

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

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

**Year Ended December 31, 2022**

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



Housing Authority of Fort Lupton  
400 2<sup>nd</sup> Street  
Fort Lupton, Colorado 80621  
(303)857-4400 Phone (303)857-6847 Fax  
[fortluptonhousing@comcast.net](mailto:fortluptonhousing@comcast.net)

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Year Ended December 31, 2022**

This section of the Housing Authority of the City of Fort Lupton, Colorado's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on December 31, 2022. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the basic financial statements as a whole.

### **FINANCIAL HIGHLIGHTS**

The term "Net Position" refers to the difference between assets and liabilities. The Authority's total net position as of December 31, 2022 was \$1,903,848. The net position increased by \$393,427, an increase of 26% over the prior year. Of this amount, \$765,556 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 \$917,341 for the year ended December 31, 2022. This was an increase of \$116,101 or 14% over the prior year.

Operating expenses for the Authority were \$961,392 for the year ended December 31, 2022. This was an increase of \$40,109 or 4% over the prior year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

#### **Required Financial Statements**

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

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

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2022**

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

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

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

**Notes to Financial Statements**

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

**Supplemental Information**

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *supplemental information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authorities to submit financial information electronically to HUD using the FDS format. The submitted financial information transmitted to the Real Estate Assessment Center (REAC) for the year ended December 31, 2022 is required to be included in the audit reporting package.

**FINANCIAL ANALYSIS**

**CONDENSED STATEMENT OF NET POSITION**

	FY 2022	FY 2021	Dollar Change	Percent Change
Current and other assets	\$ 929,506	\$ 643,485	\$ 286,021	44%
Capital assets	1,718,345	1,695,234	23,111	1%
Total Assets	<u>2,647,851</u>	<u>2,338,719</u>	<u>309,132</u>	<u>13%</u>
Current liabilities	163,520	174,715	(11,195)	-6%
Other liabilities	4,464	3,925	539	14%
Long-term debt outstanding	576,019	649,658	(73,639)	-11%
Total Liabilities	<u>744,003</u>	<u>828,298</u>	<u>(84,295)</u>	<u>-10%</u>
<b>Net Position</b>				
Net investment in capital assets	1,068,687	974,140	94,547	10%
Restricted	69,605	67,625	1,980	3%
Unrestricted	765,556	468,656	296,900	63%
Total Net Position	<u>\$ 1,903,848</u>	<u>\$ 1,510,421</u>	<u>\$ 393,427</u>	<u>26%</u>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2022**

**FINANCIAL ANALYSIS (CONT'D)**

Net Position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$1,903,848 at the close of the year ended December 31, 2022. This represents an increase of \$393,427 over the prior year. The majority of the increase was attributed to the sale of property of \$44,155, the receipt of insurance proceeds of \$66,247 and the result of operations for the year ended December 31, 2022.

Current and other assets increased by \$286,021, a 44% change over the prior year. This was attributed to operations before depreciation, casualty loss proceeds, offset by capital improvements and debt service payments which resulted in a net increase in cash of \$272,588. In addition, accounts receivable increased by \$1,823 and the amount Due from HUD increased by \$12,495.

Current liabilities decreased by (\$11,195). The decrease was the result of when payments are made to vendors and contractors and employees. Long-term debt decreased by (\$73,639) which is the reduction in notes payable from current year debt payments.

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

Unrestricted net position as of December 31, 2022 was \$765,556. Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities. The Authority has sufficient funds to meet requirements for cash outlays in the next fiscal year as well as the financial capacity to sustain operations. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

As of December 31, 2022, the Authority had net position of \$69,605 restricted for the Weld County NSP program for which the transfer of these properties has not occurred as of December 31, 2022.

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

As can be seen on the next page, total revenues increased by \$334,043, primarily due to the increase of \$175,412 in Federal operating grants, an increase of \$90,906 in other program revenue, an increase in rental income of \$23,446 or 4% and an increase in capital asset dispositions of \$42,880.

HUD operating subsidy for the Authority was \$141,009 for the year ended December 31, 2022. This was a decrease of (\$31,105) 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. The Authority also expended \$207,923 of HUD capital grants for operations for the fiscal year ended December 31, 2022 compared to zero in the prior 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 \$1,894 in CARES Act funding from HUD as a result of COVID-19 in the previous year compare to zero in the current year.

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2022**

**FINANCIAL ANALYSIS (CONT'D)**

Other program revenue increased by \$90,906 of which \$60,426 was an increase in oil/gas revenue received and will vary from year to year based on the oil industry variables. Management fee income increased by \$12,600 which was the result of the management of another Housing Authority starting mid-year. Finally, the Authority received a development fee from a tax-credit project that is being developed in Fort Lupton.

Rental income increased by \$23,446 or 4% over the prior year which was attributed the changes in occupancy and rent compositions for the year ended December 31, 2022.

The final increase in net position was attributed to the sale of a portion of an existing property in the Public Housing Program of \$45,000 to a local restaurant.

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

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues</b>				
Program revenues				
Rental	\$ 585,215	\$ 561,769	\$ 23,446	4%
HUD program revenue	562,561	387,149	175,412	45%
Other program revenue	114,082	23,176	90,906	392%
Other revenue	4,415	3,154	1,261	40%
Gain on capital asset dispositions	42,880	-	42,880	100%
General revenues				
Interest	235	97	138	142%
Total Revenues	<u>1,309,388</u>	<u>975,345</u>	<u>334,043</u>	<u>34%</u>
<b>Expenses</b>				
Depreciation	195,434	207,071	(11,637)	-6%
Operating	765,958	714,212	51,746	7%
Nonoperating	20,816	23,689	(2,873)	-12%
Total Expenses	<u>982,208</u>	<u>944,972</u>	<u>37,236</u>	<u>4%</u>
Excess (deficiency) before contributions and special items	327,180	30,373	296,807	
Capital Contributions	-	10,810	(10,810)	
<b>Special Items:</b>				
Casualty loss income - storm damage	66,247	-	66,247	
Changes in Net Position	<u>393,427</u>	<u>41,183</u>	<u>352,244</u>	
Beginning Net Position	1,510,421	1,469,238	2,979,659	
Ending Net Position	<u>\$ 1,903,848</u>	<u>\$ 1,510,421</u>	<u>\$ 393,427</u>	

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2022**

**FINANCIAL ANALYSIS (CONT'D)**

Operating expenses for the Authority were \$765,958 for the year ended December 31, 2022. This was an increase of \$51,746 or a 7% increase over the prior year. The following expense categories had significant changes from the prior year:

- Administrative decreased by (\$15,870)
- Utilities increased by \$20,085
- Maintenance increased by \$38,053

Administrative costs were reduced this year mainly due to the fact that wages were down 14.5% for the year, for a total decrease of \$13500.00. The change in personnel was not concurrent and we only had part time administrative help for 6 weeks. The current Executive Director's wages are also less than the previous ED. Wages alone count for the entire decrease.

Utilities are up in cost over the previous years across the board. Water, sewer, and storm costs alone were up \$15543.00. Last summer was extremely drought like and water usage was up for irrigation. The result of that was an increase of \$15,500.00. Xcel Energy had a least 3 gas hikes in 2022, while United Power had no rate hikes in 2022.

Maintenance costs were up in FY 2022 for a variety of reasons. First of all, we had two full time persons for the entire year. In the previous year we only had 2 maintenance staff for a portion of the year. We also completely remodeled 6 apartments last year. The costs of materials are skyrocketing due to supply chain disturbances,

**OCCUPANCY**

The Public Housing Program has 50 units of housing or 600 -unit months available. There were 38 vacancy months resulting in 562 -unit months leased for the year, a 93.7% occupancy rate.

The Columbine Court program has 30 units of housing for 360 -unit months available. There were 11 vacancy months for a total of 349- unit months leased for the year, a 96.9 % occupancy rate.

The market rentals have 15 units, with 14 habitable units. There are 168-unit months available. There was zero vacancy months, for 100 % occupancy rate.

The Weld NSP program has 2 houses or 24 -unit months available. There was zero vacancy months, for a 100% occupancy rate.

**CAPITAL ASSETS**

The Authority's capital assets as of December 31, 2022 amounts to \$1,718,345. This includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation.

The total increase in the Authority's net investment in capital assets for the current fiscal year was 1% in terms of net book value. The actual amount to purchase or construct capital assets was \$219,818 for the year. Depreciation charges for the year totaled \$195,434. Additional information on the Authority's capital assets can be found in Note D of the notes to financial statements of this report.

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2022**

**CAPITAL ASSETS (CONT'D)**

The Fort Lupton Housing Authority made headway last year by continuing to undergo modernization on our vacant units. We completely remodeled 6 units (2 at Crane Court, 4 in family Housing units). The complete remodels include flooring, drywall repair, paint, new fixtures, and upgrading appliances. This does not include improvements that are made on move outs where we did not remodel completely. All the roofs and gutters were replaced on Pacific Court after a late spring hail storm.

**DEBT ADMINISTRATION**

The Authority has outstanding mortgages payable of \$649,658 for real property. The revenue from the Columbine Court Program and Market Rentals are pledged to repay the mortgages. Additional information on the Authority's long-term debt can be found in Note J of the notes to 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 2023 budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The operating expenses are expected to increase by the economy's inflation rate.

**REQUEST FOR INFORMATION**

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

**INDEPENDENT AUDITOR'S REPORT**

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

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the major fund of the Housing Authority of the City of Fort Lupton, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Fort Lupton, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Fort Lupton, Colorado as of December 31, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Housing Authority of the City of Fort Lupton, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Housing Authority of the City of Fort Lupton, Colorado's ability to continue as a going concern for twelve months beyond the financial date, including any currently know information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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.

In performing an audit in accordance with GAAS and *Government 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 purposes of expressing an opinion on the effectiveness of the Housing Authority of the City of Fort Lupton, Colorado'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 Housing Authority of the City of Fort Lupton, Colorado'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, amount 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.

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

#### ***Supplementary Information***

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of the City of Fort Lupton, Colorado's basic financial statements. The Program Financial Schedules and Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Program Financial Schedules and Financial Data Schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Program Financial Schedules and Financial Data Schedule are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2023 on our consideration of the Housing Authority of the City of Fort Lupton, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Fort Lupton, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Fort Lupton, Colorado's internal control over financial reporting and compliance.

*Niewedde & Wiens, CPA's*

York, Nebraska  
April 5, 2023

## **BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
December 31, 2022

<b>ASSETS</b>	<u>Housing</u>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 796,705
Accounts receivable, net	6,042
Due from other governments	12,495
<i>Restricted:</i>	
Cash and cash equivalents	114,264
<b>TOTAL CURRENT ASSETS</b>	<u>929,506</u>
<b>NONCURRENT ASSETS:</b>	
Capital Assets, non-depreciable	516,498
Capital Assets, depreciable, net	1,201,847
<b>TOTAL NONCURRENT ASSETS</b>	<u>1,718,345</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,647,851</u>
 <b>LIABILITIES</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 25,405
Accrued payroll and benefits	11,437
Compensated absence payable	2,736
Unearned revenue	4,132
Accrued interest payable	1,512
Tenant security deposit payable	44,659
Current-portion, notes payable	73,639
<b>TOTAL CURRENT LIABILITIES</b>	<u>163,520</u>
<b>NONCURRENT LIABILITIES:</b>	
Compensated absence payable	4,464
Notes payable	576,019
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>580,483</u>
<b>TOTAL LIABILITIES</b>	<u>744,003</u>
 <b>NET POSITION</b>	
Net investment in capital assets	1,068,687
Restricted	69,605
Unrestricted	765,556
<b>TOTAL NET POSITION</b>	<u>\$ 1,903,848</u>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET POSITION - PROPRIETARY FUND**  
**Year Ended December 31, 2022**

		<u>Housing</u>
<b>OPERATING REVENUES</b>		
Rental income	\$	585,215
HUD program revenue		213,629
Other program revenue		114,082
Other income		<u>4,415</u>
<b>TOTAL OPERATING REVENUES</b>		<b>917,341</b>
 <b>OPERATING EXPENSES</b>		
Administrative		199,981
Tenant Services		21,202
Utilities		181,243
Ordinary maintenance and operations		270,187
General expense		93,345
Depreciation		<u>195,434</u>
<b>TOTAL OPERATING EXPENSES</b>		<b>961,392</b>
<b>OPERATING INCOME (LOSS)</b>		<b><u>(44,051)</u></b>
 <b>NONOPERATING REVENUES (EXPENSES)</b>		
HUD operating subsidy		141,009
HUD capital grants - operations		207,923
Interest income		235
Interest expense		(20,816)
Gain on capital asset dispositions		<u>42,880</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>		<b>371,231</b>
<b>INCOME (LOSS) BEFORE SPECIAL ITEMS</b>		<b>327,180</b>
 <b>SPECIAL ITEMS</b>		
Casualty loss income - storm damage		<u>66,247</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>		<b>393,427</b>
 <b>NET POSITION:</b>		
Net position, beginning balance		<u>1,510,421</u>
<b>NET POSITION - ENDING BALANCE</b>	<b>\$</b>	<b><u><u>1,903,848</u></u></b>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
Year Ended December 31, 2022

	<b>Housing</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Rental receipts	\$ 574,992
HUD receipts	213,629
Other program receipts	114,082
Other receipts	4,415
Tenant security deposits	3,137
Cash payments for goods and services	(441,214)
Cash payments to employees for services	(331,331)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>137,710</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
HUD operating subsidy	128,514
HUD capital grants - operations	207,923
Casualty loss, insurance proceeds	66,247
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>402,684</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases and construction of capital assets	(219,818)
Proceeds from capital asset dispositions	44,154
Interest paid on capital debt	(20,942)
Principal paid on capital debt	(71,435)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(268,041)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	235
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>235</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>272,588</b>
<b>CASH AND CASH EQUIVALENTS-BEGINNING</b>	<b>638,381</b>
<b>CASH AND CASH EQUIVALENTS-END OF YEAR</b>	<b>\$ 910,969</b>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)**  
**Year Ended December 31, 2022**

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

	<b>Housing</b>
Operating income (loss)	\$ (44,051)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	195,434
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(1,823)
Increase (decrease) in accounts payable	(9,002)
Increase (decrease) in accrued payroll and benefits	1,253
Increase (decrease) in tenant security deposits	3,137
Increase (decrease) in unearned revenue	(8,400)
Increase (decrease) in accrued leave	1,162
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 137,710</b>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

Organization

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

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

Financial Reporting Entity

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

Basis of accounting, measurement focus, and financial statement presentation

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

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

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

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

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

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

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

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

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

**Weld Co. NSP** - This program accounts for the operation and maintenance of 2 individual houses that were purchased and renovated through the Neighborhood Stabilization Program. The program is primarily funded by tenant rents. As of December 31, 2022, the deed to the properties has not been transferred to the Authority.

Budgetary Process

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

Cash and Investments

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

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

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.

Accounts Receivable

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

Prepaid Items

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

Capital Assets and Depreciation

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

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

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

Grant Revenue

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

Use of Restricted/Unrestricted Net Position

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

Inventory

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

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

Estimates

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

Compensated Absences

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

Leases

The leases entered into are considered short-term operating leases. The Authority has not entered into any material leases to be accrued as defined by GASB 87.

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.

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE B - DEPOSITS AND INVESTMENTS**

At December 31, 2022, the Authority's carrying amount of deposits was \$910,969 and the bank balances were \$1,032,014. As required by the Colorado Public Deposit Protection Act (PDPA), any amount in excess of \$250,000 (including accrued interest) shall be collateralized as required by the Public Deposit Protection Acts, article 10.5 of title 11, C.R.S., as amended or article 47 of title 11, C.R.S, as amended. Of the balance \$250,000 was covered by federal depository insurance and \$782,014 was collateralized by the Public Deposit Protection Act.

**NOTE C – ACCOUNTS RECEIVABLE**

A summary of accounts receivable as presented in the Statement of Net Position at December 31, 2022 is as follows:

Tenants	\$	6,042
Allowance for doubtful accounts		--
	\$	<u>6,042</u>

**NOTE D – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance 1/1/2022	Increases	Decreases	Balance 12/31/2022
<b>Non-depreciable assets:</b>				
Land	\$ 516,498	\$ -	\$ -	\$ 516,498
Construction in progress	-	-	-	-
<b>Total non-depreciable assets</b>	<u>516,498</u>	<u>-</u>	<u>-</u>	<u>516,498</u>
<b>Depreciable assets</b>				
Buildings	4,868,553	202,790	(47,165)	5,024,178
Equipment - Dwelling	144,902	15,257	(740)	159,419
Equipment - Administration	90,782	1,771	-	92,553
<b>Total depreciable assets</b>	<u>5,104,237</u>	<u>219,818</u>	<u>(47,905)</u>	<u>5,276,150</u>
<b>Total Capital Assets</b>	<u>5,620,735</u>	<u>219,818</u>	<u>(47,905)</u>	<u>5,792,648</u>
<b>Accumulated depreciation</b>				
Buildings	3,724,976	181,665	(45,891)	3,860,750
Equipment - Dwelling	118,238	10,505	(740)	128,003
Equipment - Administration	82,286	3,264	-	85,550
<b>Total accumulated depreciation</b>	<u>3,925,500</u>	<u>195,434</u>	<u>(46,631)</u>	<u>4,074,303</u>
<b>Depreciable assets, net</b>	<u>1,178,737</u>	<u>24,384</u>	<u>(1,274)</u>	<u>1,201,847</u>
<b>Capital assets, net</b>	<u>\$ 1,695,235</u>	<u>\$ 24,384</u>	<u>\$ (1,274)</u>	<u>\$ 1,718,345</u>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE E – DUE FROM OTHER GOVERNMENTS**

A summary of due from other governments as presented in the Statement of Net Position at December 31, 2022 are as follows:

HUD – operating subsidy	\$	<u>12,495</u>
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**NOTE F – RESTRICTED ASSETS**

Cash and cash equivalents of \$114,264 at December 31, 2022 are restricted for Tenant Security Deposits in the amount of \$44,659 and \$69,605 is restricted for the Weld County NSP Program as further detailed in Note K.

**NOTE G – ACCOUNTS PAYABLE**

A summary of accounts payable as presented in the Statement of Net Position at December 31, 2022 is as follows:

Vendors and contractors	\$	<u>25,405</u>
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**NOTE H – UNEARNED REVENUE**

A summary of unearned revenue as presented in the Statement of Net Position at December 31, 2022 is as follows:

Tenant prepaid rents	\$	<u>4,132</u>
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**NOTE I—ACCRUED COMPENSATED ABSENCES**

A summary of accrued compensated absences as presented in the Statement of Net Position as of December 31, 2022 is as follows:

		<u>Beginning Balance</u>		<u>Net increase</u>		<u>Ending Balance</u>		<u>Due within One Year</u>
Compensated absences	\$	<u>6,013</u>	\$	<u>1,187</u>	\$	<u>7,200</u>	\$	<u>2,736</u>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE J – LONG-TERM LIABILITIES**

**Direct Borrowings:**

On November 20, 2020, the Authority refinanced a loan from a local financial institution for the financing of market rate rental known as 400 2<sup>nd</sup> Street and secured with the property known as Columbine Court, a thirty-unit rental property. The loan had an original amount of \$137,924 which bears interest at 3%. The loan requires monthly principal and interest payments of \$2,830 and matures April 2025. The balance due at December 31, 2022 was \$73,874.

On November 23, 2020, the Authority obtained a mortgage from a local financial institution for the financing of market rate rental known as 210 Harrison. The loan had an original amount of \$38,802 which bears interest at 3% adjustable on December 1, 2025. The loan requires monthly principal and interest payments of \$336 and matures June 2032. The balance due at December 31, 2022 was \$32,595.

On November 23, 2020, the Authority obtained a mortgage from a local financial institution for the financing of 7 market rate rentals known as 200 1<sup>st</sup> Street. The loan had an original amount of \$536,169 which bears interest at 3 % adjustable on December 1, 2025. The loan requires monthly principal and interest payments of \$3,150 and matures April 2041. The balance due at December 31, 2022 was \$488,942.

On November 23, 2020, the Authority obtained a mortgage from a local financial institution for the financing of a 5-acre tract of land known as 911 S. Denver. The loan had an original amount of \$84,403 which bears interest at 3% adjustable on December 15, 2025. The loan requires monthly principal and interest payments of \$1,381 and matures July 2026. The balance due at December 31, 2022 was \$54,247.

A summary of changes in Notes Payable - Properties for the year ended December 31, 2022 are as follows:

Description	Balance 1/1/2022	Additions	Retired	Balance 12/31/2022	Due Within One Year
Mortgage-Columbine	\$ 105,077	\$ -	\$ (31,203)	\$ 73,874	\$ 32,165
Mortgage-210 Harrison	35,588	-	(2,993)	32,595	3,085
Mortgage-200 1st Street	511,497	-	(22,555)	488,942	23,251
Mortgage-911 S. Denver	68,932	-	(14,685)	54,247	15,138
<b>Total</b>	<b>\$ 721,094</b>	<b>\$ -</b>	<b>\$ (71,436)</b>	<b>\$ 649,658</b>	<b>\$ 73,639</b>
			Less current maturities	(73,639)	
			Long-term portion	<u>\$ 576,019</u>	

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

Principal and interest requirements for the notes are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 73,639	\$ 18,738	\$ 92,377
2024	75,862	16,515	92,377
2025	52,626	14,384	67,010
2026	36,270	13,046	49,316
2027	29,738	12,096	41,834
2028-2032	160,062	46,229	206,291
2033-2037	167,516	21,484	189,000
2038-2041	53,945	1,284	55,229
	<u>\$ 649,658</u>	<u>\$ 143,776</u>	<u>\$ 793,434</u>

**NOTE K—NET POSITION**

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

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

A summary of restricted net position as of December 31, 2022 is as follows:

**Weld County NSP Program \$69,605** – On June 9, 2014, the Authority signed an agreement with the Weld County Housing Authority whereas the Authority would receive 2 NSP (Neighborhood Stabilization Program) Houses. According to the agreement the Authority would receive all the benefits until the time of the Deed Restriction transfer documents had occurred. In addition, the Authority is required to deposit any moneys received for rent are to be held in a separate account until such time as the terms of the Deed Restriction (transfer documents) have been defined. As of December 31, 2022, the transfer of the properties has not occurred, and the net position is being reported as restricted.

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE L – CONTINGENCIES**

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

**NOTE M - RISK MANAGEMENT**

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

During the year ended December 31, 2022, 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.

**SUPPLEMENTAL INFORMATION-  
PROGRAM FINANCIAL SCHEDULES**

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**PROGRAM SCHEDULE OF NET POSITION**  
**December 31, 2022**

<b>ASSETS</b>	<u>Public<sup>1</sup></u>	<u>Columbine</u>	<u>Market</u>	<u>Weld Co.</u>	<u>Totals</u>
	<u>Housing</u>	<u>Court</u>	<u>Rentals</u>	<u>NSP</u>	
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 358,408	\$ 192,013	\$ 245,598	\$ 686	\$ 796,705
Accounts receivable, net	131	3,597	2,300	14	6,042
Due from other governments	12,495	-	-	-	12,495
<i>Restricted:</i>					
Cash and cash equivalents	<u>19,969</u>	<u>8,727</u>	<u>14,207</u>	<u>71,361</u>	<u>114,264</u>
<b>TOTAL CURRENT ASSETS</b>	<b>391,003</b>	<b>204,337</b>	<b>262,105</b>	<b>72,061</b>	<b>929,506</b>
<b>NONCURRENT ASSETS:</b>					
Capital Assets, non-depreciable	119,640	65,000	331,858	-	516,498
Capital Assets, depreciable, net	<u>556,258</u>	<u>122,853</u>	<u>519,651</u>	<u>3,085</u>	<u>1,201,847</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b>675,898</b>	<b>187,853</b>	<b>851,509</b>	<b>3,085</b>	<b>1,718,345</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,066,901</b>	<b>\$ 392,190</b>	<b>\$ 1,113,614</b>	<b>\$ 75,146</b>	<b>\$ 2,647,851</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$ 14,356	\$ 6,596	\$ 4,097	\$ 356	\$ 25,405
Accrued payroll and benefits	6,062	4,030	1,203	142	11,437
Compensated absence payable	1,423	848	410	55	2,736
Unearned revenue	380	3,689	5	58	4,132
Accrued interest payable	-	95	1,417	-	1,512
Tenant security deposit payable	19,969	8,727	14,207	1,756	44,659
Current-portion, notes payable	<u>-</u>	<u>32,165</u>	<u>41,474</u>	<u>-</u>	<u>73,639</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>42,190</b>	<b>56,150</b>	<b>62,813</b>	<b>2,367</b>	<b>163,520</b>
<b>NONCURRENT LIABILITIES:</b>					
Compensated absence payable	2,321	1,384	670	89	4,464
Notes payable	<u>-</u>	<u>41,710</u>	<u>534,309</u>	<u>-</u>	<u>576,019</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>2,321</b>	<b>43,094</b>	<b>534,979</b>	<b>89</b>	<b>580,483</b>
<b>TOTAL LIABILITIES</b>	<b>44,511</b>	<b>99,244</b>	<b>597,792</b>	<b>2,456</b>	<b>744,003</b>
<b>NET POSITION</b>					
Net investment in capital assets	675,898	113,978	275,726	3,085	1,068,687
Restricted	-	-	-	69,605	69,605
Unrestricted	<u>346,492</u>	<u>178,968</u>	<u>240,096</u>	<u>-</u>	<u>765,556</u>
<b>TOTAL NET POSITION</b>	<b>\$ 1,022,390</b>	<b>\$ 292,946</b>	<b>\$ 515,822</b>	<b>\$ 72,690</b>	<b>\$ 1,903,848</b>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**PROGRAM SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**Year Ended December 31, 2022**

	Public Housing	Columbine Court	Market Rentals	Weld Co. NSP	Totals
<b>OPERATING REVENUES</b>					
Rental income	\$ 253,340	\$ 131,341	\$ 179,275	\$ 21,259	\$ 585,215
HUD program revenue	-	213,629	-	-	213,629
Other program revenue	-	-	132,592	-	132,592
Other income	770	2,120	1,525	-	4,415
<b>TOTAL OPERATING REVENUES</b>	<b>254,110</b>	<b>347,090</b>	<b>313,392</b>	<b>21,259</b>	<b>935,851</b>
<b>OPERATING EXPENSES</b>					
Administrative	103,072	61,021	32,251	5,757	202,101
Tenant Services	9,050	12,152	-	-	21,202
Utilities	99,084	54,002	24,241	3,916	181,243
Ordinary maintenance and operations	164,240	95,753	23,907	2,677	286,577
General expense	45,151	23,755	20,676	3,763	93,345
Depreciation	112,818	42,375	39,837	404	195,434
<b>TOTAL OPERATING EXPENSES</b>	<b>533,415</b>	<b>289,058</b>	<b>140,912</b>	<b>16,517</b>	<b>979,902</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(279,305)</b>	<b>58,032</b>	<b>172,480</b>	<b>4,742</b>	<b>(44,051)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
HUD operating subsidy	141,009	-	-	-	141,009
HUD capital grants - operations	207,923	-	-	-	207,923
Interest income	189	10	26	10	235
Interest expense	-	(2,723)	(18,093)	-	(20,816)
Gain on capital asset dispositions	42,880	-	-	-	42,880
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>392,001</b>	<b>(2,713)</b>	<b>(18,067)</b>	<b>10</b>	<b>371,231</b>
<b>INCOME (LOSS) BEFORE SPECIAL ITEMS</b>			<b>313,418</b>		
<b>SPECIAL ITEMS</b>	<b>112,696</b>	<b>55,319</b>	<b>154,413</b>	<b>4,752</b>	<b>327,180</b>
<b>SPECIAL ITEMS</b>					
Casualty loss income - storm damage	66,247	-	-	-	66,247
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>178,943</b>	<b>55,319</b>	<b>154,413</b>	<b>4,752</b>	<b>393,427</b>
<b>NET POSITION:</b>					
Net position, beginning balance	843,447	237,627	361,409	67,938	1,510,421
<b>NET POSITION - ENDING BALANCE</b>	<b>\$ 1,022,390</b>	<b>\$ 292,946</b>	<b>\$ 515,822</b>	<b>\$ 72,690</b>	<b>\$ 1,903,848</b>

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**PROGRAM SCHEDULE OF CASH FLOWS**  
Year Ended December 31, 2022

	Public Housing	Columbine Court	Market Rentals	Weld Co. NSP	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Rental receipts	\$ 250,549	\$ 129,762	\$ 173,400	\$ 21,281	\$ 574,992
HUD receipts	-	213,829	-	-	213,629
Other program receipts	-	-	132,592	-	132,592
Other receipts	770	2,120	1,525	-	4,415
Tenant security deposits	2,206	(105)	1,036	-	3,137
Cash payments for goods and services	(233,278)	(142,613)	(71,661)	(12,172)	(459,724)
Cash payments to employees for services	(189,323)	(107,056)	(30,885)	(4,066)	(331,331)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(169,076)	95,737	206,006	5,043	137,710
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
HUD operating subsidy	128,514	-	-	-	128,514
HUD capital grants - operations	207,923	-	-	-	207,923
Casualty loss, insurance proceeds	66,247	-	-	-	66,247
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	402,684	-	-	-	402,684
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchases and construction of capital assets	(203,915)	(9,452)	(3,276)	(3,175)	(219,818)
Proceeds from capital asset dispositions	44,154	-	-	-	44,154
Interest paid on capital debt	-	(2,764)	(18,178)	-	(20,942)
Principal paid on capital debt	-	(31,202)	(40,233)	-	(71,435)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(159,761)	(43,418)	(61,687)	(3,175)	(268,041)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	189	10	26	10	235
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	189	10	26	10	235
NET INCREASE (DECREASE) IN CASH	74,036	52,329	144,345	1,878	272,588
CASH AND CASH EQUIVALENTS-BEGINNING	304,341	148,411	115,460	70,169	638,381
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 378,377	\$ 200,740	\$ 259,805	\$ 72,047	\$ 910,969

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**PROGRAM SCHEDULE OF CASH FLOWS (CONT'D)**  
Year Ended December 31, 2022

	<u>Public Housing</u>	<u>Columbine Court</u>	<u>Market Rentals</u>	<u>Weld Co. NSP</u>	<u>Totals</u>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (279,305)	\$ 58,032	\$ 172,480	\$ 4,742	\$ (44,051)
Adjustments to reconcile income from operations to net cash provided by operating activities:					
Depreciation	112,818	42,375	39,837	404	195,434
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(87)	(632)	(1,123)	19	(1,823)
Increase (decrease) in accounts payable	(2,953)	(3,996)	(1,891)	(162)	(9,002)
Increase (decrease) in accrued payroll and benefits	345	650	245	13	1,253
Increase (decrease) in tenant security deposits	2,206	(105)	1,036	-	3,137
Increase (decrease) in unearned revenue	(2,704)	(947)	(4,752)	3	(8,400)
Increase (decrease) in accrued leave	604	360	174	24	1,162
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (169,076)</b>	<b>\$ 95,737</b>	<b>\$ 206,006</b>	<b>\$ 5,043</b>	<b>\$ 137,710</b>

**SUPPLEMENTAL INFORMATION –  
HUD FINANCIAL DATA SCHEDULE**

Housing Authority of the City of Fort Lupton (CO029)  
**FORT LUPTON, CO**  
**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.182 N/C S/R Section 8 Programs	1 Business Activities	Subtotal	EUM	Total
111 Cash - Unrestricted	\$358,408	\$192,013	\$246,284	\$796,705		\$796,705
113 Cash - Other Restricted			\$69,605	\$69,605		\$69,605
114 Cash - Tenant Security Deposits	\$19,969	\$8,727	\$15,963	\$44,659		\$44,659
100 Total Cash	\$378,377	\$200,740	\$331,852	\$910,969		\$910,969
122 Accounts Receivable - HUD Other Projects	\$12,495			\$12,495		\$12,495
125 Accounts Receivable - Miscellaneous			\$0	\$0		\$0
126 Accounts Receivable - Tenants	\$131	\$3,597	\$2,314	\$6,042		\$6,042
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$12,826	\$3,597	\$2,314	\$18,537		\$18,537
150 Total Current Assets	\$391,003	\$204,337	\$334,166	\$929,506		\$929,506
161 Land	\$119,640	\$65,000	\$331,858	\$516,498		\$516,498
162 Buildings	\$2,678,484	\$1,350,389	\$985,306	\$5,024,179		\$5,024,179
163 Furniture, Equipment & Machinery - Dwellings	\$57,160	\$51,742	\$50,516	\$159,418		\$159,418
164 Furniture, Equipment & Machinery - Administration	\$19,282	\$10,497	\$62,764	\$92,553		\$92,553
168 Accumulated Depreciation	-\$2,198,678	-\$1,289,775	-\$585,850	-\$4,074,303		-\$4,074,303
160 Total Capital Assets, Net of Accumulated Depreciation	\$675,898	\$187,853	\$854,594	\$1,718,345		\$1,718,345
180 Total Non-Current Assets	\$675,898	\$187,853	\$854,594	\$1,718,345		\$1,718,345
290 Total Assets and Deferred Outflow of Resources	\$1,065,901	\$392,190	\$1,188,760	\$2,647,851		\$2,647,851
312 Accounts Payable <= 90 Days	\$14,356	\$6,598	\$4,453	\$25,405		\$25,405
321 Accrued Wage/Payroll Taxes Payable	\$8,082	\$4,030	\$1,345	\$11,437		\$11,437
322 Accrued Compensated Absences - Current Portion	\$1,423	\$848	\$485	\$2,736		\$2,736
325 Accrued Interest Payable		\$95	\$1,417	\$1,512		\$1,512
341 Tenant Security Deposits	\$19,969	\$8,727	\$15,963	\$44,659		\$44,659
342 Unearned Revenue	\$380	\$3,689	\$93	\$4,132		\$4,132
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$32,165	\$41,474	\$73,839		\$73,839
310 Total Current Liabilities	\$42,180	\$56,150	\$65,180	\$163,520		\$163,520
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$41,710	\$534,309	\$576,019		\$576,019
354 Accrued Compensated Absences - Non Current	\$2,321	\$1,384	\$759	\$4,464		\$4,464
350 Total Non-Current Liabilities	\$2,321	\$43,094	\$535,068	\$580,483		\$580,483
300 Total Liabilities	\$44,511	\$99,244	\$600,248	\$744,003		\$744,003
508.4 Net Investment in Capital Assets	\$675,898	\$113,978	\$278,811	\$1,068,687		\$1,068,687
511.4 Restricted Net Position			\$69,605	\$69,605		\$69,605
512.4 Unrestricted Net Position	\$346,492	\$178,968	\$240,069	\$765,556		\$765,556
513 Total Equity - Net Assets / Position	\$1,022,390	\$292,946	\$588,512	\$1,803,848		\$1,803,848
800 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,066,801	\$392,190	\$1,188,760	\$2,647,851		\$2,647,851

Housing Authority of the City of Fort Lupton (CO029)  
**FORT LUPTON, CO**  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.182 N/C S/R Section 8 Programs	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$245,343	\$120,430	\$200,534	\$566,307		\$566,307
70400 Tenant Revenue - Other	\$7,997	\$10,911		\$18,908		\$18,908
70500 Total Tenant Revenue	\$253,340	\$131,341	\$200,534	\$585,215	\$0	\$585,215
70800 HUD PHA Operating Grants	\$348,832	\$213,629		\$562,561		\$562,561
71100 Investment Income - Unrestricted	\$189	\$10	\$12	\$211		\$211
71500 Other Revenue	\$770	\$2,120	\$134,117	\$137,007	-\$18,510	\$118,497
71600 Gain or Loss on Sale of Capital Assets	\$42,880			\$42,880		\$42,880
72000 Investment Income - Restricted	\$0		\$24	\$24		\$24
70000 Total Revenue	\$646,111	\$347,100	\$334,687	\$1,327,898	-\$18,510	\$1,309,388
91100 Administrative Salaries	\$60,832	\$36,254	\$19,881	\$116,967		\$116,967
91200 Auditing Fees	\$4,202	\$2,356	\$1,292	\$7,850		\$7,850
91500 Employee Benefit Contributions - Administrative	\$15,408	\$8,695	\$4,749	\$28,852		\$28,852
91800 Office Expenses	\$21,766	\$13,518	\$9,548	\$44,832	-\$2,120	\$42,712
91700 Legal Expense	\$864	\$188	\$2,538	\$3,600		\$3,600
91000 Total Operating - Administrative	\$103,072	\$61,021	\$38,008	\$202,101	-\$2,120	\$199,981
92400 Tenant Services - Other	\$9,050	\$12,152		\$21,202		\$21,202
92500 Total Tenant Services	\$9,050	\$12,152	\$0	\$21,202	\$0	\$21,202
93100 Water	\$42,719	\$13,088	\$12,600	\$68,407		\$68,407
93200 Electricity	\$13,451	\$17,639	\$2,495	\$33,582		\$33,582
93300 Gas	\$11,447	\$12,725	\$2,634	\$26,806		\$26,806
93600 Sewer	\$28,010		\$10,428	\$38,438		\$38,438
93700 Employee Benefit Contributions - Utilities		\$10,553		\$10,553		\$10,553
93800 Other Utilities Expense	\$2,457			\$2,457		\$2,457
93000 Total Utilities	\$99,084	\$54,002	\$28,157	\$181,243	\$0	\$181,243
94100 Ordinary Maintenance and Operations - Labor	\$90,016	\$48,248	\$3,172	\$142,436		\$142,436
94200 Ordinary Maintenance and Operations - Materials and Other	\$13,682	\$11,194	\$2,870	\$27,746		\$27,746
94300 Ordinary Maintenance and Operations Contracts	\$37,129	\$21,802	\$13,133	\$72,064	-\$16,390	\$55,674
94500 Employee Benefit Contributions - Ordinary Maintenance	\$23,413	\$13,509	\$7,409	\$44,331		\$44,331
94000 Total Maintenance	\$164,240	\$95,753	\$26,584	\$286,577	-\$16,390	\$270,187
96110 Property Insurance	\$38,870	\$19,807	\$20,147	\$78,824		\$78,824
96120 Liability Insurance	\$1,280	\$789	\$422	\$2,491		\$2,491
96130 Workmen's Compensation	\$2,053	\$1,224	\$671	\$3,948		\$3,948
96140 All Other Insurance	\$2,334	\$1,595	\$3,002	\$6,931		\$6,931
96100 Total Insurance Premiums	\$44,547	\$23,395	\$24,242	\$92,184	\$0	\$92,184
96210 Compensated Absences	\$604	\$380	\$197	\$1,181		\$1,181
96000 Total Other General Expenses	\$604	\$380	\$197	\$1,181	\$0	\$1,181
96710 Interest of Mortgage (or Bonds) Payable		\$2,723	\$18,093	\$20,816		\$20,816
96700 Total Interest Expense and Amortization Cost	\$0	\$2,723	\$18,093	\$20,816	\$0	\$20,816
98900 Total Operating Expenses	\$420,597	\$249,406	\$135,281	\$805,284	-\$18,510	\$786,774
97000 Excess of Operating Revenue over Operating Expenses	\$225,514	\$97,694	\$199,406	\$522,614	\$0	\$522,614
97400 Depreciation Expense	\$112,818	\$42,375	\$40,241	\$195,434		\$195,434
90000 Total Expenses	\$533,415	\$291,781	\$175,522	\$1,000,718	-\$18,510	\$982,208
10010 Operating Transfer In	\$207,923			\$207,923	-\$207,923	\$0
10020 Operating Transfer Out	-\$207,923			-\$207,923	\$207,923	\$0
10080 Special Items (Net Gain/Loss)	\$66,247			\$66,247		\$66,247
10100 Total Other financing Sources (Uses)	\$66,247	\$0	\$0	\$66,247	\$0	\$66,247
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$178,943	\$55,319	\$159,165	\$393,427	\$0	\$393,427
11020 Required Annual Debt Principal Payments	\$0	\$31,202	\$40,233	\$71,435		\$71,435
11030 Beginning Equity	-\$843,447	\$237,627	\$429,347	\$1,510,421		\$1,510,421
11190 Unit Months Available	600	360	204	1164		1164
11210 Number of Unit Months Leased	562	349	203	1114		1114
11270 Excess Cash	\$313,764			\$313,764		\$313,764
11620 Building Purchases	\$101,385			\$101,385		\$101,385
11630 Furniture & Equipment - Dwelling Purchases	\$12,647			\$12,647		\$12,647
11640 Furniture & Equipment - Administrative Purchases	\$921			\$921		\$921

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

Submission Type: Audited/Non Single  
**Audit**

Fiscal Year End: 12/31/2022

Project: CO029000029 FORT LUPTON

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$245,343		\$245,343
70400 Tenant Revenue - Other	\$7,997		\$7,997
70500 Total Tenant Revenue	\$253,340	\$0	\$253,340
70600 HUD PHA Operating Grants	\$141,009	\$207,923	\$348,932
71100 Investment Income - Unrestricted	\$189		\$189
71500 Other Revenue	\$770		\$770
71600 Gain or Loss on Sale of Capital Assets	\$42,880		\$42,880
72000 Investment Income - Restricted	\$0		\$0
70000 Total Revenue	\$438,188	\$207,923	\$646,111
91100 Administrative Salaries	\$60,832		\$60,832
91200 Auditing Fees	\$4,202		\$4,202
91500 Employee Benefit contributions - Administrative	\$15,408		\$15,408
91600 Office Expenses	\$21,786		\$21,786
91700 Legal Expense	\$884		\$884
91000 Total Operating - Administrative	\$103,072	\$0	\$103,072
92400 Tenant Services - Other	\$9,050		\$9,050
92500 Total Tenant Services	\$9,050	\$0	\$9,050
93100 Water	\$42,719		\$42,719
93200 Electricity	\$13,451		\$13,451
93300 Gas	\$11,447		\$11,447
93600 Sewer	\$29,010		\$29,010
93600 Other Utilities Expense	\$2,457		\$2,457
93000 Total Utilities	\$99,084	\$0	\$99,084
94100 Ordinary Maintenance and Operations - Labor	\$90,016		\$90,016
94200 Ordinary Maintenance and Operations - Materials and Other	\$13,682		\$13,682
94300 Ordinary Maintenance and Operations Contracts	\$37,129		\$37,129
94500 Employee Benefit Contributions - Ordinary Maintenance	\$23,413		\$23,413
94000 Total Maintenance	\$164,240	\$0	\$164,240
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$38,670		\$38,670
96120 Liability Insurance	\$1,290		\$1,290
96130 Workmen's Compensation	\$2,053		\$2,053
96140 All Other Insurance	\$2,334		\$2,334
96100 Total Insurance Premiums	\$44,547	\$0	\$44,547
96210 Compensated Absences	\$604		\$604
96000 Total Other General Expenses	\$604	\$0	\$604
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$420,597	\$0	\$420,597
97000 Excess of Operating Revenue over Operating Expenses	\$17,591	\$207,923	\$225,514
97400 Depreciation Expense	\$112,818		\$112,818
90000 Total Expenses	\$533,415	\$0	\$533,415
10010 Operating Transfer In	\$207,923		\$207,923
10020 Operating transfer Out		-\$207,923	-\$207,923
10080 Special Items (Net Gain/Loss)	\$66,247		\$66,247
10100 Total Other financing Sources (Uses)	\$274,170	-\$207,923	\$66,247
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$178,943	\$0	\$178,943
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$843,447	\$0	\$843,447
11180 Unit Months Available	600		600
11210 Number of Unit Months Leased	562		562
11270 Excess Cash	\$313,764		\$313,764
11620 Building Purchases	\$101,385	\$0	\$101,385
11630 Furniture & Equipment - Dwelling Purchases	\$12,647	\$0	\$12,647
11640 Furniture & Equipment - Administrative Purchases	\$921	\$0	\$921

**GOVERNMENT AUDITING STANDARDS SECTION**

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

**Independent Auditors Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the major fund of the Housing Authority of the City of Fort Lupton, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Fort Lupton, Colorado's basic financial statements, and have issued our report thereon dated April 5, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies 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 a deficiency in internal control that we consider to be a material weakness and is described in the accompanying schedule of findings and responses as Finding 2022-1.

## **Report on Compliance and Other Matters**

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

## **Housing Authority of the City of Fort Lupton, Colorado Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Housing Authority of the City of Fort Lupton, Colorado's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Housing Authority of the City of Fort Lupton, Colorado's response was not subjected to the other auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

## **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  
April 5, 2023

**HOUSING AUTHORITY OF THE CITY OF FORT LUPTON, COLORADO**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**December 31, 2022**

**Finding 2022-1: Ineffective Oversight over Financial Reporting**  
**Material Weakness**

**Criteria:** The Authority should have effective controls over the monitoring of the period-end financial reporting process, including controls over procedures used for general ledger maintenance.

**Condition:** During our audit, we noted the operating subsidy revenue and the capital fund grants revenue were coded between two accounts labeled as "government payment" and "capital fund income" on the general ledger. During our procedures, we reconciled the actual wire transfers for operating subsidy and capital fund grants and noted these accounts did not represent the revenues from the respective grants. Both the operating subsidy and capital grant revenues were misstated by \$118,961.

In addition, we noted an accrual should have been made for operating subsidy in the amount of \$12,495 as of December 31, 2022 which represents the amount appropriated by HUD for December 2022 subsidy but was not requisitioned until January 2023 by the Authority. As a result, operating subsidy was understated by \$12,495 before audit adjustments.

**Cause:** The Authority's internal control procedures did not discover the errors in the general ledger as noted above.

**Effect or Potential Effect:** The unadjusted financial statements were 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 significant adjustments and errors are identified within the general ledger to ensure that the financial statements can be prepared in accordance with generally accepted accounting principles.



Housing Authority of Fort Lupton  
400 2<sup>nd</sup> Street  
Fort Lupton, Colorado 80621  
(303)857-4400 Phone (303)857-6847 Fax  
[fortluptonhousing@comcast.net](mailto:fortluptonhousing@comcast.net)

**CORRECTIVE ACTION PLAN  
Year Ended December 31, 2022**

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 December 31, 2022:

ITEM

**2022-1** The Authority will evaluate the adequacy of its year-end financials review procedures over the financial reporting process to make certain that significant adjustments and errors are identified within the general ledger to ensure that the financial statements can be prepared in accordance with generally accepted accounting principles.

Solution: To add the LOCCS system reconciliation with the actual draws to ensure that the grants are stated correctly at fiscal year-end.

Person responsible: Fee Accountant  
Supervisor: Executive Director

Contact Person: Julie Murphy, Executive Director  
400 2<sup>nd</sup> Street  
Fort Lupton, CO 80621  
303-857-4400

## **AGREED-UPON PROCEDURE**

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

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

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

We have performed the 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 December 31, 2022. 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 City of Fort Lupton, 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 December 31, 2022. 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 Federal Assistance Numbers, 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 City of Fort Lupton, 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 City of Fort Lupton, 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 City of Fort Lupton, 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 City of Fort Lupton, Colorado as of and for the year ended December 31, 2022, and have issued our report thereon dated April 5, 2023. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority of the City of Fort Lupton, Colorado's Financial Data Schedule dated April 5, 2023, 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 City of Fort Lupton, Colorado. We have not performed any additional auditing procedures since the date of the aforementioned audit report.

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

*Niewedde & Wiens, CPA's*

York, Nebraska  
April 5, 2023