TOWN OF WINDSOR HOUSING AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2021 AND 2020

WITH REPORT OF INDEPENDENT AUDITORS

TOWN OF WINDSOR HOUSING AUTHORITY
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YEARS ENDED DECEMBER 31, 2021 AND 2020

NOVOGRADAC & COMPANY LLP®

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners of the
Town of Windsor Housing Authority:

Opinion

We have audited the accompanying financial statements of the Town of Windsor Housing Authority (the "Authority") as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the accompanying table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the net position of the Authority as of December 31, 2021 and 2020, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 the Authority 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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.

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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 the Authority'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 the Authority'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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying combining statements of net position, combining statements of revenues, expenses and changes in net position and USDA balance sheet are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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.

The accompanying USDA year end actual budget has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Novogradac & Company LLP

October 6, 2022
Toms River, New Jersey

FINANCIAL STATEMENTS

TOWN OF WINDSOR HOUSING AUTHORITY
STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
Current assets:		
Cash and cash equivalents	$ 196,475	$ 232,710
Tenant security deposits	35,368	33,363
Accounts receivable	1,082	8,352
Total current assets	232,925	274,425
Non-current assets:		
Restricted deposits	391,510	426,470
Developmet fees receivable	97,662	140,611
Predevelopment costs	280,136	253,202
Land held for sale	1,613,568	1,597,986
Notes receivable	172,100	172,100
Capital assets, net	1,171,147	1,236,354
Total non-current assets	3,726,123	3,826,723
Total assets	$ 3,959,048	$ 4,101,148

LIABILITIES

	2021	2020
Current liabilities:		
Accounts payable	$ 27,153	$ 24,347
Accrued expenses	13,836	13,105
Tenant security deposits	33,532	30,767
Prepaid rent	6,559	5,459
Accrued interest payable	287	287
Notes payable, current	48,937	44,936
Total current liabilities	130,304	118,901
Non-current liabilities:		
Notes payable, non-current	1,325,059	1,373,992
Total liabilities	1,455,363	1,492,893

NET POSITION

	2021	2020
Net position:		
Net investment in capital assets	637,151	657,426
Restricted	391,510	426,470
Unrestricted	1,475,024	1,524,359
Total net position	2,503,685	2,608,255
Total liabilities and net position	$ 3,959,048	$ 4,101,148

See accompanying notes to financial statements.

TOWN OF WINDSOR HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Operating revenues:		
Tenant revenue	$ 339,092	$ 340,036
Subsidy revenue	177,062	164,409
Other revenues	15,727	36,376
Total operating revenues	531,881	540,821
Operating expenses:		
Administrative	137,097	127,587
Utilities	113,040	100,776
Maintenance	242,458	181,472
Depreciation	65,207	66,236
Total operating expenses	557,802	476,071
Operating income (loss)	(25,921)	64,750
Non-operating revenues (expenses):		
Interest income	1,256	2,950
Interest expense	(79,905)	(83,262)
Net non-operating revenues (expenses)	(78,649)	(80,312)
Change in net position	(104,570)	(15,562)
Net position, beginning of year	2,608,255	2,623,817
Net position, end of year	$ 2,503,685	$ 2,608,255

See accompanying notes to financial statements.

TOWN OF WINDSOR HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities:		
Cash received from tenants and grantors	$ 543,016	$ 553,423
Cash paid to suppliers and employees	(504,640)	(461,230)
Net cash provided by operating activities	38,376	92,193
Cash Flows from Capital and Related Financing Activities:		
Principal payments on notes payable	(44,932)	(41,261)
Interest paid on notes payable	(79,905)	(82,975)
Net cash used in capital and related financing activities	(124,837)	(124,236)
Cash Flows from Investing Activities:		
Developer fee received	42,949	30,158
Predevelopment costs paid	(26,934)	(33,709)
Interest received on investments	1,256	2,950
Net cash provided by (used in) investing activities	17,271	(601)
Net decrease in cash and cash equivalents and restricted deposits	(69,190)	(32,644)
Cash and cash equivalents and restricted deposits, beginning of year	692,543	725,187
Cash and cash equivalents and restricted deposits, end of year	$ 623,353	$ 692,543

Reconciliation of cash and cash equivalents and restricted deposits to the Statement of Net Position is as follows:

	2021	2020
Cash and cash equivalents	$ 196,475	$ 232,710
Tenant security deposits	35,368	33,363
Restricted deposits	391,510	426,470
Cash and cash equivalents and restricted deposits, end of year	$ 623,353	$ 692,543

See accompanying notes to financial statements.

TOWN OF WINDSOR HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS (continued)
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ (25,921)	$ 64,750
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	65,207	66,236
Changes in operating assets and liabilities:		
Accounts receivable	7,270	(361)
Prepaid expenses	-	392
Land held for sale	(15,582)	(32,893)
Accounts payable	2,806	(8,830)
Accrued expenses	731	(2,941)
Tenant security deposits	2,765	381
Prepaid rent	1,100	5,459
Net cash provided by operating activities	$ 38,376	$ 92,193

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Town of Windsor Housing Authority (the "Authority") is a governmental, public organization created under federal and state housing laws for the purpose of creating additional affordable housing opportunities for the Town of Windsor (the "Town") and to act as an advocate for and participate in other housing programs.

The Authority is governed by a board of commissioners who are appointed by the governing body of the Town. The Authority's board of commissioners has contracted Loveland Housing Authority to manage the day-to-day operations of the Authority. The Authority owns and operates a seventy two (72) unit apartment complex for seniors and disabled individuals called Century III Apartments (the "Project"). The Project was developed and operates with financing through the United States Department of Agriculture ("USDA"). The Project utilizes the following federal housing programs to make rent affordable to lower income individuals:

Section 514 Farm Labor Housing Loans
The Project was constructed using USDA Rural Development Section 514 Farm Labor Housing Loans. The loans provide low interest rates with longer amortization periods for rental housing built in rural areas of America.

Section 516 Farm Labor Housing Grants
The Project participates in USDA Rural Development Section 516 Farm Labor Housing Grants. The programs provide rental assistance. This rental subsidy, available only to USDA properties, ensures renters only pay 30% of their adjusted income toward rent. Fifty two (52) units of the Project receive this rental subsidy.

The accompanying financial statements present the financial activity of the Authority as a whole in one proprietary fund.

B. Basis of Accounting / Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Authority's funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments ("GASB 34"), as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, Accounting and Financial Reporting for Non-exchange Transactions, grant and subsidy revenue is recognized at the time eligible program expenditures occur and/or the Project has complied with the grant and subsidy requirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses, depreciable lives of properties and equipment, and contingencies. Actual results could differ significantly from these estimates.

D. Cash and Cash Equivalents

Cash and cash equivalents consists of all cash balances and highly liquid investments with a maturity of three months or less at the time of acquisition. The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible depositories. Eligibility is determined by state regulations.

The PDPA also requires that deposits be fully collateralized at all times by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held.

E. Accounts Receivable

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. The Authority utilizes the direct write-off method for any rents determined to be uncollectible. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

F. Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous entities through the issuance of mortgage notes. When preparing financial statements in accordance with GAAP, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property’s ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

G. Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets, Net (continued)

Depreciation is computed on the straight-line method over the estimated useful lives of the assets. The useful lives of the assets are estimated as follows:

- Buildings and improvements 10-50 Years
- Equipment 10 Years

The Authority has established a capitalization threshold of $1,000.

H. Impairment of Long Lived Assets

The Authority reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment losses recognized during the years ended December 31, 2021 and 2020.

I. Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

J. Prepaid Rent

The Authority's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

K. Equity Classifications

Equity is classified as net position and displayed in three components:

<u>Net investment in capital assets</u> — Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

<u>Restricted net position</u> — Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

<u>Unrestricted net position</u> — All other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

M. Taxes

The Authority is a unit of local government under the State of Colorado law and is exempt from real estate, sales and income taxes by both the federal and state governments.

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. Significant losses are covered by commercial insurance and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

As of December 31, 2021 and 2020, the Authority had funds on deposit in checking and savings accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted deposits) was $623,353 and $692,543 and the bank balances approximated $623,344 and $692,543, respectively.

Cash Category	2021	2020
Operating	$ 196,475	$ 232,710
Tenant security deposits	35,368	33,363
Restricted deposits	391,510	426,470
Total cash and cash equivalents and restricted deposits	$ 623,353	$ 692,543

Of the bank balances, $500,000 was covered by federal depository insurance and the remaining $123,344 and $192,543, respectively, were collateralized with an authorized escrow agent in the financial institution's name as of December 31, 2021 and 2020.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of December 31, 2021 and 2020, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following as of December 31, 2021 and 2020:

Description	2021	2020
Accounts receivable - tenants	$ 1,082	$ 2,016
Accounts receivable - USDA	-	6,336
Total accounts receivable	$ 1,082	$ 8,352

Accounts Receivable - Tenants
Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent.

Accounts Receivable - USDA
Accounts receivable - USDA represents amounts due to the Project for amounts expensed under the Section 516 Farm Labor Housing Grant Program that have not been reimbursed as of year end.

NOTE 4. RESTRICTED DEPOSITS

As of December 31, 2021 and 2020, restricted deposits consisted of the following:

Cash Category	2021	2020
Debt service escrows	$ 24,174	$ 59,395
Repairs and replacement reserves	367,336	367,075
Total restricted deposits	$ 391,510	$ 426,470

Debt services escrows are restricted for the repayment of principal and interest on outstanding debt.

In accordance with the Project's loan agreements, the Project is required to set aside funds each month for repairs and replacement of property. These amounts are not generally available for operating purposes.

NOTE 5. LAND HELD FOR SALE

Land held for sale consists of a parcel of land purchased utilizing funds borrowed from the Bank of Colorado. As of December 31, 2021 and 2020, land held for sale totaled $1,613,568 and $1,597,986, respectively.

NOTE 5. LAND HELD FOR SALE (continued)

The following is a summary of the changes in land held for sale during the years ended December 31, 2021 and 2020:

	Amount
Balance at December 31, 2019	$ 1,565,093
Purchases	-
Expenditures	32,893
Sales	-
Balance at December 31, 2020	1,597,986
Purchases	-
Expenditures	15,582
Sales	-
Balance at December 31, 2021	$ 1,613,568

NOTE 6. CAPITAL ASSETS, NET

The following is a summary of the Authority's changes in capital assets during the years ended December 31, 2021 and 2020:

Description	December 31, 2020	Additions	Dispositions	Transfers	December 31, 2021
Non-depreciable:					
Land	$ 146,051	$ -	$ -	$ -	$ 146,051
Depreciable:					
Buildings and improvements	2,574,062	-	-	-	2,574,062
Equipment	10,892	-	-	-	10,892
Subtotal	2,584,954	-	-	-	2,584,954
Less: accumulated depreciation	1,494,651	65,207	-	-	1,559,858
Net capital assets	$ 1,236,354	$ (65,207)	$ -	$ -	$ 1,171,147

Description	December 31, 2019	Additions	Dispositions	Transfers	December 31, 2020
Non-depreciable:					
Land	$ 146,051	$ -	$ -	$ -	$ 146,051
Depreciable:					
Buildings and improvements	2,574,062	-	-	-	2,574,062
Equipment	10,892	-	-	-	10,892
Subtotal	2,584,954	-	-	-	2,584,954
Less: accumulated depreciation	1,428,415	66,236	-	-	1,494,651
Net capital assets	$ 1,302,590	$ (66,236)	$ -	$ -	$ 1,236,354

Depreciation expense for the years ended December 31, 2021 and 2020 amounted to $65,207 and $66,236, respectively.

NOTE 7. NOTES RECEIVABLE

The Authority entered into a loan agreement with Windsor Meadows II, LLLP in the amount of $172,100. The loan is interest free and is due from available cash flow. The loan matures on December 31, 2045, at which point the remaining principal balance will be due in full. The loan is secured by interest in real property. As of December 31, 2021 and 2020, the outstanding loan balance totaled $172,100, for both years.

NOTE 8. ACCOUNTS PAYABLE

As of December 31, 2021 and 2020, accounts payable totaled $27,153 and $24,347, respectively, and consisted of accounts payable to vendors. Vendors accounts payables represents amounts payable to contractors and vendors for materials received or services rendered.

NOTE 9. NOTES PAYABLE

Notes payable of the Authority consisted of the following as of December 31, 2021 and 2020:

Description	2021	2020
On May 30, 2008, the Authority entered into a loan agreement with the USDA in the amount of $185,000, to provide financing for the Project. The loan is due in monthly payments of principal and interest in the amount of $909. The loan accrues interest at a rate of 9.0%, of which 8.0% is subsidized by the USDA, leaving a net rate of 1.0%. The loan matures in January 2027 and is secured by the real property.	$ 83,472	$ 95,870
On May 30, 2008, the Authority entered into a loan agreement with the USDA in the amount of $575,000, to provide financing for the Project. The loan is due in monthly payments of principal and interest in the amount of $2,587. The loan accrues interest at a rate of 9.0%, of which 8.0% is subsidized by the USDA, leaving a net rate of 1.0%. The loan matures in May 2029 and is secured by the real property.	312,295	343,636
On May 30, 2008, the Authority entered into a loan agreement with the USDA in the amount of $150,000, to provide financing for improvements of the Project. The loan is due in monthly payments of principal and interest in the amount of $318. The loan accrues interest at a rate of 5.375%, of which 4.375% is subsidized by the USDA, leaving a net rate of 1.0%. The loan matures in May 2058 and is secured by the real property.	138,229	139,422
On October 17, 2018, the Authority entered into a loan agreement with the Bank of Colorado in the amount of $840,000, to purchase land to hold for resale. The loan accrues interest at a rate of 4.25% and matured on April 17, 2022. The loan was refinanced in 2022 and now matures in April 2025. The loan is secured by the real property.	840,000	840,000
Total notes payable	1,373,996	1,418,928
Less: current portion	48,937	44,936
Notes payable, net of current portion	$ 1,325,059	$ 1,373,992

NOTE 9. NOTES PAYABLE (continued)

Interest expense totaled $79,905 and $83,262 for the years ended December 31, 2021 and 2020, respectively.

Annual debt service for principal over the next five years and in five-year increments thereafter is as follows:

Year	Principal	Interest	Total
2022	$ 48,937	$ 51,493	$ 100,430
2023	53,293	35,236	88,529
2024	57,947	30,582	88,529
2025	903,203	25,325	928,528
2026	68,836	27,582	96,418
2027-2031	117,675	29,541	147,216
2032-2036	11,959	7,136	19,095
2037-2041	15,662	2,430	18,092
2042-2046	20,480	1,388	21,868
2047-2051	26,780	7,688	34,468
2052-2056	35,017	15,925	50,942
2057-2058	14,207	6,346	20,553
	$ 1,373,996	$ 240,672	$ 1,614,668

The following is a summary of the Authority's activity in notes payable during the years ended December 31, 2021 and 2020:

Description	December 31, 2020	Additions	Payments	December 31, 2021	Amounts due within one Year
USDA loan - phase 1	$ 95,870	$ -	$ (12,398)	$ 83,472	$ 13,562
USDA loan - phase 2	343,636	-	(31,341)	312,295	34,115
USDA loan - improvements	139,422	-	(1,193)	138,229	1,260
Bank of Colorado loan	840,000	-	-	840,000	-
Total notes payable	$ 1,418,928	$ -	$ (44,932)	$ 1,373,996	$ 48,937

Description	December 31, 2019	Additions	Payments	December 31, 2020	Amounts due within one Year
USDA loan - phase 1	$ 107,204	$ -	$ (11,334)	$ 95,870	$ 12,399
USDA loan - phase 2	372,433	-	(28,797)	343,636	31,344
USDA loan - improvements	140,552	-	(1,130)	139,422	1,193
Bank of Colorado loan	840,000	-	-	840,000	-
Total notes payable	$ 1,460,189	$ -	$ (41,261)	$ 1,418,928	$ 44,936

NOTE 10. RESTRICTED NET POSITION

Restricted net position consists of the following as of December 31, 2021 and 2020:

Description	2021	2020
Debt service escrows	$ 24,174	$ 59,395
Repairs and replacement reserves	367,336	367,075
Total restricted deposits	$ 391,510	$ 426,470

Debt services escrows are restricted for the repayment of principal and interest on outstanding debt.

In accordance with the Project's loan agreements, the Project is required to set aside funds each month for repairs and replacement of property. These amounts are generally not available for operating purposes.

NOTE 11. RELATED PARTY TRANSACTIONS

Asset Management Fees
The Authority receives an asset management fee from the Project for managing the operations of the USDA program and loans. For the years ended December 31, 2021 and 2020, the Authority received $7,500, for both years, for asset management fees from the Project. These balances are eliminated for financial statement presentation.

Development Fees
The Authority is a partner in a development project, Windsor Meadows Apartments II, LLLP, which provides low income housing in the Town. The Authority has entered into a development agreement with Loveland Housing Authority to assist in obtaining financing, coordinating projects, supervising construction, and providing accounting and other administrative services. As of December 31, 2021 and 2020, the balance of development fees receivable totaled $97,662 and $140,611, respectively. The balance is payable from net cash flow.

Predevelopment Costs
The Authority is involved in the predevelopment of two tax credit projects, Golden Meadows I, LLLP and Golden Meadows II, LLLP. As part of this predevelopment through December 31, 2021, the Authority has incurred costs totaling $180,413 and $99,723 and through December 31, 2020 $164,173 and $89,029, respectively, for these two projects. The Authority anticipates to be reimbursed for these costs by the partnerships upon development of the projects.

NOTE 12. MANAGEMENT FEES

The Authority has entered into a management agreement with the Loveland Housing Authority to run the day to day operations of the Authority. For the years ended December 31, 2021 and 2020, the Authority paid $52,695 and $46,909, respectively, for management fees, which are included in administrative expenses on the statements of revenues, expenses, and changes in net position.

NOTE 13. VULNERABILITY - IMPACT OF COVID-19

The severity of the impact of the Coronavirus ("COVID-19") on the Authority's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Authority's tenants and borrowers, all of which are uncertain and cannot be predicted. The Authority's future results could be adversely impacted by delays in rent and loan payment collections. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

NOTE 14. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through October 6, 2022, which is the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTARY INFORMATION

TOWN OF WINDSOR HOUSING AUTHORITY
SCHEDULE OF COMBINING STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2021

ASSETS

	Housing Agency	Century III Apartments	Elimination	Total
Current assets:				
Cash and cash equivalents	$ 141,846	$ 54,629	$ -	$ 196,475
Tenant security deposits	-	35,368	-	35,368
Accounts receivable	-	1,082	-	1,082
Total current assets	141,846	91,079	-	232,925
Non-current assets:				
Restricted deposits	24,174	367,336	-	391,510
Developer fee receivable	97,662	-	-	97,662
Predevelopment costs	280,136	-	-	280,136
Land held for sale	1,613,568	-	-	1,613,568
Notes receivable	172,100	-	-	172,100
Capital assets, net	-	1,171,147	-	1,171,147
Total non-current assets	2,187,640	1,538,483	-	3,726,123
Total assets	$ 2,329,486	$ 1,629,562	$ -	$ 3,959,048

LIABILITIES

	Housing Agency	Century III Apartments	Elimination	Total
Current liabilities:				
Accounts payable	$ 1,738	$ 25,415	$ -	$ 27,153
Accrued expenses	-	13,836	-	13,836
Tenant security deposits	-	33,532	-	33,532
Prepaid rent	-	6,559	-	6,559
Accrued interest payable	-	287	-	287
Notes payable, current	-	48,937	-	48,937
Total current liabilities	1,738	128,566	-	130,304
Non-current liabilities:				
Notes payable, non-current	840,000	485,059	-	1,325,059
Total liabilities	841,738	613,625	-	1,455,363

NET POSITION

	Housing Agency	Century III Apartments	Elimination	Total
Net position:				
Net investment in capital assets	-	637,151	-	637,151
Restricted	24,174	367,336	-	391,510
Unrestricted	1,463,574	11,450	-	1,475,024
Total net position	1,487,748	1,015,937	-	2,503,685
Total liabilities and net position	$ 2,329,486	$ 1,629,562	$ -	$ 3,959,048

See Report of Independent Auditors.

TOWN OF WINDSOR HOUSING AUTHORITY
SCHEDULE OF COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	Housing Agency	Century III Apartments	Elimination	Total
Operating revenues:				
Tenant revenue	$ -	$ 339,092	$ -	$ 339,092
Subsidy revenue	-	177,062	-	177,062
Management fee revenue	7,500	-	(7,500)	-
Other income	86	15,641	-	15,727
Total operating revenues	7,586	531,795	(7,500)	531,881
Operating expenses:				
Administrative	7,798	136,799	(7,500)	137,097
Utilities	-	113,040	-	113,040
Maintenance	-	242,458	-	242,458
Depreciation	-	65,207	-	65,207
Total operating expenses	7,798	557,504	(7,500)	557,802
Operating loss	(212)	(25,709)	-	(25,921)
Non-operating revenues (expenses):				
Interest income	988	268	-	1,256
Interest expense	(36,196)	(43,709)	-	(79,905)
Net non-operating revenues (expenses)	(35,208)	(43,441)	-	(78,649)
Change in net position	(35,420)	(69,150)	-	(104,570)
Net position, beginning of year	1,523,168	1,085,087	-	2,608,255
Net position, end of year	$ 1,487,748	$ 1,015,937	$ -	$ 2,503,685

See Report of Independent Auditors.