

**HOUSING AUTHORITY OF THE CITY OF
FORT LUPTON, COLORADO**

**BASIC FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTAL INFORMATION
AND
SUPPLEMENTAL INFORMATION**

Year Ended December 31, 2020

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**REQUIRED SUPPLEMENTAL INFORMATION-
MANAGEMENT'S DISCUSSION AND ANALYSIS**



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MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2020

This section of the Housing Authority of the City of Fort Lupton, Colorado's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on December 31, 2020. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the basic financial statements as a whole.

FINANCIAL HIGHLIGHTS

The term "Net Position" refers to the difference between assets and liabilities. The Authority's total net position as of December 31, 2020 was \$1,469,238. The net position increased by \$123,222, an increase of 9% over the prior year. Of this amount, \$404,571 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities.

Operating income for the Authority was \$789,593 for the year ended December 31, 2020. This was an increase of \$62,735 or 9% over the prior year.

Operating expenses for the Authority were \$926,993 for the year ended December 31, 2020. This was an increase of \$8,397 over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *management's discussion and analysis* report, the *financial statements* and the *notes to the basic financial statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of supplemental information. Since the Authority is comprised of all enterprise funds, no entity-wide basic financial statements are shown.

Required Financial Statements

Proprietary Fund Financial Statements - The basic financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The Authority combines all of its programs into a single enterprise fund. The Authority has no nonmajor funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *supplemental information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authorities to submit financial information electronically to HUD using the FDS format. The submitted financial information transmitted to the Real Estate Assessment Center (REAC) for the year ended December 31, 2020 is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

CONDENSED STATEMENT OF NET POSITION

	FY 2020	FY 2019	Dollar Change	Percent Change
Current and other assets	\$ 569,295	\$ 371,141	\$ 198,154	53%
Capital assets	1,793,622	1,926,999	(133,377)	-7%
Total Assets	<u>2,362,917</u>	<u>2,298,140</u>	<u>64,777</u>	<u>3%</u>
Current liabilities	170,869	157,911	12,958	8%
Other liabilities	1,717	2,248	(531)	-24%
Long-term debt outstanding	721,093	791,965	(70,872)	-9%
Total Liabilities	<u>893,679</u>	<u>952,124</u>	<u>(58,445)</u>	<u>-6%</u>
Net Position				
Net investment in capital assets	1,003,232	1,073,918	(70,686)	-7%
Restricted	61,435	55,383	6,052	11%
Unrestricted	404,571	216,715	187,856	87%
Total Net Position	<u>\$ 1,469,238</u>	<u>\$ 1,346,016</u>	<u>\$ 123,222</u>	<u>9%</u>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2020**

FINANCIAL ANALYSIS (CONT'D)

Net Position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$1,469,238 at the close of the year ended December 31, 2020. This represents an increase of \$123,222 over the prior year. The majority of the increase is the result of operations for the year ended December 31, 2020.

Current and other assets increased by \$198,154, a 53% change over the prior year. This was attributed to operations before depreciation, and cash provided from financing activities which resulted in a net increase in cash of \$200,622.

Current liabilities increased by \$12,958. The increase was the result of when payments are made to vendors and contractors and employees. Long-term debt decreased by (\$70,872) which is the reduction in notes payable from current year debt payments.

The largest portion of the Authority's net position reflects its net investment in capital assets (e.g. land, buildings and equipment less accumulated depreciation) and less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

Unrestricted net position as of December 31, 2020 was \$404,571. Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities. The Authority has sufficient funds to meet requirements for cash outlays in the next fiscal year as well as the financial capacity to sustain operations. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

As of December 31, 2020, the Authority had net position of \$61,435 restricted for the Weld County NSP program for which the transfer of these properties has not occurred as of December 31, 2020.

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

As can be seen on the next page, total revenues increased by \$81,239, primarily due to the increase in rental income of \$23,856, an increase of \$80,035 in Federal operating grants and a decrease of \$1,091 in interest income and a decrease of \$21,561 in other income.

Rental Income Increase: The Authority saw a number of families obtain higher wage jobs in FY2020. Children coming of age and obtaining work also contributed to a recalculation of rent that saw an increase over FY2019. The Authority saw more turnaround in the Market program during FY2020. The vacant units in the Market program were modernized and rents were set higher to reflect the current market.

HUD Rental Assistance in Columbine: The Gross Rent Change done in October 2019 saw a significant increase from \$757 per unit to \$920 per unit, which resulted in an increase of \$4,890 in rent potential for Columbine Court per month. An additional Gross rent change done in October 2020 saw an increase from \$920 per unit to \$938, which resulted in an increase of \$540 in rent potential for Columbine Court per month. These two Gross Rent Changes for Columbine Court represent a bulk of the change in Federal Operating Grants.

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2020**

FINANCIAL ANALYSIS (CONT'D)

HUD operating subsidy for the Authority was \$166,090 for the year ended December 31, 2020. This was an increase of \$973 over the prior year. The operating subsidy funding is determined by HUD on an annual basis and is primarily based on income and utility expenses. The Authority also expended \$111,583 of HUD capital grants for operations for the fiscal year ended December 31, 2020 compared to \$105,820 in the previous year. This amount will vary on the approved budget by HUD. The Authority has flexibility in the use of these funds.

The Authority also recognized \$12,859 in CARES Act funding from HUD as a result of COVID-19.

**CONDENSED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues				
Program revenues				
Rental	\$ 533,528	\$ 509,672	\$ 23,856	5%
HUD program contributions	507,010	426,975	80,035	19%
Other	39,587	61,148	(21,561)	-35%
General revenues				
Interest	332	1,423	(1,091)	-77%
Total Revenues	<u>1,080,457</u>	<u>999,218</u>	<u>81,239</u>	<u>8%</u>
Expenses				
Depreciation	213,814	233,198	(19,384)	-8%
Operating	713,179	685,398	27,781	4%
Nonoperating	30,242	39,148	(8,906)	-23%
Total Expenses	<u>957,235</u>	<u>957,744</u>	<u>(509)</u>	<u>-0.1%</u>
Changes in Net Position	123,222	41,474	81,748	197%
Beginning Net Position	1,346,016	1,304,542	41,474	
Ending Net Position	<u>\$ 1,469,238</u>	<u>\$ 1,346,016</u>	<u>\$ 123,222</u>	

Operating expenses for the Authority were \$713,179 for the year ended December 31, 2020. This was an increase of \$27,781 or 4% over the prior year.

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2020**

OCCUPANCY

The Public Housing Program has 50 units of housing or 600-unit months available. There were 22 vacancy months resulting in 578 months leased for the year, a 96.3% occupancy rate.

The Columbine Court program has 30 units of housing for 360-unit months available, there were 12 vacancy months for a total of 348-unit months leased for the year, a 96.6% occupancy rate.

The Market Rentals have 15 units with 180-unit months available, there were 19 vacancy months for a total of 161-unit months leased for the year, a 89.4% occupancy rate.

The Weld County NSP program has 2 houses or 24-months available, there were no vacancies resulting in 24-unit months leased for the year, for a 100% occupancy rate.

The Authority has a total of 97 units of housing or 1,164-unit months available, there were 53 vacancy months resulting in a total of 1,111-unit months leased for the year, a 95.4% occupancy rate for the Authority.

CAPITAL ASSETS

The Authority's capital assets as of December 31, 2020 amounts to \$1,793,622. This includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation.

The total decrease in the Authority's net investment in capital assets for the current fiscal year was 7% in terms of net book value. The actual amount to purchase or construct capital assets was \$83,043 for the year. Depreciation charges for the year totaled \$213,814. Additional information on the Authority's capital assets can be found in Note E of the notes to the basic financial statements of this report.

The Housing Authority is continuing to make an effort to modernize all aging units when they become vacant. For FYE 12/31/2020, 9 of the 97 units were modernized. Unit rehabilitations consist of new flooring, LED light fixtures, doors, interior paint, countertops, cabinets, plumbing and appliances.

DEBT ADMINISTRATION

The Authority has outstanding mortgages payable of \$790,391 for real property. The revenue from the Columbine Court Program and Market Rentals are pledged to repay the mortgages. Additional information on the Authority's long-term debt can be found in Note J of the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2021 budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The operating expenses are expected to increase by the economy's inflation rate.

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2020**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report, or request for additional financial information, should be addressed to the Executive Director, Housing Authority of the City of Fort Lupton, 400 2nd Street, Fort Lupton, CO 80621.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the City of Fort Lupton, Colorado

Report on the Basic Financial Statements

We have audited the accompanying financial statements of the major fund of the Housing Authority of the City of Fort Lupton, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Fort Lupton, Colorado's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Fort Lupton, Colorado as of December 31, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of the City of Fort Lupton, Colorado's basic financial statements. The Program Financial Schedules and Financial Data Schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Program Financial Schedules and Financial Data Schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such Information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Program Financial Schedules and Financial Data Schedule are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2021 on our consideration of the Housing Authority of the City of Fort Lupton, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Fort Lupton, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Fort Lupton, Colorado's internal control over financial reporting and compliance.

Niewedde & Wiens, CPA's

York, Nebraska
June 10, 2021

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2020

ASSETS	<u>Housing</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 452,783
Accounts receivable, net	8,460
Due from other governments	2,926
Materials Inventory, net	885
<i>Restricted:</i>	
Cash and cash equivalents	<u>104,241</u>
TOTAL CURRENT ASSETS	569,295
 NONCURRENT ASSETS:	
Capital Assets, non-depreciable	516,498
Capital Assets, depreciable, net	<u>1,277,124</u>
TOTAL NONCURRENT ASSETS	<u>1,793,622</u>
TOTAL ASSETS \$	<u>2,362,917</u>
 LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	\$ 43,423
Accrued payroll and benefits	9,445
Compensated absence payable	1,406
Unearned revenue	2,732
Accrued interest payable	1,760
Tenant security deposit payable	42,806
Current-portion, notes payable	<u>69,297</u>
TOTAL CURRENT LIABILITIES	<u>170,869</u>
 NONCURRENT LIABILITIES:	
Compensated absence payable	1,717
Notes payable	<u>721,093</u>
TOTAL NONCURRENT LIABILITIES	<u>722,810</u>
TOTAL LIABILITIES	<u>893,679</u>
 NET POSITION	
Net investment in capital assets	1,003,232
Restricted	61,435
Unrestricted	<u>404,571</u>
TOTAL NET POSITION \$	<u>1,469,238</u>

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
Year Ended December 31, 2020

		<u>Housing</u>
OPERATING REVENUES		
Rental income	\$	533,528
HUD program revenue		216,478
Other income		<u>39,587</u>
TOTAL OPERATING REVENUES		789,593
 OPERATING EXPENSES		
Administrative		192,085
Tenant Services		37,327
Utilities		150,030
Ordinary maintenance and operations		257,638
General expense		76,099
Depreciation		<u>213,814</u>
TOTAL OPERATING EXPENSES		<u>926,993</u>
OPERATING INCOME (LOSS)		<u>(137,400)</u>
 NONOPERATING REVENUES (EXPENSES)		
HUD operating subsidy		166,090
HUD capital fund grants - operations		111,583
HUD CARES Act subsidy		12,859
Interest income		332
Interest expense		(29,128)
Loss on capital asset dispositions		<u>(1,114)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		<u>260,622</u>
INCREASE (DECREASE) IN NET POSITION		123,222
 NET POSITION:		
Net position, beginning balance		<u>1,346,016</u>
NET POSITION - ENDING BALANCE	\$	<u><u>1,469,238</u></u>

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended December 31, 2020

		<u>Housing</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Rental receipts	\$	525,287
HUD receipts		216,478
Other receipts		39,587
Tenant security deposits		1,398
Cash payments for goods and services		(408,779)
Cash payments to employees for services		<u>(285,870)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		88,101
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
HUD operating subsidy		166,090
HUD capital fund grants - operations		111,583
HUD CARES Act subsidy		<u>9,933</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES		287,606
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases and construction of capital assets		(83,043)
Interest paid on capital debt		(29,685)
Principal paid on capital debt		<u>(62,691)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		(175,419)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received		<u>334</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		334
NET INCREASE (DECREASE) IN CASH		200,622
CASH AND CASH EQUIVALENTS-BEGINNING		<u>356,402</u>
CASH AND CASH EQUIVALENTS-END OF YEAR	\$	<u><u>557,024</u></u>

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)
Year Ended December 31, 2020

RECONCILIATION OF INCOME (LOSS) FROM
OPERATIONS TO NET CASH PROVIDED
(USED) BY OPERATING ACTIVITIES:

	Housing
Operating income (loss)	\$ (137,400)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	213,814
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(5,198)
(Increase) decrease in due from other governments	11,477
Increase (decrease) in accounts payable	9,738
(Increase) decrease in materials inventory	(885)
Increase (decrease) in accrued payroll and benefits	(3,949)
Increase (decrease) in tenant security deposits	2,398
Increase (decrease) in unearned revenue	(1,072)
Increase (decrease) in accrued leave	(822)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 88,101

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Authority was created under the laws of the State of Colorado. The purpose of the Authority is to administer the Housing programs authorized by the United States Housing Act of 1937 and amendments contained in the Quality Housing and Work Responsibility Act of 1998. These programs are subsidized by the Federal Government through the U.S. Department of Housing and Urban Development (HUD).

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

Financial Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit. Based on these criteria, there are no additional agencies or entities which should be included in the financial statements of the Authority.

Basis of accounting, measurement focus, and financial statement presentation

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures or expenses, as appropriate.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Authority distinguishes between operating and nonoperating revenues and expenses in its Statement of Revenues, Expenses and Changes in Fund Net Position. For this purpose, the Authority's operating revenues result from providing low-income housing services such as tenant rent, rental assistance and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations, debt service and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The model as defined in Statement No. 34 establishes criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for determination of major Funds. If non-major funds exist, these funds are combined in a single column in the fund financial statements.

The Authority has a sole enterprise fund which includes the activities of the following programs:

Public Housing Program - This program accounts for the operation, maintenance, and development of 20 apartments called Crane Court and 30 family scattered site units for HUD. The development of the projects was funded primarily by the U.S. Department of Housing and Urban Development through loans and bonds. The loans have been forgiven by HUD and the bond debt service and repayment requirements are the responsibility of HUD and therefore no outstanding liabilities are recorded. The program is subsidized annually by operating subsidy from HUD and through Capital Grants for capital improvements.

Columbine Court - This program accounts for the operation and maintenance of 30 housing units known as Columbine Court which are owned by the Authority and was originally funded under the Section 221(d) (3) the program and with rental assistance through the Section 8 Program provided by the U.S. Department of Housing and Urban Development. During the year ended December 31, 2016, the Authority refinanced a loan from the Bank of Colorado which was obtained to pay off a mortgage held by the Colorado Housing and Finance Authority (CHFA) and secured with the property

Market Rentals - This program accounts for the operation and maintenance of 15 housing units which are owned by the Authority. The program is primarily funded by tenant rents.

Weld Co. NSP - This program accounts for the operation and maintenance of 2 individual houses that were purchased and renovated through the Neighborhood Stabilization Program. The program is primarily funded by tenant rents. As of December 31, 2019, the deed to the properties has not been transferred to the Authority.

Budgetary Process

The Authority establishes a budget for the fiscal year and is adopted by the Board of Commissioners.

Cash and Investments

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities that are owned by a specific amount and that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents".

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificate of deposit, repurchase agreements, sweep accounts, separate trading of

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

Accounts Receivable

All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible.

Prepaid Items

Prepaid balances are for payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

Capital Assets and Depreciation

Property and equipment are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets are recorded at acquisition value at the date received. The Authority generally capitalized assets with a cost of \$500 or more as purchases and construction outlays occur.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-40 years
Building improvements	10-40 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

Grant Revenue

The Authority, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any), when all applicable eligibility requirements, including time requirements are met in accordance with GASB Statement No. 33. Resources transmitted to the Authority before the eligibility requirements are met are reported as unearned revenue.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Authority's policy is to apply the restricted component of net position first.

Inventory

Inventories consist of supplies and are recorded at the lower of cost or market on a first-in, first-out basis.

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, deferred outflows, liabilities, deferred inflows, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences

The current policy will allow employees to earn 120 hours of paid time off and the Executive Director to earn 160 hours of paid time off per year. Employees can cash out half of the accrued leave and half can be accrued for the following year. Only 180 hours may be accrued at any given time.

Postemployment Benefits Other Than Pensions (OPEB)

OPEB benefits are part of an exchange of salaries and/or benefits in a future period as the result of employee services rendered during employment. In accordance with the accrual basis of accounting, generally benefits should be associated with the periods in which the exchange occurs, rather than with the periods when benefits are paid or provided. The Authority has not incurred, adopted a plan or obligated resources to other postemployment benefits as defined in GASB Statement No. 75.

Income Taxes

The Authority is a governmental subdivision of the State of Colorado and is exempt from Federal and State income taxes.

Taxpayer's Bill of Rights

In November, 1992, the voters of the State of Colorado approved an amendment to the State's Constitution limiting the amount of revenue which may be spent or retained by Colorado governmental entities. The amendment is in effect for most governmental entities for the years beginning after 1992, but exempts "enterprise" funds from the limitations. The Board of Commissioners of the Authority believes it is exempt from the provisions of the TABOR amendment because it is an "enterprise" (a business operation able to issue its own revenue bonds and receiving less than 10% of its revenue from state and local grants) as defined in the constitutional amendment. The Board also believes it is not subject to the provisions of TABOR because the governing board is not an elected board, does not have an electoral constituency, and does not have the power to impose taxes, all basic operational requirements of TABOR.

NOTE B - DEPOSITS AND INVESTMENTS

At December 31, 2020, the Authority's carrying amount of deposits was \$557,024 and the bank balances were \$558,630. As required by the Colorado Public Deposit Protection Act (PDPA), any amount in excess of \$250,000 (including accrued interest) shall be collateralized as required by the Public Deposit Protection Acts, article 10.5 of title 11, C.R.S., as amended or article 47 of title 11, C.R.S, as amended. Of the balance \$250,000 was covered by federal depository insurance and \$308,630 was collateralized by the Public Deposit Protection Act.

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE C – ACCOUNTS RECEIVABLE

A summary of accounts receivable as presented in the Statement of Net Position at December 31, 2020 is as follows:

Tenants	\$	8,460
Allowance for doubtful accounts		<u> --</u>
	\$	<u>8,460</u>

NOTE D – DUE FROM OTHER GOVERNMENTS

A summary of the due from other governments as presented in the Statement of Net Position at December 31, 2020 is as follows:

HUD CARES Act subsidy	\$	<u>2,926</u>
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NOTE E – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Non-depreciable assets:				
Land	\$ 516,498	\$ -	\$ -	\$ 516,498
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-depreciable assets	<u>516,498</u>	<u>-</u>	<u>-</u>	<u>516,498</u>
Depreciable assets				
Buildings	4,713,818	66,095	(1,786)	4,778,127
Equipment - Dwelling	128,176	14,323	(2,574)	139,925
Equipment - Administration	83,141	3,889	-	87,030
Total depreciable assets	<u>4,925,135</u>	<u>84,307</u>	<u>(4,360)</u>	<u>5,005,082</u>
Total Capital Assets	<u>5,441,633</u>	<u>84,307</u>	<u>(4,360)</u>	<u>5,521,580</u>
Accumulated depreciation				
Buildings	3,342,818	198,332	(414)	3,540,736
Equipment - Dwelling	97,885	11,151	(76)	108,960
Equipment - Administration	73,931	4,331	-	78,262
Total accumulated depreciation	<u>3,514,634</u>	<u>213,814</u>	<u>(490)</u>	<u>3,727,958</u>
Depreciable assets, net	<u>1,410,501</u>	<u>(129,507)</u>	<u>(3,870)</u>	<u>1,277,124</u>
Capital assets, net	<u>\$ 1,926,999</u>	<u>\$ (129,507)</u>	<u>\$ (3,870)</u>	<u>\$ 1,793,622</u>

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE F – RESTRICTED ASSETS

Cash and cash equivalents of \$104,241 at December 31, 2020 are restricted for Tenant Security Deposits in the amount of \$42,806 and \$61,435 is restricted for the Weld County NSP Program as further detailed in Note K.

NOTE G – ACCOUNTS PAYABLE

A summary of accounts payable as presented in the Statement of Net Position at December 31, 2020 is as follows:

Vendors and contractors	\$ <u>43,423</u>
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NOTE H – UNEARNED REVENUE

A summary of unearned revenue as presented in the Statement of Net Position at December 31, 2020 is as follows:

Tenant prepaid rents	\$ <u>2,732</u>
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NOTE I—ACCRUED COMPENSATED ABSENCES

A summary of accrued compensated absences as presented in the Statement of Net Position as of December 31, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Net decrease</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Compensated absences	\$ <u>3,944</u>	\$ <u>821</u>	\$ <u>3,123</u>	\$ <u>1,406</u>

NOTE J – LONG-TERM LIABILITIES

Direct Borrowings:

On November 20, 2020, the Authority refinanced a loan from a local financial institution for the financing of market rate rental known as 400 2nd Street and secured with the property known as Columbine Court, a thirty-unit rental property. The loan had an original amount of \$137,924 which bears interest at 3%. The loan requires monthly principal and interest payments of \$2,830 and matures April 2025. The balance due at December 31, 2020 was \$135,346.

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE J – LONG-TERM LIABILITIES (CONT'D)

On November 23, 2020, the Authority obtained a mortgage from a local financial institution for the financing of market rate rental known as 210 Harrison. The loan had an original amount of \$38,802 which bears interest at 3% adjustable on December 1, 2025. The loan requires monthly principal and interest payments of \$336 and matures June 2032. The balance due at December 31, 2020 was \$38,493.

On November 23, 2020, the Authority obtained a mortgage from a local financial institution for the financing of 7 market rate rentals known as 200 1st Street. The loan had an original amount of \$536,169 which bears interest at 3 % adjustable on December 1, 2025. The loan requires monthly principal and interest payments of \$3,150 and matures April 2041. The balance due at December 31, 2020 was \$533,377.

On November 23, 2020, the Authority obtained a mortgage from a local financial institution for the financing of a 5-acre tract of land known as 911 S. Denver. The loan had an original amount of \$84,403 which bears interest at 3% adjustable on December 15, 2025. The loan requires monthly principal and interest payments of \$1,381 and matures July 2026. The balance due at December 31, 2020 was \$83,176.

A summary of changes in Notes Payable - Properties for the year ended December 31, 2020 are as follows:

Description	Balance 1/1/2020	Additions	Retired	Balance 12/31/2020	Due Within One Year
Mortgage-Columbine	\$ 163,713	\$ -	\$ (28,367)	\$ 135,346	\$ 30,269
Mortgage-210 Harrison	41,277	-	(2,784)	38,493	2,903
Mortgage-200 1st Street	551,691	-	(18,314)	533,377	21,880
Mortgage-911 S. Denver	96,402	-	(13,227)	83,175	14,245
Total	<u>\$ 853,083</u>	<u>\$ -</u>	<u>\$ (62,692)</u>	<u>\$ 790,391</u>	<u>\$ 69,297</u>
			Less current maturities	<u>(69,297)</u>	
			Long-term portion	<u>\$ 721,093</u>	

Principal and interest requirements for the notes are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 69,297	\$ 23,078	\$ 92,375
2022	71,435	20,940	92,375
2023	73,638	18,737	92,375
2024	74,861	16,514	91,375
2025	52,625	14,384	67,009
2026-2030	160,803	55,847	216,650
2031-2035	162,713	31,475	194,188
2036-2039	125,019	6,808	131,827
	<u>\$ 790,391</u>	<u>\$ 187,783</u>	<u>\$ 978,174</u>

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE K—NET POSITION

The fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets** – This component groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- **Restricted** – This category represents net position of the Agency that is restricted externally by creditors, grantors, contributors, laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – This category represents net position of the Agency, not restricted for any project or other purposes.

A summary of restricted net position as of December 31, 2020 is as follows:

Weld County NSP Program \$61,435 – On June 9, 2014, the Authority signed a lease with the Weld County Housing Authority whereas the Authority would receive 2 NSP (Neighborhood Stabilization Program) Houses. According to the agreement the Authority would receive all the benefits until the time of the Deed Restriction transfer documents had occurred. In addition, the Authority is required to deposit any moneys received for rent are to be held in a separate account until such time as the terms of the Deed Restriction (transfer documents) have been defined. As of December 31, 2020, the transfer of the properties has not occurred, and the net position is being reported as restricted.

NOTE L – CONTINGENCIES

The Authority recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any to be immaterial.

NOTE M - 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 for which the Authority purchases commercial insurance.

During the year ended December 31, 2020, the Authority did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE N – SUBSEQUENT EVENTS

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenant's ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

**SUPPLEMENTAL INFORMATION-
PROGRAM FINANCIAL SCHEDULES**

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
PROGRAM SCHEDULE OF NET POSITION
December 31, 2020

ASSETS	<u>Public Housing</u>	<u>Columbine Court</u>	<u>Market Rentals</u>	<u>Weld Co. NSP</u>	<u>Totals</u>
CURRENT ASSETS:					
Cash and cash equivalents	\$ 286,086	\$ 96,309	\$ 70,220	\$ 168	\$ 452,783
Accounts receivable, net	4,398	476	3,300	286	8,460
Due from other governments	2,926	-	-	-	2,926
Materials inventory, net	-	885	-	-	885
<i>Restricted:</i>					
Cash and cash equivalents	19,862	9,141	12,047	63,191	104,241
TOTAL CURRENT ASSETS	<u>313,272</u>	<u>106,811</u>	<u>85,567</u>	<u>63,645</u>	<u>569,295</u>
NONCURRENT ASSETS:					
Capital Assets, non-depreciable	119,640	65,000	331,858	-	516,498
Capital Assets, depreciable, net	525,723	175,044	575,504	853	1,277,124
TOTAL NONCURRENT ASSETS	<u>645,363</u>	<u>240,044</u>	<u>907,362</u>	<u>853</u>	<u>1,793,622</u>
TOTAL ASSETS	<u>\$ 958,635</u>	<u>\$ 346,855</u>	<u>\$ 992,929</u>	<u>\$ 64,498</u>	<u>\$ 2,362,917</u>
LIABILITIES					
CURRENT LIABILITIES:					
Accounts payable	\$ 22,706	\$ 11,446	\$ 8,879	\$ 392	\$ 43,423
Accrued payroll and benefits	9,445	-	-	-	9,445
Compensated absence payable	731	436	211	28	1,406
Unearned revenue	1,518	754	460	-	2,732
Accrued interest payable	-	175	1,585	-	1,760
Tenant security deposit payable	19,862	9,141	12,047	1,756	42,806
Current-portion, notes payable	-	30,269	39,028	-	69,297
TOTAL CURRENT LIABILITIES	<u>54,262</u>	<u>52,221</u>	<u>62,210</u>	<u>2,176</u>	<u>170,869</u>
NONCURRENT LIABILITIES:					
Compensated absence payable	893	532	258	34	1,717
Notes payable	-	105,077	616,016	-	721,093
TOTAL NONCURRENT LIABILITIES	<u>893</u>	<u>105,609</u>	<u>616,274</u>	<u>34</u>	<u>722,810</u>
TOTAL LIABILITIES	<u>55,155</u>	<u>157,830</u>	<u>678,484</u>	<u>2,210</u>	<u>893,679</u>
NET POSITION					
Net investment in capital assets	645,363	104,698	252,318	853	1,003,232
Restricted	-	-	-	61,435	61,435
Unrestricted	258,117	84,327	62,127	-	404,571
TOTAL NET POSITION	<u>\$ 903,480</u>	<u>\$ 189,025</u>	<u>\$ 314,445</u>	<u>\$ 62,288</u>	<u>\$ 1,469,238</u>

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
PROGRAM SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Year Ended December 31, 2020

	Public Housing	Columbine Court	Market Rentals	Weld Co. NSP	Totals
OPERATING REVENUES					
Rental income	\$ 242,160	\$ 114,412	\$ 155,752	\$ 21,204	\$ 533,528
HUD program revenue	-	216,478	-	-	216,478
Other income	3,450	723	63,161	-	67,334
TOTAL OPERATING REVENUES	245,610	331,613	218,913	21,204	817,340
OPERATING EXPENSES					
Administrative	93,155	63,443	31,797	5,810	194,205
Tenant Services	23,316	14,011	-	-	37,327
Utilities	85,594	43,486	17,805	3,145	150,030
Ordinary maintenance and operations	165,378	72,385	42,252	3,250	283,265
General expense	38,717	20,660	13,792	2,930	76,099
Depreciation	125,133	49,635	38,474	572	213,814
TOTAL OPERATING EXPENSES	531,293	263,620	144,120	15,707	954,740
OPERATING INCOME (LOSS)	(285,683)	67,993	74,793	5,497	(137,400)
NONOPERATING REVENUES (EXPENSES)					
HUD operating subsidy	166,090	-	-	-	166,090
HUD capital fund grants - operations	111,583	-	-	-	111,583
HUD CARES Act subsidy	12,859	-	-	-	12,859
Interest income	281	4	6	41	332
Interest expense	-	(5,509)	(23,619)	-	(29,128)
Loss on capital asset dispositions	-	(493)	(621)	-	(1,114)
TOTAL NONOPERATING REVENUES (EXPENSES)	290,813	(5,998)	(24,234)	41	260,622
INCOME (LOSS) BEFORE TRANSFERS	5,130	61,995	50,559	5,538	123,222
TRANSFERS					
Transfers in	2,153	-	-	-	2,153
Transfers out	-	-	(2,153)	-	(2,153)
INCREASE (DECREASE) IN NET POSITION	7,283	61,995	48,406	5,538	123,222
NET POSITION:					
Net position, beginning balance	896,197	127,030	266,039	56,750	1,346,016
NET POSITION - ENDING BALANCE	\$ 903,480	\$ 189,025	\$ 314,445	\$ 62,288	\$ 1,469,238

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS
Year Ended December 31, 2020

	<u>Public Housing</u>	<u>Columbine Court</u>	<u>Market Rentals</u>	<u>Weld Co. NSP</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Rental receipts	\$ 236,566	\$ 114,412	\$ 153,105	\$ 21,204	\$ 525,287
HUD receipts	-	216,478	-	-	216,478
Other receipts	3,450	723	63,161	-	67,334
Tenant security deposits	(500)	349	1,549	-	1,398
Cash payments for goods and services	(239,073)	(123,278)	(62,120)	(12,055)	(436,526)
Cash payments to employees for services	(157,461)	(84,417)	(39,799)	(4,193)	(285,870)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(157,018)	124,267	115,896	4,956	88,101
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
HUD operating subsidy	166,090	-	-	-	166,090
HUD capital fund grants - operations	111,583	-	-	-	111,583
HUD CARES Act subsidy	9,933	-	-	-	9,933
Transfers in (out)	2,153	-	(2,153)	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	289,759	-	(2,153)	-	287,606
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases and construction of capital assets	(48,614)	(20,613)	(13,758)	(58)	(83,043)
Interest paid on capital debt	-	(5,598)	(24,087)	-	(29,685)
Principal paid on capital debt	-	(28,367)	(34,324)	-	(62,691)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(48,614)	(54,578)	(72,169)	(58)	(175,419)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	282	4	6	42	334
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	282	4	6	42	334
NET INCREASE (DECREASE) IN CASH	84,409	69,693	41,580	4,940	200,622
CASH AND CASH EQUIVALENTS-BEGINNING	221,539	35,757	40,687	58,419	356,402
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 305,948	\$ 105,450	\$ 82,267	\$ 63,359	\$ 557,024

HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS (CONT'D)
Year Ended December 31, 2020

	<u>Public Housing</u>	<u>Columbine Court</u>	<u>Market Rentals</u>	<u>Weld Co. NSP</u>	<u>Totals</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (285,683)	\$ 67,993	\$ 74,793	\$ 5,497	\$ (137,400)
Adjustments to reconcile income from operations to net cash provided by operating activities:					
Depreciation	125,133	49,635	38,474	572	213,814
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(3,772)	1,745	(2,900)	(271)	(5,198)
(Increase) decrease in due from governments	-	11,477	-	-	11,477
(Increase) decrease in materials inventory	-	(885)	-	-	(885)
Increase (decrease) in accounts payable	10,076	(3,362)	3,849	(825)	9,738
Increase (decrease) in accrued payroll and benefits	(3,949)	-	-	-	(3,949)
Increase (decrease) in tenant security deposits	500	349	1,549	-	2,398
Increase (decrease) in unearned revenue	1,104	(2,429)	253	-	(1,072)
Increase (decrease) in accrued leave	(427)	(256)	(122)	(17)	(822)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (157,018)</u>	<u>\$ 124,267</u>	<u>\$ 115,896</u>	<u>\$ 4,956</u>	<u>\$ 88,101</u>

**SUPPLEMENTAL INFORMATION –
HUD FINANCIAL DATA SCHEDULE**

Housing Authority of the City of Fort Lupton (CO029)

FORT LUPTON, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.182 N/C S/R Section 8 Programs	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$286,086		\$96,309	\$70,388	\$452,783		\$452,783
112 Cash - Restricted - Modernization and Development	\$0				\$0		\$0
113 Cash - Other Restricted				\$61,435	\$61,435		\$61,435
114 Cash - Tenant Security Deposits	\$19,862		\$9,141	\$13,803	\$42,806		\$42,806
100 Total Cash	\$305,948	\$0	\$105,450	\$145,626	\$557,024	\$0	\$557,024
122 Accounts Receivable - HUD Other Projects		\$2,926			\$2,926		\$2,926
126 Accounts Receivable - Tenants	\$4,398		\$476	\$3,586	\$8,460		\$8,460
126.1 Allowance for Doubtful Accounts -Tenants	\$0		\$0	\$0	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other		\$0			\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,398	\$2,926	\$476	\$3,586	\$11,386	\$0	\$11,386
143 Inventories			\$885		\$885		\$885
143.1 Allowance for Obsolete Inventories			\$0		\$0		\$0
144 Inter Program Due From	\$2,926				\$2,926	-\$2,926	\$0
150 Total Current Assets	\$313,272	\$2,926	\$106,811	\$149,212	\$572,221	-\$2,926	\$569,295
161 Land	\$119,640		\$65,000	\$331,858	\$516,498		\$516,498
162 Buildings	\$2,480,103		\$1,326,075	\$971,892	\$4,778,070		\$4,778,070
163 Furniture, Equipment & Machinery - Dwellings	\$40,933		\$48,475	\$50,516	\$139,924		\$139,924
164 Furniture, Equipment & Machinery - Administration	\$16,271		\$9,948	\$60,869	\$87,088		\$87,088
166 Accumulated Depreciation	-\$2,011,584		-\$1,209,454	-\$506,920	-\$3,727,958		-\$3,727,958
160 Total Capital Assets, Net of Accumulated Depreciation	\$645,363	\$0	\$240,044	\$908,215	\$1,793,622	\$0	\$1,793,622
180 Total Non-Current Assets	\$645,363	\$0	\$240,044	\$908,215	\$1,793,622	\$0	\$1,793,622
290 Total Assets and Deferred Outflow of Resources	\$958,635	\$2,926	\$346,855	\$1,057,427	\$2,365,843	-\$2,926	\$2,362,917
312 Accounts Payable <= 90 Days	\$22,706		\$11,446	\$9,271	\$43,423		\$43,423
321 Accrued Wage/Payroll Taxes Payable	\$9,445				\$9,445		\$9,445
322 Accrued Compensated Absences - Current Portion	\$731		\$436	\$239	\$1,406		\$1,406
325 Accrued Interest Payable			\$175	\$1,585	\$1,760		\$1,760
341 Tenant Security Deposits	\$19,862		\$9,141	\$13,803	\$42,806		\$42,806
342 Unearned Revenue	\$1,518		\$753	\$460	\$2,731		\$2,731
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$30,269	\$39,028	\$69,297		\$69,297
347 Inter Program - Due To		\$2,926			\$2,926	-\$2,926	\$0
310 Total Current Liabilities	\$54,262	\$2,926	\$52,220	\$64,386	\$173,794	-\$2,926	\$170,868
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$105,077	\$616,016	\$721,093		\$721,093
354 Accrued Compensated Absences - Non Current	\$893		\$533	\$292	\$1,718		\$1,718
350 Total Non-Current Liabilities	\$893	\$0	\$105,610	\$616,308	\$722,811	\$0	\$722,811
300 Total Liabilities	\$55,155	\$2,926	\$157,830	\$680,694	\$896,605	-\$2,926	\$893,679
508.4 Net Investment in Capital Assets	\$645,363		\$104,698	\$263,171	\$1,003,232		\$1,003,232
511.4 Restricted Net Position				\$61,435	\$61,435		\$61,435
512.4 Unrestricted Net Position	\$258,117	\$0	\$84,327	\$62,127	\$404,571		\$404,571
513 Total Equity - Net Assets / Position	\$903,480	\$0	\$189,025	\$376,733	\$1,469,238	\$0	\$1,469,238
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$958,635	\$2,926	\$346,855	\$1,057,427	\$2,365,843	-\$2,926	\$2,362,917

FORT LUPTON, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.182 N/C S/R Section 8 Programs	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$236,680		\$106,412	\$176,956	\$520,048		\$520,048
70400 Tenant Revenue - Other	\$5,480		\$8,000		\$13,480		\$13,480
70500 Total Tenant Revenue	\$242,160	\$0	\$114,412	\$176,956	\$533,528	\$0	\$533,528
70600 HUD PHA Operating Grants	\$277,673	\$12,859	\$216,476		\$507,010		\$507,010
71100 Investment Income - Unrestricted	\$281		\$4	\$47	\$332		\$332
71500 Other Revenue	\$3,450		\$723	\$63,161	\$67,334	-\$27,747	\$39,587
71600 Gain or Loss on Sale of Capital Assets			-\$493	-\$621	-\$1,114		-\$1,114
70000 Total Revenue	\$523,564	\$12,859	\$331,124	\$239,543	\$1,107,090	-\$27,747	\$1,079,343
91100 Administrative Salaries	\$60,965		\$36,322	\$19,918	\$117,205	-\$2,120	\$115,085
91200 Auditing Fees	\$4,000		\$1,950	\$1,700	\$7,650		\$7,650
91500 Employee Benefit contributions - Administrative	\$9,167		\$5,465	\$2,957	\$17,589		\$17,589
91600 Office Expenses	\$18,460		\$19,706	\$12,761	\$50,927		\$50,927
91700 Legal Expense	\$563			\$271	\$834		\$834
91000 Total Operating - Administrative	\$93,155	\$0	\$63,443	\$37,607	\$194,205	-\$2,120	\$192,085
92400 Tenant Services - Other	\$10,457	\$12,859	\$14,011		\$37,327		\$37,327
92500 Total Tenant Services	\$10,457	\$12,859	\$14,011	\$0	\$37,327	\$0	\$37,327
93100 Water	\$48,855		\$10,561	\$10,020	\$69,436		\$69,436
93200 Electricity	\$10,429		\$22,034	\$1,806	\$34,269		\$34,269
93300 Gas	\$5,775		\$7,189	\$2,178	\$15,142		\$15,142
93600 Sewer	\$20,535		\$3,702	\$6,946	\$31,183		\$31,183
93000 Total Utilities	\$85,594	\$0	\$43,486	\$20,950	\$150,030	\$0	\$150,030
94100 Ordinary Maintenance and Operations - Labor	\$69,872		\$36,322	\$19,918	\$126,112		\$126,112
94200 Ordinary Maintenance and Operations - Materials and Other	\$21,928		\$13,641	\$6,275	\$41,844		\$41,844
94300 Ordinary Maintenance and Operations Contracts	\$59,297		\$16,957	\$16,351	\$92,605	-\$25,627	\$66,978
94500 Employee Benefit Contributions - Ordinary Maintenance	\$14,281		\$5,465	\$2,958	\$22,704		\$22,704
94000 Total Maintenance	\$165,378	\$0	\$72,365	\$45,502	\$283,265	-\$25,627	\$257,638
96110 Property Insurance	\$30,308		\$15,508	\$14,151	\$59,967		\$59,967
96120 Liability Insurance	\$1,277		\$761	\$417	\$2,455		\$2,455
96130 Workmen's Compensation	\$2,645		\$1,576	\$865	\$5,086		\$5,086
96140 All Other Insurance	\$4,914		\$3,068	\$1,428	\$9,410		\$9,410
96100 Total insurance Premiums	\$39,144	\$0	\$20,913	\$16,861	\$76,918	\$0	\$76,918
96210 Compensated Absences	-\$427		-\$253	-\$139	-\$819		-\$819
96000 Total Other General Expenses	-\$427	\$0	-\$253	-\$139	-\$819	\$0	-\$819
96710 Interest of Mortgage (or Bonds) Payable			\$5,509	\$23,619	\$29,128		\$29,128
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$5,509	\$23,619	\$29,128	\$0	\$29,128
96900 Total Operating Expenses	\$393,301	\$12,859	\$219,494	\$144,400	\$770,054	-\$27,747	\$742,307
97000 Excess of Operating Revenue over Operating Expenses	\$130,263	\$0	\$111,630	\$95,143	\$337,036	\$0	\$337,036
97400 Depreciation Expense	\$125,133		\$49,635	\$39,046	\$213,814		\$213,814
90000 Total Expenses	\$518,434	\$12,859	\$269,129	\$183,446	\$983,868	-\$27,747	\$956,121
10010 Operating Transfer In	\$113,736				\$113,736	-\$113,736	\$0
10020 Operating transfer Out	-\$111,583			-\$2,153	-\$113,736	\$113,736	\$0
10100 Total Other financing Sources (Uses)	\$2,153	\$0	\$0	-\$2,153	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$7,283	\$0	\$61,995	\$63,944	\$123,222	\$0	\$123,222
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$896,197	\$0	\$127,030	\$322,789	\$1,346,016		\$1,346,016
11190 Unit Months Available	600		360	204	1164		1164
11210 Number of Unit Months Leased	578		348	185	1111		1111
11270 Excess Cash	\$226,235				\$226,235		\$226,235
11620 Building Purchases	\$40,761				\$40,761		\$40,761
11630 Furniture & Equipment - Dwelling Purchases	\$6,346				\$6,346		\$6,346

Housing Authority of the City of Fort Lupton (CO029)
FORT LUPTON, CO
Single Project Revenue and Expense

Submission Type: Audited/Non Single
 Audit

Fiscal Year End: 12/31/2020

Project: CO029000029 FORT LUPTON

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$236,680		\$236,680
70400 Tenant Revenue - Other	\$5,480		\$5,480
70500 Total Tenant Revenue	\$242,160	\$0	\$242,160
70600 HUD PHA Operating Grants	\$166,090	\$111,583	\$277,673
71100 Investment Income - Unrestricted	\$281		\$281
71500 Other Revenue	\$3,450		\$3,450
70000 Total Revenue	\$411,981	\$111,583	\$523,564
91100 Administrative Salaries	\$60,965		\$60,965
91200 Auditing Fees	\$4,000		\$4,000
91500 Employee Benefit contributions - Administrative	\$9,167		\$9,167
91600 Office Expenses	\$18,460		\$18,460
91700 Legal Expense	\$563		\$563
91000 Total Operating - Administrative	\$93,155	\$0	\$93,155
92400 Tenant Services - Other	\$10,457		\$10,457
92500 Total Tenant Services	\$10,457	\$0	\$10,457
93100 Water	\$48,855		\$48,855
93200 Electricity	\$10,429		\$10,429
93300 Gas	\$5,775		\$5,775
93600 Sewer	\$20,535		\$20,535
93000 Total Utilities	\$85,594	\$0	\$85,594
94100 Ordinary Maintenance and Operations - Labor	\$69,872		\$69,872
94200 Ordinary Maintenance and Operations - Materials and Other	\$21,928		\$21,928
94300 Ordinary Maintenance and Operations Contracts	\$59,297	\$0	\$59,297
94500 Employee Benefit Contributions - Ordinary Maintenance	\$14,281		\$14,281
94000 Total Maintenance	\$165,378	\$0	\$165,378
96110 Property Insurance	\$30,308		\$30,308
96120 Liability Insurance	\$1,277		\$1,277
96130 Workmen's Compensation	\$2,645		\$2,645
96140 All Other Insurance	\$4,914		\$4,914
96100 Total Insurance Premiums	\$39,144	\$0	\$39,144
96210 Compensated Absences	-\$427		-\$427
96000 Total Other General Expenses	-\$427	\$0	-\$427
96900 Total Operating Expenses	\$393,301	\$0	\$393,301
97000 Excess of Operating Revenue over Operating Expenses	\$18,680	\$111,583	\$130,263
97400 Depreciation Expense	\$125,133		\$125,133
90000 Total Expenses	\$518,434	\$0	\$518,434
10010 Operating Transfer In	\$113,736		\$113,736
10020 Operating transfer Out		-\$111,583	-\$111,583
10100 Total Other financing Sources (Uses)	\$113,736	-\$111,583	\$2,153
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$7,283	\$0	\$7,283
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$896,197	\$0	\$896,197
11190 Unit Months Available	600		600
11210 Number of Unit Months Leased	578		578
11270 Excess Cash	\$226,235		\$226,235
11620 Building Purchases	\$40,761	\$0	\$40,761
11630 Furniture & Equipment - Dwelling Purchases	\$6,346	\$0	\$6,346

GOVERNMENT AUDITING STANDARDS SECTION

**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**

Independent Auditors Report

To the Board of Commissioners
Housing Authority of the City of Fort Lupton, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the major fund of the Housing Authority of the City of Fort Lupton, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Fort Lupton, Colorado's basic financial statements, and have issued our report thereon dated June 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Fort Lupton, Colorado's internal control over financial reporting (internal control) as a basis for designing 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 Housing Authority of the City of Fort Lupton, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Fort Lupton, Colorado'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 reasonably possibility that a material misstatement of the entity's basic 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the 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 material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Fort Lupton, Colorado's basic 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 direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Niewedde & Wiens, CPA's

York, Nebraska
June 10, 2021

AGREED-UPON PROCEDURE

Randal D. Niewedde, CPA
Jeffrey J. Wiens, CPA

Independent Accountant's Report on Applying Agreed-Upon Procedure

To the Board of Commissioners
Housing Authority of the City of Fort Lupton, Colorado

We have performed the procedure enumerated in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Fort Lupton, Colorado and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents. The Housing Authority of the City of Fort Lupton, Colorado is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure enumerated below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below:

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue and Revenue and Expense (account numbers 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable.	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (date element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

We were engaged to perform an audit of the financial statements of the Housing Authority of the City of Fort Lupton, Colorado as of and for the year ended December 31, 2020, and have issued our report thereon dated June 10, 2021. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority of the City of Fort

Lupton, Colorado's Financial Data Schedule dated June 10, 2021, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package and the FDS, which includes the auditor's report, is available in its entirety from the Housing Authority of the City of Fort Lupton, Colorado. We have not performed any additional auditing procedures since the date of the aforementioned audit report.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Niewedde & Wiens, CPA's

York, Nebraska
June 10, 2021