	-	-	1,193,870	1,458,563	-	5,385,693
TOTAL ASSETS	\$ 12,013,511	\$ 17,651,731	\$ 959,377	\$ 903,351	\$ 43,242	\$ -	\$ (16,485)	\$ 1,732,864	\$ 2,356,562	\$ 5,330	\$ 5,756,703

(Continued on page 33)

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION - Continued
DECEMBER 31, 2022

<u>ASSETS</u>	<u>FSS</u>	<u>HOUSING CHOICE VOUCHERS</u>	<u>HOUSING ADVOCATE</u>	<u>TBRA</u>	<u>DOORS 2 SUCCESS</u>	<u>MCAHON</u>	<u>LINDEN POINTE LLLP</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
CURRENT ASSETS									
Cash and investments	\$ -	\$ 711,004	\$ -	\$ -	\$ 29,919	\$ 118,884	\$ 971,197	\$ -	\$ 9,930,168
Cash and investments - restricted	8,343	184,288	30,000	-	52,814	-	183,921	-	1,279,323
Receivables									
Tenants, net of allowance for doubtful accounts	-	-	-	-	-	-	16,710	-	44,062
Other, net of allowance for doubtful accounts	105	7,346	-	4,912	-	-	-	-	456,814
Due from other governments	11,006	46,906	9,857	51,483	-	-	-	-	128,642
Due from other programs	-	-	-	-	-	-	1,461	(353,737)	-
Inventory	-	-	-	-	-	-	-	-	111,048
Prepaid expenses	-	-	-	-	-	-	-	-	49,540
TOTAL CURRENT ASSETS	<u>19,454</u>	<u>949,544</u>	<u>39,857</u>	<u>56,395</u>	<u>82,733</u>	<u>118,884</u>	<u>1,173,289</u>	<u>(353,737)</u>	<u>11,999,597</u>
NONCURRENT ASSETS									
Notes receivable	-	-	-	-	-	-	-	(2,595,206)	9,713,032
Interest receivable	-	-	-	-	-	-	-	(1,377,310)	4,261,603
Other assets, net of accumulated amortization	-	-	-	-	-	-	-	-	291,993
Land	-	-	-	-	-	-	323,812	-	2,431,651
Land improvements	-	-	-	-	-	-	1,975,075	-	3,789,570
Buildings and improvements	-	-	-	-	-	-	8,068,748	-	30,640,875
Equipment	1,278	284,364	-	-	-	-	494,379	-	2,638,042
Construction in progress	-	-	-	-	-	-	-	-	48,494
Less accumulated depreciation	(1,278)	(133,841)	-	-	-	-	(5,965,450)	-	(21,247,681)
TOTAL NONCURRENT ASSETS	<u>-</u>	<u>150,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,896,564</u>	<u>(3,972,516)</u>	<u>32,567,579</u>
TOTAL ASSETS	<u>\$ 19,454</u>	<u>\$ 1,100,067</u>	<u>\$ 39,857</u>	<u>\$ 56,395</u>	<u>\$ 82,733</u>	<u>\$ 118,884</u>	<u>\$ 6,069,853</u>	<u>\$ (4,326,253)</u>	<u>\$ 44,567,176</u>

(Continued on page 34)

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION - Continued
DECEMBER 31, 2022

LIABILITIES AND NET POSITION	GENERAL ADMINISTRATION	ACQUISITIONS AND DEVELOPMENT	MONUMENT BUSINESS CENTER	CRYSTAL BROOK	EMERGENCY HOUSING VOUCHERS	HOUSING PLUS HEALTH	HOUSING SERVICE COORDINATOR	RATEKIN TOWER	WALNUT PARK	SERVICE COORDINATOR	NELLIE BECHTEL
CURRENT LIABILITIES											
Accounts payable	\$ 28,034	\$ 190	\$ -	\$ 2,594	\$ 2,176	\$ 4,634	\$ 233	\$ 12,696	\$ 11,699	\$ -	\$ 15,765
Accrued expenses	53,826	6,565	4,618	445,346	-	-	562	66,412	1,439	1,063	12,959
Compensated absences	100,823	21,938	-	601	-	233	2,336	2,019	1,294	1,118	4,150
Unearned revenue	-	-	-	-	32,045	-	-	-	-	-	13,440
Other accounts payable	85,357	-	-	-	-	596	-	29,820	-	5,330	2,203
Tenants' security deposits	-	-	5,000	29,498	-	-	-	38,566	27,485	-	43,093
Current portion of notes payable	97,802	12,037	51,671	27,904	-	-	-	79,283	-	-	97,438
TOTAL CURRENT LIABILITIES	365,842	40,730	61,289	505,943	34,221	5,463	3,131	228,796	41,917	7,511	189,048
NONCURRENT LIABILITIES											
Compensated absences	-	-	-	-	-	-	-	-	-	-	-
Tenants' FSS escrow	-	-	-	-	-	-	-	-	-	-	-
Notes payable, net of discount	2,055,300	693,155	801,536	993,590	-	-	253,514	3,501,440	-	-	3,675,808
TOTAL NONCURRENT LIABILITIES	2,055,300	693,155	801,536	993,590	-	-	253,514	3,501,440	-	-	3,675,808
TOTAL LIABILITIES	2,421,142	733,885	862,825	1,499,533	34,221	5,463	256,645	3,730,236	41,917	7,511	3,864,856
NET POSITION											
Net investment in capital assets	1,439,111	(275,064)	8,338	(689,642)	-	-	-	(2,232,783)	1,458,563	-	1,612,447
Restricted	45,316	-	25,000	137,220	-	-	-	292,165	100,649	-	43,920
Unrestricted	8,107,942	17,192,910	63,214	(43,760)	9,021	(5,463)	(273,130)	(56,754)	755,433	(2,181)	235,480
TOTAL NET POSITION	9,592,369	16,917,846	96,552	(596,182)	9,021	(5,463)	(273,130)	(1,997,372)	2,314,645	(2,181)	1,891,847
TOTAL LIABILITIES AND NET POSITION	\$ 12,013,511	\$ 17,651,731	\$ 959,377	\$ 903,351	\$ 43,242	\$ -	\$ (16,485)	\$ 1,732,864	\$ 2,356,562	\$ 5,330	\$ 5,756,703

(Continued on page 35)

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION - Continued
DECEMBER 31, 2022

<u>LIABILITIES AND NET POSITION</u>	<u>FSS</u>	<u>HOUSING CHOICE VOUCHERS</u>	<u>HOUSING ADVOCATE</u>	<u>TBRA</u>	<u>DOORS 2 SUCCESS</u>	<u>MCAHON</u>	<u>LINDEN POINTE LLLP</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
CURRENT LIABILITIES									
Accounts payable	\$ -	\$ 3,515	\$ 80	\$ 12	\$ 742	\$ 5,724	\$ 7,621	\$ -	\$ 95,715
Accrued expenses	1,111	18,973	6,402	597	-	-	934,281	(1,377,310)	176,844
Compensated absences	-	37,832	16,803	3,072	-	-	-	-	192,219
Unearned revenue	10,000	-	30,000	-	17,699	-	-	-	103,184
Due to other programs	-	1,050	300	136,911	3,979	11,630	76,561	(353,737)	-
Tenants' security deposits	-	-	-	-	-	-	74,603	-	218,245
Current portion of notes payable	-	-	-	-	-	-	116,131	-	482,266
TOTAL CURRENT LIABILITIES	<u>11,111</u>	<u>61,370</u>	<u>53,585</u>	<u>140,592</u>	<u>22,420</u>	<u>17,354</u>	<u>1,209,197</u>	<u>(1,731,047)</u>	<u>1,268,473</u>
NONCURRENT LIABILITIES									
Compensated absences	-	-	-	-	-	-	1,374	-	1,374
Tenants' FSS escrow	-	52,852	-	-	-	-	-	-	52,852
Notes payable, net of discount	-	-	-	-	-	-	3,022,099	(2,595,206)	12,401,236
TOTAL NONCURRENT LIABILITIES	<u>-</u>	<u>52,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,023,473</u>	<u>(2,595,206)</u>	<u>12,455,462</u>
TOTAL LIABILITIES	<u>11,111</u>	<u>114,222</u>	<u>53,585</u>	<u>140,592</u>	<u>22,420</u>	<u>17,354</u>	<u>4,232,670</u>	<u>(4,326,253)</u>	<u>13,723,935</u>
NET POSITION									
Net investment in capital assets	-	150,523	-	-	-	-	1,758,334	-	3,229,827
Restricted	8,343	131,436	-	-	52,814	-	109,318	-	946,181
Unrestricted	-	703,886	(13,728)	(84,197)	7,499	101,530	(30,469)	-	26,667,233
TOTAL NET POSITION	<u>8,343</u>	<u>985,845</u>	<u>(13,728)</u>	<u>(84,197)</u>	<u>60,313</u>	<u>101,530</u>	<u>1,837,183</u>	<u>-</u>	<u>30,843,241</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 19,454</u>	<u>\$ 1,100,067</u>	<u>\$ 39,857</u>	<u>\$ 56,395</u>	<u>\$ 82,733</u>	<u>\$ 118,884</u>	<u>\$ 6,069,853</u>	<u>\$ (4,326,253)</u>	<u>\$ 44,567,176</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022

	GENERAL ADMINISTRATION	ACQUISITIONS AND DEVELOPMENT	LINCOLN	MONUMENT BUSINESS CENTER	COURTYARD APARTMENTS	CRYSTAL BROOK	EMERGENCY HOUSING VOUCHERS	HOUSING PLUS HEALTH	HOUSING SERVICE COORDINATOR	RATEKIN TOWER	WALNUT PARK	SERVICE COORDINATOR	NELLIE BECHTEL
OPERATING REVENUE													
Dwelling rental	\$ -	\$ -	\$ 27,380	\$ -	\$ 85,668	\$ 357,986	\$ -	\$ -	\$ -	\$ 377,150	\$ 341,914	\$ -	\$ 676,025
Operating grants	19,666	-	-	-	-	-	145,580	61,365	-	603,381	497,423	49,458	225,182
Other operating revenue	<u>2,388,939</u>	<u>-</u>	<u>19,061</u>	<u>127,055</u>	<u>25,625</u>	<u>23,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,442</u>	<u>45,886</u>	<u>-</u>	<u>13,079</u>
TOTAL OPERATING REVENUE	<u>2,408,605</u>	<u>-</u>	<u>46,441</u>	<u>127,055</u>	<u>111,293</u>	<u>381,317</u>	<u>145,580</u>	<u>61,365</u>	<u>-</u>	<u>1,017,973</u>	<u>885,223</u>	<u>49,458</u>	<u>914,286</u>
OPERATING EXPENSES													
Administration	1,400,333	283,244	70,019	5,793	187,133	85,730	1,565	7,796	-	252,982	199,022	56,607	238,345
Tenant services	12,383	-	-	-	-	47	23,093	57,496	16,781	546	2,845	-	55
Utilities	13,232	1,263	6,301	-	12,114	22,058	-	174	-	124,549	129,967	373	94,931
Maintenance and operations	884,378	2,583	18,574	2,774	20,747	79,345	-	641	-	203,127	194,772	325	165,904
General expenses	20,674	-	18,204	-	(1,636)	28,913	-	-	-	53,787	20,742	-	6,063
Insurance	72,465	3,163	3,212	-	7,879	21,622	-	126	-	97,789	32,325	763	39,890
Housing assistance payments	-	-	-	-	-	-	103,739	-	-	-	-	-	-
Depreciation	<u>196,318</u>	<u>-</u>	<u>5,497</u>	<u>37,731</u>	<u>35,348</u>	<u>115,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,578</u>	<u>89,258</u>	<u>59</u>	<u>160,806</u>
TOTAL OPERATING EXPENSES	<u>2,599,783</u>	<u>290,253</u>	<u>121,807</u>	<u>46,298</u>	<u>261,585</u>	<u>353,502</u>	<u>128,397</u>	<u>66,233</u>	<u>16,781</u>	<u>910,358</u>	<u>668,931</u>	<u>58,127</u>	<u>705,994</u>
OPERATING (LOSS) INCOME	<u>(191,178)</u>	<u>(290,253)</u>	<u>(75,366)</u>	<u>80,757</u>	<u>(150,292)</u>	<u>27,815</u>	<u>17,183</u>	<u>(4,868)</u>	<u>(16,781)</u>	<u>107,615</u>	<u>216,292</u>	<u>(8,669)</u>	<u>208,292</u>
NONOPERATING REVENUE (EXPENSE)													
Interest income	25,865	739,695	1,040	428	2,098	2,452	251	-	-	218	3,887	-	1,683
Extraordinary items	-	-	2,100	-	(4,703)	-	-	-	-	-	57,591	-	(1,946)
Gain (loss) on sale of capital assets	-	-	771,072	-	1,552,042	-	-	-	-	-	-	-	-
Operating transfers in (out)	3,682,266	-	(1,153,892)	-	(2,562,535)	-	(17,183)	-	-	-	(9,413)	9,413	-
Interest expense	<u>(38,974)</u>	<u>(29,699)</u>	<u>-</u>	<u>(39,502)</u>	<u>(4,733)</u>	<u>(29,238)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,811)</u>	<u>-</u>	<u>-</u>	<u>(134,927)</u>
NET NONOPERATING REVENUE (EXPENSE)	<u>3,669,157</u>	<u>709,996</u>	<u>(379,680)</u>	<u>(39,074)</u>	<u>(1,017,831)</u>	<u>(26,786)</u>	<u>(16,932)</u>	<u>-</u>	<u>-</u>	<u>(42,593)</u>	<u>52,065</u>	<u>9,413</u>	<u>(135,190)</u>
CHANGE IN NET POSITION	3,477,979	419,743	(455,046)	41,683	(1,168,123)	1,029	251	(4,868)	(16,781)	65,022	268,357	744	73,102
NET POSITION AT BEGINNING OF YEAR	6,173,932	16,534,381	455,046	54,869	1,168,123	(597,211)	8,770	(595)	(256,349)	(2,062,394)	2,046,288	(2,925)	1,818,745
PRIOR PERIOD ADJUSTMENTS	<u>(59,542)</u>	<u>(36,278)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u>\$ 9,592,369</u>	<u>\$ 16,917,846</u>	<u>\$ -</u>	<u>\$ 96,552</u>	<u>\$ -</u>	<u>\$ (596,182)</u>	<u>\$ 9,021</u>	<u>\$ (5,463)</u>	<u>\$ (273,130)</u>	<u>\$ (1,997,372)</u>	<u>\$ 2,314,645</u>	<u>\$ (2,181)</u>	<u>\$ 1,891,847</u>

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HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION

Grand Junction, Colorado

COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - Continued YEAR ENDED DECEMBER 31, 2022

	FSS	HOUSING CHOICE VOUCHERS	HOUSING ADVOCATE	TBRA	DOORS 2 SUCCESS	MCPAHON	LINDEN POINTE LLLP	ELIMINATING ENTRY	TOTAL
OPERATING REVENUE									
Dwelling rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 836,663	\$ -	\$ 2,702,786
Operating grants	-	9,027,525	304,540	200,399	43,016	-	-	-	11,177,535
Other operating revenue	8,343	10,454	-	-	110,654	202,389	47,170	(1,377,168)	1,682,260
TOTAL OPERATING REVENUE	8,343	9,037,979	304,540	200,399	153,670	202,389	883,833	(1,377,168)	15,562,581
OPERATING EXPENSES									
Administration	-	1,140,981	170,506	61,714	30,478	12,977	190,423	(724,884)	3,670,764
Tenant services	67,898	-	184,022	38,152	53,089	-	105	-	456,512
Utilities	-	8,029	2,662	409	-	45,439	70,846	-	532,347
Maintenance and operations	-	22,070	2,112	510	-	92,941	198,719	(652,284)	1,237,238
General expenses	-	7,767	-	(960)	-	-	23,488	-	177,042
Insurance	-	49,054	1,726	604	-	-	54,502	-	385,120
Housing assistance payments	-	7,728,579	-	122,098	-	-	-	-	7,954,416
Depreciation	-	20,136	-	-	-	-	208,736	-	1,047,254
TOTAL OPERATING EXPENSES	67,898	8,976,616	361,028	222,527	83,567	151,357	746,819	(1,377,168)	15,460,693
OPERATING (LOSS) INCOME	(59,555)	61,363	(56,488)	(22,128)	70,103	51,032	137,014	-	101,888
NONOPERATING REVENUE (EXPENSE)									
Interest income	-	4,278	-	-	247	-	-	(130,957)	651,185
Miscellaneous	-	-	-	-	-	-	30,665	-	83,707
Gain on sale of capital assets	-	-	-	-	-	-	-	-	2,323,114
Operating transfers in (out)	65,268	(75,788)	70,886	26,694	(35,716)	-	-	-	-
Interest expense	-	-	-	-	-	-	(153,071)	130,957	(341,998)
NET NONOPERATING REVENUE (EXPENSE)	65,268	(71,510)	70,886	26,694	(35,469)	-	(122,406)	-	2,716,008
CHANGE IN NET POSITION	5,713	(10,147)	14,398	4,566	34,634	51,032	14,608	-	2,817,896
NET POSITION AT BEGINNING OF YEAR	2,630	995,992	(28,126)	(88,763)	25,679	50,498	1,822,575	-	28,121,165
PRIOR PERIOD ADJUSTMENTS	-	-	-	-	-	-	-	-	(95,820)
NET POSITION AT END OF YEAR	\$ 8,343	\$ 985,845	\$ (13,728)	\$ (84,197)	\$ 60,313	\$ 101,530	\$ 1,837,183	\$ -	\$ 30,843,241

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	GENERAL ADMINISTRATION	ACQUISITIONS AND DEVELOPMENT	LINCOLN	MONUMENT BUSINESS CENTER	COURTYARD APARTMENTS	CRYSTAL BROOK	EMERGENCY HOUSING VOUCHERS	HOUSING PLUS HEALTH	HOUSING SERVICE COORDINATOR	RATEKIN TOWER	WALNUT PARK	SERVICE COORDINATOR	NELLIE BECHTEL
CASH FLOWS FROM OPERATING ACTIVITIES													
Cash received from tenants/participants	\$ -	\$ -	\$ 27,122	\$ -	\$ 75,057	\$ 372,156	\$ -	\$ -	\$ -	\$ 379,643	\$ 298,960	\$ -	\$ 660,054
Cash received from operating grants	973	-	-	-	-	-	75,609	61,365	-	603,381	497,423	47,854	225,182
Other income received	2,451,161	313	19,061	127,055	25,625	23,331	-	-	-	37,442	45,886	-	13,079
Cash received from (payments for) interprogram services	43,961	(42,907)	(458)	-	(1,930)	1,540	-	-	-	(21,760)	(302)	1,604	(218)
Cash payments to vendors	(962,840)	(129,053)	(117,485)	(6,414)	(226,644)	(184,989)	(22,482)	(60,556)	(4,758)	(715,802)	(514,707)	(18,742)	(471,937)
Cash payments to employees	(1,470,485)	(170,979)	(3)	-	(1,385)	(24,474)	-	(810)	(17,338)	(11,285)	(66,092)	(40,129)	(70,275)
Cash payments for housing assistance	-	-	-	-	-	-	(103,739)	-	-	-	-	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	62,770	(342,626)	(71,763)	120,641	(129,277)	187,564	(50,612)	(1)	(22,096)	271,619	261,168	(9,413)	355,885
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES													
Notes receivable	792,150	162,719	-	-	-	-	-	-	-	-	-	-	-
Acquisition of capital assets	(81,928)	-	-	-	-	-	-	-	-	(5,272)	(22,821)	-	-
Proceeds from sale of capital assets	-	-	1,015,017	-	2,909,984	-	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-	-	253,514	154,070	-	-	-
Principal payments	(94,250)	(12,721)	-	(49,086)	(367,840)	(26,827)	-	-	-	(106,162)	-	-	(110,939)
Interest paid	(38,974)	(9,036)	-	(39,502)	(4,733)	(29,238)	-	-	-	(88,849)	-	-	(134,927)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	576,998	140,962	1,015,017	(88,588)	2,537,411	(56,065)	-	-	253,514	(46,213)	(22,821)	-	(245,866)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES													
Equity transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	2,100	-	(4,703)	-	-	-	-	-	57,591	-	(1,946)
Operating transfers (out) in	3,682,266	-	(1,153,892)	-	(2,562,535)	-	(17,183)	-	-	-	(9,413)	9,413	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	3,682,266	-	(1,151,792)	-	(2,567,238)	-	(17,183)	-	-	-	48,178	9,413	(1,946)
CASH FLOWS FROM INVESTING ACTIVITIES													
Interest received	58,772	137,023	1,040	428	2,098	2,452	251	-	-	218	3,887	-	1,683
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,380,806	(64,641)	(207,498)	32,481	(157,006)	133,951	(67,544)	(1)	231,418	225,624	290,412	-	109,756
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,836,599	301,488	207,498	65,351	157,006	435,598	106,726	1	(247,903)	313,370	574,375	-	261,254
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,217,405	\$ 236,847	\$ -	\$ 97,832	\$ -	\$ 569,549	\$ 39,182	\$ -	\$ (16,485)	\$ 538,994	\$ 864,787	\$ -	\$ 371,010

(Continued on page 39)

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS - Continued
YEAR ENDED DECEMBER 31, 2022

	FSS	HOUSING CHOICE VOUCHERS	HOUSING ADVOCATE	TBRA	DOORS 2 SUCCESS	MCMAHON	LINDEN POINTE LLLP	ELIMINATING ENTRY	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from tenants/participants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 832,044	\$ -	\$ 2,645,036
Cash received from operating grants	-	8,980,619	281,712	148,916	43,016	-	-	-	10,968,050
Other income received	18,343	10,454	-	-	110,654	202,389	47,170	(1,377,168)	1,754,795
Cash received from (payments for) interprogram services	-	-	-	31,135	(86,021)	256	75,100	-	-
Cash payments to vendors	(20,514)	(590,673)	(272,735)	(51,705)	(162,494)	(145,858)	(436,169)	1,377,168	(3,739,389)
Cash payments to employees	(54,755)	(639,969)	(92,834)	(32,942)	-	-	313	-	(2,693,442)
Cash payments for housing assistance	-	(7,728,579)	-	(122,098)	-	-	-	-	(7,954,416)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(56,926)	31,852	(83,857)	(26,694)	(94,845)	56,787	518,458	-	978,634
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Notes receivable	-	-	-	-	-	-	-	407,584	1,362,453
Acquisition of capital assets	-	(114,075)	-	-	-	-	(69,648)	-	(293,744)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	3,925,001
Loan proceeds	-	-	-	-	-	-	2,000,000	(407,584)	2,000,000
Principal payments	-	-	-	-	-	-	(1,519,133)	-	(2,286,958)
Interest paid	-	-	-	-	-	-	(153,071)	-	(498,330)
NET CASH (USED IN) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(114,075)	-	-	-	-	258,148	-	4,208,422
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Equity transfers	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	30,665	-	83,707
Operating transfers in (out)	65,268	(75,788)	70,886	26,694	(35,716)	-	-	-	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	65,268	(75,788)	70,886	26,694	(35,716)	-	30,665	-	83,707
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest received	-	4,278	-	-	247	-	-	-	212,377
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,342	(153,733)	(12,971)	-	(130,314)	56,787	807,271	-	5,483,140
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1	1,049,025	42,971	-	213,047	62,097	347,847	-	5,726,351
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 8,343	\$ 895,292	\$ 30,000	\$ -	\$ 82,733	\$ 118,884	\$ 1,155,118	\$ -	\$ 11,209,491

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HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS - Continued
YEAR ENDED DECEMBER 31, 2022

	GENERAL ADMINISTRATION	ACQUISITIONS AND DEVELOPMENT	LINCOLN	MONUMENT BUSINESS CENTER	COURTYARD APARTMENTS	CRYSTAL BROOK	EMERGENCY HOUSING VOUCHERS	HOUSING PLUS HEALTH	HOUSING SERVICE COORDINATOR	RATEKIN TOWER	WALNUT PARK	SERVICE COORDINATOR	NELLIE BECHTEL
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION													
Cash and investments	\$ 6,172,089	\$ 236,847	\$ -	\$ 67,832	\$ -	\$ 402,831	\$ 7,137	\$ -	\$ (16,485)	\$ 208,263	\$ 736,653	\$ -	\$ 283,997
Cash and investments - restricted	45,316	-	-	30,000	-	166,718	32,045	-	-	330,731	128,134	-	87,013
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	\$ 6,217,405	\$ 236,847	\$ -	\$ 97,832	\$ -	\$ 569,549	\$ 39,182	\$ -	\$ (16,485)	\$ 538,994	\$ 864,787	\$ -	\$ 371,010
RECONCILIATION OF (LOSS) INCOME FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES													
Operating (loss) income	\$ (191,178)	\$ (290,253)	\$ (75,366)	\$ 80,757	\$ (150,292)	\$ 27,815	\$ 17,183	\$ (4,868)	\$ (16,781)	\$ 107,615	\$ 216,292	\$ (8,669)	\$ 208,292
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities													
Depreciation	196,318	-	5,497	37,731	35,348	115,787	-	-	-	177,578	89,258	59	160,806
Prior period adjustments	(59,542)	-	-	-	-	-	-	-	-	-	-	-	-
Changes in assets and liabilities													
Decrease (increase) in assets													
Accounts receivable	62,222	313	8,023	-	8,540	14,405	-	-	-	-	(27,162)	-	-
Due from other governments	-	-	-	-	-	-	(4,060)	-	-	-	-	(1,604)	-
Due from other programs	44,145	-	-	-	-	1,540	-	-	-	-	(302)	-	-
Inventory	486	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	19,616	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities													
Accounts payable - operations	11,262	92	(941)	(166)	(306)	2,441	-	4,634	119	5,528	(901)	(9)	1,960
Accrued expenses	(1,682)	(9,871)	(237)	2,319	(1,486)	25,811	2,176	233	(5,434)	165	(225)	(794)	1,016
Unearned revenue	(18,693)	-	-	-	-	-	-	-	-	-	(16,079)	-	(17,910)
Due to other governments	-	-	-	-	-	-	(65,911)	-	-	-	-	-	-
Due to other programs	(184)	(42,907)	(458)	-	(1,930)	-	-	-	-	(21,760)	-	1,604	(218)
Tenants' security deposits	-	-	(8,281)	-	(19,151)	(235)	-	-	-	2,493	287	-	1,939
Tenants' FSS escrow	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 62,770	\$ (342,626)	\$ (71,763)	\$ 120,641	\$ (129,277)	\$ 187,564	\$ (50,612)	\$ (1)	\$ (22,096)	\$ 271,619	\$ 261,168	\$ (9,413)	\$ 355,885

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HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS - Continued
YEAR ENDED DECEMBER 31, 2022

	FSS	HOUSING CHOICE VOUCHERS	HOUSING ADVOCATE	TBRA	DOORS 2 SUCCESS	MCAHON	LINDEN POINTE LLLP	ELIMINATING ENTRY	TOTAL
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER</u>									
<u>STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET</u>									
<u>POSITION</u>									
Cash and investments	\$ -	\$ 711,004	\$ -	\$ -	\$ 29,919	\$ 118,884	\$ 971,197	\$ -	\$ 9,930,168
Cash and investments - restricted	8,343	184,288	30,000	-	52,814	-	183,921	-	1,279,323
CASH AND CASH EQUIVALENTS PER									
STATEMENT OF NET POSITION	\$ 8,343	\$ 895,292	\$ 30,000	\$ -	\$ 82,733	\$ 118,884	\$ 1,155,118	\$ -	\$ 11,209,491
<u>RECONCILIATION OF (LOSS) INCOME FROM OPERATIONS</u>									
<u>TO NET CASH PROVIDED BY (USED IN) OPERATING</u>									
<u>ACTIVITIES</u>									
Operating (loss) income	\$ (59,555)	\$ 61,363	\$ (56,488)	\$ (22,128)	\$ 70,103	\$ 51,032	\$ 137,014	\$ -	\$ 101,888
Adjustments to reconcile operating (loss) income									
to net cash (used in) provided by operating									
activities									
Depreciation	-	20,136	-	-	-	-	208,736	-	1,047,254
Prior period adjustments	-	-	-	-	-	-	-	-	(59,542)
Changes in assets and liabilities									
(Increase) decrease in assets									
Accounts receivable	-	(3,149)	-	15,389	-	-	(6,363)	-	72,218
Due from other governments	(5,199)	(46,906)	(9,857)	(51,483)	-	-	-	-	(119,109)
Due from other programs	-	-	-	-	-	-	(1,461)	(43,922)	-
Inventory	-	-	-	-	-	-	-	-	486
Prepaid expenses	-	-	-	-	-	-	-	-	19,616
Increase (decrease) in liabilities									
Accounts payable - operations	(24)	(2,728)	26	(14)	374	5,499	1,450	-	28,296
Accrued expenses	(2,148)	4,836	(4,567)	407	-	-	100,777	-	111,296
Unearned revenue	10,000	-	(12,971)	-	(79,301)	-	-	-	(134,954)
Due to other governments	-	-	-	-	-	-	-	-	(65,911)
Due to other programs	-	-	-	31,135	(86,021)	256	76,561	43,922	-
Tenants' security deposits	-	-	-	-	-	-	1,744	-	(21,204)
Tenants' FSS escrow	-	(1,700)	-	-	-	-	-	-	(1,700)
NET CASH (USED IN) PROVIDED BY									
OPERATING ACTIVITIES	\$ (56,926)	\$ 31,852	\$ (83,857)	\$ (26,694)	\$ (94,845)	\$ 56,787	\$ 518,458	\$ -	\$ 978,634

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
DECEMBER 31, 2022

	ARBOR VISTA LLLP	VILLAGE PARK LLLP	THE HIGHLANDS LLLP	THE HIGHLANDS II LLLP	2814 LLLP	TOTAL
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 142,374	\$ 36,538	\$ 42,700	\$ 180,102	\$ 132,177	\$ 533,891
Cash and cash equivalents - restricted	487,588	447,613	273,706	259,038	181,388	1,649,333
Receivables						
Tenants	11,418	2,988	-	-	6,475	20,881
Other	-	-	849	-	-	849
Prepaid expenses	-	-	-	-	786	786
TOTAL CURRENT ASSETS	<u>641,380</u>	<u>487,139</u>	<u>317,255</u>	<u>439,140</u>	<u>320,826</u>	<u>2,205,740</u>
NONCURRENT ASSETS						
Other assets, net of accumulated amortization	29,031	26,494	70,080	98,268	116,563	340,436
Land	1,062,457	720,000	390,335	573,120	580,000	3,325,912
Land improvements	1,834,146	1,267,446	1,425,099	762,147	1,538,417	6,827,255
Buildings and improvements	10,771,424	12,013,357	14,551,290	13,699,803	13,796,645	64,832,519
Equipment	160,557	339,988	284,626	735,463	512,974	2,033,608
Less accumulated depreciation	<u>(7,355,392)</u>	<u>(3,916,172)</u>	<u>(2,625,240)</u>	<u>(1,579,912)</u>	<u>(867,413)</u>	<u>(16,344,129)</u>
TOTAL NONCURRENT ASSETS	<u>6,502,223</u>	<u>10,451,113</u>	<u>14,096,190</u>	<u>14,288,889</u>	<u>15,677,186</u>	<u>61,015,601</u>
TOTAL ASSETS	<u>\$ 7,143,603</u>	<u>\$ 10,938,252</u>	<u>\$ 14,413,445</u>	<u>\$ 14,728,029</u>	<u>\$ 15,998,012</u>	<u>\$ 63,221,341</u>
LIABILITIES AND NET POSITION						
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	\$ 1,365	\$ 33,769	\$ 10,958	\$ 6,022	\$ 7,387	\$ 59,501
Accrued expenses	24,438	155,051	44,634	49,617	199,482	473,222
Tenants' security deposits	59,906	62,119	44,700	50,923	46,901	264,549
Current portion of notes payable	<u>58,435</u>	<u>54,071</u>	<u>23,966</u>	<u>18,755</u>	<u>20,153</u>	<u>175,380</u>
TOTAL CURRENT LIABILITIES	<u>144,144</u>	<u>305,010</u>	<u>124,258</u>	<u>125,317</u>	<u>273,923</u>	<u>972,652</u>
NONCURRENT LIABILITIES						
Developer fee payable	140,026	-	-	244,589	224,912	609,527
Notes payable	4,034,991	3,136,809	2,278,360	3,349,302	3,376,934	16,176,396
Accrued interest payable	<u>2,538,021</u>	<u>598,399</u>	<u>394,801</u>	<u>611,568</u>	<u>149,295</u>	<u>4,292,084</u>
TOTAL NONCURRENT LIABILITIES	<u>6,713,038</u>	<u>3,735,208</u>	<u>2,673,161</u>	<u>4,205,459</u>	<u>3,751,141</u>	<u>21,078,007</u>
TOTAL LIABILITIES	<u>6,857,182</u>	<u>4,040,218</u>	<u>2,797,419</u>	<u>4,330,776</u>	<u>4,025,064</u>	<u>22,050,659</u>
NET POSITION						
Net investment in capital assets	2,379,766	7,233,739	11,723,784	10,822,564	12,163,536	44,323,389
Restricted	427,682	385,494	229,006	208,115	134,487	1,384,784
Unrestricted	<u>(2,521,027)</u>	<u>(721,199)</u>	<u>(336,764)</u>	<u>(633,426)</u>	<u>(325,075)</u>	<u>(4,537,491)</u>
TOTAL NET POSITION	<u>286,421</u>	<u>6,898,034</u>	<u>11,616,026</u>	<u>10,397,253</u>	<u>11,972,948</u>	<u>41,170,682</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 7,143,603</u>	<u>\$ 10,938,252</u>	<u>\$ 14,413,445</u>	<u>\$ 14,728,029</u>	<u>\$ 15,998,012</u>	<u>\$ 63,221,341</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION - COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2022

	ARBOR VISTA LLLP	VILLAGE PARK LLLP	THE HIGHLANDS LLLP	THE HIGHLANDS II LLLP	2814 LLLP	TOTAL
OPERATING REVENUE						
Dwelling rental	\$ 688,248	\$ 697,562	\$ 566,731	\$ 561,265	\$ 534,108	\$ 3,047,914
Other operating revenue	<u>20,079</u>	<u>42,871</u>	<u>37,643</u>	<u>47,657</u>	<u>37,400</u>	<u>185,650</u>
TOTAL OPERATING REVENUE	<u>708,327</u>	<u>740,433</u>	<u>604,374</u>	<u>608,922</u>	<u>571,508</u>	<u>3,233,564</u>
OPERATING EXPENSES						
Administration	172,292	162,703	306,731	310,534	160,966	1,113,226
Tenant services	-	3,654	1,892	817	296	6,659
Utilities	46,826	50,133	69,686	71,742	88,553	326,940
Maintenance and operations	104,810	186,544	66,297	44,428	103,875	505,954
General expenses	7,343	222,023	157	16,098	32,903	278,524
Insurance	34,914	49,310	37,251	37,387	51,211	210,073
Depreciation and amortization	<u>516,822</u>	<u>390,130</u>	<u>471,009</u>	<u>463,082</u>	<u>482,100</u>	<u>2,323,143</u>
TOTAL OPERATING EXPENSES	<u>883,007</u>	<u>1,064,497</u>	<u>953,023</u>	<u>944,088</u>	<u>919,904</u>	<u>4,764,519</u>
OPERATING (LOSS)	<u>(174,680)</u>	<u>(324,064)</u>	<u>(348,649)</u>	<u>(335,166)</u>	<u>(348,396)</u>	<u>(1,530,955)</u>
NONOPERATING REVENUE (EXPENSE)						
Interest income	313	977	658	493	413	2,854
Interest expense	<u>(337,657)</u>	<u>(194,241)</u>	<u>(132,419)</u>	<u>(201,270)</u>	<u>(145,670)</u>	<u>(1,011,257)</u>
NET NONOPERATING (EXPENSE)	<u>(337,344)</u>	<u>(193,264)</u>	<u>(131,761)</u>	<u>(200,777)</u>	<u>(145,257)</u>	<u>(1,008,403)</u>
CHANGE IN NET POSITION	(512,024)	(517,328)	(480,410)	(535,943)	(493,653)	(2,539,358)
NET POSITION AT BEGINNING OF YEAR	<u>798,445</u>	<u>7,415,362</u>	<u>12,096,436</u>	<u>10,933,196</u>	<u>2,041,513</u>	<u>33,284,952</u>
PARTNERSHIP CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,425,088</u>	<u>10,425,088</u>
NET POSITION AT END OF YEAR	<u>\$ 286,421</u>	<u>\$ 6,898,034</u>	<u>\$ 11,616,026</u>	<u>\$ 10,397,253</u>	<u>\$ 11,972,948</u>	<u>\$ 41,170,682</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS - COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2022

	ARBOR VISTA LLLP	VILLAGE PARK LLLP	THE HIGHLANDS LLLP	THE HIGHLANDS II LLLP	2814 LLLP	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from tenants/participants	\$ 682,448	\$ 706,487	\$ 569,060	\$ 560,174	\$ 528,369	\$ 3,046,538
Other income received	20,443	13,030	49,358	47,657	37,400	167,888
Cash payments to vendors	(338,052)	(812,890)	(403,250)	(379,086)	(375,501)	(2,308,779)
Cash payments to employees	(41,529)	-	(75,192)	(81,398)	(42,182)	(240,301)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>323,310</u>	<u>(93,373)</u>	<u>139,976</u>	<u>147,347</u>	<u>148,086</u>	<u>665,346</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Payment of developer fee	(107,532)	(10,251)	-	(288,059)	(795,088)	(1,200,930)
Proceeds from partnership contributions	-	-	-	-	10,425,088	10,425,088
Loan proceeds	-	-	-	-	718,823	718,823
Debt issuance costs	-	-	-	-	(20,255)	(20,255)
Principal payments	(54,150)	(51,305)	(20,341)	(200,240)	(10,341,323)	(10,667,359)
Interest paid	(126,345)	51,906	(124,475)	(71,483)	(86,763)	(357,160)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(288,027)</u>	<u>(9,650)</u>	<u>(144,816)</u>	<u>(559,782)</u>	<u>(99,518)</u>	<u>(1,101,793)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	<u>313</u>	<u>977</u>	<u>658</u>	<u>493</u>	<u>413</u>	<u>2,854</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	35,596	(102,046)	(4,182)	(411,942)	48,981	(433,593)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>594,366</u>	<u>586,197</u>	<u>320,588</u>	<u>851,082</u>	<u>264,584</u>	<u>2,616,817</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 629,962</u>	<u>\$ 484,151</u>	<u>\$ 316,406</u>	<u>\$ 439,140</u>	<u>\$ 313,565</u>	<u>\$ 2,183,224</u>

(Continued on page 45)

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS - COMPONENT UNITS - Continued
YEAR ENDED DECEMBER 31, 2022

	ARBOR VISTA LLLP	VILLAGE PARK LLLP	THE HIGHLANDS LLL	THE HIGHLANDS II LLL	2814 LLL	TOTAL
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF THE STATEMENT OF NET POSITION</u>						
Cash and cash equivalents	\$ 142,374	\$ 36,538	\$ 42,700	\$ 180,102	\$ 132,177	\$ 533,891
Cash and cash equivalents - restricted	<u>487,588</u>	<u>447,613</u>	<u>273,706</u>	<u>259,038</u>	<u>181,388</u>	<u>1,649,333</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	<u>\$ 629,962</u>	<u>\$ 484,151</u>	<u>\$ 316,406</u>	<u>\$ 439,140</u>	<u>\$ 313,565</u>	<u>\$ 2,183,224</u>
<u>RECONCILIATION OF (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>						
Operating (loss)	\$ (174,680)	\$ (324,064)	\$ (348,649)	\$ (335,166)	\$ (348,396)	\$(1,530,955)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	516,822	390,130	471,009	463,082	482,100	2,323,143
Changes in assets and liabilities						
(Increase) decrease in assets						
Accounts receivable	(10,564)	5,235	(849)	-	(6,475)	(12,653)
Prepaid expenses	-	-	-	-	2,039	2,039
(Decrease) increase in liabilities						
Accounts payable - operations	(1,094)	29,601	3,572	(2,322)	(8,245)	21,512
Accrued expenses	(13,849)	(168,124)	-	-	-	(181,973)
Unearned revenue	-	-	-	-	-	-
Due to other programs	1,547	(29,841)	11,562	22,844	26,327	32,439
Tenants' security deposits	<u>5,128</u>	<u>3,690</u>	<u>3,331</u>	<u>(1,091)</u>	<u>736</u>	<u>11,794</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 323,310</u>	<u>\$ (93,373)</u>	<u>\$ 139,976</u>	<u>\$ 147,347</u>	<u>\$ 148,086</u>	<u>\$ 665,346</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
DECEMBER 31, 2022

Reserve for Replacements

In accordance with the provisions of the regulatory agreement, restricted cash is held in trust with CHFA, to be used for replacement of property with the approval of HUD. Under the agreement, the Housing Authority must deposit \$6,291 (\$6,108 prior to August 2022) monthly.

	<u>RATEKIN TOWER APARTMENTS</u>
Balance - December 31, 2021	\$ 135,500
Deposits	74,211
Transfer	-
Interest earned	-
Approved withdrawals	-
Balance - December 31, 2022	<u>\$ 209,711</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
RATEKIN TOWER APARTMENTS
HUD PROJECT NO. EH101-35341/35571
SUPPLEMENTARY INFORMATION REQUIRED BY HUD - Continued
DECEMBER 31, 2022

SURPLUS CASH NOTE

In July 2003, the Housing Authority refinanced the Ratekin debt. Subsequent to the refinance, Ratekin's regulatory agreement does not require a residual receipts reserve. The agreement requires a surplus cash calculation that allows for an Incentive Performance Fee to the Housing Authority's general operating fund with the remaining surplus cash deposited into a restricted surplus cash account. These surplus funds are to be used as follows: 75 percent to make principal and interest payments on the Ratekin 2nd mortgage and 25 percent to the Housing Authority's general operating fund.

SCHEDULE OF CHANGES IN FIXED ASSETS

	BALANCE AT DECEMBER 31, 2021	ADDITIONS	DEDUCTIONS	BALANCE AT DECEMBER 31, 2022
<u>Fixed Assets:</u>				
Land	\$ 485,530	\$ -	\$ -	\$ 485,530
Building	6,327,725	-	-	6,327,725
Land Improvements	13,300	-	-	13,300
Equipment	424,067	5,272	-	429,339
Total	<u>7,250,622</u>	<u>5,272</u>	<u>-</u>	<u>7,255,894</u>
<u>Less Accumulated Depreciation:</u>				
Accumulated Depreciation	(5,884,446)	(177,578)	-	(6,062,024)
<u>Net Book Value:</u>				
TOTAL	<u>\$1,366,176</u>	<u>\$ (172,306)</u>	<u>\$ -</u>	<u>\$1,193,870</u>

Detail of Asset Additions:

Floor Scrubber **\$ 5,272**

Detail of Asset Deductions: NONE

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
Nellie Betchel Apartments
FHA Contract NO. CO990069004
SUPPLEMENTARY INFORMATION REQUIRED BY HUD - Continued
DECEMBER 31, 2022

SCHEDULE OF CHANGES IN FIXED ASSETS

	BALANCE AT DECEMBER 31, 2021	ADDITIONS	TRANSFERS	BALANCE AT DECEMBER 31, 2022
<u>Fixed Assets:</u>				
Land	\$ 290,337	\$ -	\$ -	\$ 290,337
Building	4,754,601	-	791,738	5,546,339
Land Improvements	-	-	423,075	423,075
Equipment	155,392	-	-	155,392
CWIP	<u>1,214,813</u>	<u>-</u>	<u>(1,214,813)</u>	<u>-</u>
Total	<u>6,415,143</u>	<u>-</u>	<u>-</u>	<u>6,415,143</u>
<u>Less Accumulated Depreciation:</u>				
Accumulated Depreciation	<u>(868,644)</u>	<u>(160,806)</u>	<u>-</u>	<u>(1,029,450)</u>
<u>Net Book Value:</u>				
TOTAL	<u>\$5,546,499</u>	<u>\$ (160,806)</u>	<u>\$ -</u>	<u>\$5,385,693</u>

Detail of Asset Additions: NONE

Detail of Asset Deductions: NONE

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HOUSING - FEDERAL HOUSING COMMISSIONER
OFFICE OF MULTIFAMILY HOUSING MANAGEMENT AND OCCUPANCY

**COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS, AND
RESIDUAL RECEIPTS**

PROJECT NAME		FISCAL PERIOD ENDED:	PROJECT NUMBER
Ratekin Tower Apartments		12/31/22	EH101-35341/35571
PART A-COMPUTE SURPLUS CASH			
1 Cash (Accounts 1120,1191)		\$ 220,951	
2 Tenant subsidy vouchers due for period covered by financial statement			
3 Other - Amount due from replacement reserves		-	
(a) Total Cash (Add Lines 1,2, and 3)		\$ 220,951	
4 Accrued mortgage interest payable		\$	
5 Delinquent mortgage principal payments			
6 Delinquent deposits to reserve for replacements			
7 Accounts payable (due within 30 days)		12,929	
8 Loans and notes payable (Due within 30 days)			
9 Deficient Tax Insurance or MIP Escrow deposits			
10 Accrued expenses (not escrowed)		6,613	
11 Prepaid rents (Account 2210)		-	
12 Tenant security deposits liability (Accounts 2191 and 2192)		38,566	
13 Other (Describe)		-	
(b) Less Total Current Obligations (Add Lines 4 through 13)		\$ 58,108	
(c) Surplus Cash (Deficiency)(Line (a) minus Line (b))		\$ 162,843	
PART B - COMPUTE DISTRIBUTIONS TO OWNERS AND REQUIRED DEPOSIT TO RESIDUAL RECEIPTS			
1 Surplus Cash		\$ 162,843	
Ltd Div Proj	2a Annual Distribution Earned During Fiscal Period Covered by the Statement	\$ 29,820	
	2b Distribution Accrued and Unpaid as of the End of the Prior Fiscal Period		
	2c Distributions Paid During Fiscal Period Covered by Statement		
	3 Amount to be Carried on Balance Sheet as Distribution Earned but Unpaid (Line 2a plus 2b minus 2c)	29,820	
4 Amount Available for distribution during next Fiscal Period		\$ -	
5 Deposit Due restricted surplus cash account		\$ 133,023	
75% to make principal and interest payments on Ratekin 2nd mortgage		\$ 99,767	
25% to the Housing Authority's general operating fund		\$ 33,256	
PREPARED BY		REVIEWED BY	
LOAN TECHNICIAN		LOAN SERVICER	
DATE		DATE	

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HOUSING - FEDERAL HOUSING COMMISSIONER
OFFICE OF MULTIFAMILY HOUSING MANAGEMENT AND OCCUPANCY

**COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS, AND
RESIDUAL RECEIPTS**

PROJECT NAME		FISCAL PERIOD ENDED:	PROJECT NUMBER
Nellie Bechtel Apartments		12/31/2022	CO990069004

PART A-COMPUTE SURPLUS CASH				
	1 Cash (Accounts 1120,1191)	\$ 327,090		
	2 Tenant subsidy vouchers due for period covered by financial statement			
	3 Other - Amount due from replacement reserves	-		
(a) Total Cash (Add Lines 1,2, and 3)		\$ 327,090		
Ltd Div Proj	4 Accrued mortgage interest payable	\$		
	5 Delinquent mortgage principal payments			
	6 Delinquent deposits to reserve for replacements			
	7 Accounts payable (due within 30 days)	15,765		
	8 Loans and notes payable (Due within 30 days)			
	9 Deficient Tax Insurance or MIP Escrow deposits			
	10 Accrued expenses (not escrowed)	8,446		
	11 Prepaid rents (Account 2210)	13,440		
	12 Tenant security deposits liability (Accounts 2191 and 2192)	43,093		
	13 Other (Describe)			
	(b) Less Total Current Obligations (Add Lines 4 through 13)			\$ 80,744
	(c) Surplus Cash (Deficiency)(Line (a) minus Line (b))			\$ 246,346

PART B - COMPUTE DISTRIBUTIONS TO OWNERS AND REQUIRED DEPOSIT TO RESIDUAL RECEIPTS			
		1 Surplus Cash	\$ 246,346
Ltd Div Proj	2a	Annual Distribution Earned During Fiscal Period Covered by the Statement	\$ -
	2b	Distribution Accrued and Unpaid as of the End of the Prior Fiscal Period	
	2c	Distributions Paid During Fiscal Period Covered by Statement	
	3	Amount to be Carried on Balance Sheet as Distribution Earned but Unpaid (Line 2a plus 2b minus 2c)	-
		4 Amount Available for distribution during next Fiscal Period	\$ -
		5 Deposit Due restricted surplus cash account	\$ 246,346
		75% to make principal and interest payments	\$ 184,760
		25% to the Housing Authority's general operating fund	\$ 61,587
PREPARED BY		REVIEWED BY	
LOAN TECHNICIAN		LOAN SERVICER	
DATE		DATE	

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

<u>GRANTOR/PASS THROUGH AGENCY/ PROGRAM TITLE AND GRANT NUMBER</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THRU GRANT IDENTIFICATION NUMBER</u>	<u>SUBRECIPIENT PASS-THROUGH EXPENDITURES</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	N/A	-	\$ 8,557,839
Emergency Housing Vouchers	14.871	N/A	-	145,580
Mainstream	14.879	N/A	-	<u>413,515</u>
TOTAL Housing Voucher Cluster				<u>9,116,934</u>
Section 8 Project-Based Cluster				
Section 8 Housing Assistance Payments Program	14.195	N/A	-	225,182
Section 8 New Construction	14.182	N/A	-	<u>1,050,804</u>
TOTAL Section 8 Project Based Cluster				<u>1,275,986</u>
Service Coordinator for Multifamily Housing	14.191	N/A	-	<u>49,458</u>
Family Self-Sufficiency Program Coordinator	14.896	N/A	-	<u>56,171</u>
Colorado Housing and Finance Authority				
Housing Counseling Assistance Program	14.239	CMS-46791	-	<u>148,192</u>
CDBG-Entitlement Grants Cluster				
City of Grand Junction, Colorado				
Community Development Block Grant	14.218	CDBG-2016	-	<u>69,666</u>
Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects	14.155	N/A	-	<u>2,445,839</u>
Housing Finance Agency Risk Sharing Loan	14.188	N/A	-	<u>1,086,976</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				14,249,222
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
477 Cluster				
Mesa County Department of Human Services				
Temporary Assistance for Needy Families	93.558	C177A	-	<u>183,776</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 14,432,998</u>

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
YEAR ENDED DECEMBER 31, 2022

Notes to the Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Grand Junction and is presented on the accrual basis of accounting. The information in this schedule 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* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Summary of Significant Accounting Policies

Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority of the City of Grand Junction has elected not to use the 10 percent minimum indirect cost rate allowed under the Uniform Guidance.

Disclosure of Other Forms of Assistance

The loan listed subsequently is administered by HUD, and the balance of the transactions relating to the program are included in the Authority's basic financial statements. Loans outstanding at the beginning of the period and loans made during the period are included in the federal expenditures presented in the Schedule. The balance of the loan outstanding at December 31, 2022 consisted of:

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Outstanding Balance at December 31, 2022</u>
14.155	Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Projects	\$2,417,586
14.188	Housing Finance Agencies Risk Sharing	\$1,009,067

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado

OTHER REPORTS



**INDEPENDENT AUDITORS' 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**

To the Board of Commissioners
Housing Authority of the City of Grand Junction
Grand Junction, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Housing Authority of the City of Grand Junction ("Housing Authority"), as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report hereon dated August 28, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Housing Authority'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 the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 intended 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 Housing Authority'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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
August 28, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners
Housing Authority of the City of Grand Junction
Grand Junction, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Grand Junction's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of *Housing Authority of the City of Grand Junction's* major federal programs for the year ended December 31, 2022. Housing Authority of the City of Grand Junction'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, Housing Authority of the City of Grand Junction complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Housing Authority of the City of Grand Junction 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 Housing Authority of the City of Grand Junction'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 Housing Authority of the City of Grand Junction'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 Housing Authority of the City of Grand Junction'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 GAAS, *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 Housing Authority of the City of Grand Junction's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Housing Authority of the City of Grand Junction'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 Housing Authority of the City of Grand Junction'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 Housing Authority of the City of Grand Junction'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 Auditors' 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.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
August 28, 2023

HOUSING AUTHORITY OF THE CITY OF GRAND JUNCTION
Grand Junction, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Cluster/Program</u>
14.155	Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Projects
14.182 & 14.195	Section 8 Project Based Voucher Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Section II - Financial Statement Findings - NONE

Section III - Federal Award Findings and Questioned Costs - NONE

Section IV - Prior Year Findings - NONE