

Housing Authority of the City of Brighton

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

Year Ended December 31, 2021





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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the business-type activities as of December 31, 2021 and 2020 and for the years then ended and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Housing Authority of the City of Brighton, as of December 31, 2021 and 2020 and for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Housing Authority of the City of Brighton and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Authority of the City of Brighton's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Brighton's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Authority of the City of Brighton's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

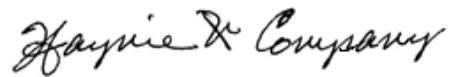
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

Littleton, Colorado
September 29, 2022

Housing Authority of the City of Brighton
Statement of Net Position
December 31, 2021

	Business-Type Activities	Discretely Presented Component Units	
		Southern & Main I LLC	Southern & Main II LLC
Assets			
Current Assets:			
Cash and cash equivalents	\$ 1,917,335	\$ 81,289	\$ 194,660
Restricted cash	501,423	42,106	239,974
Accounts receivable, net:			
Tenants	74,233	1,446	3,303
Other	418,870	6,120	8,496
Taxes and insurance escrow	36,569	31,468	30,627
Prepaid expenses	-	35,809	38,998
Notes receivable - tenants	-	-	-
Other assets	-	(2,482)	56,169
Total Current Assets	<u>2,948,430</u>	<u>195,756</u>	<u>572,227</u>
Noncurrent Assets:			
Note receivable	2,399,000	-	-
Capital assets, net	11,171,003	1,858,982	9,684,076
Total noncurrent assets	<u>13,570,003</u>	<u>1,858,982</u>	<u>9,684,076</u>
Total Assets	<u>\$ 16,518,433</u>	<u>\$ 2,054,738</u>	<u>\$10,256,303</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 256,360	\$ 24,716	\$ 49,339
Accrued wages and compensated absences	15,881	-	-
Security deposits	70,873	27,673	17,288
Current portion of long-term debt	3,293,969	69,614	39,017
Total current liabilities	<u>3,637,083</u>	<u>122,003</u>	<u>105,644</u>
Long-Term Liabilities:			
Mortgages payable	7,429,511	1,609,495	1,984,632
Compensated absences	75,650	-	-
Total long-term liabilities	<u>7,505,161</u>	<u>1,609,495</u>	<u>1,984,632</u>
Total Liabilities	<u>11,142,244</u>	<u>1,731,498</u>	<u>2,090,276</u>
Deferred Inflows of Resources			
Unearned revenues	181,148	-	-
Total deferred inflows of resources	<u>181,148</u>	<u>-</u>	<u>-</u>
Net Position			
Net investment in capital assets	254,635	249,487	7,699,444
Restricted	537,992	73,574	270,601
Unrestricted	4,402,414	179	195,982
Total Net Position	<u>\$ 5,195,041</u>	<u>\$ 323,240</u>	<u>\$ 8,166,027</u>

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

Housing Authority of the City of Brighton
Statement of Activities
For the Year Ended December 31, 2021

	Business-Type Activities	Discretely Presented Component Units	
		Southern & Main I LLC	Southern & Main II LLC
Operating Revenues:			
Rental income	\$ 2,260,464	\$ 622,085	\$ 585,899
Other revenues	1,321,052	7,229	12,380
Total Operating Revenues	<u>3,581,516</u>	<u>629,314</u>	<u>598,279</u>
Operating Expenses:			
Administrative	1,342,034	86,337	85,923
Utilities	198,897	40,998	33,811
Repairs and maintenance	292,972	143,221	57,096
General expenses	951,602	158,101	200,685
Depreciation	330,278	426,559	481,641
Total Operating Expenses	<u>3,115,783</u>	<u>855,216</u>	<u>859,156</u>
Operating Income (Loss)	<u>465,733</u>	<u>(225,902)</u>	<u>(260,877)</u>
Non-Operating Revenues (Expenses):			
HUD contribution	2,554,498	-	-
Housing assistance payments	(3,183,838)	-	-
HAP portability	(24,570)	-	-
Capital grants	1,311,954	-	-
Contributions	347,738	-	-
Debt forgiveness	321,350	-	-
Interest revenues	237	-	64
Non-operating fees	(1,195,578)	-	-
Interest expense	<u>(391,996)</u>	<u>(104,683)</u>	<u>(106,042)</u>
Net non-operating revenues (expenses)	<u>(260,205)</u>	<u>(104,683)</u>	<u>(105,978)</u>
Transfers in (out)			
Equity transfers	-	-	-
Total transfers in (out)	-	-	-
Change in net position	205,528	(330,585)	(366,855)
Net position, beginning of year	<u>4,989,513</u>	<u>653,825</u>	<u>8,532,882</u>
Net position, end of year	<u>\$ 5,195,041</u>	<u>\$ 323,240</u>	<u>\$8,166,027</u>

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton
Statement of Cash Flows
For the Year Ended December 31, 2021

	Business-Type Activities
Cash Flows from Operating Activities:	
Cash received from customers	\$ 3,351,919
Cash paid to suppliers for goods and services	(1,745,451)
Cash paid to employees	(1,181,469)
Net Cash From Operating Activities	424,999
Cash Flows from Capital and Related Financing Activities:	
Capital grants	(356,385)
Capital asset - sale	321,350
Debt proceeds	1,675,956
Debt principal paid	(1,590,287)
Interest paid	(391,996)
Capital outlay	(52,263)
Net Cash From Capital and Related Financing Activities	(393,625)
Cash Flows from Investing Activities:	
Interest received	237
Notes receivable issued	390
Principal received	-
Net Cash From Investing Activities	627
Net Change in Cash and Cash Equivalents	32,001
Cash and Cash Equivalents—beginning of year	2,386,757
Cash and Cash Equivalents—end of year	\$ 2,418,758
Reconciliation of Net Operating Income to Net Cash From Operating Activities:	
Operating income (loss)	\$ 465,733
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	330,279
Loss on disposal of assets	-
Changes in assets and liabilities:	
Accounts receivable	(141,768)
Prepaid expenses	-
Accounts payable	(126,254)
Deferred revenues	(87,543)
Deposits held	(286)
Other liabilities	(15,162)
Total Adjustments	(40,734)
Net Cash From Operating Activities	\$ 424,999
Non-cash transactions	
Contribution of property from City of Brighton	\$ 400,000

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

Housing Authority of the City of Brighton

Notes to Financial Statements

December 31, 2021

1. Organization

Reporting Entity

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

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

2. Summary of Significant Accounting Policies

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

Basis of Presentation

Government-wide Financial Statements

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

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

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

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

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

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

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

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

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

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

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

2. Summary of Significant Accounting Policies (continued)

The Authority also reports the following discretely presented component units:

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

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

Assets, Liabilities and Fund Equity

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

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

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

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

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

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

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

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

2. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Revenues and Expenditures/Expenses

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

3. Cash and Investments

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

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

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

3. Cash and Investments (continued)

The Authority is governed by the deposit and investment limitations of state law. The deposits and investments held at December 31, 2021, and reported at fair value, are as follows:

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Deposits:		
Demand deposits	\$ 2,418,758	\$ 275,949
Cash held by fiscal agents	<u>36,569</u>	<u>344,175</u>
Total deposits	<u>\$ 2,455,327</u>	<u>\$ 620,124</u>

Reconciliation to Statement of Net Position

Current:	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Cash and cash equivalents	\$ 1,917,335	\$ 275,949
Restricted cash	501,423	282,080
Taxes and insurance escrows	<u>36,569</u>	<u>62,095</u>
Total cash and equivalents	<u>\$ 2,455,327</u>	<u>\$ 620,124</u>

Custodial Credit Risk

In the case of deposits, custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Deposits in five financial institutions, reported as cash and cash equivalents had bank balances of \$2,698,971 and carrying balances of \$2,397,942 at December 31, 2021. At December 31, 2021, the Authority had \$947,042 exceeding FDIC coverage between two institutions. That amount was protected under the PDPA as described above.

4. Restricted Cash

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

Section 8 Vouchers	\$ 47,954
Development Program	12,103
RAD program	60,723
Hughes Station	417,212
Discretely presented component units	<u>344,175</u>
	<u>\$ 882,167</u>

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

5. Capital Assets

The following table presents the capital asset activity of the primary government for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Deletions/ Transfers	Balance December 31, 2021
Capital assets, not being depreciated:				
Land	\$ 1,407,785	\$ 115,000	\$ -	\$ 1,522,785
Construction in progress	<u>212,249</u>	<u>-</u>	<u>-</u>	<u>212,249</u>
Total capital assets, not being depreciated	<u>1,620,034</u>	<u>115,000</u>	<u>-</u>	<u>1,735,034</u>
Capital assets, being depreciated:				
Land improvements	20,726	-	-	20,726
Buildings and improvements	11,360,292	285,000	(6,847)	11,638,445
Equipment	<u>26,957</u>	<u>-</u>	<u>-</u>	<u>26,957</u>
Total capital assets, being depreciated	<u>11,407,975</u>	<u>285,000</u>	<u>(6,847)</u>	<u>11,686,128</u>
Less accumulated depreciation for:				
Land improvements	(20,726)	-	-	(20,726)
Buildings and improvements	(1,879,045)	(330,278)	6,847	(2,202,476)
Equipment	<u>(26,957)</u>	<u>-</u>	<u>-</u>	<u>(26,957)</u>
Total accumulated depreciation	<u>(1,926,728)</u>	<u>(330,278)</u>	<u>6,847</u>	<u>(2,250,159)</u>
Net capital assets, being depreciated	<u>9,481,247</u>	<u>(45,278)</u>	<u>-</u>	<u>9,435,969</u>
Total capital assets, net	<u>\$ 11,101,281</u>	<u>\$ 69,722</u>	<u>\$ -</u>	<u>\$ 11,171,003</u>

Depreciation was charged to functions/programs as follows:

 Business-type activities:

 Affordable housing \$ 330,279

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

5. Capital Assets (continued)

The following table presents the capital asset activity of the discretely presented component units for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Deletions/ Transfers	Balance December 31, 2021
Capital assets, not being depreciated:				
Land	\$ 1,527,000	\$ -	\$ -	\$ 1,527,000
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,527,000</u>	<u>-</u>	<u>-</u>	<u>1,527,000</u>
Capital assets, being depreciated:				
Land improvements	1,882,341	-	-	1,882,341
Buildings and improvements	15,035,852	-	-	15,035,852
Furnishings	<u>1,796,986</u>	<u>-</u>	<u>-</u>	<u>1,796,986</u>
Total capital assets, being depreciated	<u>18,715,179</u>	<u>-</u>	<u>-</u>	<u>18,715,179</u>
Less accumulated depreciation for:				
Land improvements	(1,155,658)	(125,491)	-	(1,281,149)
Buildings and improvements	(5,400,403)	(479,193)	-	(5,879,596)
Furnishings	<u>(1,330,264)</u>	<u>(208,113)</u>	<u>-</u>	<u>(1,538,377)</u>
Total accumulated depreciation	<u>(7,886,325)</u>	<u>(812,797)</u>	<u>-</u>	<u>(8,699,122)</u>
Net capital assets, being depreciated	<u>10,828,854</u>	<u>(812,797)</u>	<u>-</u>	<u>10,016,057</u>
Total capital assets, net	<u>\$ 12,355,854</u>	<u>\$ (812,797)</u>	<u>\$ -</u>	<u>\$ 11,543,058</u>

Depreciation was charged to functions/programs as follows:

Business-type activities:

Affordable housing \$ 812,796

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

6. Defined Contribution Pension Plan

The Authority contributes to a single-employer defined contribution money purchase plan established by the City of Brighton. The contribution requirements of the Plan are established by and may be amended by the Brighton City Council. The Authority is required to contribute nine percent of each participant's covered salary to the Plan, and employees must contribute nine percent of covered salaries. During the year ended December 31, 2021, the Authority and employees contributed \$114,566, equal to the required contributions.

7. Long-Term Obligations

The following is a summary of long-term obligation transactions of the primary government for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Retirements	Balance December 31, 2021	Current Portion
HOME program	\$ 213,009	\$ -	\$ (1,260)	\$ 211,749	\$ 1,260
TBK Development Mortgage	1,414,402	-	(1,414,402)	-	-
Bank of Colorado Loan	-	1,410,956	(10,008)	1,400,948	27,298
HOME Loan RAD	400,000	-	-	400,000	-
TBK Promissory Note	543,079	-	(11,537)	531,542	11,656
Mile High - Hughes Station	2,070,766	-	(31,581)	2,039,185	2,039,185
Assumed loans - Hughes Station	5,996,555	-	(121,499)	5,875,056	1,214,570
Assumed loans - 49 S 5th St.	-	<u>265,000</u>	-	<u>265,000</u>	<u>5,389</u>
Mortgages payable	10,637,811	1,675,956	(1,590,287)	10,723,480	3,299,358
Compensated absences	<u>82,157</u>	<u>41,520</u>	<u>(48,117)</u>	<u>75,560</u>	<u>23,446</u>
	<u>\$10,719,968</u>	<u>\$ 1,717,476</u>	<u>\$ (1,638,404)</u>	<u>\$ 10,799,040</u>	<u>\$ 3,322,804</u>

Mortgages Payable – Primary Government

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

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

7. Long-Term Obligations (continued)

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

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

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

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

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

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

In 2021, the Authority secured a \$265,000 loan, secured by 49 South 5th LLC. The loan is due in monthly installments of \$1,160, including interest at 3.25% per annum, through December 2021. A balloon payment of unpaid principal is due in December 2031.

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

7. Long-Term Obligations (continued)

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

For the year ended December 31,	Primary Government	
	Mortgages payable	
	Principal	Interest
2022	\$3,299,358	\$399,363
2023	167,980	249,286
2024	381,119	243,292
2025	177,604	237,363
2026	183,517	230,646
2027-2031	1,210,911	1,049,831
2032-2036	1,542,080	850,537
2037-2041	1,524,275	474,522
2042-2046	1,431,823	194,288
2047-2051	805,099	32,960
	\$10,723,766	\$3,962,088

Total interest expense paid in 2021 was \$688,752, none of which was capitalized.

The following is a summary of long-term obligation transactions of the discretely presented component units for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Retirements	Balance December 31, 2021	Current Portion
CHFA SMART Loan	\$ 1,338,601	\$ -	\$ (47,415)	\$ 1,291,186	\$ 50,556
CHFA HOF Loan	406,322	-	(18,400)	387,922	19,058
CHFA Permanent Loan	<u>2,060,729</u>	<u>-</u>	<u>(37,079)</u>	<u>2,023,650</u>	<u>39,017</u>
Mortgages payable	<u>\$ 3,805,652</u>	<u>\$ -</u>	<u>\$ (102,894)</u>	<u>\$ 3,702,758</u>	<u>\$ 108,631</u>

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

7. Long-Term Obligations (continued)

Mortgages Payable – Discretely Presented Component Units

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

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

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

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

For the year ended	Discretely presented component units	
	Mortgages payable	
	Principal	Interest
December 31,		
2022	\$108,631	\$203,184
2023	114,942	196,875
2024	121,638	190,179
2025	128,745	183,071
2026	136,289	175,527
2027-2031	811,963	747,113
2032-2036	1,084,553	474,526
2037-2041	494,680	242,298
2042-2046	597,546	107,371
2047	103,772	2,218
	\$3,702,759	\$2,522,362

Total interest expense paid in 2021 was \$208,915, none of which was capitalized.

Housing Authority of the City of Brighton
Notes to Financial Statements (continued)
December 31, 2021

8. Interfund Loan

DOH/ Adams Home Loan – Related Party Note

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

9. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; job related illnesses and injuries of employees for which the Authority carries commercial insurance. There have been no significant reductions in insurance coverage from those carried in the prior year, and the amount of settlements has not exceeded insurance coverage for any of the past three fiscal years.

10. Significant Commitments and Contingencies

Claims and Judgments

The Authority participates in a number of federal programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of December 31, 2021, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Authority.

TABOR Amendment

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

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

Housing Authority of the City of Brighton

Supplementary Information

Housing Authority of the City of Brighton
Combining Schedule of Program Net Position
December 31, 2021

	Section 8 Vouchers	Development Program	Blended Component Units			Totals
			RAD	Hughes Station	49 South 5th LLC	
Assets						
Current Assets:						
Cash and cash equivalents	\$ 118,532	\$ 1,603,154	\$ 87,595	\$ 108,054	\$ -	\$ 1,917,335
Restricted cash	47,954	12,103	60,723	380,643	-	501,423
Accounts receivable, net:						
Tenants	40,783	2,007	3,039	28,404	-	74,233
Other	-	51,177	-	367,693	-	418,870
Taxes and insurance escrow	-	-	-	36,569	-	36,569
Prepaid expenses	-	-	-	-	-	-
Notes receivable - tenants	-	-	-	-	-	-
Total Current Assets	<u>207,269</u>	<u>1,668,441</u>	<u>151,357</u>	<u>921,363</u>	<u>-</u>	<u>2,948,430</u>
Noncurrent Assets:						
Notes receivable	-	2,399,000	-	-	-	2,399,000
Capital assets, net	-	1,580,825	1,186,177	8,404,001	-	11,171,003
Total noncurrent assets	<u>-</u>	<u>3,979,825</u>	<u>1,186,177</u>	<u>8,404,001</u>	<u>-</u>	<u>13,570,003</u>
Total Assets	<u>\$ 207,269</u>	<u>\$ 5,648,266</u>	<u>\$1,337,534</u>	<u>\$9,325,364</u>	<u>\$ -</u>	<u>\$16,518,433</u>
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 32,194	\$ 131,907	\$ 10,815	\$ 81,444	\$ -	\$ 256,360
Accrued wages and compensated absences	-	14,999	882	-	-	15,881
Security deposits	-	12,103	12,793	45,977	-	70,873
Current portion of long-term debt	-	-	11,656	3,282,313	-	3,293,969
Total current liabilities	<u>32,194</u>	<u>159,009</u>	<u>36,146</u>	<u>3,409,734</u>	<u>-</u>	<u>3,637,083</u>
Long-Term Liabilities:						
Mortgages payable	-	1,612,697	919,886	4,631,928	265,000	7,429,511
Interfund due to (from)	-	(1,150,000)	-	1,150,000	-	-
Compensated absences	7,565	64,302	3,783	-	-	75,650
Total long-term liabilities	<u>7,565</u>	<u>526,999</u>	<u>923,669</u>	<u>5,781,928</u>	<u>265,000</u>	<u>7,505,161</u>
Total Liabilities	<u>39,759</u>	<u>686,008</u>	<u>959,815</u>	<u>9,191,662</u>	<u>265,000</u>	<u>11,142,244</u>
Deferred Inflows of Resources						
Unearned revenues	-	181,148	-	-	-	181,148
Total deferred inflows of resources	<u>-</u>	<u>181,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,148</u>
Net Position						
Net investment in capital assets	-	-	254,635	-	-	254,635
Restricted	47,954	12,103	60,723	417,212	-	537,992
Unrestricted	119,556	4,769,007	62,361	(283,510)	(265,000)	4,402,414
Total Net Position	<u>\$ 167,510</u>	<u>\$ 4,781,110</u>	<u>\$ 377,719</u>	<u>\$ 133,702</u>	<u>\$ (265,000)</u>	<u>\$ 5,195,041</u>

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

Housing Authority of the City of Brighton
Combining Schedule of Statements of Activities
For the Year Ended December 31, 2021

	Section 8 Vouchers	Development Program	Blended Component Units			Totals
			RAD	Hughes Station	49 South 5th LLC	
Operating Revenues:						
Rental income	\$ -	\$ 763,206	\$ 128,169	\$ 1,369,089	\$ -	\$ 2,260,464
Other revenues	802,450	470,989	2,290	45,323	-	1,321,052
Total Operating Revenues	<u>802,450</u>	<u>1,234,195</u>	<u>130,459</u>	<u>1,414,412</u>	<u>-</u>	<u>3,581,516</u>
Operating Expenses:						
Administrative	167,786	864,603	51,190	258,455	-	1,342,034
Utilities	-	32,712	8,808	157,377	-	198,897
Repairs and maintenance	-	49,420	9,841	233,711	-	292,972
General expenses	23,348	442,348	38,872	182,034	265,000	951,602
Depreciation	-	63,343	70,167	196,768	-	330,278
Total Operating Expenses	<u>191,134</u>	<u>1,452,426</u>	<u>178,878</u>	<u>1,028,345</u>	<u>265,000</u>	<u>3,115,783</u>
Operating Income	<u>611,316</u>	<u>(218,231)</u>	<u>(48,419)</u>	<u>386,067</u>	<u>(265,000)</u>	<u>465,733</u>
Non-Operating Revenues (Expenses):						
HUD contribution	2,554,498	-	-	-	-	2,554,498
Housing assistance payments	(3,183,838)	-	-	-	-	(3,183,838)
HAP portability	(24,570)	-	-	-	-	(24,570)
Other government grants	-	1,311,954	-	-	-	1,311,954
Contributions	-	347,738	-	-	-	347,738
Gain (Loss) on real property	-	321,350	-	-	-	321,350
Interest revenues	41	102	-	94	-	237
Non-operating fees	-	(1,195,578)	-	-	-	(1,195,578)
Interest expense	-	(74,712)	(20,706)	(296,578)	-	(391,996)
Net non-operating revenues (expenses)	<u>(653,869)</u>	<u>710,854</u>	<u>(20,706)</u>	<u>(296,484)</u>	<u>-</u>	<u>(260,205)</u>
Transfers in (out)						
Equity transfers	-	73,202	-	(73,202)	-	-
Total transfers in (out)	<u>-</u>	<u>73,202</u>	<u>-</u>	<u>(73,202)</u>	<u>-</u>	<u>-</u>
Change in net position	(42,553)	565,825	(69,125)	16,381	(265,000)	205,528
Net position, beginning of year	<u>210,063</u>	<u>4,215,285</u>	<u>446,844</u>	<u>117,321</u>	<u>-</u>	<u>4,989,513</u>
Net position, end of year	<u>\$ 167,510</u>	<u>\$4,781,110</u>	<u>\$ 377,719</u>	<u>\$ 133,702</u>	<u>\$ (265,000)</u>	<u>\$ 5,195,041</u>

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton
Combining Statement of Cash Flows
For the Year Ended December 31, 2021

	Section 8 Vouchers	Development Program	Blended Component Units			Totals
			RAD	Hughes Station	49 South 5th LLC	
Cash Flows from Operating Activities:						
Cash received from customers	\$675,159	\$1,229,872	\$ 133,503	\$ 1,313,385	\$ -	\$ 3,351,919
Cash paid to suppliers for goods and services	(71,980)	(673,044)	(54,157)	(681,270)	(265,000)	(1,745,451)
Cash paid to employees	(129,973)	(862,468)	(56,492)	(132,536)	-	(1,181,469)
Net Cash From Operating Activities	<u>473,206</u>	<u>(305,640)</u>	<u>22,854</u>	<u>499,579</u>	<u>(265,000)</u>	<u>424,999</u>
Cash Flows from Capital and Related Financing Activities:						
Capital and other grants, net	(653,909)	297,524	-	-	-	(356,385)
Capital asset - sale	-	321,350	-	-	-	321,350
Debt proceeds	-	1,410,956	-	-	265,000	1,675,956
Debt principal paid	-	(1,425,670)	(11,537)	(153,080)	-	(1,590,287)
Interest paid	-	(74,712)	(20,706)	(296,578)	-	(391,996)
Capital outlay	-	(52,263)	-	-	-	(52,263)
Net Cash From Capital and Related Financing Activities	<u>(653,909)</u>	<u>477,185</u>	<u>(32,243)</u>	<u>(449,658)</u>	<u>265,000</u>	<u>(393,625)</u>
Cash Flows from Investing Activities:						
Interest received	41	102	-	94	-	237
Notes receivable received (issued)	390	-	-	-	-	390
Equity transfers	-	73,202	-	(73,202)	-	-
Net Cash From Investing Activities	<u>431</u>	<u>73,304</u>	<u>-</u>	<u>(73,108)</u>	<u>-</u>	<u>627</u>
Net Change in Cash and Cash Equivalents	(180,272)	244,849	(9,389)	(23,187)	-	32,001
Cash and Cash Equivalents—beginning of year	<u>346,758</u>	<u>1,370,408</u>	<u>157,707</u>	<u>511,884</u>	<u>-</u>	<u>2,386,757</u>
Cash and Cash Equivalents—end of year	<u>\$166,486</u>	<u>\$1,615,257</u>	<u>\$ 148,318</u>	<u>\$ 488,697</u>	<u>\$ -</u>	<u>\$ 2,418,758</u>
Reconciliation of Net Operating Income to Net Cash From Operating Activities:						
Operating income (loss)	<u>\$611,316</u>	<u>\$ (218,231)</u>	<u>\$ (48,419)</u>	<u>\$ 386,067</u>	<u>\$ (265,000)</u>	<u>\$ 465,733</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:						
Depreciation	-	63,344	70,167	196,768	-	330,279
Loss on asset disposal	-	-	-	-	-	-
Changes in assets and liabilities:						
Accounts receivable	(39,748)	599	444	(103,063)	-	(141,768)
Prepaid expenses	-	-	-	-	-	-
Accounts payable	(9,254)	(133,583)	(1,188)	17,771	-	(126,254)
Deferred revenues	(87,543)	-	-	-	-	(87,543)
Deposits held	-	(4,922)	2,600	2,036	-	(286)
Other liabilities	(1,565)	(12,847)	(750)	-	-	(15,162)
Total Adjustments	<u>(138,110)</u>	<u>(87,409)</u>	<u>71,273</u>	<u>113,512</u>	<u>-</u>	<u>(40,734)</u>
Net Cash From Operating Activities	<u>\$473,206</u>	<u>\$ (305,640)</u>	<u>\$ 22,854</u>	<u>\$ 499,579</u>	<u>\$ (265,000)</u>	<u>\$ 424,999</u>
Non-cash transactions						
Contribution of property from City of Brighton		<u>\$ 400,000</u>				

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

Housing Authority of the City of Brighton
Financial Data Schedule
For the Year Ended December 31, 2021

	Housing Choice Vouchers 14,871	Business Activites	Blended Component Unit - RAD	Blended Component Unit - Hughes Station	Blended Component Unit - 49 S 5th LLC	Discretely Presented Component Unit - Southern & Main I LLC	Discretely Presented Component Unit - Southern & Main II LLC	Totals
Assets:								
Current assets:								
Cash:								
111	\$ 118,532	\$ 1,603,154	\$ 87,595	\$ 108,054	\$ -	\$ 81,289	\$ 194,660	\$ 2,193,284
113	47,954	-	47,930	336,678	-	45,901	250,055	728,518
114	-	12,103	12,793	80,534	-	27,673	20,546	153,649
100	<u>166,486</u>	<u>1,615,257</u>	<u>148,318</u>	<u>525,266</u>	<u>-</u>	<u>154,863</u>	<u>465,261</u>	<u>3,075,451</u>
Accounts and notes receivable:								
122	-	-	-	-	-	-	-	-
125	-	51,177	-	367,693	-	6,120	8,496	433,486
126	40,783	2,007	3,039	28,404	-	1,446	3,303	78,982
127	-	-	-	-	-	-	-	-
120	<u>40,783</u>	<u>53,184</u>	<u>3,039</u>	<u>396,097</u>	<u>-</u>	<u>7,566</u>	<u>11,799</u>	<u>512,468</u>
Other current assets:								
142	-	-	-	-	-	33,327	95,167	128,494
150	<u>207,269</u>	<u>1,668,441</u>	<u>151,357</u>	<u>921,363</u>	<u>-</u>	<u>195,756</u>	<u>572,227</u>	<u>3,716,413</u>
Noncurrent assets:								
Capital assets:								
161	-	480,250	29,276	1,033,985	-	-	2,403,657	3,947,168
162	-	1,886,432	1,623,149	8,128,864	-	8,092,980	8,341,467	28,072,892
163	-	24,717	2,240	-	-	104,897	1,299,178	1,431,032
164	-	-	-	-	-	-	-	0
166	-	(1,022,824)	(468,488)	(758,848)	-	(6,338,895)	(2,360,226)	(10,949,281)
167	-	212,249	-	-	-	-	-	212,249
160	<u>-</u>	<u>1,580,824</u>	<u>1,186,177</u>	<u>8,404,001</u>	<u>-</u>	<u>1,858,982</u>	<u>9,684,076</u>	<u>22,714,060</u>
171-040	-	3,549,000	-	-	-	-	-	3,549,000
170	<u>-</u>	<u>3,549,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,549,000</u>
190	<u>\$ 207,269</u>	<u>\$ 6,798,265</u>	<u>\$1,337,534</u>	<u>\$ 9,325,364</u>	<u>\$ -</u>	<u>\$ 2,054,738</u>	<u>\$10,256,303</u>	<u>\$29,979,473</u>
Liabilities and net position:								
Current liabilities:								
312	\$ 32,194	\$ 131,906	\$ 10,353	\$ 47,162	\$ -	\$ 11,874	\$ 37,214	\$ 270,703
321	-	7,854	462	-	-	-	-	8,316
322	-	7,145	882	-	-	-	-	8,027
325	-	-	-	34,282	-	8,871	8,600	51,753
341	-	12,103	12,793	45,977	-	27,673	17,288	115,834
342	-	181,148	-	-	-	3,971	3,525	188,644
343-020	-	-	11,656	141,946	-	-	-	153,602
310	<u>32,194</u>	<u>340,156</u>	<u>36,146</u>	<u>269,367</u>	<u>-</u>	<u>52,389</u>	<u>66,627</u>	<u>796,879</u>
Noncurrent liabilities:								
351	-	1,612,697	919,886	8,922,295	265,000	1,679,109	2,023,649	15,422,636
354	7,565	64,302	3,783	-	-	-	-	75,650
350	<u>7,565</u>	<u>1,676,999</u>	<u>923,669</u>	<u>8,922,295</u>	<u>265,000</u>	<u>1,679,109</u>	<u>2,023,649</u>	<u>15,498,286</u>
300	<u>39,759</u>	<u>2,017,155</u>	<u>959,815</u>	<u>9,191,662</u>	<u>265,000</u>	<u>1,731,498</u>	<u>2,090,276</u>	<u>16,295,165</u>
Net Position:								
508.1	-	-	254,635	-	-	249,487	7,699,444	8,203,566
511.1	47,954	12,103	60,723	417,212	-	73,574	270,601	882,167
512.1	119,556	4,769,007	62,361	(283,510)	(265,000)	179	195,982	4,598,575
513	<u>167,510</u>	<u>4,781,110</u>	<u>377,719</u>	<u>133,702</u>	<u>(265,000)</u>	<u>323,240</u>	<u>8,166,027</u>	<u>13,684,308</u>
600	<u>\$ 207,269</u>	<u>\$ 6,798,265</u>	<u>\$1,337,534</u>	<u>\$ 9,325,364</u>	<u>\$ -</u>	<u>\$ 2,054,738</u>	<u>\$10,256,303</u>	<u>\$29,979,473</u>

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton
Financial Data Schedule (continued)
For the Year Ended December 31, 2021

	Housing Choice Vouchers 14.871	Business Activities	Blended Component Unit - RAD	Blended Component Unit - Hughes Station	Blended Component Unit - 49 S 5th LLC	Discretely Presented Component Unit - Southern & Main I LLC	Discretely Presented Component Unit - Southern & Main II LLC	Totals	
Revenues:									
70300	Net tenant rental revenues	\$ -	\$ 763,206	\$ 128,169	\$1,369,089	\$ -	\$ 622,085	\$ 585,899	\$3,468,448
70400	Tenant revenues - other	-	-	250	6,871	-	-	12,351	19,472
70500	Total tenant revenues	-	763,206	128,419	1,375,960	-	622,085	598,250	3,487,920
70600	HUD PHA operating grants	2,554,498	-	-	-	-	-	-	2,554,498
70610	HUD capital grants	-	-	-	-	-	-	-	-
70800	Other government grants	-	1,311,954	-	-	-	-	-	1,311,954
72000	Investment income - restricted	41	-	-	-	-	-	-	41
71100	Investment income - unrestricted	-	102	-	94	-	-	64	260
	Total investment income	2,554,539	1,312,056	-	94	-	-	64	3,866,753
71500	Other revenues	802,450	818,726	2,040	-	-	7,229	29	1,630,474
71600	Gain on sale of capital assets	-	321,350	-	-	-	-	-	321,350
70000	Total revenues	3,356,989	3,215,338	130,459	1,376,054	-	629,314	598,343	9,306,497
Expenses:									
91110	Administrative salaries	128,409	722,770	35,026	113,390	-	54,454	57,178	1,111,227
91200	Auditing fees	1,090	5,120	1,090	-	-	9,925	9,400	26,625
91400	Advertising and marketing	152	180	-	4,223	-	2,305	2,414	9,274
91500	Employee benefits - administrative	-	140,142	21,492	19,146	-	161	-	180,941
91600	Office expenses	22,478	52,474	11,292	22,703	-	10,101	8,624	127,672
91700	Legal expenses	8,754	64,757	3,707	2,880	-	2,766	1,417	84,281
91800	Travel	154	281	95	-	-	-	-	530
91900	Other	5,037	32,595	849	58,028	-	6,625	6,890	110,024
91000	Total operating and administrative	166,074	1,018,319	73,551	220,370	-	86,337	85,923	1,650,574
93100	Water	-	27,803	8,575	81,815	-	11,833	10,361	140,387
93200	Electricity	-	2,613	216	17,979	-	14,576	12,705	48,089
93300	Gas	-	2,295	16	5,456	-	3,078	3,313	14,158
93800	Other utilities expense	-	-	-	52,127	-	11,511	7,432	71,070
92500	Total utilities	-	32,711	8,807	157,377	-	40,998	33,811	273,704
94100	Ordinary maintenance and operations - labor	-	-	2,573	104,186	-	23,347	23,652	153,758
94200	Ordinary maintenance and operations - material	-	6,211	2,536	20,685	-	32,153	7,927	69,512
94300-010	Garbage and trash removal contracts	-	6,297	1,853	13,846	-	5,021	2,496	29,513
94300-050	Landscape & grounds contracts	-	3,653	953	12,375	-	2,723	5,444	25,148
94300-060	Unit turnaround contracts	-	10,179	546	-	-	-	-	10,725
94300-070	Electrical contracts	-	175	-	-	-	-	-	175
94300-080	Plumbing contracts	-	7,832	291	-	-	-	-	8,123
94300-090	Extermination contracts	-	-	-	3,145	-	2,345	1,370	6,860
94300-100	Janitorial contracts	-	-	-	5,829	-	965	1,198	7,992
94300-110	Routine maintenance contracts	-	-	490	2,151	-	3,734	2,177	8,552
94300-120	Misc. contracts	-	1,500	600	27,875	-	11,662	12,832	54,469
94300	Ordinary maintenance and operations contract:	-	35,847	9,842	190,092	-	81,950	57,096	374,827
94500	Employee benefits - ordinary maintenance	-	-	-	18,592	-	-	-	18,592
94000	Total maintenance	-	35,847	9,842	208,684	-	81,950	57,096	393,419

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton
Financial Data Schedule (continued)
For the Year Ended December 31, 2021

	Housing Choice Vouchers 14.871	Business Activities	Blended Component Unit - RAD	Blended Component Unit - Hughes Station	Blended Component Unit - 49 S 5th LLC	Discretely Presented Component Unit - Southern & Main I LLC	Discretely Presented Component Unit - Southern & Main II LLC	Totals
Expenses:								
96110 Property insurance	-	19,273	6,949	33,493	-	58,079	69,313	187,107
96120 Liability insurance	-	-	-	-	-	-	-	-
96130 Workers compensation	1,711	8,339	642	3,134	-	1,567	1,645	17,038
96140 All other insurance	-	-	-	1,541	-	15,404	13,844	30,789
96100 Total insurance	<u>1,711</u>	<u>27,612</u>	<u>7,591</u>	<u>38,168</u>	<u>-</u>	<u>75,050</u>	<u>84,802</u>	<u>234,934</u>
96200 Other general expenses	23,349	1,419,678	8,920	125,406	265,000	144,322	106,684	2,093,359
96210 Compensated absences	-	-	-	-	-	-	-	-
96000 Other general expenses	<u>23,349</u>	<u>1,419,678</u>	<u>8,920</u>	<u>125,406</u>	<u>265,000</u>	<u>144,322</u>	<u>106,684</u>	<u>2,093,359</u>
96710 Interest on mortgages payable	-	74,712	20,706	315,358	-	104,683	106,042	621,501
96700 Interest expense	-	74,712	20,706	315,358	-	104,683	106,042	621,501
96900 Total operating expenses	<u>191,134</u>	<u>2,608,879</u>	<u>129,417</u>	<u>1,065,363</u>	<u>265,000</u>	<u>533,340</u>	<u>474,358</u>	<u>5,267,491</u>
Excess operating revenues over operating expenses	<u>3,165,855</u>	<u>606,459</u>	<u>1,042</u>	<u>310,691</u>	<u>(265,000)</u>	<u>95,974</u>	<u>123,985</u>	<u>4,039,006</u>
97100 Extraordinary maintenance	-	50,493	-	24,340	-	-	9,199	84,032
97300 Housing assistance payments	3,183,838	-	-	-	-	-	-	3,183,838
97350 HAP portability in	24,570	-	-	-	-	-	-	24,570
97400 Depreciation expense	-	63,343	70,167	196,768	-	426,559	481,641	1,238,478
90000 Total expenses	<u>3,208,408</u>	<u>113,836</u>	<u>70,167</u>	<u>221,108</u>	<u>-</u>	<u>426,559</u>	<u>490,840</u>	<u>4,040,078</u>
10093 Transfers between programs and project - in	-	73,202	-	-	-	-	-	73,202
10094 Transfers between programs and project - out	-	-	-	(73,202)	-	-	-	(73,202)
10100 Total other financing sources (uses)	<u>-</u>	<u>73,202</u>	<u>-</u>	<u>(73,202)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10000 Total revenues over (under) total expenses	<u>\$ (42,553)</u>	<u>\$ 565,825</u>	<u>\$ (69,125)</u>	<u>\$ 16,381</u>	<u>\$ (265,000)</u>	<u>\$ (330,585)</u>	<u>\$ (366,855)</u>	<u>\$ (491,912)</u>

The accompanying notes are an integral part of these statements.

Housing Authority of the City of Brighton

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Agency/Pass-through Entity/Cluster/Program	CFDA Number	Amount
<i>U.S. Department of Housing and Urban Development</i>		
Section 8 Housing Choice Voucher Program - Cluster	14.871	\$ 2,554,498
CDBG CV	14.218	12,521
Home Investment Partnerships Program	14.239	86,075
<i>Total U.S. Department of Housing and Urban Development</i>		<u>2,653,094</u>
<i>U.S. Department of the Treasury</i>		
Emergency Rental Assistance Program	21.023	1,083,283
<i>Total U.S. Department of the Treasury</i>		<u>1,083,283</u>
Total Expenditures of Federal Awards		<u>\$ 3,736,377</u>


Notes to the Schedule


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



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

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

We have audited, 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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Brighton, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Brighton's basic financial statements, and have issued our report thereon dated September 29, 2022 .

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Brighton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.


Haynie & Company


Littleton, Colorado
September 29, 2022



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Brighton's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Housing Authority of the City of Brighton's major federal programs for the year ended December 31, 2021. The Housing Authority of the City of Brighton's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority of the City of Brighton 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, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority of the City of Brighton and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal

determination of the Housing Authority of the City of Brighton's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Housing Authority of the City of Brighton's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority of the City of Brighton's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Authority of the City of Brighton's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Authority of the City of Brighton's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Housing Authority of the City of Brighton's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Brighton's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Haynie & Company

Littleton, Colorado
September 29, 2022

Housing Authority of the City of Brighton

Schedule of Findings and Questioned Costs

For the year ended December 31, 2021

Schedule of Findings and Questioned Costs

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

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

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

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

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

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

7. The Authority's major programs were:

Cluster/Program	CFDA Number
Section 8 Housing Choice Vouchers	14.871
US Treasury Emergency Rental Assistance Program	21.023

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

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

Housing Authority of the City of Brighton
Schedule of Findings and Questioned Costs
For the year ended December 31, 2021

Finding

None

Questioned Costs

None