

**HOUSING AUTHORITY OF THE TOWN OF  
HAXTUN, COLORADO**

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

**Year Ended March 31, 2021**

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



# HOUSING AUTHORITY OF TOWN OF HAXTUN



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## MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended March 31, 2021

This section of the Housing Authority of the Town of Haxtun, Colorado's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on March 31, 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the basic financial statements as a whole.

### FINANCIAL HIGHLIGHTS

The term "Net Position" refers to the difference between assets and liabilities. The Authority's total net position as of March 31, 2021 was \$756,225. The net position increased by \$17,531, an increase of 2% over the prior year. Of this amount, \$440,797 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities.

Operating income for the Authority was \$120,162 for the year ended March 31, 2021. This was an increase of \$902 or 1% over the prior year.

Operating expenses for the Authority were \$227,067 for the year ended March 31, 2021. This was an increase of \$12,529 or 6% over the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Required Financial Statements

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

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended March 31, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)**

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

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

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

Notes to the Financial Statements

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

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *supplemental information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authorities to submit financial information electronically to HUD using the FDS format. The submitted financial information transmitted to the Real Estate Assessment Center (REAC) for the year ended March 31, 2021 is required to be included in the audit reporting package.

**FINANCIAL ANALYSIS**

**CONDENSED STATEMENT OF NET POSITION**

	FY 2021	FY 2020	Dollar Change	Percent Change
Current and other assets	\$ 498,689	\$ 470,025	\$ 28,664	6%
Capital assets	310,186	326,386	(16,200)	-5%
Total Assets	<u>808,875</u>	<u>796,411</u>	<u>12,464</u>	<u>2%</u>
Current liabilities	32,265	27,472	4,793	17%
Noncurrent liabilities	20,385	30,245	(9,860)	-33%
Total Liabilities	<u>52,650</u>	<u>57,717</u>	<u>(5,067)</u>	<u>-9%</u>
Net Position				
Net investment in capital assets	284,848	296,141	(11,293)	-4%
Restricted	30,580	20,000	10,580	53%
Unrestricted	440,797	422,553	18,244	4%
Total Net Position	<u>\$ 756,225</u>	<u>\$ 738,694</u>	<u>\$ 17,531</u>	<u>2%</u>

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended March 31, 2021**

**FINANCIAL ANALYSIS (CONT'D)**

Net Position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$756,225 at the close of the year ended March 31, 2021. This represents an increase of \$17,531 which is an increase of 2% over the prior year and was attributed to operations for the year end March 31, 2021.

Current and other assets increased by \$28,664. This was attributed to operations before depreciation and offset by funds used for capital improvements and debt service payments which resulted in a net increase in cash and investments of \$33,357. This was offset by a decrease of (\$2,539) in the amount due from HUD which is the result of when funds are requisitioned.

Total liabilities decreased by (\$5,067). There was no unusual reason for the change only the typical variability from year to year based on the timing of payments.

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

Unrestricted net position as of March 31, 2021 was \$440,797. Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities. The Authority has sufficient funds to meet requirements for cash outlays in the next fiscal year as well as the financial capacity to sustain operations. The Authority had \$30,580 net position classified as restricted that is subject to external restrictions on how they may be used. The funds are restricted for capital activities as approved by Rural Development.

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

As can be seen on the next page, total revenues decreased by (\$46,137) primarily due to the decrease in Federal operating grants of (\$42,453) and rental income of (\$8,753) or 7%. The decrease in rental income was due to occupancy and rent composition from year to year. Other income increased by \$6,014 of which \$5,900 was the result of a gain from capital asset dispositions which was the trade-in value of a mower.

HUD operating subsidy for the Authority was \$63,670 for the year ended March 31, 2021. This was a decrease of (\$99) from the prior year. The operating subsidy funding is determined by HUD on an annual basis and is primarily based on income and utility expenses. In the current year the Authority expended \$51,235 of HUD capital grants for operations compared to \$97,918 in the prior fiscal year. This amount will vary on the approved budget by HUD. The Authority has flexibility in the use of these funds.

The Authority also recognized \$4,329 in CARES Act funding from HUD as a result of COVID-19.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended March 31, 2021**

**FINANCIAL ANALYSIS (CONT'D)**

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

	FY 2021	FY 2020	Dollar Change	Percent Change
<b>Revenues</b>				
Program revenues				
Rental	\$ 114,673	\$ 123,426	\$ (8,753)	-7%
HUD program contributions	119,234	161,687	(42,453)	-26%
USDA program contributions	3,453	3,299	154	5%
Other	7,936	1,922	6,014	313%
General revenues				
Interest	1,860	2,959	(1,099)	-37%
<b>Total Revenues</b>	<u>247,156</u>	<u>293,293</u>	<u>(46,137)</u>	<u>-16%</u>
<b>Expenses</b>				
Depreciation	36,338	34,985	1,353	4%
Operating	190,729	178,804	11,925	7%
Nonoperating	7,293	8,214	(921)	-11%
<b>Total Expenses</b>	<u>234,360</u>	<u>222,003</u>	<u>12,357</u>	<u>6%</u>
Excess (deficiency) before special items	12,796	71,290	(58,494)	
Special Items:				
Casualty loss - storm damage	(3,977)	-	(3,977)	
Changes in Net Position	8,819	71,290	(62,471)	
Beginning Net Position, restated	747,406	667,404	80,002	
Ending Net Position	<u>\$ 756,225</u>	<u>\$ 738,694</u>	<u>\$ 17,531</u>	

Operating expenses for the Authority were \$190,729 for the year ended March 31, 2021. This was an increase of \$11,925 or 7% over the prior year. The majority of the increase was in maintenance which increased by \$11,131 and was attributed to unit turnaround and various other projects that vary from year to year.

**CAPITAL ASSETS**

The Authority's capital assets as of March 31, 2021 were \$310,186. This includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation.

The total decrease in the Authority's capital assets for the fiscal year was 5% in terms of net book value. The actual amount to purchase or construct capital assets was \$14,238 for the year. Depreciation charges for the year totaled \$36,338. Additional information on the Authority's capital assets can be found in Note G of the notes to the financial statements of this report.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended March 31, 2021**

**DEBT ADMINISTRATION**

The Authority has outstanding notes payable of \$25,338, a decrease of (\$4,907). The revenue from the Rural Development Programs is pledged to repay these notes. There were no changes to the debt structure during the year ended March 31, 2021. Additional information on the Authority's long-term debt can be found in Note K of the notes to the financial statements of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2022 budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD and Rural Development. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The operating expenses are expected to increase by the economy's inflation rate.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Housing Authority of the Town of Haxtun, 136 S. Miller Ave., Haxtun, Colorado 80731.

**INDEPENDENT AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Housing Authority of the Town of Haxtun, Colorado

### **Report on the Basic Financial Statements**

We have audited the accompanying financial statements of the major fund of the Housing Authority of the Town of Haxtun, Colorado as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Haxtun, Colorado's financial statements as listed in the table of contents.

### ***Management's Responsibility for the Basic Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Haxtun, Colorado as of March 31, 2021, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2021 on our consideration of the Housing Authority of the Town of Haxtun, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the Town of Haxtun, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the Town of Haxtun, Colorado's internal control over financial reporting and compliance.

*Niewedde & Wiens, CPA's*

York, Nebraska  
October 15, 2021

**BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**March 31, 2021**

<b>ASSETS</b>	<u>Housing</u>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 235,864
Investments	168,498
Accounts receivable, net	738
Due from other governments	44,910
Accrued interest receivable	171
Prepaid items	10,428
<i>Restricted:</i>	
Cash and cash equivalents	7,500
Investments	<u>30,580</u>
<b>TOTAL CURRENT ASSETS</b>	<b>498,689</b>
 <b>NONCURRENT ASSETS:</b>	
Capital Assets, non-depreciable	2,098
Capital Assets, depreciable, net	<u>308,088</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b>310,186</b>
<b>TOTAL ASSETS</b>	<b>\$ <u>808,875</u></b>
 <b>LIABILITIES</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 3,732
Accrued payroll and benefits payable	4,482
Due to other governments	11,428
Tenant security deposits payable	7,500
Unearned revenue	170
Current portion, notes payable	<u>4,953</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>32,265</b>
 <b>NONCURRENT LIABILITIES:</b>	
Notes payable	<u>20,385</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>20,385</b>
<b>TOTAL LIABILITIES</b>	<b><u>52,650</u></b>
 <b>NET POSITION</b>	
Net investment in capital assets	284,848
Restricted, replacement reserve	30,580
Unrestricted	<u>440,797</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u><u>756,225</u></u></b>

See accompanying notes.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET POSITION - PROPRIETARY FUND**  
**Year Ended March 31, 2021**

		<u>Housing</u>
<b>OPERATING REVENUES</b>		
Rental income	\$	114,673
USDA rental assistance		3,453
Other income		<u>2,036</u>
TOTAL OPERATING REVENUES		120,162
<b>OPERATING EXPENSES</b>		
Administrative		74,533
Utilities		38,660
Ordinary maintenance and operations		50,230
General expense		27,306
Depreciation		<u>36,338</u>
TOTAL OPERATING EXPENSES		<u>227,067</u>
OPERATING INCOME (LOSS)		<u>(106,905)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
HUD operating subsidy		63,670
HUD capital fund grants - operations		51,235
HUD CARES Act operating funds		4,329
Interest income		1,860
Interest/overage expense		(7,293)
Gain on capital asset dispositions		<u>5,900</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		<u>119,701</u>
INCOME (LOSS) BEFORE SPECIAL ITEMS		12,796
<b>SPECIAL ITEMS</b>		
Casualty loss - storm damage		<u>(3,977)</u>
INCREASE (DECREASE) IN NET POSITION		8,819
<b>NET POSITION</b>		
Net position, beginning balance		738,694
Prior period adjustments		<u>8,712</u>
Net position, beginning balance, restated		<u>747,406</u>
TOTAL NET POSITION - ENDING BALANCE	\$	<u><u>756,225</u></u>

See accompanying notes.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**Year Ended March 31, 2021**

	<b>Housing</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Rental receipts	\$ 114,433
USDA rental assistance	3,453
Other receipts	2,036
Tenant security deposits	(75)
Cash payments for goods and services	(110,212)
Cash payments to employees for services	(76,641)
	(186,850)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(67,006)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
HUD operating subsidy	61,185
HUD capital fund grants - operations	56,260
HUD CARES Act operating funds	4,329
Casualty loss - storm damage	(3,977)
	117,797
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	117,797
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases and construction of capital assets	(14,238)
Principal paid on capital debt	(4,907)
Interest paid on capital debt	(277)
	(19,422)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(19,422)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Net (deposits) withdrawals to investments	(1,774)
Interest received	1,988
	214
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	214
	31,583
NET INCREASE (DECREASE) IN CASH	31,583
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	211,781
	243,364
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 243,364

See accompanying notes.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)**  
Year Ended March 31, 2021

<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	<u>Housing</u>
Operating income (loss)	\$ (106,905)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	36,338
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(380)
(Increase) decrease in prepaid insurance	1,054
Increase (decrease) in accounts payable	(4,496)
Increase (decrease) in tenant security deposits	(75)
Increase (decrease) in accrued payroll and benefits	1,653
Increase (decrease) in due to other governments	5,665
Increase (decrease) in unearned revenue	<u>140</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>(67,006)</u></u>

See accompanying notes.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

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

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

Financial Reporting Entity

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

Basis of accounting, measurement focus, and financial statement presentation

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

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

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

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2021**

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

a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

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

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

***Public Housing Program.*** This program accounts for the operation, maintenance, and development of 22 housing units which are owned by the Authority. The developments of the projects were funded primarily by the U.S. Department of Housing and Urban Development through loans and bonds. The loans have been forgiven by HUD and the bond debt service and repayment requirements are the responsibility of HUD and therefore no outstanding liabilities are recorded. The program is subsidized annually by operating subsidy from HUD and through Capital Grants for capital improvements.

***USDA Rural Development.*** This program accounts for the operation and maintenance of 10 housing units known as Villa East Apartments which are owned by the Authority and financed by the U.S. Department of Rural Development. The development of the projects were funded primarily by Rural Development through low-interest loans which are subsidized by Rural Development through interest subsidy and rental assistance.

Budgetary Process

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

Cash and Investments

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

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificate of deposit, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2021**

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

Accounts Receivable

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

Prepaid Items

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

Use of Restricted/Unrestricted Net Position

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

Capital Assets and Depreciation

Property and equipment are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets are recorded at acquisition value at the date received. The Authority generally capitalized assets with a cost of \$5,000 or more as purchases and construction outlays occur.

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

Buildings	20-50 years
Building improvements	10-50 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

Grant Revenue

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, deferred outflows, liabilities, deferred inflows, revenues,

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2021**

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

expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences

The Authority's policy allows employees vacation leave up to a limit of two calendar weeks. Compensation over and above the normal salary paid to such employees for this period shall not be allowed. Sick leave shall be allowed as approved by the Board of Commissioners. Annual and Sick leave may be accumulated but not paid upon termination.

Postemployment Benefits Other Than Pensions (OPEB)

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

Income Taxes

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

Taxpayer's Bill of Rights

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

**NOTE B - DEPOSITS AND INVESTMENTS**

At March 31, 2021, the Authority's carrying amount of deposits was \$442,417 and the bank balances were \$446,879. The Authority had cash on hand of \$25 as of March 31, 2021. As required by the Colorado Public Deposit Protection Act (PDPA), any amount in excess of the FDIC insurance threshold shall be collateralized as required by the Public Deposit Protection Acts, article 10.5 of title 11, C.R.S., as amended or article 47 of title 11, C.R.S, as amended. Of the balance, \$397,360 was covered by FDIC insurance and \$49,519 was covered by the Public Deposit Protection Act.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2021**

**NOTE C – ACCOUNTS RECEIVABLE**

A summary of accounts receivable as presented in the Statement of Net Position at March 31, 2021 are as follows:

Tenants	\$	3,236
Allowance for doubtful accounts		<u>(2,498)</u>
	\$	<u>738</u>

**NOTE D – DUE FROM OTHER GOVERNMENTS**

A summary of due from other governments as presented in the Statement of Net Position at March 31, 2021 is as follows:

HUD – operating subsidy	\$	16,522
HUD – capital fund grants		<u>28,388</u>
	\$	<u>44,910</u>

**NOTE E – PREPAID ITEMS**

A summary of prepaid items as presented in the Statement of Net Position at March 31, 2021 is as follows:

Prepaid insurance	\$	7,844
Other prepaid expenses		<u>2,584</u>
	\$	<u>10,428</u>

**NOTE F – RESTRICTED ASSETS**

A summary of restricted cash and investments as presented in the Statement of Net Position at March 31, 2021 is as follows:

Tenant security deposits		\$	7,500
Replacement Reserve	[1]		<u>30,580</u>
		\$	<u>38,080</u>

[1] – these funds are restricted by the U.S. Department of Agriculture to be used for capital activities. The funds withdrawn from the account is only permitted after Rural Development approval.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2021**

**NOTE G – CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2021, was as follows:

	Balance 4/1/2020	Increases	Decreases	Balance 3/31/2021
<b>Non-depreciable assets:</b>				
Land	\$ 2,098	\$ -	\$ -	\$ 2,098
Construction in progress	-	-	-	-
<b>Total non-depreciable assets</b>	<u>2,098</u>	<u>-</u>	<u>-</u>	<u>2,098</u>
<b>Depreciable assets</b>				
Buildings	1,196,902	-	-	1,196,902
Equipment - Dwelling	36,793	649	-	37,442
Equipment - Administration	62,670	19,489	(8,644)	73,515
<b>Total depreciable assets</b>	<u>1,296,365</u>	<u>20,138</u>	<u>(8,644)</u>	<u>1,307,859</u>
<b>Total Capital Assets</b>	<u>1,298,463</u>	<u>20,138</u>	<u>(8,644)</u>	<u>1,309,957</u>
<b>Accumulated depreciation</b>				
Buildings	886,997	31,395	-	918,392
Equipment - Dwelling	25,927	1,877	-	27,804
Equipment - Administration	59,153	3,066	(8,644)	53,575
Total accumulated depreciation	<u>972,077</u>	<u>36,338</u>	<u>(8,644)</u>	<u>999,771</u>
<b>Depreciable assets, net</b>	<u>324,288</u>	<u>(16,200)</u>	<u>-</u>	<u>308,088</u>
<b>Capital assets, net</b>	<u>\$ 326,386</u>	<u>\$ (16,200)</u>	<u>\$ -</u>	<u>\$ 310,186</u>

**NOTE H – ACCOUNTS PAYABLE**

A summary of accounts payable as presented in the Statement of Net Position at March 31, 2021 is as follows:

Vendors and contractors \$ 3,732

**NOTE I – DUE TO OTHER GOVERNMENTS**

A summary of due to other governments as presented in the Statement of Net Position at March 31, 2021 is as follows:

Payments in lieu of taxes \$ 11,428

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2021**

**NOTE J – UNEARNED REVENUE**

A summary of unearned revenue as presented in the Statement of Net Position at March 31, 2021 is as follows:

Tenant prepaid rents	\$ <u>          170</u>
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**NOTE K – NONCURRENT LIABILITIES**

The Authority has a Rural Rental Housing loan with the U.S. Department of Agriculture Rural Development. The loan is dated September 23, 1977 and had an original principal amount of \$200,000. The loan requires monthly debt service payments of \$432 through 2027. The outstanding balance as of March 31, 2021 was \$25,338. The loan is secured by the property known as Villa East Apartments and the accounts and revenue of the project. The Loan matures in 2027 at which time the loan agreement shall be subject to the present regulations.

A summary of changes in notes payable as of March 31, 2021 is as follows:

Description	Balance 4/1/2020	Retired	Balance 3/31/2021	Due Within One Year
Rural Development Loan	\$ 30,245	\$ (4,907)	\$ 25,338	\$ 4,953
Total	\$ 30,245	\$ (4,907)	\$ 25,338	\$ 4,953
		Less current maturities	(4,953)	
		Long-term portion	\$ 20,385	

Principal and interest requirements for the notes are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 4,953	\$ 231	\$ 5,184
2023	5,003	181	5,184
2024	5,053	131	5,184
2025	5,104	80	5,184
2026	5,155	29	5,184
2027	70	-	70
	\$ 25,338	\$ 652	\$ 25,990

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2021**

**NOTE L—NET POSITION**

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

- ***Net Investment in Capital Assets*** – This component groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- ***Restricted*** – This category represents net position of the Authority that is restricted externally by creditors, grantors, contributors, laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.

Restricted net position of \$30,580 is restricted in the Rural Development Program for replacement reserves to be used for capital activities upon approval of USDA (See Note F).

- ***Unrestricted*** – This category represents net position of the Authority, not restricted for any project or other purposes.

**NOTE M – CONTINGENCIES**

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

**NOTE N - RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance.

During the year ended March 31, 2021, the Authority did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2021**

**NOTE O – PRIOR PERIOD ADJUSTMENT**

The Authority recorded a prior year adjustment of \$8,712 to remove the accrual of compensated absences that is not allowed to be accrued in accordance with the personnel policy.

**NOTE P – SUBSEQUENT EVENTS**

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

**SUPPLEMENTAL INFORMATION –  
PROGRAM FINANCIAL SCHEDULES**

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**PROGRAM SCHEDULE OF NET POSITION**  
**March 31, 2021**

<b>ASSETS</b>	<b>Rural</b>		<b>Totals</b>
	<b>Public Housing</b>	<b>Development (Villa East)</b>	
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 232,347	\$ 3,517	\$ 235,864
Investments	168,498	-	168,498
Accounts receivable, net	271	467	738
Due from other governments	44,910	-	44,910
Accrued interest receivable	171	-	171
Prepaid items	7,152	3,276	10,428
<i>Restricted:</i>			
Cash and cash equivalents	5,450	2,050	7,500
Investments	-	30,580	30,580
<b>TOTAL CURRENT ASSETS</b>	<b>458,799</b>	<b>39,890</b>	<b>498,689</b>
<b>NONCURRENT ASSETS:</b>			
Capital Assets, non-depreciable	1,098	1,000	2,098
Capital Assets, depreciable, net	223,123	84,965	308,088
<b>TOTAL NONCURRENT ASSETS</b>	<b>224,221</b>	<b>85,965</b>	<b>310,186</b>
<b>TOTAL ASSETS</b>	<b>\$ 683,020</b>	<b>\$ 125,855</b>	<b>\$ 808,875</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 2,686	\$ 1,046	\$ 3,732
Accrued payroll and benefits payable	4,405	77	4,482
Due to other governments	11,428	-	11,428
Tenant security deposits payable	5,450	2,050	7,500
Unearned revenue	170	-	170
Current portion, notes payable	-	4,953	4,953
<b>TOTAL CURRENT LIABILITIES</b>	<b>24,139</b>	<b>8,126</b>	<b>32,265</b>
<b>NONCURRENT LIABILITIES:</b>			
Notes payable	-	20,385	20,385
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>-</b>	<b>20,385</b>	<b>20,385</b>
<b>TOTAL LIABILITIES</b>	<b>24,139</b>	<b>28,511</b>	<b>52,650</b>
<b>NET POSITION</b>			
Net investment in capital assets	224,221	60,627	284,848
Restricted, replacement reserve	-	30,580	30,580
Unrestricted	434,660	6,137	440,797
<b>TOTAL NET POSITION</b>	<b>\$ 658,881</b>	<b>\$ 97,344</b>	<b>\$ 756,225</b>

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**PROGRAM SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Year Ended March 31, 2021**

	<b>Public Housing</b>	<b>Rural Development (Villa East)</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Rental income	\$ 82,126	\$ 32,547	\$ 114,673
USDA rental assistance	-	3,453	3,453
Other income	300	1,736	2,036
TOTAL OPERATING REVENUES	<u>82,426</u>	<u>37,736</u>	<u>120,162</u>
<b>OPERATING EXPENSES</b>			
Administrative	69,045	5,488	74,533
Utilities	24,996	13,664	38,660
Ordinary maintenance and operations	42,589	7,641	50,230
General expense	22,540	4,766	27,306
Depreciation	26,979	9,359	36,338
TOTAL OPERATING EXPENSES	<u>186,149</u>	<u>40,918</u>	<u>227,067</u>
OPERATING INCOME (LOSS)	<u>(103,723)</u>	<u>(3,182)</u>	<u>(106,905)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
HUD operating subsidy	63,670	-	63,670
HUD capital fund grants - operations	51,235	-	51,235
HUD CARES Act operating funds	4,329	-	4,329
Interest income	1,773	87	1,860
Interest/overage expense	-	(7,293)	(7,293)
Gain on capital asset dispositions	5,900	-	5,900
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>126,907</u>	<u>(7,206)</u>	<u>119,701</u>
INCOME (LOSS) BEFORE SPECIAL ITEMS	<u>23,184</u>	<u>(10,388)</u>	<u>12,796</u>
<b>SPECIAL ITEMS</b>			
Casualty loss - storm damage	(3,977)	-	(3,977)
INCREASE (DECREASE) IN NET POSITION	<u>19,207</u>	<u>(10,388)</u>	<u>8,819</u>
<b>NET POSITION</b>			
Net position, beginning balance	630,962	107,732	738,694
Prior period adjustments	8,712	-	8,712
Net position, beginning balance, restated	<u>639,674</u>	<u>107,732</u>	<u>747,406</u>
TOTAL NET POSITION - ENDING BALANCE	<u>\$ 658,881</u>	<u>\$ 97,344</u>	<u>\$ 756,225</u>

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**PROGRAM SCHEDULE OF CASH FLOWS**  
**Year Ended March 31, 2021**

	Public Housing	Rural Development (Villa East)	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Rental receipts	\$ 82,353	\$ 32,080	\$ 114,433
USDA rental assistance	-	3,453	3,453
Other receipts	300	1,736	2,036
Tenant security deposits	350	(425)	(75)
Cash payments for goods and services	(77,265)	(32,947)	(110,212)
Cash payments to employees for services	(71,346)	(5,295)	(76,641)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(65,608)	(1,398)	(67,006)
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
HUD operating subsidy	61,185	-	61,185
HUD capital fund grants - operations	56,260	-	56,260
HUD CARES Act operating funds	4,329	-	4,329
Casualty loss - storm damage	(3,977)	-	(3,977)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	117,797	-	117,797
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases and construction of capital assets	(14,238)	-	(14,238)
Principal paid on capital debt	-	(4,907)	(4,907)
Interest paid on capital debt	-	(277)	(277)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(14,238)	(5,184)	(19,422)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net (deposits) withdrawals to investments	(1,687)	(87)	(1,774)
Interest received	1,901	87	1,988
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	214	-	214
NET INCREASE (DECREASE) IN CASH	38,165	(6,582)	31,583
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	199,632	12,149	211,781
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 237,797	\$ 5,567	\$ 243,364

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**PROGRAM SCHEDULE OF CASH FLOWS (CONT'D)**  
**Year Ended March 31, 2021**

	<u>Public Housing</u>	<u>Rural Development (Villa East)</u>	<u>Totals</u>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (103,723)	\$ (3,182)	\$ (106,905)
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	26,979	9,359	36,338
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	87	(467)	(380)
(Increase) decrease in prepaid items	1,729	(675)	1,054
Increase (decrease) in accounts payable	1,590	(6,086)	(4,496)
Increase (decrease) in tenant security deposits	350	(425)	(75)
Increase (decrease) in accrued payroll and benefits	1,575	78	1,653
Increase (decrease) in due to other governments	5,665	-	5,665
Increase (decrease) in unearned revenue	140	-	140
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(65,608)</u>	\$ <u>(1,398)</u>	\$ <u>(67,006)</u>

**SUPPLEMENTAL INFORMATION –  
FINANCIAL DATA SCHEDULE**

Housing Authority of the Town of Haxtun (2021)

HAXTUN, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	8 Other Federal Program 1	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$232,347			\$3,517		\$235,864		\$235,864
114 Cash - Tenant Security Deposits	\$5,450			\$2,050		\$7,500		\$7,500
100 Total Cash	\$237,797	\$0	\$0	\$5,567	\$0	\$243,364		\$243,364
122 Accounts Receivable - HUD Other Projects	\$44,910					\$44,910		\$44,910
126 Accounts Receivable - Tenants	\$2,769			\$467		\$3,236		\$3,236
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,498			\$0		-\$2,498		-\$2,498
126.2 Allowance for Doubtful Accounts - Other	\$0					\$0		\$0
129 Accrued Interest Receivable	\$171					\$171		\$171
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$45,352	\$0	\$0	\$467	\$0	\$45,819		\$45,819
131 Investments - Unrestricted	\$168,498					\$168,498		\$168,498
132 Investments - Restricted				\$30,580		\$30,580		\$30,580
142 Prepaid Expenses and Other Assets	\$7,152			\$3,276		\$10,428		\$10,428
150 Total Current Assets	\$458,799	\$0	\$0	\$39,890	\$0	\$498,689		\$498,689
161 Land	\$1,098			\$1,000		\$2,098		\$2,098
162 Buildings	\$841,409			\$355,493		\$1,196,902		\$1,196,902
163 Furniture, Equipment & Machinery - Dwellings	\$37,442					\$37,442		\$37,442
164 Furniture, Equipment & Machinery - Administration	\$73,515					\$73,515		\$73,515
166 Accumulated Depreciation	-\$729,243			-\$270,528		-\$999,771		-\$999,771
160 Total Capital Assets, Net of Accumulated Depreciation	\$224,221	\$0	\$0	\$85,965	\$0	\$310,186		\$310,186
180 Total Non-Current Assets	\$224,221	\$0	\$0	\$85,965	\$0	\$310,186		\$310,186
290 Total Assets and Deferred Outflow of Resources	\$683,020	\$0	\$0	\$125,855	\$0	\$808,875		\$808,875
312 Accounts Payable <= 90 Days	\$1,068					\$1,068		\$1,068
321 Accrued Wage/Payroll Taxes Payable	\$4,405			\$77		\$4,482		\$4,482
333 Accounts Payable - Other Government	\$11,428					\$11,428		\$11,428
341 Tenant Security Deposits	\$5,450			\$2,050		\$7,500		\$7,500
342 Unearned Revenue	\$170					\$170		\$170
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				\$4,953		\$4,953		\$4,953
345 Other Current Liabilities	\$1,618					\$1,618		\$1,618
346 Accrued Liabilities - Other				\$1,046		\$1,046		\$1,046
310 Total Current Liabilities	\$24,139	\$0	\$0	\$8,126	\$0	\$32,265		\$32,265
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$20,385		\$20,385		\$20,385
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$20,385	\$0	\$20,385		\$20,385
300 Total Liabilities	\$24,139	\$0	\$0	\$28,511	\$0	\$52,650		\$52,650
508.4 Net Investment in Capital Assets	\$224,221	\$0		\$60,627	\$0	\$284,848		\$284,848
511.4 Restricted Net Position	\$0	\$0		\$30,580	\$0	\$30,580		\$30,580
512.4 Unrestricted Net Position	\$434,660	\$0	\$0	\$6,137	\$0	\$440,797		\$440,797
513 Total Equity - Net Assets / Position	\$658,881	\$0	\$0	\$97,344	\$0	\$756,225		\$756,225
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$683,020	\$0	\$0	\$125,855	\$0	\$808,875		\$808,875

HAXTUN, CO  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	8 Other Federal Program 1	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$80,210			\$31,731		\$111,941		\$111,941
70400 Tenant Revenue - Other	\$1,916			\$816		\$2,732		\$2,732
70500 Total Tenant Revenue	\$82,126	\$0	\$0	\$32,547	\$0	\$114,673	\$0	\$114,673
70600 HUD PHA Operating Grants	\$114,805	\$4,329				\$119,234		\$119,234
70800 Other Government Grants					\$3,453	\$3,453		\$3,453
71100 Investment Income - Unrestricted	\$1,773			\$1		\$1,774		\$1,774
71500 Other Revenue	\$300			\$1,738		\$2,038		\$2,038
71800 Gain or Loss on Sale of Capital Assets	\$5,900					\$5,900		\$5,900
72000 Investment Income - Restricted				\$86		\$86		\$86
70000 Total Revenue	\$205,004	\$4,329	\$0	\$34,370	\$3,453	\$247,156	\$0	\$247,156
91100 Administrative Salaries	\$35,838			\$2,610		\$38,448		\$38,448
91200 Auditing Fees	\$4,133			\$2,067		\$6,200		\$6,200
91400 Advertising and Marketing	\$38					\$38		\$38
91500 Employee Benefit Contributions - Administrative	\$21,092			\$228		\$21,320		\$21,320
91600 Office Expenses	\$4,507					\$4,507		\$4,507
91800 Travel	\$642					\$642		\$642
91900 Other	\$2,795			\$583		\$3,378		\$3,378
91000 Total Operating - Administrative	\$69,045	\$0	\$0	\$5,488	\$0	\$74,533	\$0	\$74,533
93100 Water	\$2,472			\$686		\$3,158		\$3,158
93200 Electricity	\$12,516			\$5,627		\$18,143		\$18,143
93300 Gas	\$7,164			\$2,151		\$9,315		\$9,315
93800 Other Utilities Expense	\$2,844			\$5,200		\$8,044		\$8,044
93000 Total Utilities	\$24,996	\$0	\$0	\$13,664	\$0	\$38,660	\$0	\$38,660
94100 Ordinary Maintenance and Operations - Labor	\$13,123			\$2,355		\$15,478		\$15,478
94200 Ordinary Maintenance and Operations - Materials and Other	\$4,325	\$3,924		\$368		\$8,617		\$8,617
94300 Ordinary Maintenance and Operations Contracts	\$19,782	\$405	\$0	\$4,738		\$24,925		\$24,925
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,030			\$180		\$1,210		\$1,210
94000 Total Maintenance	\$38,260	\$4,329	\$0	\$7,641	\$0	\$50,230	\$0	\$50,230
96110 Property Insurance	\$10,641			\$4,516		\$15,357		\$15,357
96120 Liability Insurance	\$1,503					\$1,503		\$1,503
96130 Workmen's Compensation	\$1,686					\$1,686		\$1,686
96140 All Other Insurance	\$951					\$951		\$951
96100 Total Insurance Premiums	\$14,881	\$0	\$0	\$4,516	\$0	\$19,497	\$0	\$19,497
96200 Other General Expenses				\$250		\$250		\$250
96210 Compensated Absences	\$1,840					\$1,840		\$1,840
96300 Payments in Lieu of Taxes	\$5,665					\$5,665		\$5,665
96400 Bad debt - Tenant Rents	\$54					\$54		\$54
96000 Total Other General Expenses	\$7,559	\$0	\$0	\$250	\$0	\$7,809	\$0	\$7,809
96710 Interest of Mortgage (or Bonds) Payable				\$7,293		\$7,293		\$7,293
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$7,293	\$0	\$7,293	\$0	\$7,293
96900 Total Operating Expenses	\$154,841	\$4,329	\$0	\$38,852	\$0	\$198,022	\$0	\$198,022
97000 Excess of Operating Revenue over Operating Expenses	\$50,163	\$0	\$0	-\$4,482	\$3,453	\$49,134	\$0	\$49,134
97400 Depreciation Expense	\$28,979			\$9,358		\$38,338		\$38,338
90000 Total Expenses	\$181,820	\$4,329	\$0	\$48,211	\$0	\$234,360	\$0	\$234,360
10010 Operating Transfer In	\$51,235			\$3,453		\$54,688	-\$54,688	\$0
10020 Operating Transfer Out	-\$51,235				-\$3,453	-\$54,688	\$54,688	\$0
10080 Special Items (Net Gain/Loss)	-\$3,977					-\$3,977		-\$3,977
10100 Total Other financing Sources (Uses)	-\$3,977	\$0	\$0	\$3,453	-\$3,453	-\$3,977	\$0	-\$3,977
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$19,207	\$0	\$0	-\$10,388	\$0	\$8,819	\$0	\$8,819
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$4,907	\$0	\$4,907		\$4,907
11030 Beginning Equity	\$630,962	\$0	\$107,732	\$0	\$0	\$738,694		\$738,694
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$8,712		-\$107,732	\$107,732		\$8,712		\$8,712
11190 Unit Months Available	264			120		384		384
11210 Number of Unit Months Leased	263			93		356		356
11270 Excess Cash	\$414,605					\$414,605		\$414,605
11630 Furniture & Equipment - Dwelling Purchases	\$649					\$649		\$649
11640 Furniture & Equipment - Administrative Purchases	\$19,469					\$19,469		\$19,469

Housing Authority of the Town of Haxtun (CO017)

HAXTUN, CO

Single Project Revenue and Expense

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2021

Project: CO017070772 HAXTUN MANOR

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$80,210		\$80,210
70400 Tenant Revenue - Other	\$1,916		\$1,916
70500 Total Tenant Revenue	\$82,126	\$0	\$82,126
70800 HUD PHA Operating Grants	\$63,670	\$51,235	\$114,905
71100 Investment Income - Unrestricted	\$1,773		\$1,773
71500 Other Revenue	\$300		\$300
71600 Gain or Loss on Sale of Capital Assets	\$5,900		\$5,900
70000 Total Revenue	\$153,769	\$51,235	\$205,004
91100 Administrative Salaries	\$35,838		\$35,838
91200 Auditing Fees	\$4,133		\$4,133
91400 Advertising and Marketing	\$38		\$38
91500 Employee Benefit contributions - Administrative	\$21,092		\$21,092
91600 Office Expenses	\$4,507		\$4,507
91800 Travel	\$642		\$642
91900 Other	\$2,795		\$2,795
91000 Total Operating - Administrative	\$69,045	\$0	\$69,045
93100 Water	\$2,472		\$2,472
93200 Electricity	\$12,516		\$12,516
93300 Gas	\$7,164		\$7,164
93800 Other Utilities Expense	\$2,844		\$2,844
93000 Total Utilities	\$24,996	\$0	\$24,996
94100 Ordinary Maintenance and Operations - Labor	\$13,123		\$13,123
94200 Ordinary Maintenance and Operations - Materials and Other	\$4,325		\$4,325
94300 Ordinary Maintenance and Operations Contracts	\$19,782		\$19,782
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,030		\$1,030
94000 Total Maintenance	\$38,260	\$0	\$38,260
96110 Property Insurance	\$10,841		\$10,841
96120 Liability Insurance	\$1,503		\$1,503
96130 Workmen's Compensation	\$1,686		\$1,686
96140 All Other Insurance	\$951		\$951
96100 Total Insurance Premiums	\$14,981	\$0	\$14,981
96210 Compensated Absences	\$1,840		\$1,840
96300 Payments in Lieu of Taxes	\$5,665		\$5,665
96400 Bad debt - Tenant Rents	\$54		\$54
96000 Total Other General Expenses	\$7,559	\$0	\$7,559
96900 Total Operating Expenses	\$154,841	\$0	\$154,841
97000 Excess of Operating Revenue over Operating Expenses	-\$1,072	\$51,235	\$50,163
97400 Depreciation Expense	\$26,979		\$26,979
90000 Total Expenses	\$181,820	\$0	\$181,820
10010 Operating Transfer In	\$51,235		\$51,235
10020 Operating transfer Out		-\$51,235	-\$51,235
10080 Special Items (Net Gain/Loss)	-\$3,977		-\$3,977
10100 Total Other financing Sources (Uses)	\$47,258	-\$51,235	-\$3,977
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$19,207	\$0	\$19,207
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$630,962	\$0	\$630,962
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$8,712		\$8,712
11190 Unit Months Available	264		264
11210 Number of Unit Months Leased	263		263
11270 Excess Cash	\$414,605		\$414,605
11630 Furniture & Equipment - Dwelling Purchases	\$649	\$0	\$649
11640 Furniture & Equipment - Administrative Purchases	\$19,489	\$0	\$19,489

**GOVERNMENT AUDITING STANDARDS SECTION**

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

**Independent Auditors Report**

To the Board of Commissioners  
Housing Authority of the Town of Haxtun, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the major fund of the Housing Authority of the Town of Haxtun, Colorado, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Haxtun, Colorado's basic financial statements, and have issued our report thereon dated October 15, 2021.

**Internal Control over Financial Reporting**

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify deficiencies in internal control that we consider to be material weaknesses and are described in the accompanying schedule of findings and responses as Findings 2021-1, 2021-2, 2021-3 and 2021-4.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Haxtun, Colorado's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and responses as Findings 2021-3 and 2021-4.

## **Responses to Findings**

The Housing Authority of the Town of Haxtun, Colorado's responses to the findings identified in our audit are described in the accompanying corrective action plan. The Housing Authority of the Town of Haxtun, Colorado's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the responses.

## **Purpose of this Report**

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

*Niewedde & Wiens, CPA's*

York, Nebraska  
October 15, 2021

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**March 31, 2021**

**Finding 2021-1: Internal Control Structure**  
**Material Weakness**

**Criteria:** A properly designed internal control structure relies greatly on a proper segregation of duties between several individuals. The duties related to initiating, authorizing, recording, processing and reporting financial data would be segregated so there is less likelihood that a misstatement of the entity's financial statements would occur.

**Condition:** The Authority consists of one administrative employee and as a result does not have personnel assigned responsibilities in such a way that different employees handle different parts of the same transaction. The limited number of employees results in an inadequate overall internal control structure design.

**Cause:** The Authority has limited staff and does not have the resources to properly segregate duties.

**Effect or Potential Effect:** The lack of segregation of duties related to the controls over the categories above are significant deficiencies that could result in a material misstatement in the financial statements.

**Recommendation:** The Authority has limited resources and additional controls are not financially feasible in the hiring of additional staff. The Authority is a small entity and the lack of segregation of duties is common among entities with minimal employees and should be recognized as such. However, it is not our intent to establish internal controls as the Authority's Board should make the final determination in the cost versus benefit.

**Finding 2021-2: Ineffective Oversight over Financial Reporting**  
**Material Weakness**

**Criteria:** The Authority should have effective controls over the monitoring of the period-end financial reporting process and the application of generally accepted accounting principles.

**Condition:** During our audit we noted misstatements that we consider material in the Authority's year-end general ledger balances that were not initially identified by the Authority's internal control. These items are summarized as follows:

- **Prior Audit Entries** – The Authority hires a fee accountant for the accounting of the Public Housing Program but the Executive Director maintains the accounting records for the Villa East program using QuickBooks. The accounts of the Public Housing Program are on the accrual basis of accounting in accordance with generally accepted accounting principles however the Villa East program accounts are maintained on the cash basis of accounting.

The previous auditor had adjusted the Villa East general ledger to the accrual basis of accounting in order to be reported with the Public Housing Program in the previous year but the adjusting entries were not provided to the Executive Director in order for her to record the adjustments so the accounts could be maintained in the fiscal year ended March 31, 2021. There were numerous material misstatements in the general ledger prior to our audit.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)**  
**March 31, 2021**

**Finding 2021-2 (Cont'd):**

**In the current year audit we noted the following errors in the general ledger:**

- Interest income of \$87 on savings accounts and CDs had not been recorded or updated.
- An insurance register had not been maintained and prepaid insurance was adjusted by \$238.
- A rent register is not being maintained and the tenant security deposit liability was off by \$225.
- Depreciation was not recorded in the amount of \$9,359 for the year ended March 31, 2021.
- Payroll taxes remitted to the IRS were recorded as an expense instead of reducing the payroll liability in the amount of \$1,240.
- The payroll costs for administrative and maintenance were not separated but reported as one payroll expense account. The respective amounts should have been \$2,838 and \$2,535, respectively.
- The principal and interest payments on the loan payments to Rural Development were coded as one expense account and not separated by principal against the note payable and interest recorded as an expense. Total was \$4,907.
- Rental Assistance was not recorded as income in the amount of \$3,453.
- Payables for utilities in the amount of \$1,046 was not recorded as of March 31, 2021.
- According to the personnel policy employees are allowed annual and sick leave but is not paid upon termination. We noted the leave had been accrued as of March 31, 2021 in the amount of \$10,212 in the Public Housing Program and the prior year balance had been accrued also of \$8,712 which required a prior period adjustment.
- In the HUD REAC reporting system the Rural Development Program had been reported as an "Other Federal Program" however there are specific programs for this program to reported which is 10.415 Rural Rental Housing Loans and 10.427 Rural Rental Assistance Payments.

**Cause:** The Authority did not record the above transactions in accordance with generally accepted accounting principles. In addition, it appears the accruals had been maintained by the previous auditor but were not communicated or provided to the Executive Director. The Director merely accounts for the Villa East project on the cash basis and is not familiar with the accrual basis of accounting.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)**  
**March 31, 2021**

**Finding 2021-2 (Cont'd):**

**Effect or Potential Effect:** The unadjusted financial statements were materially misstated as noted above. The accompanying financial statements have been adjusted accordingly.

**Recommendation:** We recommend the Authority evaluate the adequacy of its year-end financial review procedures over the financial reporting process to make certain that errors in applying generally accepted accounting principles are identified. Specifically, we recommend the Authority hire the fee accountant to maintain the general ledger on the Villa East Apartments so the accounts can be maintained in accordance with generally accepted accounting principles and be reported accordingly.

**Finding 2021-3: Tenant Eligibility Documentation**  
**Material Weakness/Material Noncompliance**

**Criteria:** As a condition of admission or continued occupancy, an applicant/tenant is required to provide necessary information to the Authority and the Authority is required to verify the information provided through the Enterprise Income Verification (EIV) System mandated by 24CFR§5.233.

In addition, the Authority is required to submit family data using HUD-50058 in PIH Information Center (PIC) for both family income examinations and annual reexaminations.

**Condition:** During our audit we tested eight public housing tenant files and noted none of the files contained the EIV report to document that this procedure had been completed as required.

In addition, we noted the HUD-50058 was not being printed and retained in the tenant's file which would document the eligibility and submission of the data to HUD. The Director was able to print the most recent re-exam after the audit period but was unable to provide us with the HUD-50058 for the period being audited. It appears the data is updated in the system and the previous forms are not being retained electronically or in the tenant file.

**Cause:** The Authority is not documenting the verification obtained through the EIV system and not retaining the HUD 50058 forms.

**Effect:** The Authority is in noncompliance with Eligibility compliance requirements.

**Recommendation:** We recommend the Authority review the occupancy compliance requirements and to perform the EIV system documentation for each applicant and tenant reexamination. In addition, we recommend the Authority retain each HUD-50058 that it completes for income examinations and annual reexaminations.

**HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO**  
**SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)**  
**March 31, 2021**

**Finding 2021-4:**  
**Material Weakness/Material Noncompliance**

**Criteria:** After each quarter, the Authority is required to complete an Employer's Quarterly Tax Form for the State of Colorado to report employee wages and report the amount of State taxes withheld and taxes due on these wages.

**Condition:** During our audit we noted the Authority had withheld State income tax on wages but has not completed the quarterly reports and has not remitted the taxes in the amount of \$3,959 through December 31, 2020 for Public Housing and \$120 for Villa East Apartments. The last payroll reports submitted and taxes paid were for the calendar year 2017.

**Cause:** Management has stated this was an oversight. In addition, there was not a review of the general ledger payroll liability accounts which would have identified the error.

**Effect or Potential Effect:** The Authority is in noncompliance with Colorado Employee Tax Regulations.

**Recommendation:** We recommend the Authority complete and file the omitted forms as soon as possible and to ensure these forms are remitted in the future at the end of each quarter as required by the Colorado Department of Revenue.



# HOUSING AUTHORITY OF TOWN OF HAXTUN



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Relay CO: 800.659.2656

## CORRECTIVE ACTION PLAN Year Ended March 31, 2021

The following are responses to and the corrective action to be taken in regard to the findings as reported in the accompanying Schedule of Findings and Responses for the fiscal year ended March 31, 2021:

### ITEM

- 2021-1** The Authority is a small entity and recognizes the lack of segregation of duties associated with the limited number of personnel. Due to our small size the cost of adding employees to implement these controls, the expected benefit would be a significant increase in the cost and at this time we feel the cost would exceed the benefit.
  
- 2021-2** The Housing Authority plans on hiring a fee accountant before FYE in March 2022.
  
- 2021-3** All 50058's have been printed and put in each file and the ED will continue to do this whenever income changes, a recertification or at initial move in.
  
- 2021-4** All Employees Quarterly tax reports have been submitted and taxes have been paid for each quarter to Colorado Dept. of Revenue.

Contact Person: Julie Angleton, Executive Director  
136 S. Miller Ave.  
Haxtun, CO 80731  
970-774-7251

**AGREED-UPON PROCEDURE**

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

**Independent Accountant's Report on Applying Agreed-Upon Procedure**

To the Board of Commissioners  
Housing Authority of the Town of Haxtun, Colorado

We have performed the procedures enumerated below on whether the electronic submission of certain information agrees with the hard copy documents within the reporting package for the year ended March 31, 2021. The U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) is responsible for the Uniform Financial Reporting Standards (UFRS) procedures.

The Housing Authority of the Town of Haxtun, Colorado has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with the REAC's UFRS requirements for the submission of the PHA financial data for the year ended March 31, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

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

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

We were engaged by the Housing Authority of the Town of Haxtun, Colorado to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on UFRS Rule Information. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Housing Authority of the Town of Haxtun, Colorado and REAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedure engagement.

This report is intended solely for the information and use of the Housing Authority of the Town of Haxtun, Colorado and REAC, and is not intended to be, and should not be, used by anyone other than these specified parties.

We were engaged to perform an audit of the financial statements of the Housing Authority of the Town of Haxtun, Colorado as of and for the year ended March 31, 2021, and have issued our report thereon dated October 15, 2021. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority of the Town of Haxtun, Colorado's Financial Data Schedule dated October 15, 2021, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

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

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

*Niewedde & Wiens, CPA's*

York, Nebraska  
October 15, 2021