

Roosevelt City Housing Authority

**Independent Auditors' Reports,
Management's Discussion and Analysis, and
Supplemental Information**

Year Ended March 31, 2024

Roosevelt City Housing Authority

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Independent Auditors' Report

To the Board of Commissioners of
Roosevelt City Housing Authority
Roosevelt, Utah

Opinion

We have audited the accompanying financial statements of the business type activities of the Roosevelt City Housing Authority (the Authority) as of and for the year ended March 31, 2024 and the statements of net position, changes in fund net position, cash flows, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2024, and the respective changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Board of Commissioners
Roosevelt City Housing Authority

Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the Schedule of Supplementary Information Regarding Pension Liability on pages 28 through 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

FJ & Associates, PLLC

FJ & Associates, PLLC
Kaysville, Utah
September 05, 2024

**Roosevelt City Housing Authority
Management's Discussion and Analysis
Year Ended March 31, 2024**

INTRODUCTION

The Roosevelt City Housing Authority (the Authority) was created under the laws of the state of Utah and certified by the United States Department of Housing and Urban Development (HUD). The purpose of the Authority is to administer programs in the Roosevelt, Utah area under the Housing Act of 1937, as amended. The Federal Government subsidizes these programs by direct awards through HUD and pass through awards through other state and local government agencies. The Authority is governed by a five-member board of commissioners, which is appointed by the mayor of Roosevelt City. The Board, in turn, elects a chairperson and employs an Executive Director to administer the affairs of the Authority.

The Authority presents this discussion and analysis of its financial performance during the fiscal year ended March 31, 2024 (FY2024), to assist the reader in focusing on significant financial issues and concerns. This discussion and analysis is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

The Authority's FY2024 annual financial report consists of two parts – the management's discussion and analysis, and the basic financial statements (which include notes to those financial statements).

The basic financial statements provide information about the Authority's overall financial position and results of operations. These statements, which are presented on the accrual basis, consist of the Statement of Net Position, the Statement of Revenue, Expenses and Changes in Fund Net Position and the Statement of Cash Flows. The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the basic financial statements.

The primary focus of the Authority's financial statements is on a single business-type activity that combines all programs administered by the Authority. This discussion and analysis is focused on the primary activities of the Authority.

FINANCIAL HIGHLIGHTS

Under GASB Statement No. 34, the Authority's single business-type activity financial statements for FY2024 report on all of the Authority's assets, liabilities, revenues, expenses, and net position under the programs it administers. A summary of the current-year results in comparison with the prior year results follows:

- Net position of the Authority increased \$33,866, as of March 31, 2024, from the prior year.
- Operating revenues of the Authority increased by \$89,698 from prior year results.
- Operating expenses of the Authority increased by \$71,435 from prior year results.
- The increase in cash and cash equivalents for the year was \$72,809.

**Roosevelt City Housing Authority
Management's Discussion and Analysis (continued)
Year Ended March 31, 2024**

AUTHORITY FINANCIAL STATEMENTS

The Authority is presenting its FY2024 discussion and analysis based on the financial results of its enterprise programs in three basic financial statements – the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Fund Net Position; and the Statement of Cash Flows. The Statement of Net Position reports all financial and capital assets of the Authority and is presented in a format where assets equal liabilities plus net position. Net position is broken down into the following three categories:

- *Net investment in capital assets* consists of all capital assets net of accumulated depreciation, reduced by the outstanding balances of mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- *Restricted net position* consists of assets that are restricted by constraints placed on the asset by external parties, such as creditors, grantors, contributors, laws, or regulations reduced by liabilities payable from such assets.
- *Unrestricted net position* consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

The Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an income statement) includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenues and expenses, such as investment income and interest expense. The Statement's focus is the change in net position, which is similar to net income or loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by or used for operating activities, capital and related financing activities, and investing activities.

These financial statements utilize the economic resources measurement focus and the full accrual basis of accounting. They report the Authority's net position and changes in net position in full compliance with GASB Statement No. 34. Under the full accrual basis of accounting, revenues are recognized in the period they are earned and expenses in the period they are incurred.

The entity-wide presentation represents two different programs and activities. These programs are financed by federal grants from HUD, rents, and other user charges resulting from operations of subsidized housing, by management fees, and by investment income and loan proceeds. In FY2024, the following programs make up the Authority's single business-type activities financial statements:

- *Section 8 Housing Choice Vouchers* – This program is funded by HUD and is a subsidy program for low- and moderate-income families seeking housing in the private rental market.
- *Business Activities* – This program is funded by management fees and rental income from low and moderate income families seeking housing owned by the Authority.

Roosevelt City Housing Authority
Management's Discussion and Analysis (continued)
Year Ended March 31, 2024

Net Position

The Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior year financial statements.

	03/31/2024	03/31/2023	Total Change
Current assets	\$ 219,008	\$ 146,199	\$ 72,809
Capital assets, net of depreciation	99,535	103,093	(3,558)
Total assets	318,543	249,292	69,251
Deferred outflows of resources	16,616	11,134	5,482
Total assets and deferred outflows of resources	335,159	260,426	74,733
Current liabilities	44,089	5,047	39,042
Non-current liabilities	34,070	32,269	1,801
Total liabilities	78,159	37,316	40,843
Deferred inflows of resources	55	30	25
Total liabilities and deferred inflows of resources	78,214	37,346	40,868
Net position:			
Net investment in capital assets	74,715	76,326	(1,611)
Restricted net position	22,267	4,263	18,004
Unrestricted net position	159,963	142,491	17,472
Total net position	256,945	223,080	33,865
Total liabilities, deferred inflows of resources, and net position	\$ 335,159	\$ 260,426	\$ 74,733

The Authority's total assets at March 31, 2024 were \$318,543, an increase of \$69,251 from March 31, 2023.

Current Assets

Current assets increased by \$72,809 as of March 31, 2024 compared with March 31, 2023. The increase is primarily related to an increase in unrestricted cash from positive operating cash flows during the year.

Liabilities

Total liabilities increased \$40,843 from the prior year. The increase is primarily due to deferred revenue for April 2024 received in March of 2024.

**Roosevelt City Housing Authority
Management's Discussion and Analysis (continued)
Year Ended March 31, 2024**

Net Position

The Authority's net position increased by \$33,865 during FY2024. At March 31, 2024, net investment in capital assets comprises about 11% of the Authority's total assets, while these assets carry related current and long-term debt of \$24,820, which is about 32% of its total liabilities. However, the amount of net investment in capital assets is about 14% of total net position.

The Authority's net position also consists of restricted and unrestricted net position. Restricted current assets include \$25,367 in restricted cash less liabilities of \$3,100, for tenants' security deposits, resulting in restricted net position of \$22,267. Unrestricted net position includes cash in the bank, receivables, and other assets less all other liabilities not previously applied.

Revenues, Expenses, and Changes in Net Position

The results of operations for the Authority are presented below:

**Roosevelt City Housing Authority
Management's Discussion and Analysis (continued)
Year Ended March 31, 2024**

Roosevelt City Housing Authority
Statement of Revenue, Expenses, and Changes in Fund Net Position

	<u>03/31/2024</u>	<u>03/31/2023</u>	<u>Total Change</u>
Operating revenues:			
Dwelling rentals	\$ 27,070	\$ 24,514	\$ 2,556
HUD PHA operating grants	515,615	428,154	87,461
Other government grants	25	138	(113)
Management fees	33,700	35,698	(1,998)
Other revenue	10,139	8,347	1,792
Total operating revenues	<u>586,549</u>	<u>496,851</u>	<u>89,698</u>
Operating expenses:			
Administrative	133,679	101,611	32,068
Utilities	3,169	3,273	(104)
General	7,302	5,247	2,055
Housing assistance payments	407,299	370,573	36,726
Depreciation	3,558	3,553	5
Total operating expenses	<u>555,692</u>	<u>484,257</u>	<u>71,435</u>
Operating income/(loss)	<u>30,857</u>	<u>12,594</u>	<u>18,263</u>
Non-operating revenues/(expenses):			
Interest income	3,009	1,870	1,139
Non-operating revenues/(expenses)	<u>3,009</u>	<u>1,870</u>	<u>1,139</u>
Change in net position	33,866	14,464	19,402
Net change in net position	<u>\$ 33,866</u>	<u>\$ 14,464</u>	<u>\$ 19,402</u>

Operating revenues of the Authority's activities are generated principally from HUD-PHA operating grants. In FY2024, the Authority's operating revenues totaled \$586,549. Of this total, \$515,615 is from HUD-PHA operating grants. Operating expenses total \$555,692, of which \$407,299 was for housing assistance payments.

The change in net position for the year ended March 31, 2024 was \$33,866 compared with a change of \$14,464 for the year ended March 31, 2023.

CAPITAL ASSETS

The Authority's net capital assets as of March 31, 2024 include: land, buildings, and furniture and equipment, that totaled \$99,535, most of which comprises land and buildings that provide homes for low to moderate income families to rent. Net capital assets decreased \$3,558 from the preceding year, due to depreciation expense.

Roosevelt City Housing Authority
Management's Discussion and Analysis (continued)
Year Ended March 31, 2024

	03/31/2024	03/31/2023	Change
Land	\$ 20,793	\$ 20,793	\$ -
Buildings	159,890	159,890	-
Furniture and equipment	6,924	6,924	-
Total capital assets	187,607	187,607	-
Accumulated depreciation	(88,072)	(84,514)	(3,558)
Total	<u>\$ 99,535</u>	<u>\$ 103,093</u>	<u>\$ (3,558)</u>

MORTGAGES PAYABLE

The Authority's mortgage payable as of March 31, 2024 includes a note payable with the Utah State Division of Finance for \$24,820. Of this total, \$22,873 is considered long-term and \$1,947 is considered short-term at year end. Mortgages payable decreased \$1,947 from the preceding year due to principal payments made throughout the year.

Loan	Balance 03/31/2023	Additions	Payments	Balance 03/31/2024
State of Utah	\$ 26,767	\$ -	\$ (1,947)	24,820
Total Long-Term Debt	<u>\$ 26,767</u>	<u>\$ -</u>	<u>\$ (1,947)</u>	24,820
Current portion				(1,947)
Net long-term debt				<u>\$ 22,873</u>

AFFILIATE AGREEMENTS

The Authority has included as discretely presented component units, the activity for Crown at Kings Peak LLC and Crown at Cottonwood, LLC. These entities are shown as discretely presented component units because the Authority is financially accountable for them; though, the Authority has a very small ownership in each of the entities.

CONTACTING AUTHORITY MANAGEMENT

This financial report is designed to provide a general overview of the Authority's accountability for all those interested. Questions concerning this report or requests for additional financial information should be directed to the Executive Director, Roosevelt City Housing Authority, 192 South 100 East, Roosevelt, UT 84066.

Roosevelt City Housing Authority
Statement of Net Position
March 31, 2024

Assets and Deferred Outflows of Resources

	Roosevelt City Housing Authority	Discretely Presented Component Units (Unaudited)
Current Assets:		
Cash-unrestricted	\$ 193,641	\$ 53,874
Cash- restricted	22,267	81,441
Tenants' security deposits	3,100	15,174
Total current assets	219,008	150,489
Capital Assets:		
Land	20,793	193,000
Buildings	159,890	1,060,699
Furniture and equipment	6,924	49,091
Total capital assets	187,607	1,302,790
Less: Accumulated depreciation	(88,072)	(370,766)
Net capital assets	99,535	932,024
Financing costs, net of amortization	-	4,438
Deferred outflows of resources	16,616	-
Total assets and deferred outflows of resources	\$ 335,159	\$ 1,086,951

See accompanying notes to financial statements

Roosevelt City Housing Authority
Statement of Net Position (continued)
March 31, 2024

Liabilities, Deferred Inflows of Resources, and Net Position

	Roosevelt City Housing Authority	Discretely Presented Component Units (Unaudited)
Current Liabilities:		
Notes payable, current portion	\$ 1,947	\$ 5,564
Accrued interest	-	11,595
Unearned revenue	39,042	-
Insurance payable	-	1,949
Tenants security deposits	3,100	12,382
Total current liabilities	44,089	31,490
Non-current liabilities:		
Notes payable, less current portion	22,873	429,197
Pension liability	11,197	-
Total non-current liabilities	34,070	429,197
Deferred inflows of resources	55	-
Total liabilities and deferred inflows of resources	78,214	460,687
Net Position:		
Net investment in capital assets	74,715	522,323
Restricted	22,267	26,986
Unrestricted	159,963	76,955
Total net position	256,945	626,264
Total liabilities, deferred inflows of resources, and net position	\$ 335,159	\$ 1,086,951

**Roosevelt City Housing Authority
Statement of Revenues, Expenses
and Changes in Fund Net Position
Year Ended March 31, 2024**

	Roosevelt City Housing Authority	Discretely Presented Component Units (Unaudited)
Operating revenues:		
HUD operating grants	\$ 515,615	\$ -
Rental revenue	27,070	65,892
Management fees	33,700	-
Other government grants	25	-
Other revenue	10,139	-
Total revenues	<u>586,549</u>	<u>65,892</u>
Operating expenses:		
Administrative	133,679	17,699
Utilities	3,169	-
Taxes	-	17,509
General	7,302	-
Housing assistance payments	407,299	-
Amortization	-	251
Depreciation	3,558	37,143
Total expenses	<u>555,692</u>	<u>72,602</u>
Operating income (loss)	<u>30,857</u>	<u>(6,710)</u>
Non-operating income (expense)		
Interest income	3,009	-
Interest expense	-	(14,107)
Total non-operating income (expense)	<u>3,009</u>	<u>(14,107)</u>
Change in net position	33,866	(20,817)
Net position at beginning of year	223,079	647,081
Net position at end of year	<u><u>\$ 256,945</u></u>	<u><u>\$ 626,264</u></u>

See accompanying notes to financial statements

Roosevelt City Housing Authority
Statement of Cash Flows
Year Ended March 31, 2024

Cash flows from operating activities:

HUD PHA operating grants	\$ 554,657
Rent revenue	27,070
Other operating revenues	39,206
Total receipts	<u>620,933</u>

Administrative	125,934
Utilities	3,169
General	7,302
Housing assistance payments	407,299
Other expenses	5,482
Total disbursements	<u>549,186</u>

Net cash provided by (used in) operating activities	<u>71,747</u>
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Cash flows from investing activities:

Interest earned	3,009
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Net cash provided by (used in) investing activities	<u>3,009</u>
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Cash flows from capital financing activities:

Principal payments on notes payable	(1,947)
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Net cash provided by (used in) capital financing activities	<u>(1,947)</u>
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Net increase (decrease) in cash and equivalents	72,809
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Cash, restricted cash, and equivalents at beginning of year	143,099
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Cash, restricted cash, and equivalents at end of year	<u>\$ 215,908</u>
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See accompanying notes to financial statements

**Roosevelt City Housing Authority
Statement of Cash Flows (continued)
Year Ended March 31, 2024**

**Reconciliation of change in net operating income (loss) to net cash
provided by (used in) operating activities:**

Change in net operating income (loss)	\$ 30,857
Adjustments to reconcile change in net operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	3,558
Decrease (increase) in operating assets and deferred outflows:	
Increase in deferred outflows	(5,483)
Increase (decrease) in operating liabilities and deferred inflows:	
Decrease in pension liability	3,748
Increase in deferred inflows	25
Unearned revenue	39,042
Net cash provided by (used in) operating activities	<u>\$ 71,747</u>

See accompanying notes to financial statements

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

1. Summary of Significant Accounting Policies

Organization and History

The Roosevelt City Housing Authority (the Authority) was established by Roosevelt City and is certified by the U.S. Department of Housing and Urban Development (HUD). The purpose of the Authority is to administer programs under the Housing Act of 1937, as amended. The Section 8 Vouchers program is subsidized by the Federal Government through HUD.

Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity - Omnibus", which describe those entities that are considered component units for financial reporting purposes. The Authority is not considered a component unit of Roosevelt City (the City), or any other government entity under the criteria of GASB Statement No. 14, as amended by GASB Statements No. 39 and No. 61, since the City exercises no oversight responsibility either financially or administratively over the Authority.

The below are considered component units of the Authority which have been included in the Authority's basic financial statements (statements of net position and revenue, expenses and changes in fund net position) as discretely presented component units in accordance with GASB Statement No. 14, as amended by GASB Statements No. 39, 61, 80, and 90. They are considered component units of the Authority because the Authority can significantly influence the programs, project activities and level of service performed by the projects. The Authority owns 0.01% of each of the component units.

Discretely Presented Component Units

- Crown at Kings Peak, LLC
- Crown at Cottonwood, LLC

Basis of Presentation

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Authority, the accounts are maintained in accordance with the principles of fund accounting. The Authority participates in HUD programs on an enterprise fund basis. All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes and neither fiduciary funds nor component units that are fiduciary in nature are included. The financial statement presentation provides an indication of the financial performance of the Authority as a whole. In addition, the Authority adopts the budget that has been approved by its Board.

The GASB issued Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments.*" This statement, known as the "Reporting Model" statement, affects the way the Authority prepares and presents financial information. GASB Statement No. 34 established requirements and a reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

1. Summary of Significant Accounting Policies (continued)

Management's Discussion and Analysis – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports and is included as required supplementary information.

Statement of Cash Flows – The direct method is required by GASB Statement No. 34.

Statement of Net Position –The Statement of Net Position is designed to display the financial position of the primary government (business-type activities). Governments report all capital assets in the government-wide Statement of Net Position and report depreciation expense – the cost of "using up" capital assets – in the Statement of Activities and Changes in Net Position. There is no infrastructure. The net position of the Authority will be broken down into three categories – 1) net investment in capital assets, 2) restricted net position, and 3) unrestricted net position.

Basis of Accounting

The Authority's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred. Revenues that have been received but not earned before the fiscal year end are recorded as unearned revenues.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are intergovernmental revenues. Operating expenses include administration, maintenance, insurance, depreciation, utilities, and housing assistance payments. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. This includes interest income and interest expense amounts, not discussed above.

Capital Assets

Property and equipment are recorded at cost and depreciated using the straight-line method of depreciation over the estimated useful lives of the assets, as shown below. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. Maintenance and repairs, including the replacement of minor items, are expensed as incurred, and major additions to buildings, furnishings, and equipment are capitalized. The capitalization threshold used for property and equipment is \$2,000. Construction in progress commences depreciation when the construction is complete and related assets placed in service. The Authority follows a capitalization policy in accordance with GAAP.

<u>Major Groupings</u>	<u>Useful Lives (years)</u>
Buildings	40
Furniture and Equipment	5-7

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

1. Summary of Significant Accounting Policies (continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates that may change in the near-term are fair values of long-lived assets and impairment losses, if any.

Taxes

The Authority is a quasi-governmental agency chartered under the State of Utah and the Department of Housing and Urban Development (HUD) laws, and as such, is exempt from federal income taxes and other state and local taxes.

Impairment of Long-Lived Assets

The Authority periodically reviews the carrying amount of property, plant and equipment and its identifiable intangible assets to determine whether current events or circumstances warrant adjustments to such carrying amounts. If an impairment adjustment is deemed necessary, such loss is measured by the amount that the carrying value of such assets exceeds the fair value. Considerable management judgment is necessary to estimate the fair value of assets; accordingly, actual results could vary significantly from such estimates. Management believes it has considered all potential items of impairment related to long-lived assets and has recorded any such impairment accordingly. There was no impairment of long-lived assets in the year ended March 31, 2024.

Revenue Recognition

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Authority and the tenants of the property are operating leases. Housing Assistance Payments are recognized when earned from HUD as services under the HUD contract are rendered to recipients.

Use of Restricted/Unrestricted Assets

When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the Authority's policy is to apply restricted assets first.

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

1. Summary of Significant Accounting Policies (continued)

Recently Issued Codification Updates

The Authority has reviewed all recently issued GASB updates for the year ended March 31, 2024, and has determined that none of the recently issued updates will have a material effect on the fair presentation of these financial statements.

Cash and Cash Equivalents

The Authority considers all highly liquid debt and equity instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents at March 31, 2024 consist of cash on hand, demand deposits, and savings deposits.

2. Economic Dependency

A substantial amount of the revenues received by the Authority, during the year ended March 31, 2024, came from U.S. Department of Housing and Urban Development. Programs operated by the Authority depend on continued funding by the U.S. Government.

3. Summary of Changes in Capital Assets

A summary of changes in capital assets for the year ended March 31, 2024 is as follows:

	Balance				Balance
	03/31/2023	Additions	Retirements	Transfers	03/31/2024
Land	\$ 20,793	\$ -	\$ -	\$ -	\$ 20,793
Buildings	159,890	-	-	-	159,890
Furniture and equipment	6,924	-	-	-	6,924
Total Capital Assets	<u>\$ 187,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,607</u>
Accumulated Depreciation	<u>\$ (84,514)</u>	<u>\$ (3,558)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (88,072)</u>
Net Capital Assets					<u><u>\$ 99,535</u></u>

4. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Various insurance policies have been purchased to cover the risks described above. The insurance policies require minimal deductible amounts which the Authority pays in the event of any loss. The Authority also has purchased a workers' compensation policy. Settled claims resulting from losses have not exceeded commercial insurance coverage in any of the past three fiscal years.

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

4. Risk Management (continued)

The Authority's customers are primarily low-income rental tenants in the Roosevelt area that may be affected by changing economic conditions. Management believes that its credit review procedures and tenant deposits have adequately provided for usual and customary credit-related losses. The Authority's policy for charging off tenant receivables is to consider write-down of receivables extending beyond 120 days after significant collection efforts have been made or when the financial condition of tenants warrant charge-off. Tenant receivables are determined to be past due after 30 days regardless of whether partial payments have been received.

5. Inter-program Eliminations

The Authority has inter-program management fees in the amount of \$3,344 that have been eliminated on the financial statements.

6. Mortgages Payable

Note 1

The mortgage payable is due to the Utah State Division of Finance in the original amount of \$63,862. The note bears no interest with monthly payments of \$162. The note is collateralized by land and a building. The note is due January 2037.

Loan	Balance 03/31/2023	Additions	Payments	Balance 03/31/2024
State of Utah	\$ 26,767	\$ -	\$ 1,947	\$ 24,820
Total Long-Term Debt	<u>\$ 26,767</u>	<u>\$ -</u>	<u>\$ 1,947</u>	24,820
Current portion				(1,947)
Net long-term debt				<u><u>\$ 22,873</u></u>

Future maturities of long-term debt are as follows:

Year Ending March 31,	
2025	\$ 1,947
2026	1,947
2027	1,947
2028	1,947
2029-2033	9,735
2034-2037	7,297
Total future maturities	<u><u>\$ 24,820</u></u>

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

6. Mortgages Payable (continued)

As is customary in the low-income housing industry, interest rates on loans used to finance the purchase of low-income housing are, in some cases, substantially below usual prevailing market rates in other industries and many loans bear interest rate subsidies and longer terms than what is customary. As a result, debt discounts based on the future value of the cumulative difference between actual interest rates and prevailing market rates for this industry have not been recorded on the Authority's financial statements as the difference between actual interest rates and interest rates that are customary in the industry are not considered material. Management is of the opinion that recording substantial debt discounts based on differences from prevailing rates in other industries would make the financial statements misleading.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. As of March 31, 2024, the Authority has deferred outflows of resources of \$16,616.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. As of March 31, 2024, the Authority has deferred inflows of resources of \$55.

8. General Information about the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems comprise the following Pension Trust Funds:

Defined Benefit Plans

- **Public Employees Noncontributory Retirement System (Noncontributory System);** is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

8. General Information about the Pension Plan (continued)

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average	Years of service required and/or age eligible for benefit	Benefit % per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%

**Actuarial reductions are applied*

*** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.*

Contribution Rate Summary

As a condition of participation in Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contribution rates as of March 31, 2024 are as follows:

<u>Utah Retirement Systems</u>	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
111 Local Government Div Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	17.97%	N/A
Tier 3 DC Only			
211 Local Government	N/A	6.19%	10.00%

****Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.*

For fiscal year ended March 31, 2024, the employer and employee contributions to the Systems were as follows:

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

8. General Information about the Pension Plan (continued)

System	Employee Contributions	Employer Contributions
Noncontributory System	\$ 6,145	N/A
Tier 2 Public Employees System	\$ 3,996	N/A
Total Contributions	\$ 10,141	\$ -

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At March 31, 2024, we reported a net pension asset of \$0 and a net pension liability of \$11,197.

(Measurement Date): December 31, 2023

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Change (Decrease)
Noncontributory System	\$ -	\$ 10,257	0.0044220%	0.0043493%	0.0000727%
Tier 2 Public Employees System	\$ -	\$ 940	0.0048270%	0.0000000%	0.0048270%
Total Net Pension Asset/Liability	<u>\$ -</u>	<u>\$ 11,197</u>			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended March 31, 2024 we recognized pension expense of \$8,431.

At March 31, 2024 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

8. General Information about the Pension Plan (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,483	\$ 15
Changes in assumptions	\$ 3,616	\$ 1
Net difference between projected and actual earnings on pension plan investments	\$ 3,442	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 77	\$ 39
Contributions subsequent to the measurement date	\$ 1,998	\$ -
Total	\$ 16,616	\$ 55

\$1,998 was reported as deferred outflows of resources related to pensions and results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 4,589
2025	\$ 4,336
2026	\$ 6,476
2027	\$ (1,340)
2028	\$ 88
Thereafter	\$ 415

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended March 31, 2024, we recognized pension expense of \$ 7,215.

At March 31, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

8. General Information about the Pension Plan (continued)

	Deferred	Deferred
Differences between expected and actual experience	\$ 7,182	\$ -
Changes in assumptions	\$ 3,078	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 3,336	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 47	\$ 39
Contributions subsequent to the measurement date	\$ -	\$ -
Total	<u>\$ 13,643</u>	<u>\$ 39</u>

\$ 0 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 4,512
2025	\$ 4,222
2026	\$ 6,271
2027	\$ (1,401)
2028	\$ -
Thereafter	\$ -

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended March 31, 2024, we recognized pension expense of \$ 1,216.

At March 31, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

8. General Information about the Pension Plan (continued)

	Deferred	Deferred
Differences between expected and actual experience	\$ 301	\$ 15
Changes in assumptions	\$ 538	\$ 1
Net difference between projected and actual earnings on pension plan investments	\$ 106	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 31	\$ -
Contributions subsequent to the measurement date	\$ 1,998	\$ -
Total	<u>\$ 2,974</u>	<u>\$ 16</u>

\$ 1,998 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but

subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as

deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 77
2025	\$ 114
2026	\$ 205
2027	\$ 60
2028	\$ 88
Thereafter	\$ 415

Actuarial assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25- 9.25 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

8. General Information about the Pension Plan (continued)

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	35%	6.87%	2.40%
Debt securities	20%	1.54%	0.31%
Real assets	18%	5.43%	0.98%
Private equity	12%	9.90%	1.18%
Absolute return	15%	3.86%	0.58%
Cash and cash equivalents	0%	24.00%	0.00%
Totals	100%		5.45%
		Inflation	2.50%
		Expected arithmetic nominal return	7.95%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current active and inactive employees. Therefore, the long-term

Roosevelt City Housing Authority
Notes to the financial statements
Year Ended March 31, 2024

8. General Information about the Pension Plan (continued)

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 53,234	\$ 10,257	\$ (25,733)
Tier 2 Public Employees System	\$ 3,228	\$ 940	\$ (835)
Total	\$ 56,462	\$ 11,197	\$ (26,568)

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

9. Subsequent Events

The Authority has evaluated subsequent events and transactions for potential recognition or disclosure through September 05, 2024, which is the date the financial statements were available to be issued, and determined there are no events to disclose.

**Required
Supplemental Information**

Roosevelt City Housing Authority
Schedule of the Proportionate Share of the Net Pension Liability
Year Ended March 31, 2024
Last 10 Fiscal Years*

	As of fiscal	Proportion of	Proportionate		Proportionate share	Plan fiduciary
	year ended	the net pension	share of the	Covered	of the net pension	net position as
	March 31,	liability (asset)	net pension	payroll	liability (asset) as a	a percentage
			liability		percentage of its	of the total
					covered-employee	pension liability
					payroll	
Noncontributory	2018	0.0041158%	\$ 26,427	\$ 38,041	69.47%	87.3%
System	2019	0.0040985%	\$ 17,956	\$ 38,041	47.20%	91.9%
	2020	0.0040309%	\$ 16,694	\$ 39,150	42.92%	92.8%
	2021	0.0040947%	\$ 15,432	\$ 39,943	38.64%	93.7%
	2022	0.0042694%	\$ (24,451)	\$ 43,492	-56.22%	108.7%
	2023	0.0043493%	\$ 7,449	\$ 47,056	15.83%	97.5%
	2024	0.0044220%	\$ 10,257	\$ 46,664	21.98%	96.9%

*In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI. This schedule will need to be built prospectively. The schedule above is only for the most recent 5 years. Prior numbers are available from your prior year note disclosure.

**Roosevelt City Housing Authority
Schedule of Contributions
Year Ended March 31, 2024
Last 10 Fiscal Years***

	As of fiscal year ended March 31,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory	2016	\$ 6,914	\$ 6,914	\$ -	\$ 38,041	18.17%
System	2017	\$ 7,026	\$ 7,026	\$ -	\$ 38,041	18.47%
	2018	\$ 1,171	\$ 1,171	\$ -	\$ 6,340	18.47%
	2019	\$ 7,026	\$ 7,026	\$ -	\$ 38,041	18.47%
	2020	\$ 7,377	\$ 7,377	\$ -	\$ 39,943	18.47%
	2021	\$ 7,774	\$ 7,774	\$ -	\$ 42,088	18.47%
	2022	\$ 8,230	\$ 8,230	\$ -	\$ 44,561	18.47%
	2023	\$ 8,642	\$ 8,642	\$ -	\$ 47,762	18.09%
	2024	\$ 6,145	\$ 6,145	\$ -	\$ 34,194	17.97%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

**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**

Board of Commissioners
Roosevelt City Housing Authority
Roosevelt, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Roosevelt City Housing Authority (the Authority), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 05, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 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.

Board of Commissioners
Roosevelt City Housing Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



FJ & Associates, PLLC
Kaysville, Utah
September 05, 2024

**Roosevelt City Housing Authority
Schedule of Findings and Questioned Costs
Year Ended March 31, 2024**

Section II – Financial Statement Findings and Questioned Costs

No matters are reported for the fiscal year ended March 31, 2024.

Section III – Federal Award Findings and Questioned Costs

No matters are reported for the fiscal year ended March 31, 2024.

**Roosevelt City Housing Authority
Schedule of Findings and Questioned Costs – Prior Year
Year Ended March 31, 2024**

Section II – Financial Statement Findings and Questioned Costs

No matters are reported for the fiscal year ended March 31, 2023.

Section III – Federal Award Findings and Questioned Costs

No matters are reported for the fiscal year ended March 31, 2023.

**INDEPENDENT AUDITOR'S REPORT AS REQUIRED BY THE STATE COMPLIANCE
AUDIT GUIDE ON: COMPLIANCE WITH GENERAL STATE COMPLIANCE
REQUIREMENTS AND ON INTERNAL CONTROL OVER COMPLIANCE**

Board of Commissioners
Roosevelt City Housing Authority
Roosevelt, Utah

Report on Compliance with General State Compliance Requirements

We have audited the Roosevelt City Housing Authority's (the Authority) compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the Authority for the year ended March 31, 2024.

General state compliance requirements were tested for the year ended March 31, 2024 in the following areas:

- Cash Management
- Budgetary Compliance
- Open and Public Meetings Act
- Treasurer's Bond
- Special and Local Service District Board Members
- General Compliance Requirements
- Utah Retirement Systems

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Authority occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on General State Compliance Requirements

In our opinion, the Roosevelt City Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Authority for the year ended March 31, 2024.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the compliance requirements that could have a direct and material effect on the Authority to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.



FJ & Associates, PLLC
Kaysville, Utah
September 05, 2024