

Housing Authority of the City of Brighton

**Financial Statements and Supplementary Information
with
Independent Auditor's Reports**


Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Housing Authority of the City of Brighton
Brighton, Colorado

Opinions

We have audited the accompanying financial statements of the business-type activities as of December 31, 2020 and 2019 and for the years then ended and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Blue Mountain Water District, as of December 31, 2020 and 2019 and for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue Mountain Water District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Blue Mountain Water District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Brighton'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 Housing Authority of the City of Brighton's ability to continue as a going concern for a reasonable period of time.

Other-Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

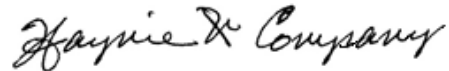
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Housing Authority of the City of Brighton's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and as also not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2021, on our consideration of the Authority's internal control over financial reporting and 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 Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado
October 5, 2021

Housing Authority of the City of Brighton
Statement of Net Position
December 31, 2020

	Type Activities	Discretely Presented Component Units	
		Southern & Main I LLC	Southern & Main II LLC
Assets			
Current Assets:			
Cash and cash equivalents	\$ 1,851,073	\$ 140,989	\$ 195,355
Restricted cash	535,684	35,197	223,202
Accounts receivable, net:			
Tenants	26,668	39	706
Other	324,667	9,552	7,183
Taxes and insurance escrow	38,997	20,095	22,024
Prepaid expenses	-	34,462	40,648
Notes receivable - tenants	390	-	-
Other assets	-	3,915	64,141
Total Current Assets	<u>2,777,479</u>	<u>244,249</u>	<u>553,259</u>
Noncurrent Assets:			
Note receivable	2,399,000	-	-
Capital assets, net	<u>11,101,281</u>	<u>2,196,147</u>	<u>10,159,707</u>
Total noncurrent assets	<u>13,500,281</u>	<u>2,196,147</u>	<u>10,159,707</u>
Total Assets	<u>\$16,277,760</u>	<u>\$ 2,440,396</u>	<u>\$10,712,966</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 382,609	\$ 18,524	\$ 100,214
Accrued wages and compensated absences	24,540	-	-
Security deposits	73,587	23,124	19,141
Current portion of long-term debt	<u>198,802</u>	<u>65,603</u>	<u>37,081</u>
Total current liabilities	<u>679,538</u>	<u>107,251</u>	<u>156,436</u>
Long-Term Liabilities:			
Mortgages payable	10,439,009	1,679,320	2,023,648
Compensated absences	<u>82,157</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>10,521,166</u>	<u>1,679,320</u>	<u>2,023,648</u>
Total Liabilities	<u>11,200,704</u>	<u>1,786,571</u>	<u>2,180,084</u>
Deferred Inflows of Resources			
Unearned revenues	<u>87,543</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>87,543</u>	<u>-</u>	<u>-</u>
Net Position			
Net investment in capital assets	(686,530)	516,827	8,136,059
Restricted	574,681	55,292	245,226
Unrestricted	<u>5,101,362</u>	<u>81,706</u>	<u>151,597</u>
Total Net Position	<u>\$ 4,989,513</u>	<u>\$ 653,825</u>	<u>\$ 8,532,882</u>

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

Housing Authority of the City of Brighton
Statement of Activities
For the Year Ended December 31, 2020

	Business-Type Activities	Discretely Presented Component Units	
		Southern & Main I LLC	Southern & Main II LLC
Operating Revenues:			
Rental income	\$ 1,787,974	\$ 566,603	\$ 550,752
Other revenues	2,884,048	127,531	28,563
Total Operating Revenues	<u>4,672,022</u>	<u>694,134</u>	<u>579,315</u>
Operating Expenses:			
Administrative	1,205,126	99,929	86,105
Utilities	177,667	38,364	31,265
Repairs and maintenance	381,408	88,709	61,596
General expenses	556,042	130,264	232,972
Depreciation	331,138	415,539	481,566
Total Operating Expenses	<u>2,651,381</u>	<u>772,805</u>	<u>893,504</u>
Operating Income (Loss)	<u>2,020,641</u>	<u>(78,671)</u>	<u>(314,189)</u>
Non-Operating Revenues (Expenses):			
HUD contribution	2,593,507	-	-
Housing assistance payments	(2,964,100)	-	-
HAP portability	(42,850)	-	-
Capital grants	547,994	-	-
Debt forgiveness	994,104	-	-
Interest revenues	467	-	137
Non-operating fees	(1,076,890)	-	-
Interest expense	(415,727)	(111,421)	(105,970)
Net non-operating revenues (expenses)	<u>(363,495)</u>	<u>(111,421)</u>	<u>(105,833)</u>
Transfers in (out)			
Equity transfers	-	-	-
Total transfers in (out)	-	-	-
Change in net position	1,657,146	(190,092)	(420,022)
Net position, beginning of year	<u>3,332,367</u>	<u>843,917</u>	<u>8,952,904</u>
Net position, end of year	<u>\$ 4,989,513</u>	<u>\$ 653,825</u>	<u>\$8,532,882</u>

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton
Statement of Cash Flows
For the Year Ended December 31, 2020

	Business-Type Activities
Cash Flows from Operating Activities:	
Cash received from customers	\$ 4,516,615
Cash paid to suppliers for goods and services	(1,095,453)
Cash paid to employees	(1,195,515)
Net Cash From Operating Activities	2,225,647
Cash Flows from Capital and Related Financing Activities:	
Capital grants	(317,420)
Capital asset additions	75,000
Debt proceeds	-
Debt principal paid	(1,077,493)
Interest paid	(415,727)
Other revenues	-
Net Cash From Capital and Related Financing Activities	(1,735,640)
Cash Flows from Investing Activities:	
Interest received	467
Notes receivable issued	(415,033)
Principal received	-
Net Cash From Investing Activities	(414,566)
Net Change in Cash and Cash Equivalents	75,441
Cash and Cash Equivalents—beginning of year	2,311,316
Cash and Cash Equivalents—end of year	\$ 2,386,757
Reconciliation of Net Operating Income to Net Cash From Operating Activities:	
Operating income (loss)	\$ 2,020,641
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	331,138
Loss on disposal of assets	-
Changes in assets and liabilities:	
Accounts receivable	(226,453)
Prepaid expenses	5,998
Accounts payable	(11,837)
Deferred revenues	87,543
Deposits held	(16,497)
Other liabilities	35,114
Total Adjustments	205,006
Net Cash From Operating Activities	\$ 2,225,647
Non-cash transactions	
None	

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

Housing Authority of the City of Brighton

Notes to Financial Statements

December 31, 2020

1. Organization

Reporting Entity

Housing Authority of the City of Brighton (the Authority) was established to provide affordable housing in Brighton, Colorado. The Authority has entered into annual contracts with the U.S. Department of Housing and Urban Development (HUD) to be the administrator of Section 8 Housing Assistance and HUD Rental Assistance Demonstration (RAD) programs. The entity is a public corporation fiscally independent and governed by the Board of Commissioners.

The Authority has four component units (RAD, Hughes Station, Southern & Main I LLC, and Southern & Main II LLC) in accordance with GASBS No. 14, as modified by GASBS No. 61 and GASBS No. 80. RAD and Hughes Station qualify as blended component units and are blended into the primary government's financial statements in a manner similar to a department or activity of the primary government. Southern & Main I LLC and Southern & Main II LLC qualify as discretely presented component units and are presented as separate columns in the financial statements to emphasize that they are legally separate from the Authority.

2. Summary of Significant Accounting Policies

The accounting policies of the the Authority conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the Authority as a whole. The reporting information includes all of the non-fiduciary activities of the Authority. The effect of inter-fund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the Authority. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Authority had no governmental or fiduciary activities.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Authority. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings result from non-exchange transactions or ancillary activities.

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant agreements, the Authority funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the programs. It is the Authority's policy to first apply cost- reimbursement grant resources to such programs and then general revenues.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

The Authority reports one major proprietary fund consisting of the following programs:

The *Section 8 Vouchers Program* accounts for the financial activities of the Authority's housing choice voucher program.

The *Development Program* accounts for the acquisition and development of affordable housing utilizing various revenue sources.

The *RAD Program Fund* is a blended component unit of the Authority, in accordance with Governmental Accounting Standards and HUD guidance. The RAD Program Fund accounts for HUD Rental Assistance Demonstration (RAD) program activities.

The *Hughes Station Fund* is a blended component unit of the Authority, in accordance with Governmental Accounting Standards and HUD guidance. The Hughes Station Fund accounts for the Hughes Station rental program activities.

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

The Authority also reports the following discretely presented component units:

Southern & Main I LLC entered into a limited partnership with Transamerica Life Insurance Company (subsequently transferred to Garnet LIHTC Fund XXXII, LLC) and Transamerica Affordable Housing, Inc. to form HC Brighton Senior I LP, which operates a 60 unit project.

Southern & Main II LLC entered into a limited partnership with Garnet LIHTC Fund XX, LLC and Transamerica Affordable Housing, Inc. (both subsequently transferred to Garnet LIHTC Fund XLVII, LLC) to form HC Brighton Senior II LP, which operates a 63 unit project.

Assets, Liabilities and Fund Equity

Cash, cash equivalents, and investments - Cash equivalents include investments with original maturities of three months or less. Investments are reported at fair value.

For the purposes of the statement of cash flows, the Authority considers cash and cash equivalents to be all cash on hand, cash on demand deposit and highly liquid investments with a maturity of three months or less when purchased.

HUD requires Authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital assets - Capital assets, which include sites, site improvements, buildings and improvements, transportation, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives:

<u>Asset type</u>	<u>Years</u>
Buildings and improvements	15-40
Equipment	5-15

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

If proprietary fund assets are constructed, interest is capitalized on the assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Compensated absences - It is the Authority's policy to permit employees to accumulate a limited amount of earned but unused sick pay benefits, which will be paid to employees upon separation from Authority. All compensated absence liabilities are accrued when incurred in the government-wide financial statements.

Deferred revenues - Deferred revenues include grants for which the Authority has received funding but allowable expenditures have not yet been incurred.

Long-term obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities.

Net position/Fund equity - Net position in the government-wide financial statements are classified as invested in capital assets, net of related debt, and unrestricted.

Revenues and Expenditures/Expenses

Revenues and expenses - Revenues and expenses of proprietary funds are recognized in essentially the same manner as in commercial accounting. Proprietary funds distinguish operating revenues and expenses from non-operating activities. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with the principal ongoing operation. The Authority does not consider grant receipts as operating revenue.

3. Cash and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. The PDPA specifies eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance ("FDIC") on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value equal to at least 102 percent of the uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

3. Cash and Investments (continued)

The Authority is governed by the deposit and investment limitations of state law. The deposits and investments held at December 31, 2020, and reported at fair value, are as follows:

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Deposits:		
Demand deposits	\$ 2,386,757	\$ 352,542
Cash held by fiscal agents	<u>38,997</u>	<u>284,320</u>
Total deposits	<u>\$ 2,425,754</u>	<u>\$ 636,862</u>

Reconciliation to Statement of Net Position

Current:	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Cash and cash equivalents	\$ 1,851,073	\$ 336,344
Restricted cash	535,684	258,399
Taxes and insurance escrows	<u>38,997</u>	<u>42,119</u>
Total cash and equivalents	<u>\$ 2,425,754</u>	<u>\$ 636,862</u>

Custodial Credit Risk

In the case of deposits, custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Deposits in five financial institutions, reported as cash and cash equivalents had bank balances of \$2,960,297 and carrying balances of \$2,739,299 at December 31, 2020. At December 31, 2020, the Authority had \$1,468,808 exceeding FDIC coverage at a single institution. That amount was protected under the PDPA as described above.

4. Restricted Cash

The tenant lease agreement requires a security deposit equal to \$50 or the total tenant payment, whichever is greater; HUD regulations require that these funds be held in trust in a separate bank account. Cash is also restricted for replacement reserves and other debt requirements. Cash is restricted as follows:

Section 8 Vouchers	\$ 52,227
Development Program	17,025
RAD program	58,183
Hughes Station	408,249
Discretely presented component units	<u>258,399</u>
	<u>\$ 794,083</u>

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

5. Capital Assets

The following table presents the capital asset activity of the primary government for the year ended December 31, 2020:

	Balance January 1, 2020	Additions	Deletions/ Transfers	Balance December 31, 2020
Capital assets, not being depreciated:				
Land	\$ 1,556,341	\$ -	\$ (73,556)	\$ 1,482,785
Construction in progress	<u>201,710</u>	<u>10,539</u>	<u>-</u>	<u>212,249</u>
Total capital assets, not being depreciated	<u>1,758,051</u>	<u>10,539</u>	<u>(73,556)</u>	<u>1,695,034</u>
Capital assets, being depreciated:				
Land improvements	20,726	-	-	20,726
Buildings and improvements	11,787,342	516,279	(943,329)	11,360,292
Furnishings	<u>38,377</u>	<u>-</u>	<u>(11,420)</u>	<u>26,957</u>
Total capital assets, being depreciated	<u>11,846,445</u>	<u>516,279</u>	<u>(954,749)</u>	<u>11,407,975</u>
Less accumulated depreciation for:				
Land improvements	(19,601)	(1,126)	-	(20,727)
Buildings and improvements	(1,693,741)	(329,512)	144,708	(1,878,545)
Furnishings	<u>(37,877)</u>	<u>(500)</u>	<u>10,921</u>	<u>(27,456)</u>
Total accumulated depreciation	<u>(1,751,219)</u>	<u>(331,138)</u>	<u>155,629</u>	<u>(1,926,728)</u>
Net capital assets, being depreciated	<u>10,095,226</u>	<u>185,141</u>	<u>(799,120)</u>	<u>9,481,247</u>
Total capital assets, net	<u>\$ 11,853,277</u>	<u>\$ 195,680</u>	<u>\$ (872,676)</u>	<u>\$ 11,176,281</u>

Depreciation was charged to functions/programs as follows:

 Business-type activities:

 Affordable housing

\$ 331,138

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

5. Capital Assets (continued)

The following table presents the capital asset activity of the discretely presented component units for the year ended December 31, 2020:

	Balance January 1, 2020	Additions	Deletions/ Transfers	Balance December 31, 2020
Capital assets, not being depreciated:				
Land	\$ 1,527,000	\$ -	\$ -	\$ 1,527,000
Construction in progress	<u>156,356</u>	<u>-</u>	<u>(156,356)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,683,356</u>	<u>-</u>	<u>(156,356)</u>	<u>1,527,000</u>
Capital assets, being depreciated:				
Land improvements	1,882,341	-	-	1,882,341
Buildings and improvements	14,994,102	414,548	(372,798)	15,035,852
Equipment	<u>1,796,986</u>	<u>-</u>	<u>-</u>	<u>1,796,986</u>
Total capital assets, being depreciated	<u>18,673,429</u>	<u>414,548</u>	<u>(372,798)</u>	<u>18,715,179</u>
Less accumulated depreciation for:				
Land improvements	(1,030,168)	(125,490)	-	(1,155,658)
Buildings and improvements	(4,963,568)	(563,501)	126,666	(5,400,403)
Equipment	<u>(1,122,150)</u>	<u>(208,114)</u>	<u>-</u>	<u>(1,330,264)</u>
Total accumulated depreciation	<u>(7,115,886)</u>	<u>(897,105)</u>	<u>126,666</u>	<u>(7,886,325)</u>
Net capital assets, being depreciated	<u>11,557,543</u>	<u>(482,557)</u>	<u>(246,132)</u>	<u>10,828,854</u>
Total capital assets, net	<u>\$ 13,240,899</u>	<u>\$ (482,557)</u>	<u>\$ (402,488)</u>	<u>\$ 12,355,854</u>

Depreciation was charged to functions/programs as follows:

 Business-type activities:

 Affordable housing

\$ 897,105

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

6. Defined Contribution Pension Plan

The Authority contributes to a single-employer defined contribution money purchase plan established by the City of Brighton. The contribution requirements of the Plan are established by and may be amended by the Brighton City Council. The Authority is required to contribute nine percent of each participant's covered salary to the Plan, and employees must contribute nine percent of covered salaries. During the year ended December 31, 2020, the Authority and employees contributed \$129,505, equal to the required contributions.

7. Long-Term Obligations

The following is a summary of long-term obligation transactions of the primary government for the year ended December 31, 2020:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Current Portion
HOME program	\$ 214,269	\$ -	\$ (1,260)	\$ 213,009	\$ 1,260
TBK Development Mortgage	2,257,080	-	(842,678)	1,414,402	46,133
MJT Properties - Water Work	75,000	-	(75,000)	-	-
HOME Loan RAD	400,000	-	-	400,000	-
TBK Promissory Note	554,676	-	(11,597)	543,079	11,537
Mile High - Hughes Station	2,099,896	-	(29,130)	2,070,766	2,070,766
Assumed loans - Hughes Station	<u>6,114,383</u>	<u>-</u>	<u>(117,828)</u>	<u>5,996,555</u>	<u>1,218,881</u>
Mortgages payable	11,715,304	-	(1,077,493)	10,637,811	3,348,577
Compensated absences	<u>71,583</u>	<u>42,927</u>	<u>(32,353)</u>	<u>82,157</u>	<u>32,353</u>
	<u>\$11,786,887</u>	<u>\$ 42,927</u>	<u>\$ (1,109,846)</u>	<u>\$ 10,719,968</u>	<u>\$ 3,380,930</u>

Mortgages Payable – Primary Government

The Authority has a loan payable under the HOME program through Adams County which is non-interest bearing, due in installments of \$105 through March 2024. A balloon payment is due in April 2024. The loan is secured by three duplexes.

The Authority has a loan under the Home Investment Partnerships Program (HOME) through Adams County. The loan is non-interest bearing and is deferred until either there is a change in occupancy resulting in a ten percent of greater increase in cash flow over 2012. A reevaluation will occur every five years until the note is paid in full or a loan repayment has begun. The last reevaluation was in 2017. If the loan becomes due, it is the intent of Adams County to commit HOME funds for repayment of the loan in the form of a low-interest loan, with an interest rate not to exceed 3.00% per annum. The loan is secured by real property at 227 North 7th Street.

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

7. Long-Term Obligations (continued)

In 2017, the Authority secured a 20-year note payable to TBK Bank for \$2,340,500 due in monthly installments of \$11,252, including interest at 4.00% per annum, through November 2037. A balloon payment of \$1,115,935 is due in December 2037. The mortgage is secured with the property at 234 N.10th Avenue.

In 2017, the Authority secured a \$75,000 loan from MJT Properties, Inc. secured by Sorrento subdivision property and easements. The note is due in full on May 17, 2022. The loan is interest free unless paid late.

In 2017, the Authority secured a \$2,150,000 loan, secured by Hughes Station. The loan is due in monthly installments of \$12,890, including interest at 6% per annum, through December 2021. A balloon payment of unpaid principal is due in December 2021.

In December of 2017, the Authority assumed five loans totaling \$7,789,180 as part of the Hughes Station purchase agreement. One \$526,339 loan was assumed with monthly payments at \$18,029 including interest at 5.6% per annum, through June 2021, and balloon payment of \$501,267 due in November 2021. One loan was assumed at \$5,212,841 with monthly payments of \$27,447 including interest at 3% per annum, through November 2048. One interfund loan was assumed at \$1,150,000 (see Note 8). The remaining loans were two no-interest loans totaling \$900,000, including a \$300,000 note that was paid in full in 2018.

In 2018, the Authority secured a 20-year note payable to TBK Bank for \$569,196 due in monthly installments of \$2,687, including interest at 3.85% per annum, through July 2038. A balloon payment of \$269,227 is due in July 2018. The mortgage is secured with the property located on East Jessup Street.

The following is a summary of the debt service requirements of the Authority to maturity, including balloon payments as scheduled:

For the year ended December 31,	Primary Government Mortgages payable	
	Principal	Interest
2021	\$ 3,348,577	\$ 399,363
2022	178,143	249,286
2023	184,155	243,292
2024	398,054	237,363
2025	195,542	230,646
2026-2030	1,082,109	1,049,831
2031-2035	1,680,203	850,537
2036-2040	1,748,526	474,522
2041-2045	1,100,292	194,288
2046-2048	722,210	32,960
	\$ 10,637,811	\$ 3,962,088

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

7. Long-Term Obligations (continued)

Total interest expense paid in 2020 was \$415,727, none of which was capitalized.

The following is a summary of long-term obligation transactions of the discretely presented component units for the year ended December 31, 2020:

	Balance			Balance	
	January 1,	Additions	Retirements	December 31,	Current
	2020			2020	Portion
CHFA SMART Loan	\$ 1,382,867	\$ -	\$ (44,266)	\$ 1,338,601	\$ 47,200
CHFA HOF Loan	424,093	-	(17,771)	406,322	18,403
CHFA Permanent Loan	<u>2,095,970</u>	<u>-</u>	<u>(35,241)</u>	<u>2,060,729</u>	<u>37,081</u>
Mortgages payable	<u>\$ 3,902,930</u>	<u>\$ -</u>	<u>\$ (97,278)</u>	<u>\$ 3,805,652</u>	<u>\$ 102,684</u>

Mortgages Payable – Discretely Presented Component Units

Southern & Main I LLC has a SMART loan payable to Colorado Housing and Finance Authority, requiring monthly payments of \$11,514, including interest at 6.89%. The loan matures July 2027 and is secured by a deed of trust on the building.

Southern & Main I LLC holds a HOF loan to Colorado Housing and Finance Authority, requiring monthly payments of \$2,694, including interest at 3.5%. The loan matures July 2027 and is secured by a deed of trust on the building.

Southern & Main II LLC entered into a loan with Colorado Housing and Finance Authority, with a fixed interest rate of 5.10%, requiring monthly payments of principal and interest of \$11,777. The loan matures in September 2047 and is secured by a first deed of trust on the building, among other things.

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

7. Long-Term Obligations (continued)

The following is a summary of the debt service requirements of the discretely presented component units to maturity, including balloon payments as scheduled:

For the year ended December 31,	Discretely presented component units	
	Mortgages payable	
	Principal	Interest
2021	\$ 102,684	\$ 209,132
2022	108,631	203,185
2023	114,942	196,874
2024	121,638	190,178
2025	128,745	183,071
2026-2030	766,644	792,435
2031-2035	1,020,696	535,689
2036-2040	636,553	272,480
2041-2045	569,492	137,103
2046-2047	235,627	11,195
	\$ 3,805,652	\$ 2,945,985

Total interest expense paid in 2020 was \$217,391, none of which was capitalized.

8. Interfund Loan

DOH/ Adams Home Loan – Related Party Note

The DOH/ Adams Home Loan was originally payable by Hughes Station to the non-profit organization Almost Home, Inc. in the original amount of \$1,150,000 dated September 1, 2002. The position of borrower was assumed by the Hughes Station and the position of lender was assumed by the Authority on December 28, 2017. No principal payments have been made on this note. Annual interest payments at 1% per annum are due 30 days after the end of each year to the extent of Excess Cash Flow, as defined in the loan agreement. The note matures on December 31, 2032 and is secured by a deed of trust.

9. 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; natural disasters; job related illnesses and injuries of employees for which the Authority carries commercial insurance. There have been no significant reductions in insurance coverage from those carried in the prior year, and the amount of settlements has not exceeded insurance coverage for any of the past three fiscal years.

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2020

10. Significant Commitments and Contingencies

Claims and Judgments

The Authority participates in a number of federal programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the granter government. As of December 31, 2020, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Authority.

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The Amendment contains tax, spending, revenue and debt limitations that apply to the State of Colorado, all local governments and special districts.

The Authority considers itself to be an enterprise as defined by TABOR, thus being exempt from the provisions of the Amendment

Housing Authority of the City of Brighton

Supplementary Information

Housing Authority of the City of Brighton
Combining Schedule of Program Net Position
December 31, 2020

	Section 8 Vouchers	Development Program	Blended Component Units		Totals
			RAD	Hughes Station	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 294,531	\$ 1,353,383	\$ 99,524	\$ 103,635	\$ 1,851,073
Restricted cash	52,227	17,025	58,183	408,249	535,684
Accounts receivable, net:					
Tenants	1,035	2,606	3,483	19,544	26,668
Other	-	51,177	-	273,490	324,667
Taxes and insurance escrow	-	-	-	38,997	38,997
Prepaid expenses	-	-	-	-	0
Notes receivable - tenants	390	-	-	-	390
Total Current Assets	348,183	1,424,191	161,190	843,915	2,777,479
Noncurrent Assets:					
Notes receivable	-	2,399,000	-	-	2,399,000
Capital assets, net	-	1,244,168	1,256,344	8,600,769	11,101,281
Total noncurrent assets	-	3,643,168	1,256,344	8,600,769	13,500,281
Total Assets	\$ 348,183	\$ 5,067,359	\$1,417,534	\$9,444,684	\$16,277,760
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 41,448	\$ 265,490	\$ 11,998	\$ 63,673	\$ 382,609
Accrued wages and compensated absences	9,129	14,555	856	-	24,540
Security deposits	-	17,025	10,193	46,369	73,587
Current portion of long-term debt	-	46,133	10,723	141,946	198,802
Total current liabilities	50,577	343,203	33,770	251,988	679,538
Long-Term Liabilities:					
Mortgages payable	-	1,581,278	932,356	7,925,375	10,439,009
Interfund due to (from)	-	(1,150,000)	-	1,150,000	-
Compensated absences	-	77,593	4,564	-	82,157
Total long-term liabilities	-	508,871	936,920	9,075,375	10,521,166
Total Liabilities	50,577	852,074	970,690	9,327,363	11,200,704
Deferred Inflows of Resources					
Unearned revenues	87,543	-	-	-	87,543
Total deferred inflows of resources	87,543	-	-	-	87,543
Net Position					
Net investment in capital assets	-	(383,243)	313,265	(616,552)	(686,530)
Restricted	52,227	17,025	58,183	447,246	574,681
Unrestricted	157,836	4,581,503	75,396	286,627	5,101,362
Total Net Position	\$ 210,063	\$ 4,215,285	\$ 446,844	\$ 117,321	\$ 4,989,513

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

Housing Authority of the City of Brighton
Combining Schedule of Statements of Activities
For the Year Ended December 31, 2020

	Section 8 Vouchers	Development Program	Blended Component Units		Totals
			RAD	Hughes Station	
Operating Revenues:					
Rental income	\$ -	\$ 360,452	\$ 130,298	\$ 1,297,224	\$ 1,787,974
Other revenues	710,639	2,106,094	7,085	60,230	2,884,048
Total Operating Revenues	<u>710,639</u>	<u>2,466,546</u>	<u>137,383</u>	<u>1,357,454</u>	<u>4,672,022</u>
Operating Expenses:					
Administrative	171,248	711,336	54,489	268,053	1,205,126
Utilities	170	23,796	7,639	146,062	177,667
Repairs and maintenance	-	52,834	6,883	321,691	381,408
General expenses	16,525	316,999	36,371	186,147	556,042
Depreciation	-	63,343	71,027	196,768	331,138
Total Operating Expenses	<u>187,943</u>	<u>1,168,308</u>	<u>176,409</u>	<u>1,118,721</u>	<u>2,651,381</u>
Operating Income	<u>522,696</u>	<u>1,298,238</u>	<u>(39,026)</u>	<u>238,733</u>	<u>2,020,641</u>
Non-Operating Revenues (Expenses):					
HUD contribution	2,593,507	-	-	-	2,593,507
Housing assistance payments	(2,964,100)	-	-	-	(2,964,100)
HAP portability	(42,850)	-	-	-	(42,850)
Capital grants	-	489,178	-	58,816	547,994
Gain (Loss) on real property	-	929,032	-	65,072	994,104
Interest revenues	50	169	-	248	467
Non-operating fees	-	(1,076,890)	-	-	(1,076,890)
Interest expense	-	(92,804)	(20,646)	(302,277)	(415,727)
Net non-operating revenues (expenses)	<u>(413,393)</u>	<u>248,685</u>	<u>(20,646)</u>	<u>(178,141)</u>	<u>(363,495)</u>
Transfers in (out)					
Equity transfers	-	-	-	-	-
Total transfers in (out)	-	-	-	-	-
Change in net position	109,303	1,546,923	(59,672)	60,592	1,657,146
Net position, beginning of year	<u>100,760</u>	<u>2,668,362</u>	<u>506,516</u>	<u>56,729</u>	<u>3,332,367</u>
Net position, end of year	<u>\$ 210,063</u>	<u>\$4,215,285</u>	<u>\$ 446,844</u>	<u>\$ 117,321</u>	<u>\$ 4,989,513</u>

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton
Combining Statement of Cash Flows
For the Year Ended December 31, 2020

	Section 8 Vouchers	Development Program	Blended Component Units		Totals
			RAD	Hughes Station	
Cash Flows from Operating Activities:					
Cash received from customers	\$817,290	\$2,471,446	\$ 165,006	\$1,062,873	\$4,516,615
Cash paid to suppliers for goods and services	(140,749)	(225,280)	(64,196)	(665,228)	(1,095,453)
Cash paid to employees	(67,304)	(828,618)	(37,057)	(262,536)	(1,195,515)
Net Cash From Operating Activities	<u>609,237</u>	<u>1,417,548</u>	<u>63,753</u>	<u>135,109</u>	<u>2,225,647</u>
Cash Flows from Capital and Related Financing Activities:					
Capital grants, net	(413,443)	37,207	-	58,816	(317,420)
Capital asset - sale	-	75,000	-	-	75,000
Debt proceeds	-	-	-	-	-
Debt principal paid	-	(918,938)	(11,597)	(146,958)	(1,077,493)
Interest paid	-	(92,804)	(20,646)	(302,277)	(415,727)
Other revenues	-	-	-	-	-
Net Cash From Capital and Related Financing Activities	<u>(413,443)</u>	<u>(899,535)</u>	<u>(32,243)</u>	<u>(390,419)</u>	<u>(1,735,640)</u>
Cash Flows from Investing Activities:					
Interest received	50	169	-	248	467
Notes receivable received (issued)	4,567	(419,600)	-	-	(415,033)
Equity transfers	-	-	-	-	-
Net Cash From Investing Activities	<u>4,617</u>	<u>(419,431)</u>	<u>-</u>	<u>248</u>	<u>(414,566)</u>
Net Change in Cash and Cash Equivalents	200,411	98,582	31,510	(255,062)	75,441
Cash and Cash Equivalents—beginning of year	146,347	1,271,826	126,197	766,946	2,311,316
Cash and Cash Equivalents—end of year	<u>\$346,758</u>	<u>\$1,370,408</u>	<u>\$ 157,707</u>	<u>\$ 511,884</u>	<u>\$2,386,757</u>
Reconciliation of Net Operating Income to Net Cash From Operating Activities:					
Operating income (loss)	<u>\$522,696</u>	<u>\$1,298,238</u>	<u>\$ (39,026)</u>	<u>\$ 238,733</u>	<u>\$2,020,641</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	-	63,343	71,027	196,768	331,138
Loss on asset disposal	-	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	19,108	9,084	28,223	(282,868)	(226,453)
Prepaid expenses	176	5,756	66	-	5,998
Accounts payable	(29,415)	24,746	(1,357)	(5,811)	(11,837)
Deferred revenues	87,543	-	-	-	87,543
Deposits held	-	(4,184)	(600)	(11,713)	(16,497)
Other liabilities	9,129	20,565	5,420	-	35,114
Total Adjustments	<u>86,541</u>	<u>119,310</u>	<u>102,779</u>	<u>(103,624)</u>	<u>205,006</u>
Net Cash From Operating Activities	<u>\$609,237</u>	<u>\$1,417,548</u>	<u>\$ 63,753</u>	<u>\$ 135,109</u>	<u>\$2,225,647</u>
Non-cash transactions					
None					

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

Housing Authority of the City of Brighton

Financial Data Schedule

For the Year Ended December 31, 2020

		Housing Choice Vouchers 14.871	Business Activites	Blended Component Unit - RAD	Blended Component Unit - Hughes Station	Totals
Assets:						
Current assets:						
Cash:						
111	Cash - unrestricted	\$ 294,531	\$1,353,383	\$ 99,524	\$ 103,635	\$ 1,851,073
113	Cash - other restricted	52,227	-	47,990	384,252	484,469
114	Cash - tenant security deposits	-	17,025	10,193	62,994	90,212
100	Total Cash	<u>346,758</u>	<u>1,370,408</u>	<u>157,707</u>	<u>550,881</u>	<u>2,425,754</u>
Accounts and notes receivable:						
122	Accounts receivable - HUD other	-	-	-	-	0
125	Accounts receivable - misc	-	51,177	-	273,490	324,667
126	Accounts receivable - tenants	1,035	2,606	3,483	19,544	26,668
127	Notes and mortgages receivable - current	390	-	-	-	390
120	Total accounts and notes receivable	<u>1,425</u>	<u>53,783</u>	<u>3,483</u>	<u>293,034</u>	<u>351,725</u>
Other current assets:						
142	Prepaid expenses	-	-	-	-	-
150	Total current assets	<u>348,183</u>	<u>1,424,191</u>	<u>161,190</u>	<u>843,915</u>	<u>2,777,479</u>
Noncurrent assets:						
Capital assets:						
161	Land	-	365,250	29,276	1,033,985	1,428,511
162	Buildings	-	1,608,279	1,623,149	8,128,864	11,360,292
163	Furniture, equipment & machinery - dwellings	-	24,717	2,240	-	26,957
164	Furniture, equipment & machinery - admin	-	-	-	-	-
166	Accumulated depreciation	-	(966,327)	(398,321)	(562,080)	(1,926,728)
167	Construction in progress	-	212,249	-	-	212,249
160	Total capital assets, net	<u>-</u>	<u>1,244,168</u>	<u>1,256,344</u>	<u>8,600,769</u>	<u>11,101,281</u>
171-040	Notes and mortgages receivable	-	3,549,000	-	-	3,549,000
170	Total notes and mortgages receivable	<u>-</u>	<u>3,549,000</u>	<u>-</u>	<u>-</u>	<u>3,549,000</u>
190	Total assets	<u>\$ 348,183</u>	<u>\$6,217,359</u>	<u>\$1,417,534</u>	<u>\$9,444,684</u>	<u>\$17,427,760</u>
Liabilities and net position:						
Current liabilities:						
312	Accounts payable <90 days	\$ 41,448	\$ 265,490	\$ 11,649	\$ 29,391	\$ 347,978
321	Accrued wages and payroll taxes	9,129	5,934	349	-	15,412
322	Accrued compensated absences - current	-	8,621	856	-	9,477
325	Accrued interest payable	-	-	-	34,282	34,282
341	Tenant security deposits	-	17,025	10,193	46,369	73,587
342	Deferred revenue	87,543	-	-	-	87,543
343-020	Capital projects/mortgage revenue	-	46,133	10,723	141,946	198,802
310	Total current liabilities	<u>138,120</u>	<u>343,203</u>	<u>33,770</u>	<u>251,988</u>	<u>767,081</u>
Noncurrent liabilities:						
351	Long-Term debt	-	1,581,278	932,356	9,075,375	11,589,009
354	Accrued compensated absences - noncurrent	-	77,593	4,564	-	82,157
350	Total noncurrent liabilities	<u>-</u>	<u>1,658,871</u>	<u>936,920</u>	<u>9,075,375</u>	<u>11,671,166</u>
300	Total liabilities	<u>138,120</u>	<u>2,002,074</u>	<u>970,690</u>	<u>9,327,363</u>	<u>12,438,247</u>
Net Position:						
508.1	Net investment in capital assets	-	(383,243)	313,265	(616,552)	(686,530)
511.1	Restricted	52,227	17,025	58,183	447,246	574,681
512.1	Unrestricted	157,836	4,581,503	75,396	286,627	5,101,362
513	Total net position	<u>210,063</u>	<u>4,215,285</u>	<u>446,844</u>	<u>117,321</u>	<u>4,989,513</u>
600	Total liabilities and net position	<u>\$ 348,183</u>	<u>\$6,217,359</u>	<u>\$1,417,534</u>	<u>\$9,444,684</u>	<u>\$17,427,760</u>

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton
Financial Data Schedule (continued)
For the Year Ended December 31, 2020

	Housing Choice Vouchers 14,871	Business Activities	Blended Component Unit - RAD	Blended Component Unit - Hughes Station	Totals
Revenues:					
70300	\$ -	\$ 360,452	\$ 130,298	\$1,297,591	\$1,788,341
70400	-	-	125	12,928	13,053
70500	-	360,452	130,423	1,310,519	1,801,394
70600	2,593,507	66,597	-	-	2,660,104
70610	-	420,000	-	-	420,000
72000	50	-	-	-	50
71100	-	169	-	248	417
	<u>2,593,557</u>	<u>486,766</u>	<u>-</u>	<u>248</u>	<u>3,080,571</u>
71500	710,639	2,108,675	6,960	58,816	2,885,090
71600	-	929,032	-	65,072	994,104
70000	<u>3,304,196</u>	<u>3,884,925</u>	<u>137,383</u>	<u>1,434,655</u>	<u>8,761,159</u>
Expenses:					
91110	107,068	606,328	26,220	123,723	863,339
91200	2,367	11,117	2,367	-	15,851
91400	518	811	479	3,806	5,614
91500	28,507	182,984	6,622	19,984	238,097
91600	15,408	23,134	9,136	21,965	69,643
91700	7,895	46,241	10,771	4,470	69,377
91800	313	543	188	-	1,044
91900	6,088	8,534	253	48,375	63,250
91000	<u>168,164</u>	<u>879,692</u>	<u>56,036</u>	<u>222,323</u>	<u>1,326,215</u>
93100	137	18,566	7,466	69,354	95,523
93200	33	2,953	173	17,351	20,510
93300	-	2,277	-	4,185	6,462
93800	-	-	-	55,172	55,172
92500	<u>170</u>	<u>23,796</u>	<u>7,639</u>	<u>146,062</u>	<u>177,667</u>
94100	-	17,667	1,282	105,287	124,236
94200	-	7,243	2,109	29,738	39,090
94300-010	-	5,956	1,951	12,476	20,383
94300-050	-	390	120	8,550	9,060
94300-060	-	7,727	1,421	-	9,148
94300-070	-	125	0	-	125
94300-080	-	9,771	0	-	9,771
94300-090	-	-	0	1,625	1,625
94300-100	-	-	-	6,918	6,918
94300-110	-	3,955	-	2,098	6,053
94300-120	-	8,167	-	30,302	46,022
94300	<u>-</u>	<u>61,001</u>	<u>6,883</u>	<u>196,994</u>	<u>264,878</u>
94500	-	-	-	19,668	19,668
94000	<u>-</u>	<u>61,001</u>	<u>6,883</u>	<u>216,662</u>	<u>284,546</u>

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton
Financial Data Schedule (continued)
For the Year Ended December 31, 2020

	Housing Choice Vouchers 14,871	Business Activities	Blended Component Unit - RAD	Blended Component Unit - Hughes Station	Totals
Expenses:					
96110 Property insurance	-	11,627	3,492	37,277	52,396
96120 Liability insurance	694	641	477	-	1,812
96130 Workers compensation	1,519	7,405	570	3,916	13,410
96140 All other insurance	871	1,650	543	486	3,550
96100 Total insurance	<u>3,084</u>	<u>21,323</u>	<u>5,082</u>	<u>41,679</u>	<u>71,168</u>
96200 Other general expenses	6,382	257,293	24,671	63,581	351,927
96210 Compensated absences	10,143	14,631	5,071	-	29,845
96000 Other general expenses	<u>16,525</u>	<u>271,924</u>	<u>29,742</u>	<u>63,581</u>	<u>381,772</u>
96710 Interest on mortgages payable	-	92,804	20,646	321,057	434,507
96700 Interest expense	-	92,804	20,646	321,057	434,507
96900 Total operating expenses	<u>187,943</u>	<u>1,350,540</u>	<u>126,028</u>	<u>1,011,364</u>	<u>2,675,875</u>
Excess operating revenues over operating expenses	<u>3,116,253</u>	<u>2,534,385</u>	<u>11,355</u>	<u>423,291</u>	<u>6,085,284</u>
97100 Extraordinary maintenance	-	924,119	-	165,931	1,090,050
97300 Housing assistance payments	2,964,100	-	-	-	2,964,100
97350 HAP portability in	42,850	-	-	-	42,850
97400 Depreciation expense	-	63,343	71,027	196,768	331,138
90000 Total expenses	<u>3,006,950</u>	<u>987,462</u>	<u>71,027</u>	<u>362,699</u>	<u>4,428,138</u>
10093 Transfers between programs and project - in	-	-	-	-	-
10094 Transfers between programs and project - out	-	-	-	-	-
10100 Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10000 Total revenues over (under) total expenses	<u>\$ 109,303</u>	<u>\$1,546,923</u>	<u>\$ (59,672)</u>	<u>\$ 60,592</u>	<u>\$1,657,146</u>

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020


Federal Agency/Pass-through Entity/Cluster/Program	CFDA Number	Amount
<i>U.S. Department of Housing and Urban Development</i>		
Section 8 Housing Choice Voucher Program - Cluster	14.871	\$ 2,593,507
<i>Total U.S. Department of Housing and Urban Development</i>		<u>2,593,507</u>
<i>U.S. Department of the Treasury</i>		
Pass-through from Adams County		
Coronavirus Relief Fund	21.019	\$ 120,775
<i>Total U.S. Department of Treasury</i>		<u>120,775</u>
Total Expenditures of Federal Awards		<u>\$ 2,714,282</u>


Notes to the Schedule

1. This schedule includes the federal awards activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of *the Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
2. The Authority has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Housing Authority of the City of Brighton
Brighton, Colorado

We have audited the financial statements of Housing Authority of the City of Brighton (the Authority) as of and for the year ended December 31, 2020, and have issued our report thereon October 5, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Housing Authority of the City of Brighton'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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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 were not identified.

Compliance and Other Matters

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

Purpose of this Report


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


Haynie & Company


Littleton, Colorado
October 5, 2021



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

The Board of Directors
Housing Authority of the City of Brighton
Brighton, Colorado

Report on Compliance for Each Major Program

We have audited Housing Authority of the City of Brighton's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the City of Brighton's major federal programs for the year ended December 31, 2020. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Housing Authority of the City of Brighton's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal programs occurred. An audit includes examining, on a test basis, evidence about Housing Authority of the City of Brighton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Program

In our opinion, Housing Authority of the City of Brighton 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, 2020.

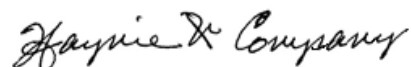
Report on Internal Control Over Compliance

Management of Housing Authority of the City of Brighton is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Housing Authority of the City of Brighton's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Brighton'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 compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 combination of deficiencies, in internal control over compliance with a compliance requirement of a federal program that is less severe than a *material weakness* in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Littleton, Colorado
October 5, 2021

Housing Authority of the City of Brighton

Schedule of Findings and Questioned Costs

For the year ended December 31, 2020

Schedule of Findings and Questioned Costs

1. The opinion expressed in the independent certified public accountant's report was:
 Unmodified **Modified** **Adverse** **Disclaimed**

2. The independent certified public accountants' report on internal control over financial reporting described:
 Significant deficiency(ies)? Yes No
 Material Weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit?
 Yes No

4. The independent certified public accountant's report on internal control over compliance with requirements applicable to major federal awards programs described:
 Significant deficiency(ies)? Yes No
 Material Weakness(es)? Yes No

5. The opinion expressed in the independent certified public accountant's report on compliance with requirements applicable to major federal awards was:
 Unmodified **Modified** **Adverse** **Disclaimed**

6. The audit disclosed findings required to be reported by the Uniform Guidance?
 Yes No

7. The Authority's major programs were:

Cluster/Program	CFDA Number
Section 8 Housing Choice Vouchers	14.871

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in Uniform Guidance was \$750,000.

9. The Authority qualified as low-risk auditee as that term is defined in the Uniform Guidance?
 Yes No

Housing Authority of the City of Brighton
Schedule of Findings and Questioned Costs
For the year ended December 31, 2020

Findings

None

Questioned Costs

None