HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA

AUDITED FINANCIAL STATEMENTS

Cortez, Colorado

December 31, 2020

Goldie Roberts

Certified Public Accountant

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HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA

Cortez, Colorado
DECEMBER 31, 2020

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8518 S Kays Chapel Rd.
Fredericksburg, IN 47120

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the County of Montezuma
37 North Madison
Cortez, CO 81321-3301

Report on the Financial Statements

I have audited the accompanying financial statements of the Housing Authority of the County of Montezuma ("the Authority") which comprise the Statement of Net Position as of December 31, 2020, and the related Statements of Revenues, Expenses and Changes in Fund Net Position, and Cash Flows for the year then ended, and the related Notes to the Financial Statements, which collectively comprise the Housing Authority of the County of Montezuma's 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the 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 Authority'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 Authority's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i through v be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the Authority's financial statements as a whole. The accompanying Financial Data Schedule, Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards, and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

In regard to, the Financial Data Schedule, Schedule of Expenditures of Federal Awards, and the other supplemental information as listed in the table of contents, such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 my opinion, the Financial Data Schedule, Schedule of Expenditures of Federal Awards, and the other supplemental information as listed in the table of contents 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*, I have also issued my report dated June 4, 2021 on my consideration of the Housing Authority of the County of Montezuma's internal control over financial reporting and on my 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 my 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 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 Housing Authority of the County of Montezuma's internal control over financial reporting and compliance.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana
June 4, 2021

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

Management's Discussion and Analysis
December 31, 2020

Introduction

This Management's Discussion and Analysis (MD&A) of the Housing Authority of the County of Montezuma (Authority) provides an introduction and overview to the financial statements of the Housing Authority of the County of Montezuma for the fiscal year ended December 31, 2020. The Housing Authority of the County of Montezuma presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2020, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Housing Authority of the County of Montezuma. The information contained herein should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority's enterprise fund consists of several programs as follows:

- The Low Rent Program consists of 31 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.

- The Capital Fund Program is also a formula based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Authority to provide capital improvements for the current dwelling structures and assist in their operations.

- The Housing Choice Voucher Program provides rental assistance to aid low income families in affording decent, safe, and sanitary rental housing. The Authority provides rental assistance in the form of a Housing Assistance Payment to a landlord on behalf of the tenant. The Authority currently has 262 units available. Funds are provided by HUD to provide rental assistance payments. The authority is provided an administrative fee for the purpose of covering the administrative costs of the program. The fee is preset by HUD on an annual basis.

- The Section 8 New Construction Program is a 28 unit project based apartment complex that HUD has entered into a contract to provide Housing Assistance Payments (HAP) to the program for these specific units. Tenants typically pay rent which is 30% of their adjusted gross income. The remaining portion of the contract rent is provided by HUD in the form of rental assistance.

- The Management Program is a program designed to provide management services to other agency programs that provide housing for low income tenants.

- Blended Component Unit – The Authority has created two non-profit corporations titled Housing Development for Southwest Colorado and Montezuma Housing Investment LLC that are used for the purposes of applying for and administration of miscellaneous grants and Operating Agreements. The Authority and Housing Development for Southwest Colorado are the owners of two 30 unit tax credit projects. The Authority holds mortgages receivable for and is an investor in Sleeping Ute, LLC.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements as follows:

- The Statement of Net Position

- The Statement of Revenues, Expenses and Changes in Fund Net Position

- The Statement of Cash Flows

The Statement of Net Position presents information on the assets and liabilities, with the differences between the two being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- *Net Investment in Capital Assets,* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets.
- *Restricted Net Position* consists of assets that are restricted by limitations placed on these assets by an external source or party.
- *Unrestricted Net Position* consists of net position that does not meet the definition of the above categories. Unrestricted net position is basically the amount of funds available for future year appropriations.

The Statement of Revenues, Expenses and Changes in Fund Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2020, to determine the change in net Position for the fiscal year.

- Total Revenues increased from $2,937,383 to $2,944,395 an increase of $7,012.
- Total expenses increased by $37,828 from $2,782,121 to $2,819,949 for the current year.

Housing Authority Activities & Highlights

The Housing Authority's overall financial position and operations for the two years ended December 31, 2020 and 2018 are summarized below:

Housing Authority Activities & Highlights

The Housing Authority's overall financial position and operations for the two years ended December 31, 2020 and 2018 are summarized below:

Summary Statement of Net position

Category	FYE 2020	FYE 2019	Change
Current Assets	$ 2,169,778	$ 2,091,412	$ (78,366)
Non Current Assets	1,334,904	1,295,771	(39,133)
Capital Assets (Net of Depreciation)	4, 723,584	4,510,397	(213,187)
Total Assets	8,228,266	7,897,580	(330,686)
Current Liabilities	370,354	343,968	(26,386)
Long Term Liabilities	1,277,628	1,097,774	(179,854)
Total Liabilities	1,647,982	1,441,742	(206,240)
Unrestricted	1,871,726	3,128,389	(1,256,663)
Restricted	24,250	0	24,250
Net Investment in Capital Assets	4,684,308	3,327,449	1,356,859
Total Net Position	$ 6,580,284	$ 6,455,838	$ 124,446

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

Management's Discussion and Analysis
December 31, 2020
(Continued)

Summary Statement of Revenues, Expenses and Changes in Fund Net Position

Category	FYE 2020	FYE 2019	Change $
Tenant Revenue	$ 660,900	$ 678,112	$ 17,212
Operating Grants	1,979,667	1,894,494	(85,173)
Capital Grants	67,375	44,516	(22,859)
Interest Income	18,444	10,145	(8,299)
Other Revenue	218,009	310,116	92,107
Total Revenue	**2,944,395**	**2,937,383**	**7,012**
Administration	509,734	493,450	(16,284)
Tenant Services	6,723	0	(6,723)
Utilities	154,650	156,885	2,235
Ordinary Maintenance	315,882	321,313	5,431
Protective Services	7,104	15,084	7,980
General Expense	90,508	91,727	1,219
Housing Assistance Payments	1,386,742	1,338,691	(48,051)
Interest Expense	47,087	43,881	(3,206)
Depreciation	301,519	321,090	19,571
Total Expenses	**2,819,949**	**2,782,121**	**(37,828)**
Excess of Revenue over Expenses	**124,446**	**155,262**	**30,816**
Net Position, Beginning of Year	**6,455,838**	**6,300,576**	**(155,262)**
Net Position, End of Year	**$ 6,580,284**	**$ 6,455,838**	**$ 124,446**

Results of Operations
Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue increased by $7,012 during the current fiscal year. Noted changes in the revenue include the decreased interest income earned from the previous year due primarily to the decreased rates of return offered during the current year.

Significant changes noted in specific revenue classifications include:

- The Operating Grants increase is from the HAP subsidy adjustments.
- Other revenue decreased due to reduction in Grant funding
- HAP expenses increased due to funding allocation.
- General Expense decreased due to COVID19 limitations
- Tenant Services increased due to COVID19 protection supplies

Capital Assets

As of December 31, 2020, the Housing Authority of the County of Montezuma's investment in capital assets was $4,723,584. This investment includes land, building, construction in progress, and equipment.

Category	FYE 2020	FYE 2019	Change
Land	$ 1,085,978	$ 1,085,978	$ 0
Buildings	9,221,781	9,083,897	137,884
Equipment	358,189	358,189	0
Construction in Progress	1,287,344	913,060	374,284
Subtotal	11,953,292	11,441,124	512,168
Accumulated Depreciation	(7,229,708)	(6,930,727)	(298,981)
Total Net Capital Assets	$ 4,723,584	$ 4,510,397	$ 213,187

The major capital expenditures during fiscal year 2019 were:

Siding, sidewalks and parking lots	$ 137,884
School House	374,284
Total	$ 512,168

Debt Administration

Mortgage payable balance consists of the following:

Prairie Mesa Estates, LLLP Notes payable to Bank of Colorado; with an interest rate of 4%; due in monthly installments of $2,985, including interest; secured by a deed of trust; scheduled to mature in July 1, 2025.	$ 479,325
Overlook Village LLLP Notes payable to Bank of Colorado; with an interest rate of 3.600%; due in monthly installments of $3,516 secured by deed of trust; scheduled to mature in April, 2022	$ 584,666

Interest expense on the mortgage note payable for the year ended December 31, 2020 was $46,055. As of December 31, 2020, accrued interest on the mortgage note payable was $1,754.

Future payments on the mortgage are due as follows:

	Principal	Interest	Total
2021	$ 37,898	$ 40,120	$ 78,018
2022	581,225	24,514	605,739
2023	18,789	17,031	35,820
2024	426,079	9,509	435,588
Total	$ 1,063,991	$ 91,173	$ 1,155,164

	12/31/19	Transfer/ Reclass	Forgiven/ Retired	12/31/20
Long Term Debt	$1,099,354	$ 0	$ 35,363	$1,063,991

The Authority classifies a portion of the employee's leave as long term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as short term was $10,838 and long term $35,172.

Budgetary Analysis

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public housing is adopted on the basis of accounting prescribed by the Housing and Urban Development, which differs in some respects from generally accepted accounting principles. Program budgets for the Section 8 Programs are approved by the U.S. Department of Housing and Urban Development.

For the year ended December 31, 2020, the operating budget was prepared by the Authority and adopted by the Board of Commissioners. The budget was primarily used as a management tool and has no legal stature. The budget was prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Terri Wheeler
Executive Director
Housing Authority of the County of Montezuma
37 North Madison
Cortez, CO 81321

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA

Cortez, Colorado

STATEMENT OF NET POSITION

DECEMBER 31, 2020

ASSETS	
Current Assets	
Cash and cash equivalents	$ 872,201
Restricted cash and cash equivalents	163,298
Accounts receivable, net	407,897
Investments	712,491
Prepaid expenses	0
Inventory	13,891
Total Current Assets	**2,169,778**
Noncurrent Assets	
Investments in partnerships	209
Other assets	1,334,695
Total Noncurrent Assets	**1,334,904**
Capital Assets	
Land and other nondepreciable assets	2,373,322
Depreciable capital assets, net	2,350,262
Total Capital Assets	**4,723,584**
TOTAL ASSETS	**8,228,266**
LIABILITIES	
Current liabilities	
Accounts payable	21,036
Accrued liabilities	189,189
Current portion of long term debt	37,111
Payable from restricted cash and and cash equivalents:	
Tenants security deposits	74,638
Unearned revenue	48,380
Total Current Liabilities	**370,354**
Noncurrent Liabilities	
Other noncurrent liabilities	250,748
Long term debt	1,026,880
Total Noncurrent Liabilities	**1,277,628**
Total Liabilities	**1,647,982**
NET POSITION	
Investment in capital assets	1,871,726
Restricted	24,250
Unrestricted	4,684,308
Total Net Position	**$ 6,580,284**

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

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

OPERATING REVENUES	
Rental income	$ 660,900
Other income	218,419
TOTAL OPERATING REVENUE	**879,319**
OPERATING EXPENSES	
Administrative	509,734
Tenant services	6,723
Utilities	154,650
Ordinary maintenance and operation	315,882
Protective Services	7,104
General expense	90,508
Housing assistance payments	1,386,742
Depreciation expense	301,519
TOTAL OPERATING EXPENSES	**2,772,862**
OPERATING INCOME (LOSS)	**(1,893,543)**
NONOPERATING REVENUES	
Federal operating grants	1,979,667
Gain on sale of partnership	(410)
Interest expense	(47,087)
Interest income	18,444
TOTAL NONOPERATING REVENUES	**1,950,614**
Net income before capital contributions	**57,071**
CAPITAL CONTRIBUTIONS	67,375
CHANGE IN NET POSITION	**124,446**
TOTAL NET POSITION - BEGINNING OF YEAR	6,455,838
TOTAL NET POSITION - END OF YEAR	**$ 6,580,284**

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from tenants and other deposits	$ 906,194
Payments to vendors	(485,642)
Payments to landlords	(1,386,742)
Payments to employees	(393,967)
Net Cash Used by Operating Activities	**(1,360,157)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal operating grants received	1,979,667
Net Cash From Noncapital Financing Activities	**1,979,667**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on notes	(35,363)
Interest expense	(47,087)
Federal capital grants received	67,375
Gain on sale of partnership	(410)
Acquisition and construction of capital assets	(514,706)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	**(530,191)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Income from partnership interests	44
Purchase of investments	90,849
Interest income	18,444
Net Cash From Investing Activities	**109,337**
Net Increase (Decrease) in Cash and Cash Equivalents	**198,656**
Cash - Beginning of year	**836,843**
Cash - End of year	**$ 1,035,499**

Reconciliation of Cash and Cash Equivalents:	
Deposits in bank	$ 872,201
Restricted cash	163,298
Total Cash and Cash Equivalents	**$ 1,035,499**

Continued

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

RECONCILIATION OF OPERATING (LOSS) TO
NET CASH USED BY OPERATING ACTIVITIES

Operating income (loss)	$ (1,893,543)
Adjustments to reconcile net operating income to net cash Provided by operating activities:	
Depreciation	301,519
Changes in operating assets and liabilities:	
(Increase) Decrease in:	
Accounts receivable	31,124
Inventory	(1,683)
Other assets	(39,177)
Increase (Decrease) in:	
Accounts payable	7,102
Accrued liabilities	207,626
Unearned revenue	26,875
Net Cash Flows Provided (Used) by Operating Activities	$ **(1,360,157)**

The accompanying notes are an integral part of these financial statements

NOTE A - Summary of Significant Accounting Policies and Organization:

The financial statements of the HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA ("the Authority") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Housing Authority of the County of Montezuma is a political subdivision both corporate and politic which was established under the provision of Colorado Statutes, to provide adequate housing at rents which persons of low-income can afford in areas where there exists a shortage. To accomplish this purpose, the Authority has entered into annual contributions contracts with the U.S. Department of Housing and Urban Development (HUD) to be the Administrator of a Low-Income Public Housing program under Annual Contributions Contract DEN-2312 and Section 8 Housing Assistance Payments Program under Annual Contributions Contracts DEN-1034E, and DEN-2312-057. The financial statements also include the Authority owned developments Dolores and Hillside (Section 8 New Construction Projects), the Revolving Fund, and the Development for Housing for Southwest Colorado and Montezuma Housing Investment, LLC, Nonprofit Organizations.

Reporting Entity

The entity is a public corporation, legally separate, fiscally independent, and governed by the Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of the Housing Authority of the County of Montezuma, a primary government. Although they are legally separate from the Housing Authority of the County of Montezuma, the Housing Development for SW Colorado and Montezuma Housing Investment, LLC are reported as if it were part of the primary government because its sole purpose is to work in conjunction with the Housing Authority to assist with providing housing for low and moderate income individuals. The criteria for inclusion as a component unit include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Accordingly, Overlook Village, Prairie Mesa Estates, School House, the Housing Development for SW Colorado, Sleeping Ute, LLC and Montezuma Housing Investment, LLC, financial information (component units) has been blended with the Housing Authority of the County of Montezuma. There are no other component units to be included herewith, but this report does include all programs which are controlled by the entity's governing body.

NOTE A - Summary of Significant Accounting Policies: (Continued)

	Housing Authority	Component Units	Total
Condensed Statement of Net Position			
Current assets	$ 1,458,270	$ 711,508	$ 2,169,778
Capital Assets	1,021,128	3,702,456	4,723,584
Other Assets	0	1,334,904	1,334,904
Total assets	2,479,398	5,748,868	8,228,266
Current liabilities	(650,997)	1,021,351	370,354
Non current liabilities	(232,669)	1,510,297	1,277,628
Total liabilities	(883,666)	2,531,648	1,647,982
Net investment in capital assets	1,001,128	870,598	1,871,726
Restricted	24,250	0	24,250
Unrestricted	2,337,686	2,346,622	4,684,308
Total Net Position	$ 3,363,064	$ 3,217,220	$ 6,580,284
Condensed Statement of Revenues, Expenses and Changes in Net Position			
Operating revenues	$ 261,051	$ 618,268	$ 879,319
Operating expenses			
Operating expense - other	(2,090,503)	(380,840)	(2,471,343)
Depreciation expense	(65,573)	(235,946)	(301,519)
Nonoperating revenue			
Nonoperating revenue - other	17,938	(46,991)	(29,053)
Federal operating grants	1,979,667	0	1,979,667
Net income before capital Contributions	102,580	(45,509)	57,071
Capital Contributions	67,375	0	67,375
Change in net position	169,955	(45,509)	124,446
Net Position, beginning of year	3,193,109	3,262,729	6,455,838
Net Position, end of year	$ 3,363,064	$ 3,217,220	$ 6,580,284

NOTE A - Summary of Significant Accounting Policies: (Continued)

	Housing Authority	Component Units	Total
Condensed Statement of Cash Flows			
Net Cash Provided (Used) by Operating Activities	$ (1,747,734)	$ 372,001	$ (1,375,733)
Net Cash From Noncapital Financing Activities	1,979,667	0	1,979,667
Net Cash Flows Used by Capital and Related Financing Activities	(41,132)	(473,483)	(514,615)
Net Cash From Investing Activities	109,712	(375)	109,337
Net Increase in Cash and Cash Equivalents	187,715	10,941	198,656
Cash - Beginning of year	705,929	130,914	836,843
Cash - End of year	$ 893,644	$ 141,855	$ 1,035,499

The financial statements of the Housing Authority of the County of Montezuma include the following:

At December 31, 2020, the Housing Authority has 338 units in management.

Project	Units
Low Income Public Housing	31
Housing Choice Vouchers	219
Dolores and Hillside (Section 8 New Construction)	28
Overlook Village LLP	30
Prairie Mesa Estates LLP	30
TOTAL	338

Basis of presentation and Accounting: In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to special purpose governments engaged only in business type activities.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflow of resources, liabilities, and deferred inflow of resources are included in the Statement of Net Position. The Statement of Changes in Net Position present increases (revenues) and decreases (expenses) in net position. Under the Accrual basis of accounting,

NOTE A - Summary of Significant Accounting Policies: (Continued)

revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

This special purpose government engaged in activities similar to business activities uses an enterprise fund to account for those operations that are financed and operated in a manner similar to private business, or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following net position categories:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted: Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted: Net position that are not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

The Authority has restricted funds totaling $73,084 that represents excess HAP grant funding provided by the Department of Housing & Urban Development for the sole purpose of providing assistance payments to eligible individuals through the Housing Choice Voucher Program. This amount represents the total amount of excess Authority to retain these funds for future housing assistance payments. The requirements imposed by HUD represent a legally enforceable requirement upon this program. The amount also includes unexpended Cares Act funds

Accounting Policies - The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

NOTE A - **Summary of Significant Accounting Policies**: (Continued)

Use of Enterprise Accounting - The Authority presents its financial statements using enterprise accounting, as allowed by governments. Although the Authority accounts for its programs using accounts for its internal reporting, the Authority is considered to be a unified enterprise fund for reporting purposes. Accordingly, the Authority uses the economic resources measurement focus and the related accrual basis of accounting. Under the economic resources measurement focus, the Authority accounts for all assets and liabilities. Under the accrual basis of accounting expenses are recorded when the goods and services are received, irrespective of when paid for, and revenues are recorded as earned, irrespective of when cash is received.

Budgets - Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis.

Budget compared to Actual presentation has been omitted because the Authority does not annually adopt a legally authorized budget. The Authority's budget is adopted by the Authority's board and approved by HUD. This budget does not represent an appropriated budget that has been signed into law or a nonappropriated budget authorized by constitution. The Authority's budget represents budgetary execution and management by its board and HUD; therefore, budgetary data and presentation is not required.

Cash and Cash Equivalents - Deposits consist of checking accounts, saving accounts and money market accounts and are stated at fair value. Deposits are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the Authority.

For the purposes of the Statement of Cash Flows, the Authority considers all highly liquid cash deposits and cash equivalents with a maturity of three months or less when purchased and non negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital, and financing activities during the year.

Tenant Receivables - Receivables for rentals and service charges are reported at net of an allowance for doubtful accounts. The Housing Authority Board takes annual action as required to write off specific uncollectable accounts receivable balances.

Prepaid - Prepaids represent payments made to vendors for services that will benefit beyond December 31, 2020.

Inventories - Inventories are valued at cost, which approximates market value, using the first-in/first/out (FIFO) method. The consumption method is applied and expense is charged when inventory items are used for the units.

NOTE A - **Summary of Significant Accounting Policies**: (Continued)

Interprogram Due From and Due To - During the course of its operations, the Authority has interprogram transactions to finance operations and provide services. Interprogram accounts receivable and payable have been recorded to recognize transactions between programs for which the applicable cash transfer had not been made as of the balance sheet date. Interprogram accounts have been eliminated for financial statement reporting purposes.

Capital Assets - Capital assets purchased are capitalized at the time of purchase. Such assets are recorded at cost. The capitalization policy of the Authority requires assets to be capitalized when their cost is $2,500. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

Class	Life
Building & Improvements	15-40 years
Furniture, Equipment & Machinery	7 years

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Operating Revenues and Expenses - Operating revenues and expenses generally result from providing and producing goods and/or services in connection with providing low income housing programs. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

Restricted Assets - When both restricted and unrestricted resources are available for use, it is the Authority's policy to use unrestricted resources first, then restricted resources as they are needed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE A - Summary of Significant Accounting Policies: (Continued)

Leasing Activities (as Lessor) - The Authority is the lessor of dwelling units primarily to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Income associated with these leases are recorded in the financial statements and schedules as "Rental income". Rental income per resident generally remains consistent from year to year, but is affected by general economic conditions which impact personal income, such as local job availability.

NOTE B - Deposits, Cash and Cash Equivalents, and Investments:

1. HUD Deposit Restrictions

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

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral determined by the PDPA. The institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits.

2. Risk Disclosures

A. **Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. At December 31, 2020, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

NOTE B - Deposits, Cash and Cash Equivalents, and Investments: (Continued)

B. **Credit Risk:** This is a risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

C. **Custodial Credit Risk:** This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

The carrying amounts of the Authority's cash deposits were $1,035,491 at December 31, 2020. Bank and investment balances before reconciling items were $1,872,478 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name.

Deposits consist of the following :

Checking, money market and saving accounts	$ 1,035,491

	Fair Value	Credit Rating	Maturity Date	Callable
Edward Jones:	$ 712,491	N/A	N/A	NO
Total Investments	$ 712,491			

Total deposits and Investments	$ 1,767,982

The deposits are either covered by federal depository insurance, by collateral held by the Authority's agent in the Authority's name or by the Federal Reserve Banks acting as third party agents or by a collateralization agreement. Restricted cash consists of tenant security deposits, escrow accounts and prepaid voucher HAP payments.

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2020, consist of the following:

Tenants - Net of allowance for doubtful account of $654	$ 1,132
Fraud recovery - net of allowance of $3,906	3,831
Accounts receivable miscellaneous	6,717
HUD	7,725
Accrued interest	388,492
Total	$ 407,897

NOTE D - Inventory:

Inventory at December 31, 2020, consists of the following:

Materials and supplies, net allowance of $1,543	$ 13,891

Materials inventories are recorded at cost. The first-in first-out (FIFO) inventory flow assumption is used to determine expenditures. Expenditures are recorded when inventory is consumed.

NOTE E - Component Units, Investment in Partnership and Managed Entity:

Component Unit - Prairie Mesa Estates
The Housing Development for SW Colorado is a partner in a tax credit partnership. The partnership interest of the ownership in a 30 unit development called Prairie Mesa Estates is .005% by the Housing Authority of the County of Montezuma and .995% by the Housing Development for Southwest Colorado. The value of the partnership interest is stated on the equity basis. A copy of the audit report for Prairie Mesa Estates is available for review at the Housing Authority.

Component Unit - Overlook Village
The Housing Development for SW Colorado is a partner in a tax credit partnership. The partnership interest of the ownership in a 30 unit development called Overlook Village is .005% by the Housing Authority of the County of Montezuma and .995% by the Housing Development for Southwest Colorado. The value of the partnership interest is stated on the equity basis. A copy of the audit report for Overlook Village is available for review at the Housing Authority.

Investment in Partnership and Managed Entity - Brubaker, LLC
Brubaker LLC is a Colorado limited liability company (the "Managing Member"), and Cortez Investments LLC, a Colorado limited liability company (the "Investor Member"). The operating agreement is between the Housing Authority of the County of Montezuma and Brubaker LLC. The partnership interest of the ownership in a 48 unit development called Brubaker Place Apartments is .005% by the Housing Authority of the County of Montezuma and .995% by the Housing Development for Southwest Colorado. A copy of the Audit report for Brubaker Place Apartments is available for review at the Housing Authority. The investment in partnership is $209.

NOTE E - Component Units, Investment in Partnership and Managed Entity: (Continued)

Managed Entity - Sleeping Ute Housing, LLC

The partnership has one general partner, Sleeping Ute Housing, LLC, which has a .01% interest, one special limited partner, BCCC, Inc, which has a .00% interest, and one investment limited partner, Boston Capital Corporate Tax Credit Fund XXIV, which has a 99.99% interest. A copy of the audit report for Sleeping Ute Apartments is available for review at the Housing Authority.

A 30-year, 4.79 percent, mortgage restructuring note payable dated February 25, 2004, in the original amount of $1,005,000 payable to the U.S. Department of Housing and Urban Development has been assigned to the Housing Authority of the County of Montezuma. The mortgage is payable from 75 percent of surplus cash after the payment of the incentive performance fee. The note's maturity date is March 1, 2034. All payments are applied first to interest, and then to principal. The note is nonrecourse and subordinate to the first mortgage note payable referred to in the preceding paragraph. The Project's property and equipment serve as collateral. The amount due as of December 31, 2020 is $990,910. As of December 31, 2020 a total of $142,549 of accrued interest due on this this mortgage, of which $14,151 was current liability at August 22, 2017.

A 30-year, 4.79 percent Contingent Repayment Note Payable dated February 25, 2004, in the original amount of $304,608 payable to the U.S. Department of Housing and Urban Development has been assigned to the Housing Authority of the County of Montezuma. The mortgage is payable from 75 percent of surplus cash after payment of the incentive performance fee. The note is nonrecourse and subordinate to the first mortgage note payable and the mortgage restructuring note payable, and is due with interest on March 1, 2034. The Project's property and equipment serve as collateral. The amount due as of December 31, 2020 is $304,608. As of December 31, 2020 a total of $169,112 of accrued interest is due on this mortgage, all of which is included under Interest on Other Mortgages - Long Term on the December 31, 2020 balance sheet.

NOTE F - Capital Assets:

A summary in changes in capital assets is as follows:

	Beginning Balance 12/31/19	Increases	Decreases	Transfers	Ending Balance 12/31/20
Capital assets, not being depreciated:					
Land	$ 1,085,978	$ 0	$ 0	$ 0	$ 1,085,978
Construction in Progress	913,060	374,284	0	0	1,287,344
Total Capital Assets, Not being depreciated	1,999,038	374,284	0	0	2,373,322
Capital Assets, being depreciated:					
Buildings & Improvements	9,083,897	137,884	0	0	9,221,781
Furniture, Equipment & Machinery	358,189	0	0	0	358,189
Total Capital Assets, being depreciated	9,442,086	137,884	0	0	9,579,970
Less Accumulated Depreciation for:					
Buildings & Improvements	(6,587,342)	(289,261)	0	0	(6,876,603)
Furniture, Equipment and Machinery	(343,385)	(12,258)	(2,538)	0	(353,105)
Total Accumulated Depreciation:	(6,930,727)	(301,519)	(2,538)	0	(7,229,708)
Total Capital Assets, being depreciated, net	2,511,359	(163,635)	2,538	0	2,350,262
Capital Assets, Net	$ 4,510,397	$ 210,649	$ 2,538	$ 0	$ 4,723,584

Major construction renovation through the Capital Fund Grant Program costs of $88,265 are yet to be expended under the current programs. HUD has approved funding for the above amount.

Depreciation expense of $301,519 was incurred during the year.

NOTE G - Accounts Payable:

Accounts payable at December 31, 2020, consist of the following:

Vendors' accounts payable	$ 21,036

NOTE H - Accrued Liabilities:

Accrued liabilities at December 31, 2020, consist of the following:

Accrued wages	$ 6,556
Payment in lieu of taxes	5,597
Accrued Interest	3,234
Sleeping Ute interest payable	156,421
Accrued compensated absences	10,838
Other current liabilities	6,543
Total	$ 189,189

NOTE I - Unearned Revenue:

Unearned Revenue at December 31, 2020, consist of the following:

Prepaid rent	$ 5,291
Section 8 administrative fees	43,089
	$ 48,380

NOTE J - Other Noncurrent Liabilities:

Other noncurrent liabilities at December 31, 2020, consist of the following:

	12/31/19	Additions	Deletions	12/31/20	Due within one year	Total due
Accrued compensated absences	$ 33,908	$ 1,264	$ 0	$ 35,172	$ 10,838	$ 46,010
Short Term Note	0	200,000	0	200,000	0	200,000
Family Self Sufficiency	0	15,576	0	15,576	0	15,576
Total	$33,908	$ 216,840	$ 0	$250,748	$ 10,838	$261,586

NOTE K - Mortgages Payable:

Combined
Future payments on the mortgage are due as follows:

	Principal	Interest	Total
2021	$ 37,111	$ 40,907	$ 78,018
2022	581,225	24,514	605,739
2023	18,789	17,031	35,820
2025	426,866	9,509	436,375
Total	$ 1,063,991	$ 91,961	$ 1,155,952

Overlook Village, LLLP

Notes payable to Bank of Colorado; with interest Rate of 3.600% Due in monthly installments of $3,516 secured by a deed of Trust; scheduled to mature in April, 2022	$ 584,666

NOTE K - Mortgages Payable: (Continued)

Prairie Mesa Estates, LLLP Notes payable to Bank of Colorado; with interest rate of 4%; due in monthly installments of $2,985, including interest; secured by a deed of trust; scheduled to mature in July 1, 2025.	479,325
Total	$1,063,991

	12/31/2019	Reclass/ Additions	Deletions	12/31/2020	Due within one year	Long Term due
Long Term Debt	$1,099,354	$ 0	$ 35,363	$1,063,991	$ 37,111	$1,026,880

NOTE L - Federal Operating Grants:

HUD contributed the following operating subsidies approved in the operating budgets under the Annual Contributions Contracts:

Low Rent Public Housing	$ 66,026
Public Housing Cares Act	12,010
Housing Choice Vouchers	1,579,660
HCV Cares Act	33,400
Section 8 New Construction	223,402
Capital Fund Program	65,169
Total	$ 1,979,667

NOTE M - Federal & State Capital Grants:

The Authority receives capital grants from HUD for capital fund program improvements. Capital contributions for the fiscal year ended December 31, 2020, were $67,375.

NOTE N - Commitments and Contingencies:

Litigation: At December 31, 2020, the Authority was not involved in any threatened litigation. The Authority has not used an attorney

Examinations: The Authority is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years. There was one examinations during the year ended December 31, 2020.

Grant Disallowances: Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amounts, 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.

Construction Projects: There are certain major construction projects in progress at December 31, 2020. These include modernizing rental units at the project sites. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

NOTE O - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management, which includes public officials, tenant discrimination, workman's compensation, flood, property, and auto insurance. Settled claims have not exceeded this commercial coverage in any of the past 3 years.

NOTE P - Economic Dependency:

The Authority receives approximately 70% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

NOTE Q - Conduit Type Debt:

Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on the part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Housing Authority of the County of Montezuma.

HUD no longer provides the Authority with debt service information since the Authority has no obligation for the debt.

NOTE R - Contingencies - Taxpayer's Bill of Rights:

In November, 1992, the voters of the State of Colorado approved an amendment to the states 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 and activities from the limitations. The Board of Commissioners of the Authority believes it is exempt from the provisions of the Taxpayer's Bill of Rights because it is an "enterprise" (a business operation able to issue its own revenue bonds and receiving less than 10% of its revenues 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 which are all the basic operational requirements of TABOR. However, many provisions of the TABOR Amendment are complex and subject to further interpretation and will require judicial interpretation.

NOTE S - Related Party:

The Authority acts as the Management agent for the following entities: Menefee Apartments, and Brubaker Place Apartments. The Authority receives annual asset management fees. The Authority allocates the appropriate expenses to these entities and recovers regular reimbursement for services rendered.

NOTE T - Subsequent Events:

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated the activity of the Authority through June 4, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTAL FINANCIAL INFORMATION

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

COMBINING SCHEDULE OF PROGRAM NET POSITION
DECEMBER 31, 2020

	Annual Contributions Contracts		
	DEN 2312 Low Income Public Housing	DEN 2312 Capital Fund Programs	DEN 2312 Section 8 New Construction
ASSETS			
Current Assets			
Cash and cash equivalents	$ 91,910	$ 0	$ 277,884
Restricted Cash and cash equivalents	18,536	0	10,753
Accounts receivable, net	7,716	0	300
Investments	0	0	205,555
Interprogram due from	0	0	0
Inventory	3,517	0	2,131
Total Current Assets	**121,679**	**0**	**496,623**
Noncurrent Assets			
Investments in Joint Ventures	0	0	0
Other Assets	0	0	0
Total Noncurrent Assets	**0**	**0**	**0**
Capital Assets			
Land and other nondepreciable assets	518,778	0	73,499
Depreciable capital assets, net	227,214	0	148,835
Total Capital Assets	**745,992**	**0**	**222,334**
TOTAL ASSETS	**867,671**	**0**	**718,957**
LIABILITIES			
Current liabilities			
Accounts payable	4,952	0	4,195
Accrued liabilities	8,019	0	2,600
Interprogram due to	0	0	0
Current portion of long term debt	0	0	0
Payable from restricted cash and and cash equivalents:			
Tenants security deposits	18,536	0	10,753
Unearned revenue	1,447	0	659
Total Current liabilities	**32,954**	**0**	**18,207**
Noncurrent Liabilities			
Other noncurrent liabilities	3,806	0	4,002
Long term debt	0	0	0
Total Noncurrent Liabilities	**3,806**	**0**	**4,002**
Total Liabilities	**36,760**	**0**	**22,209**
NET POSITION			
Net investment in capital assets	745,992	0	222,334
Restricted	0	0	0
Unrestricted	84,919	0	474,414
Total Net Position	**$ 830,911**	**$ 0**	**$ 696,748**

DEN 1034 Housing Choice Vouchers	State / Local	School House Development for SW CO Prarie Mesa & Overlook	Business Activities	Interfund Elimination	Total
$ 294,280	$ 111,621	$ 96,506	$ 0	$ 0	$ 872,201
88,660	0	45,349	0	0	163,298
3,864	24,180	389,301	0	(17,464)	407,897
0	406,412	100,524	0	0	712,491
0	694,388	71,585	0	(765,973)	0
0	0	8,243	0	0	13,891
386,804	**1,236,601**	**711,508**	**0**	**(783,437)**	**2,169,778**
0	0	209	0	0	209
0	282,654	1,334,695	0	(282,654)	1,334,695
0	**282,654**	**1,334,904**	**0**	**(282,654)**	**1,334,904**
0	26,415	1,754,630	0	0	**2,373,322**
3,066	23,321	1,947,826	0	0	**2,350,262**
3,066	**49,736**	**3,702,456**	**0**	**0**	**4,723,584**
389,870	**1,568,991**	**5,748,868**	**0**	**(1,066,091)**	**8,228,266**
827	1,806	9,256	0	0	21,036
10,329	5,228	180,477	0	(17,464)	189,189
0	20,000	745,973	0	(765,973)	0
0	0	37,111	0	0	37,111
0	0	45,349	0	0	74,638
43,089	0	3,185	0	0	48,380
54,245	**27,034**	**1,021,351**	**0**	**(783,437)**	**370,354**
25,912	16,265	200,763	0	0	250,748
0	0	1,309,534	0	(282,654)	1,026,880
25,912	**16,265**	**1,510,297**	**0**	**(282,654)**	**1,277,628**
80,157	**43,299**	**2,531,648**	**0**	**(1,066,091)**	**1,647,982**
3,066	29,736	870,598	0	0	1,871,726
24,250	0	0	0	0	24,250
282,397	1,495,956	2,346,622	0	0	4,684,308
$ **309,713**	$ **1,525,692**	$ **3,217,220**	$ **0**	$ **0**	$ **6,580,284**

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

COMBINING SCHEDULE OF REVENUES, EXPENSES AND PROGRAM CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Annual Contributions Contracts		
	DEN 2312 Low Income Public Housing	DEN 2312 Capital Fund Programs	DEN 2312 Section 8 New Construction
OPERATING REVENUES			
Rental income	$ 102,906	$ 0	$ 72,840
Other income	2,979	0	4,503
TOTAL OPERATING REVENUE	**105,885**	**0**	**77,343**
OPERATING EXPENSES			
Administrative	77,838	0	69,833
Tenant services	6,235	0	0
Utilities	38,982	0	28,992
Ordinary maintenance and operation	105,929	0	82,211
Protective services	1,846	0	2,294
General expense	30,259	0	21,965
Housing assistance payments	0	0	0
Depreciation expense	35,217	0	24,277
TOTAL OPERATING EXPENSES	**296,306**	**0**	**229,572**
OPERATING INCOME (LOSS)	**(190,421)**	**0**	**(152,229)**
NONOPERATING REVENUES (EXPENSES)			
Federal operating grants	78,046	65,169	223,402
Gain on sale of partnership	0	0	0
Interest expense	0	0	0
Interest income	21	0	2,547
TOTAL NONOPERATING REVENUES	**78,067**	**65,169**	**225,949**
Net income before capital contributions	**(112,354)**	**65,169**	**73,720**
Capital contributions	0	67,375	0
CHANGE IN NET POSITION	**(112,354)**	**132,544**	**73,720**
TOTAL NET POSITION - BEGINNING OF YEAR, as originally stated	810,721	0	623,028
Operating transfers	132,544	(132,544)	0
TOTAL NET POSITION - BEGINNING OF YEAR, as restated	943,265	(132,544)	623,028
TOTAL NET POSITION - END OF YEAR	**$ 830,911**	**$ 0**	**$ 696,748**

DEN 1034 Housing Choice Vouchers	CDBG State / Local	Development for SW CO School House Prarie Mesa & Overlook	Business Activities	Elimination	Total
$ 0	$ 0	$ 485,154	$ 0	$ 0	$ 660,900
18,328	79,495	133,114	0	(20,000)	218,419
18,328	**79,495**	**618,268**	**0**	**(20,000)**	**879,319**
139,537	104,171	138,355	0	(20,000)	509,734
488	0	0	0	0	6,723
0	7,022	79,654	0	0	154,650
661	2,156	124,925	0	0	315,882
0	549	2,415	0	0	7,104
2,135	658	35,491	0	0	90,508
1,386,742	0	0	0	0	1,386,742
1,321	4,758	235,946	0	0	301,519
1,530,884	**119,314**	**616,786**	**0**	**(20,000)**	**2,772,862**
(1,512,556)	**(39,819)**	**1,482**	**0**	**0**	**(1,893,543)**
1,613,050	0	0	0	0	1,979,667
0	0	(410)	0	0	(410)
0	0	(47,087)	0	0	(47,087)
30	15,340	506	0	0	18,444
1,613,080	**15,340**	**(46,991)**	**0**	**0**	**1,950,614**
100,524	**(24,479)**	**(45,509)**	**0**	**0**	**57,071**
0	0	0	0	0	67,375
100,524	**(24,479)**	**(45,509)**	**0**	**0**	**124,446**
209,189	1,550,171	3,262,729	0	0	6,455,838
0	0	0	0	0	0
209,189	1,550,171	3,262,729	0	0	6,455,838
$ 309,713	**$ 1,525,692**	**$ 3,217,220**	**$ 0**	**$ 0**	**$ 6,580,284**

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA

Cortez, Colorado

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND GRANT COSTS - COMPLETED

DECEMBER 31, 2020

Annual Contributions Contract DEN-2312

1. The Capital Fund Grant Costs are as follows:

	501-18	501-19
Funds Approved	$ 74,912	$ 78,701
Funds Expended	74,912	78,701
Excess / (Deficiency) of Funds Approved	$ 0	$ 0
Funds Advanced	$ 74,912	$ 78,701
Funds Expended	74,912	78,701
Excess / (Deficiency) of Funds Advanced	$ 0	$ 0

2. Costs additions totaling $ 88,264 were made during the current audit period and, accordingly, were audited by Goldie Roberts, CPA.

3. The total amount of the Capital Fund Grant Costs at December 31, 2020 as shown above are in agreement with the Actual Capital Fund Cost Certificate submitted to HUD and approved by HUD.

4. All capital fund grant work in connection with the Project has been completed.

5. All liabilities have been paid and there are no undischarged liens against the Project on file in any public office where the same should be filed in order to be valid and the time in which such liens could be filed has expired.

6. There were no budget overruns.

Housing Authority of the County of Montezuma (CO079)
Cortez, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2020

	Project Total	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers	14.PHC Public Housing CARES Act Funding	14.HCC HCV CARES Act Funding	6.2 Component Unit - Blended	2 State/Local	Subtotal	ELIM	Total
111 Cash - Unrestricted	$91,910	$277,884	$294,280			$96,506	$111,621	$872,201	$0	$872,201
112 Cash - Restricted - Modernization and Development	$0	$0	$0					$0	$0	$0
113 Cash - Other Restricted	$0	$0	$29,995		$43,089			$73,084	$0	$73,084
114 Cash - Tenant Security Deposits	$18,536	$10,753	$0			$45,349		$74,638	$0	$74,638
115 Cash - Restricted for Payment of Current Liabilities	$0	$0	$15,576					$15,576	$0	$15,576
100 Total Cash	$110,446	$288,637	$339,851	$0	$43,089	$141,855	$111,621	$1,035,499	$0	$1,035,499
121 Accounts Receivable - PHA Projects	$0	$0	$0					$0	$0	$0
122 Accounts Receivable - HUD Other Projects	$7,692	$0	$33					$7,725	$0	$7,725
124 Accounts Receivable - Other Government	$0	$0	$0					$0	$0	$0
125 Accounts Receivable - Miscellaneous	$0	$0	$0				$6,717	$6,717	$0	$6,717
126 Accounts Receivable - Tenants	$53	$431	$0			$1,302		$1,786	$0	$1,786
126.1 Allowance for Doubtful Accounts -Tenants	-$29	-$131	$0			-$494		-$654	$0	-$654
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0				$0	$0	$0	$0
127 Notes, Loans, & Mortgages Receivable - Current	$0	$0	$0					$0	$0	$0
128 Fraud Recovery	$0	$0	$7,737					$7,737	$0	$7,737
128.1 Allowance for Doubtful Accounts - Fraud	$0	$0	-$3,906					-$3,906	$0	-$3,906
129 Accrued Interest Receivable	$0	$0	$0			$388,493	$17,463	$405,956	-$17,464	$388,492
120 Total Receivables, Net of Allowances for Doubtful Accounts	$7,716	$300	$3,864	$0	$0	$389,301	$24,180	$425,361	-$17,464	$407,897
131 Investments - Unrestricted	$0	$205,555	$0			$100,524	$406,412	$712,491	$0	$712,491
132 Investments - Restricted	$0	$0	$0					$0	$0	$0
135 Investments - Restricted for Payment of Current Liability	$0	$0	$0					$0	$0	$0
142 Prepaid Expenses and Other Assets	$0	$0	$0					$0	$0	$0
143 Inventories	$3,907	$2,368	$0			$9,159		$15,434	$0	$15,434
143.1 Allowance for Obsolete Inventories	-$390	-$237	$0			-$916		-$1,543	$0	-$1,543
144 Inter Program Due From	$0	$0	$0			$71,585	$694,388	$765,973	-$765,973	$0
145 Assets Held for Sale	$0	$0	$0					$0	$0	$0
150 Total Current Assets	$121,679	$496,623	$343,715	$0	$43,089	$711,508	$1,236,601	$2,953,215	-$783,437	$2,169,778
161 Land	$518,778	$73,499	$0			$487,286	$6,415	$1,085,978	$0	$1,085,978
162 Buildings	$1,529,373	$1,450,282	$0			$6,164,571	$77,555	$9,221,781	$0	$9,221,781
163 Furniture, Equipment & Machinery - Dwellings	$0	$2,698	$0			$81,477		$84,175	$0	$84,175
164 Furniture, Equipment & Machinery - Administration	$73,576	$80,057	$8,915			$77,207	$34,259	$274,014	$0	$274,014
165 Leasehold Improvements	$0	$0	$0					$0	$0	$0
166 Accumulated Depreciation	-$1,375,735	-$1,384,202	-$5,849			-$4,375,429	-$88,493	-$7,229,708	$0	-$7,229,708
167 Construction in Progress	$0	$0	$0			$1,287,344		$1,287,344	$0	$1,287,344
168 Infrastructure	$0	$0	$0					$0	$0	$0
160 Total Capital Assets, Net of Accumulated Depreciation	$745,992	$222,334	$3,066	$0	$0	$3,722,456	$29,736	$4,723,584	$0	$4,723,584
171 Notes, Loans and Mortgages Receivable - Non-Current	$0	$0	$0			$1,295,518	$282,654	$1,578,172	-$282,654	$1,295,518
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	$0	$0	$0					$0	$0	$0
173 Grants Receivable - Non Current	$0	$0	$0					$0	$0	$0

174 Other Assets	$0	$0	$0			$39,177		$39,177	$0	$39,177
176 Investments in Joint Ventures	$0	$0	$0			$209		$209	$0	$209
180 Total Non-Current Assets	$745,992	$222,334	$3,066	$0	$0	$5,057,360	$312,390	$6,341,142	-$282,654	$6,058,488
200 Deferred Outflow of Resources	$0	$0	$0					$0	$0	$0
290 Total Assets and Deferred Outflow of Resources	$867,671	$718,957	$346,781	$0	$43,089	$5,768,868	$1,548,991	$9,294,357	-$1,066,091	$8,228,266
311 Bank Overdraft	$0	$0	$0					$0	$0	$0
312 Accounts Payable <= 90 Days	$1,426	$1,329	$827			$3,628	$790	$8,000	$0	$8,000
313 Accounts Payable >90 Days Past Due	$0	$0	$0					$0	$0	$0
321 Accrued Wage/Payroll Taxes Payable	$970	$1,009	$1,747			$1,321	$1,509	$6,556	$0	$6,556
322 Accrued Compensated Absences - Current Portion	$1,472	$1,591	$2,837			$1,219	$3,719	$10,838	$0	$10,838
324 Accrued Contingency Liability	$0	$0	$0					$0	$0	$0
325 Accrued Interest Payable	$0	$0	$0			$20,698		$20,698	-$17,464	$3,234
331 Accounts Payable - HUD PHA Programs	$0	$0	$0					$0	$0	$0
332 Account Payable - PHA Projects	$0	$0	$0					$0	$0	$0
333 Accounts Payable - Other Government	$5,577	$0	$0					$5,577	$0	$5,577
341 Tenant Security Deposits	$18,536	$10,753	$0			$45,349		$74,638	$0	$74,638
342 Unearned Revenue	$1,447	$659	$0		$43,089	$3,185		$48,380	$0	$48,380
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$0	$0	$0			$37,111		$37,111	$0	$37,111
344 Current Portion of Long-term Debt - Operating Borrowings	$0	$0	$0					$0	$0	$0
345 Other Current Liabilities	$0	$0	$5,745			$157,239		$162,984	$0	$162,984
346 Accrued Liabilities - Other	$3,526	$2,866	$0			$5,628	$1,016	$13,036	$0	$13,036
347 Inter Program - Due To	$0	$0	$0			$765,973		$765,973	-$765,973	$0
348 Loan Liability - Current	$0	$0	$0					$0	$0	$0
310 Total Current Liabilities	$32,954	$18,207	$11,156	$0	$43,089	$1,041,351	$7,034	$1,153,791	-$783,437	$370,354
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$0	$0	$0			$1,309,534		$1,309,534	-$282,654	$1,026,880
352 Long-term Debt, Net of Current - Operating Borrowings	$0	$0	$0					$0	$0	$0
353 Non-current Liabilities - Other	$0	$0	$15,576			$200,000		$215,576	$0	$215,576
354 Accrued Compensated Absences - Non Current	$3,806	$4,002	$10,336			$763	$16,265	$35,172	$0	$35,172
355 Loan Liability - Non Current	$0	$0	$0					$0	$0	$0
356 FASB 5 Liabilities	$0	$0	$0					$0	$0	$0
357 Accrued Pension and OPEB Liabilities	$0	$0	$0					$0	$0	$0
350 Total Non-Current Liabilities	$3,806	$4,002	$25,912	$0	$0	$1,510,297	$16,265	$1,560,282	-$282,654	$1,277,628
300 Total Liabilities	$36,760	$22,209	$37,068	$0	$43,089	$2,551,648	$23,299	$2,714,073	-$1,066,091	$1,647,982
400 Deferred Inflow of Resources										
508.4 Net Investment in Capital Assets	$745,992	$222,334	$3,066			$870,598	$29,736	$1,871,726		$1,871,726
511.4 Restricted Net Position		$0	$24,250					$24,250		$24,250
512.4 Unrestricted Net Position	$84,919	$474,414	$282,397	$0	$0	$2,346,622	$1,495,956	$4,684,308		$4,684,308
513 Total Equity - Net Assets / Position	$830,911	$696,748	$309,713	$0	$0	$3,217,220	$1,525,692	$6,580,284	$0	$6,580,284
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$867,671	$718,957	$346,781	$0	$43,089	$5,768,868	$1,548,991	$9,294,357	-$1,066,091	$8,228,266

Housing Authority of the County of Montezuma (CO079)
Cortez, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2020

	Project Total	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers	14.PHC Public Housing CARES Act Funding	14.HCC HCV CARES Act Funding	6.2 Component Unit - Blended	2 State/Local	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$94,747	$68,865	$0			$479,729		$643,341	$0	$643,341
70400 Tenant Revenue - Other	$8,159	$3,975	$0			$5,425		$17,559	$0	$17,559
70500 Total Tenant Revenue	$102,906	$72,840	$0	$0	$0	$485,154	$0	$660,900	$0	$660,900
70600 HUD PHA Operating Grants	$131,205	$223,402	$1,579,650	$12,010	$33,400			$1,979,667	$0	$1,979,667
70610 Capital Grants	$67,375	$0	$0					$67,375	$0	$67,375
70710 Management Fee								$0	$0	$0
70720 Asset Management Fee								$0	$0	$0
70730 Book Keeping Fee								$0	$0	$0
70740 Front Line Service Fee								$0	$0	$0
70750 Other Fees								$0	$0	$0
70700 Total Fee Revenue								$0	$0	$0
70800 Other Government Grants	$0	$0	$0					$0	$0	$0
71100 Investment Income - Unrestricted	$21	$2,547	$30			$506	$15,340	$18,444	$0	$18,444
71200 Mortgage Interest Income	$0	$0	$0			$62,055	$5,938	$67,993	$0	$67,993
71300 Proceeds from Disposition of Assets Held for Sale	$0	$0	$0					$0	$0	$0
71310 Cost of Sale of Assets	$0	$0	$0					$0	$0	$0
71400 Fraud Recovery	$0	$0	$10,331					$10,331	$0	$10,331
71500 Other Revenue	$2,979	$4,503	$7,997			$71,059	$73,557	$160,095	-$20,000	$140,095
71600 Gain or Loss on Sale of Capital Assets	$0	$0	$0			-$410		-$410	$0	-$410
72000 Investment Income - Restricted	$0	$0	$0					$0	$0	$0
70000 Total Revenue	$304,486	$303,292	$1,598,008	$12,010	$33,400	$618,364	$94,835	$2,964,395	-$20,000	$2,944,395
91100 Administrative Salaries	$28,646	$34,813	$43,263	$6,476	$32,549	$49,107	$56,735	$251,589	$0	$251,589
91200 Auditing Fees	$3,631	$3,630	$3,631			$11,838		$22,730	$0	$22,730
91300 Management Fee	$0	$0	$0					$0	$0	$0
91310 Book-keeping Fee	$0	$0	$0					$0	$0	$0
91400 Advertising and Marketing	$201	$183	$38			$137		$559	$0	$559
91500 Employee Benefit contributions - Administrative	$9,760	$8,883	$20,503			$17,484	$21,991	$78,621	$0	$78,621
91600 Office Expenses	$9,999	$8,087	$23,996		$333	$14,162	$12,122	$68,699	$0	$68,699
91700 Legal Expense	$974	$198	$838				$41	$2,051	$0	$2,051
91800 Travel	$54	$143	$477			$2,128		$2,802	$0	$2,802
91810 Allocated Overhead	$0	$0	$0					$0	$0	$0
91900 Other	$15,307	$10,980	$9,871	$361	$60	$39,928	$9,052	$85,559	-$20,000	$65,559
91000 Total Operating - Administrative	$68,572	$66,917	$102,617	$6,837	$32,942	$134,784	$99,941	$512,610	-$20,000	$492,610
92000 Asset Management Fee	$0	$0	$0					$0	$0	$0
92100 Tenant Services - Salaries	$0	$0	$0					$0	$0	$0
92200 Relocation Costs	$0	$0	$0					$0	$0	$0
92300 Employee Benefit Contributions - Tenant Services	$0	$0	$0					$0	$0	$0
92400 Tenant Services - Other	$2,762	$0	$136	$3,473	$352			$6,723	$0	$6,723
92500 Total Tenant Services	$2,762	$0	$136	$3,473	$352	$0	$0	$6,723	$0	$6,723

93100 Water	$10,145	$5,687	$0			$42,722	$1,168	$59,722	$0	$59,722
93200 Electricity	$14,783	$18,035	$0			$4,882	$3,121	$40,821	$0	$40,821
93300 Gas	$5,185	$0	$0			$2,202	$1,310	$8,697	$0	$8,697
93400 Fuel	$0	$0	$0					$0	$0	$0
93500 Labor	$0	$0	$0					$0	$0	$0
93600 Sewer	$8,869	$5,270	$0			$29,848	$1,423	$45,410	$0	$45,410
93700 Employee Benefit Contributions - Utilities	$0	$0	$0					$0	$0	$0
93800 Other Utilities Expense	$0	$0	$0					$0	$0	$0
93000 Total Utilities	$38,982	$28,992	$0	$0	$0	$79,654	$7,022	$154,650	$0	$154,650
94100 Ordinary Maintenance and Operations - Labor	$14,872	$10,635	$0			$22,653		$48,160	$0	$48,160
94200 Ordinary Maintenance and Operations - Materials and Other	$23,391	$23,479	$457	$581		$11,445	$25	$59,378	$0	$59,378
94300 Ordinary Maintenance and Operations Contracts	$61,253	$44,157	$204	$1,119		$83,883	$2,131	$192,747	$0	$192,747
94500 Employee Benefit Contributions - Ordinary Maintenance	$4,713	$3,940	$0			$6,944		$15,597	$0	$15,597
94000 Total Maintenance	$104,229	$82,211	$661	$1,700	$0	$124,925	$2,156	$315,882	$0	$315,882
95100 Protective Services - Labor	$0	$0	$0					$0	$0	$0
95200 Protective Services - Other Contract Costs	$0	$0	$0				$212	$212	$0	$212
95300 Protective Services - Other	$1,846	$0	$0			$2,415	$337	$4,598	$0	$4,598
95500 Employee Benefit Contributions - Protective Services	$0	$2,294	$0					$2,294	$0	$2,294
95000 Total Protective Services	$1,846	$2,294	$0	$0	$0	$2,415	$549	$7,104	$0	$7,104
96110 Property Insurance	$18,468	$18,156	$0			$27,790		$64,414	$0	$64,414
96120 Liability Insurance	$0	$0	$0		$106			$106	$0	$106
96130 Workmen's Compensation	$804	$804	$804			$1,608	$448	$4,468	$0	$4,468
96140 All Other Insurance	$772	$679	$1,185			$713		$3,349	$0	$3,349
96100 Total insurance Premiums	$20,044	$19,639	$1,989	$0	$106	$30,111	$448	$72,337	$0	$72,337
96200 Other General Expenses	$0	$0	$40			$3,769	$210	$4,019	$0	$4,019
96210 Compensated Absences	$2,429	$2,916	$3,978			$3,571	$4,230	$17,124	$0	$17,124
96300 Payments in Lieu of Taxes	$5,577	$0	$0					$5,577	$0	$5,577
96400 Bad debt - Tenant Rents	$4,638	$2,326	$0			$1,611		$8,575	$0	$8,575
96500 Bad debt - Mortgages	$0	$0	$0					$0	$0	$0
96600 Bad debt - Other	$0	$0	$0					$0	$0	$0
96800 Severance Expense	$0	$0	$0					$0	$0	$0
96000 Total Other General Expenses	$12,644	$5,242	$4,018	$0	$0	$8,951	$4,440	$35,295	$0	$35,295
96710 Interest of Mortgage (or Bonds) Payable	$0	$0	$0			$47,087		$47,087	$0	$47,087
96720 Interest on Notes Payable (Short and Long Term)	$0	$0	$0					$0	$0	$0
96730 Amortization of Bond Issue Costs	$0	$0	$0					$0	$0	$0
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0	$47,087	$0	$47,087	$0	$47,087
96900 Total Operating Expenses	$249,079	$205,295	$109,421	$12,010	$33,400	$427,927	$114,556	$1,151,688	-$20,000	$1,131,688
97000 Excess of Operating Revenue over Operating Expenses	$55,407	$97,997	$1,488,587	$0	$0	$190,437	-$19,721	$1,812,707	$0	$1,812,707
97100 Extraordinary Maintenance	$0	$0	$0					$0	$0	$0
97200 Casualty Losses - Non-capitalized	$0	$0	$0					$0	$0	$0
97300 Housing Assistance Payments	$0	$0	$1,386,742					$1,386,742	$0	$1,386,742
97350 HAP Portability-In	$0	$0	$0					$0	$0	$0

97400 Depreciation Expense	$35,217	$24,277	$1,321			$235,946	$4,758	$301,519	$0	$301,519
97500 Fraud Losses	$0	$0	$0					$0	$0	$0
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense	$0	$0	$0					$0	$0	$0
90000 Total Expenses	$284,296	$229,572	$1,497,484	$12,010	$33,400	$663,873	$119,314	$2,839,949	-$20,000	$2,819,949
10010 Operating Transfer In	$39,559	$0	$0					$39,559	-$39,559	$0
10020 Operating transfer Out	-$39,559	$0	$0					-$39,559	$39,559	$0
10030 Operating Transfers from/to Primary Government	$0	$0	$0					$0	$0	$0
10040 Operating Transfers from/to Component Unit	$0	$0	$0					$0	$0	$0
10050 Proceeds from Notes, Loans and Bonds										
10060 Proceeds from Property Sales										
10070 Extraordinary Items, Net Gain/Loss	$0	$0	$0					$0	$0	$0
10080 Special Items (Net Gain/Loss)	$0	$0	$0					$0	$0	$0
10091 Inter Project Excess Cash Transfer In	$0							$0	$0	$0
10092 Inter Project Excess Cash Transfer Out	$0							$0	$0	$0
10093 Transfers between Program and Project - In	$0	$0	$0					$0	$0	$0
10094 Transfers between Project and Program - Out	$0	$0	$0					$0	$0	$0
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$20,190	$73,720	$100,524	$0	$0	-$45,509	-$24,479	$124,446	$0	$124,446
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0	$0		$0
11030 Beginning Equity	$810,721	$623,028	$209,189	$0	$0	$3,262,729	$1,550,171	$6,455,838	$0	$6,455,838
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0					$0	$0	$0
11050 Changes in Compensated Absence Balance										
11060 Changes in Contingent Liability Balance										
11070 Changes in Unrecognized Pension Transition Liability										
11080 Changes in Special Term/Severance Benefits Liability										
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents										
11100 Changes in Allowance for Doubtful Accounts - Other										
11170 Administrative Fee Equity			$285,463					$285,463		$285,463
11180 Housing Assistance Payments Equity			$24,250					$24,250		$24,250
11190 Unit Months Available	372	336	3013					3721	0	3721
11210 Number of Unit Months Leased	359	328	2622					3309	0	3309
11270 Excess Cash	$65,585							$65,585		$65,585
11610 Land Purchases	$0							$0		$0
11620 Building Purchases	$67,375							$67,375		$67,375
11630 Furniture & Equipment - Dwelling Purchases	$0							$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0							$0		$0
11650 Leasehold Improvements Purchases	$0							$0		$0
11660 Infrastructure Purchases	$0							$0		$0
13510 CFFP Debt Service Payments	$0							$0		$0
13901 Replacement Housing Factor Funds	$0							$0		$0

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A - Financial Data Schedule:

As required by HUD, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes depreciation expense, housing assistance payments and extraordinary maintenance expense from operating activities, includes investment revenue, HUD capital grants, revenue, gains and losses on the disposal of capital assets and interest expense in operating activities, and reflects tenant revenue and bad debt expense separately, which differs from the presentation of the financial statements.

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

ANNUAL CONTRIBUTION CONTRACT	PROGRAM AND ASSISTANCE TYPE	CFDA NUMBER	AWARD	EXPENDITURES
	U. S. DEPARTMENT OF HUD			
DEN-2312	Section 8 New Construction	14.182	$ 223,402	$ 223,402
DEN-2312	Low Income Public Housing Operating subsidy	14.850	131,205	131,205
DEN-2312	Cares Act	14.PHC	12,010	12,010
DEN-1034V	Section 8 Housing Choice Cluster Voucher Program	14.871	1,579,650	1,579,650
DEN-1034V	Cares Act	14.HCC	76,489	33,400
DEN-2312	Capital Fund Program	14.872	238,990	67,375
TOTAL FEDERAL FINANCIAL ASSISTANCE			**$2,261,746**	**$2,047,042**

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Housing Authority of the County of Montezuma under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Housing Authority of the County of Montezuma, it is not intended to and does not present the financial position, changes in net position or cash flow of Housing Authority of the County of Montezuma.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting as described in Note A. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Housing Authority of the County of Montezuma has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

OTHER REPORTS

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.
Fredericksburg, IN 47120

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 Auditor's Report

Board of Commissioners
Housing Authority of the County of Montezuma
37 North Madison
Cortez, CO 81321-3301

I 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 Housing Authority of the County of Montezuma, 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 County of Montezuma's basic financial statements and have issued my report thereon dated June 4, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the County of Montezuma's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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 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.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana
June 4, 2021

Goldie Roberts

Certified Public Accountant
8518 S Kays Chapel Rd.
Fredericksburg, IN 47120

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by Uniform Guidance

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the County of Montezuma
37 North Madison
Cortez, CO 81321-3301

Report on Compliance for Each Major Federal Program

I have audited the Housing Authority of the County of Montezuma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the County of Montezuma's major federal programs for the year ended December 31, 2020. The Housing Authority of the County of Montezuma's major federal programs are 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 federal statues, regulations, and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
My responsibility is to express an opinion on compliance with each of the Housing Authority of the County of Montezuma's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that I 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 program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the County of Montezuma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Housing Authority of the County of Montezuma's compliance.

Opinion on Each Major Federal Program
In my opinion, the Housing Authority of the County of Montezuma, complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Housing Authority of the County of Montezuma is responsible for establishing and maintaining effective internal control over the type of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Housing Authority of the County of Montezuma's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of the County of Montezuma'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 type of 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 a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana
June 4, 2021

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

DECEMBER 31, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
~ Material weakness(es) identified?	_____yes	__X__no
~ Significant deficiency(s) identified?	_____yes	__X__none reported
Noncompliance material to financial statements noted?	_____yes	__X__no

FEDERAL AWARDS

Internal control over major federal programs:		
~ Material weakness(es) identified?	_____yes	__X__no
~ Significant deficiency(s) identified that are not considered to be material weakness(es)?	_____yes	__X__none reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____yes	__X__no

Identification of major federal programs:

CFDA Number	Name of Federal Program
14.871	Housing Voucher Cluster Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	__X__yes	_____no

HOUSING AUTHORITY OF THE COUNTY OF MONTEZUMA
Cortez, Colorado

DECEMBER 31, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

PRIOR AUDIT FINDINGS

There were no Prior Year matters reported.

CURRENT YEAR FINDINGS

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.