

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

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

Year Ended December 31, 2024

TABLE OF CONTENTS

	<u>Page No.</u>
Required Supplemental Information:	
Management's Discussion and Analysis	1
Independent Auditor's Report	7
Financial Statements:	
Statement of Net Position – Proprietary Fund	10
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	11
Statement of Cash Flows – Proprietary Fund	12
Notes to Financial Statements	14
Supplemental Information:	
Program Schedule of Net Position	23
Program Schedule of Revenues, Expenses and Changes in Net Position	24
Program Schedule of Cash Flows	25
Financial Data Schedule	27
Single Audit Section:	
Schedule of Expenditures of Federal Awards	30
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	31
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance	33
Summary Schedule of Prior Audit Findings	35
Schedule of Findings and Questioned Costs	36
Agreed-Upon Procedure:	
Independent Accountant's Report on Applying Agreed-Upon Procedure	37

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

HOUSING AUTHORITY
CITY OF FORT MORGAN, COLORADO
1100 Linda Street
Fort Morgan, Co. 80701

Hillcrest & Fremont Apartments
970-867-2734 Fax 970-867-7303 TDD 1-800-659-2656

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

This section of the Housing Authority of the City of Fort Morgan, Colorado's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on December 31, 2024. 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, 2024 was \$3,243,187. The net position increased by \$225,627, an increase of 7% over the prior year. Of this amount, \$1,950,833 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 \$779,443 for the year ended December 31, 2024. This was an increase of \$74,541 or 11% over the prior year.

Operating expenses for the Authority were \$961,930 for the year ended December 31, 2024. This was an increase of \$16,662 or 2% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Financial Statements

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

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

Notes to the Financial Statements

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

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *supplemental information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authorities to submit financial information electronically to HUD using the FDS format. The submitted financial information transmitted to the Real Estate Assessment Center (REAC) for the year ended December 31, 2024 is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

CONDENSED STATEMENT OF NET POSITION

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 2,126,165	\$ 1,748,045	\$ 378,120	22%
Capital assets	1,626,201	1,761,718	(135,517)	-8%
Total Assets	<u>3,752,366</u>	<u>3,509,763</u>	<u>242,603</u>	<u>7%</u>
Current liabilities	92,061	77,425	14,636	19%
Noncurrent liabilities	417,118	414,778	2,340	1%
Total Liabilities	<u>509,179</u>	<u>492,203</u>	<u>16,976</u>	<u>3%</u>
Net Position				
Net investment in capital assets	1,213,829	1,342,321	(128,492)	-10%
Restricted	78,525	78,407	118	0.2%
Unrestricted	1,950,833	1,596,832	354,001	22%
Total Net Position	<u>\$ 3,243,187</u>	<u>\$ 3,017,560</u>	<u>\$ 225,627</u>	<u>7%</u>

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024**

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 \$3,243,187 at the close of the year ended December 31, 2024. This represents an increase of \$225,627 which is an increase of 7% over the prior year and was attributed to operations for the year end December 31, 2024.

Current and other assets increased by \$378,120. This was attributed to operations before depreciation and offset by funds used for capital improvements and debt service payments which resulted in a net increase in cash and investments of \$364,379.

Total liabilities increased by \$16,976. The most significant change was the implementation of GASB 101 related to compensated absences for sick leave which resulted in an increased liability of \$25,655. The other changes were relate to the timing of payments and annual debt service payments.

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

Unrestricted net position as of December 31, 2024 was \$1,950,833, an increase of \$354,001. Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities. The Authority has sufficient funds to meet requirements for cash outlays in the next fiscal year as well as the financial capacity to sustain operations. The Authority had \$78,525 net position classified as restricted that is subject to external restrictions on how they may be used. The funds are restricted for capital activities as approved by Rural Development.

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

As can be seen on the next page, total revenues increased by \$100,070 primarily due to the increase in rental income of \$50,981 or 8% and by an increase in Federal operating grants of \$28,046. The increase in rental income was due to occupancy and rent composition from year to year. The program revenue from USDA increased by \$25,625 which was mostly due to an increase in basic rent of \$100 per unit over the prior year.

Another item affecting the increase in revenue was the increase in interest revenue mostly due to the reinvestment of funds into investments and higher interest rates within the current economic conditions. Interest revenue for the fiscal year ended December 31, 2024 was \$25,010 compared to \$3,669 in the previous year. The average rate of return on investments was 4.38% in 2024 compared to 1.34% in 2023.

HUD operating subsidy for the Authority was \$151,757 for the year ended December 31, 2024. This was an increase of \$5,914 over the prior year. The operating subsidy funding is determined by HUD on an annual basis and is primarily based on income and utility expenses. In the current year the Authority expended \$271,248 of HUD capital grants for operations compared to \$274,741 in the prior fiscal year. This amount will vary on the approved budget by HUD. The Authority has flexibility in the use of these funds.

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024**

FINANCIAL ANALYSIS (CONT'D)

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

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues				
Program revenues				
Rental	\$ 710,608	\$ 659,627	\$ 50,981	8%
HUD program contributions	423,005	420,584	2,421	1%
USDA program contributions	71,711	46,086	25,625	56%
Other	13,776	14,074	(298)	-2%
General revenues				
Interest	25,010	3,669	21,341	582%
Total Revenues	<u>1,244,110</u>	<u>1,144,040</u>	<u>100,070</u>	<u>9%</u>
Expenses				
Depreciation	192,991	200,014	(7,023)	-4%
Operating	768,939	745,254	23,685	3%
Interest expense	32,818	30,626	2,192	7%
Other nonoperating	-	418	(418)	-100%
Total Expenses	<u>994,748</u>	<u>976,312</u>	<u>18,436</u>	<u>2%</u>
Excess (deficiency) before special items	249,362	167,728	81,634	
Special Items:				
Nonroutine maintenance	-	(10,200)	10,200	
Changes in Net Position	249,362	157,528	91,834	
Beginning Net Position, restated	2,993,825	2,860,032	133,793	
Ending Net Position	<u>\$ 3,243,187</u>	<u>\$ 3,017,560</u>	<u>\$ 225,627</u>	

Operating expenses for the Authority were \$768,939 for the year ended December 31, 2024. This was an increase of \$23,685 or 3% over the prior year. The various expense category fluctuations were not attributed to any specific event or unusual circumstance other than the typical variability from year to year.

OCCUPANCY

Hillcrest had an occupancy rate of 97.2% for 2024.

Fremont had an occupancy rate of 98.96% for 2024.

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024**

CAPITAL ASSETS

The Authority's capital assets as of December 31, 2024 were \$1,626,201. This includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation. The total decrease in the Authority's capital assets for the fiscal year was 8% in terms of net book value. The actual amount to purchase or construct capital assets was \$57,474 for the year. Depreciation charges for the year totaled \$192,991. Additional information on the Authority's capital assets can be found in Note H of the notes to the financial statements of this report.

Hillcrest Capital Improvements:

At Hillcrest, 2024 Capital Improvements consisted of installing new Vinyl Flooring to replace the Carpet and Linoleum in the Resident's Apartments. This included installing new Cove Base and Subflooring as required, as they became available. All apartments are completely repaired, painted and revamped when turnovers occurred and we installed 4 new medicine cabinets.

An existing Gutter System was removed and replaced with a New Gutter System. The new Gutter System included revamping the Down Spouts and Drainage System. This consisted of installing over 700 feet of 5" K-Style Gutters along with 400 feet of combined 3x4 and 2x3 Downspouts. The new system was replaced on four Residential Buildings of the Hillcrest B and C-Row Apartments.

A new Automatic Door Access Unit was installed on the Community Building with a push button on the inside as well as the outside for easy automatic opening.

New Kidde Lithium Battery Powered Sealed Smoke Alarms were purchased for all Resident's Apartments for Resident's Worry-Free Safety.

We purchased 2 New Whirlpool Dryers for the Common Laundry Rooms.

Updates were made to the Heating and Water Systems by installing New Hydro Level Switches, Water Probes, Replacing Copper Water Lines and Bonding the Neutrals and Ground for Outlets in the "A" Building Boiler Room.

Upgrades around the Property and Signage Areas consisted of adding 26.5 tons of 1-1/2" Red Rock for Landscaping along with new Landscape Timbers.

New Parking Blocks were added to the Main Office Community Lot which included 8-ADA Specific Rubber Blocks.

Over 50 Chairs with Arms were purchased to update the Community Room as well as the Common Areas, including the Foyers and Lounge at Hillcrest "A" Building. We also installed 5 new LED Exit Signs in the Common Areas.

We purchased One New Hotpoint Range for an Apartment.

We purchased a New 7' Snow Pusher and a Large Weight Box to add to our Kubota Tractor to enable easier snow removal by the maintenance team. Also, various repairs were needed to our Walker Mower to operate the Hydraulic Drive and Blower efficiently. We also purchased a New Gas-Powered Leaf Blower.

We had 8 large trees that needed maintenance and sprayed due to safety issues and flying insects.

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024**

CAPITAL ASSETS (CONT'D)

Maintenance and repairs were made to the underground sprinkler system as well as installing several new sprinkler heads.

We ground all tripping hazards from the sidewalks and re-painted the stripes on the parking lots and updated the parking signs and large street light bulbs.

Fremont Capital Improvements:

At Fremont, in 2024 we updated two 2-bedroom apartments. The Apartments had New Carpet, Padding, and Cove Base installed, along with being repainted throughout. One Apartment had the Existing Linoleum Removed and New Vinyl installed in the Kitchen and Bathroom. Apartments also received new Exhaust Fans, new Baseboard Heaters, and new Stools.

Three Apartments had Windows Replaced in the Living Rooms.

Six Apartments had new 30-gallon Hot Water Heaters installed.

We also added a new Antimicrobial Laundry Cart with wheels for the Resident's Laundry Use.

We ground all tripping hazards from the sidewalks and re-painted the stripes on the parking lots and updated the parking signs.

Maintenance and repairs were made to the underground sprinkler system as well as purchasing several new sprinkler heads and planting new grass.

DEBT ADMINISTRATION

The Authority has outstanding notes payable of \$412,372, a decrease of (\$7,025). The revenue from the Rural Development Programs is pledged to repay these notes. There were no changes to the debt structure during the year ended December 31, 2024. Additional information on the Authority's long-term debt can be found in Note J of the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2025 budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD and Rural Development. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The operating expenses are expected to increase by the economy's inflation rate.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Housing Authority of the City of Fort Morgan, 1100 Linda Street, Fort Morgan, Colorado 80701.

INDEPENDENT AUDITOR'S REPORT



CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the City of Fort Morgan, 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 Morgan, Colorado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Fort Morgan, 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 major fund of the Housing Authority of the City of Fort Morgan, Colorado as of December 31, 2024, 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 Morgan, 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 Morgan, 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 Morgan, 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 Morgan, 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, 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.

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 Morgan, Colorado's basic financial statements. The Program Financial Schedules, Financial Data Schedules and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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 the 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 or to 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, Financial Data Schedule and Schedule of Expenditures of Federal Awards 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 May 12, 2025 on our consideration of the Housing Authority of the City of Fort Morgan, 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 Morgan, 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 Morgan, Colorado's internal control over financial reporting and compliance.

Niewedde & Wiens, CPA's

York, Nebraska
May 12, 2025

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2024

ASSETS	<u>Housing</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,091,107
Investments	871,618
Accounts receivable, net	3,144
Due from other governments	4,247
Accrued interest receivable	11,850
Prepaid items	10,760
Materials inventory, net	960
<i>Restricted:</i>	
Cash and cash equivalents	<u>53,954</u>
TOTAL CURRENT ASSETS	<u>2,047,640</u>
NONCURRENT ASSETS:	
<i>Restricted:</i>	
Cash and cash equivalents	78,525
Capital Assets, non-depreciable	81,150
Capital Assets, depreciable, net	<u>1,545,051</u>
TOTAL NONCURRENT ASSETS	<u>1,704,726</u>
TOTAL ASSETS \$	<u>3,752,366</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	\$ 1,950
Accrued compensated absences	30,999
Accrued interest payable	450
Tenant security deposit payable	53,954
Current-portion notes payable	<u>4,708</u>
TOTAL CURRENT LIABILITIES	<u>92,061</u>
NONCURRENT LIABILITIES:	
Accrued compensated absences	9,454
Notes payable	<u>407,664</u>
TOTAL NONCURRENT LIABILITIES	<u>417,118</u>
TOTAL LIABILITIES	<u>509,179</u>
NET POSITION	
Net investment in capital assets	1,213,829
Restricted, replacement reserve	78,525
Unrestricted	<u>1,950,833</u>
TOTAL NET POSITION \$	<u>3,243,187</u>

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
Year Ended December 31, 2024

	Housing
OPERATING REVENUES	
Rental income	\$ 710,608
USDA rental assistance	55,059
Other income	13,776
TOTAL OPERATING REVENUES	779,443
OPERATING EXPENSES	
Administrative	201,345
Tenant services	9,333
Utilities	131,001
Ordinary maintenance and operations	283,641
General expense	143,619
Depreciation	192,991
TOTAL OPERATING EXPENSES	961,930
	OPERATING INCOME (LOSS)
	(182,487)
NONOPERATING REVENUES (EXPENSES)	
HUD operating subsidy	151,757
HUD capital grants - operations	271,248
USDA interest subsidy	16,652
Interest income	25,010
Interest expense	(32,818)
TOTAL NONOPERATING REVENUES (EXPENSES)	431,849
	INCREASE (DECREASE) IN NET POSITION
	249,362
NET POSITION:	
Net position, beginning balance	3,017,560
Prior period adjustments-GASB 101 implementation	(23,735)
Net position, beginning balance, restated	2,993,825
NET POSITION - ENDING BALANCE	\$ 3,243,187

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended December 31, 2024

	Housing
CASH FLOWS FROM OPERATING ACTIVITIES:	
Rental receipts	\$ 707,636
USDA rental assistance	53,112
Other receipts	13,776
Tenant security deposits	1,268
Cash payments for goods and services	(387,819)
Cash payments to employees for services	(379,117)
	8,856
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
HUD operating subsidy	151,757
HUD capital grants - operations	271,248
	423,005
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases and construction of capital assets	(57,473)
Interest paid on capital debt	(16,209)
Principal paid on capital debt	(7,025)
	(80,707)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES:	
(Deposits) withdrawals to investments	(611,784)
Interest received	13,225
	(598,559)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	
NET INCREASE (DECREASE) IN CASH	(247,405)
CASH AND CASH EQUIVALENTS-BEGINNING	1,470,991
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 1,223,586

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)
Year Ended December 31, 2024

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

	Housing
Operating income (loss)	\$ (182,487)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	192,991
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(2,972)
(Increase) decrease in due from other governments	(1,947)
(Increase) decrease in prepaid items	2,684
(Increase) decrease in materials inventory	279
Increase (decrease) in accounts payable	983
Increase (decrease) in accrued payroll and benefits	(3,863)
Increase (decrease) in tenant security deposits	1,268
Increase (decrease) in accrued leave	1,920
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 8,856

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

Financial Reporting Entity

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

Basis of accounting, measurement focus, and financial statement presentation

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

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

The Authority distinguishes between operating and nonoperating revenues and expenses in its Statement of Revenues, Expenses and Changes in Fund Net Position. For this purpose, the Authority's operating revenues result from providing low-income housing services such as tenant rent, rental assistance and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. Proprietary Fund Financial Statements include a Statement of Net Position, 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 MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 one enterprise fund which includes the activities of the following programs:

Public Housing Program. This program accounts for the operation, maintenance, and development of 86 housing units which are owned by the Authority known as Hillcrest. The developments of the projects were funded primarily by the U.S. Department of Housing and Urban Development through loans and bonds. The loans have been forgiven by HUD and the bond debt service and repayment requirements are the responsibility of HUD and therefore no outstanding liabilities are recorded. The program is subsidized annually by operating subsidy from HUD and through Capital Grants for capital improvements.

USDA Rural Development. This program accounts for the operation and maintenance of 40 housing units known as Fremont which are owned by the Authority and financed by the U.S. Department of Rural Development. The development of the projects were funded primarily by Rural Development through low-interest loans which are subsidized by Rural Development through interest subsidy and rental assistance.

Project Program. This program accounts for various non-federal financial activities of the Housing 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 and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificate of deposit, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

Accounts Receivable

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

Prepaid Items

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

Use of Restricted/Unrestricted Net Position

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

Inventory

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

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.

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

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

Compensated Absences

The Authority's policy allows employees vacation leave up to a limit of 4 weeks. Unused vacation pay is not permitted to accrue past an employee's anniversary date. Sick leave may be accumulated but not paid upon termination. Compensated absences have been accrued as defined by GASB 101.

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.

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.

Subscription-Based Information Technology Arrangements

The Authority has not entered into any material subscription-based information technology arrangements to be accrued as defined by GASB 96.

Income Taxes

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

Taxpayer's Bill of Rights

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

NOTE B - DEPOSITS AND INVESTMENTS

At December 31, 2024, the Authority's carrying amount of deposits was \$2,095,114 and the bank balances were \$2,116,000. The Authority had cash on hand of \$90 as of December 31, 2024. As required by the Colorado Public Deposit Protection Act (PDPA), any amount in excess of the FDIC insurance threshold shall be collateralized as required by the Public Deposit Protection Acts,

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DEPOSITS AND INVESTMENTS (CONT'D)

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, \$750,000 was covered by FDIC insurance and \$1,366,000 was covered 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, 2024 are as follows:

Tenants	\$	3,144
Allowance for doubtful accounts		--
	\$	<u>3,144</u>

NOTE D – DUE FROM OTHER GOVERNMENTS

A summary of due from other governments as presented in the Statement of Net Position at December 31, 2024 is as follows:

Rural Development – rental assistance	\$	<u>4,247</u>
---------------------------------------	----	--------------

NOTE E – PREPAID ITEMS

A summary of prepaid items as presented in the Statement of Net Position at December 31, 2024 is as follows:

Prepaid insurance	\$	4,620
Prepaid employee benefits		6,140
	\$	<u>10,760</u>

NOTE F – MATERIALS INVENTORY

The following is a summary of materials inventory as presented in the Statement of Net Position at December 31, 2024:

Inventory supplies	\$	960
Allowance for obsolete inventory		--
	\$	<u>960</u>

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE G – RESTRICTED ASSETS

The following is a summary of restricted assets at December 31, 2024:

Restricted Cash and Cash Equivalents

Tenant security deposits	\$	53,954	
Replacement Reserve		78,525	[1]
	\$	<u>132,479</u>	

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

NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance 1/1/2024	Increases	Decreases	Balance 12/31/2024
Non-depreciable assets:				
Land	\$ 81,150	\$ -	\$ -	\$ 81,150
Construction in progress	-	-	-	-
Total non-depreciable assets	<u>81,150</u>	<u>-</u>	<u>-</u>	<u>81,150</u>
Depreciable assets				
Buildings	5,665,139	48,544	-	5,713,683
Equipment - Dwelling	103,107	768		103,875
Equipment - Administration	260,519	8,162	(660)	268,021
Total depreciable assets	<u>6,028,765</u>	<u>57,474</u>	<u>(660)</u>	<u>6,085,579</u>
Total Capital Assets	<u>6,109,915</u>	<u>57,474</u>	<u>(660)</u>	<u>6,166,729</u>
Accumulated depreciation				
Buildings	4,109,068	154,672	-	4,263,740
Equipment - Dwelling	61,275	7,326		68,601
Equipment - Administration	177,854	30,993	(660)	208,187
Total accumulated depreciation	<u>4,348,197</u>	<u>192,991</u>	<u>(660)</u>	<u>4,540,528</u>
Depreciable assets, net	<u>1,680,568</u>	<u>(135,517)</u>	<u>-</u>	<u>1,545,051</u>
Capital assets, net	<u>\$ 1,761,718</u>	<u>\$ (135,517)</u>	<u>\$ -</u>	<u>\$ 1,626,201</u>

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE K—ACCRUED COMPENSATED ABSENCES

A summary of accrued compensated absences as presented in the Statement of Net Position as of December 31, 2024 is as follows:

	Beginning Balance	Net Change	Ending Balance	Due within One Year
Compensated absences	\$ <u>14,798</u>	\$ <u>25,655</u>	\$ <u>40,453</u>	\$ <u>30,999</u>

NOTE L—NET POSITION

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

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

Restricted net position of \$78,525 is restricted in the Rural Development Program for replacement reserves to be used for capital activities upon approval of USDA (See Note G).

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

NOTE M—PRIOR PERIOD ADJUSTMENTS

The Authority implemented GASB 101 related to compensated absences for the year ended December 31, 2024 which is a change in accounting principle. This resulted in a decrease to the beginning net position of (\$23,735) that consisted of the beginning compensated absences on January 1, 2024 for sick leave accrued in accordance with GASB 101.

NOTE N – 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.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE O - 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, 2024, 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 MORGAN, COLORADO
PROGRAM SCHEDULE OF NET POSITION
December 31, 2024

	Public Housing (Hillcrest)	Rural Development (Fremont)	Project Program	Totals
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 986,115	\$ 87,426	\$ 17,566	\$ 1,091,107
Investments	871,618	-	-	871,618
Accounts receivable, net	3,144	-	-	3,144
Due from other governments	-	4,247	-	4,247
Accrued interest receivable	11,850	-	-	11,850
Prepaid items	8,014	2,746	-	10,760
Materials inventory, net	960	-	-	960
<i>Restricted:</i>				
Cash and cash equivalents	34,634	19,320	-	53,954
TOTAL CURRENT ASSETS	1,916,335	113,739	17,566	2,047,640
NONCURRENT ASSETS:				
<i>Restricted:</i>				
Cash and cash equivalents	-	78,525	-	78,525
Capital Assets, non-depreciable	21,150	60,000	-	81,150
Capital Assets, depreciable, net	1,375,595	169,456	-	1,545,051
TOTAL NONCURRENT ASSETS	1,396,745	307,981	-	1,704,726
TOTAL ASSETS	\$ 3,313,080	\$ 421,720	\$ 17,566	\$ 3,752,366
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable	\$ 1,872	\$ 78	\$ -	\$ 1,950
Accrued compensated absences	21,116	9,883	-	30,999
Accrued interest payable	-	450	-	450
Tenant security deposit payable	34,634	19,320	-	53,954
Current-portion notes payable	-	4,708	-	4,708
TOTAL CURRENT LIABILITIES	57,622	34,439	-	92,061
NONCURRENT LIABILITIES:				
Accrued compensated absences	6,429	3,025	-	9,454
Notes payable	-	407,664	-	407,664
TOTAL NONCURRENT LIABILITIES	6,429	410,689	-	417,118
TOTAL LIABILITIES	64,051	445,128	-	509,179
NET POSITION:				
Net investment in capital assets	1,396,745	(182,916)	-	1,213,829
Restricted, replacement reserve	-	78,525	-	78,525
Unrestricted	1,852,284	80,983	17,566	1,950,833
TOTAL NET POSITION	\$ 3,249,029	\$ (23,408)	\$ 17,566	\$ 3,243,187

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
PROGRAM SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Year Ended December 31, 2024

	Public Housing (Hillcrest)	Rural Development (Fremont)	Project Program	Totals
OPERATING REVENUES				
Rental income	\$ 474,626	\$ 235,982	\$ -	\$ 710,608
USDA rental assistance	-	55,059	-	55,059
Management fee income	38,556	-	-	38,556
Other income	9,386	4,390	-	13,776
TOTAL OPERATING REVENUES	<u>522,568</u>	<u>295,431</u>	<u>-</u>	<u>817,999</u>
OPERATING EXPENSES				
Administrative	164,818	75,083	-	239,901
Tenant services	9,174	159	-	9,333
Utilities	106,427	24,574	-	131,001
Ordinary maintenance and operations	203,345	80,296	-	283,641
General expense	105,336	38,283	-	143,619
Depreciation	173,126	19,865	-	192,991
TOTAL OPERATING EXPENSES	<u>762,226</u>	<u>238,260</u>	<u>-</u>	<u>1,000,486</u>
OPERATING INCOME (LOSS)	<u>(239,658)</u>	<u>57,171</u>	<u>-</u>	<u>(182,487)</u>
NONOPERATING REVENUES (EXPENSES)				
HUD operating subsidy	151,757	-	-	151,757
HUD capital grants - operations	271,248	-	-	271,248
USDA interest subsidy	-	16,652	-	16,652
Interest income	24,800	184	26	25,010
Interest expense	-	(32,818)	-	(32,818)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>447,805</u>	<u>(15,982)</u>	<u>26</u>	<u>431,849</u>
INCREASE (DECREASE) IN NET POSITION	<u>208,147</u>	<u>41,189</u>	<u>26</u>	<u>249,362</u>
NET POSITION:				
Net position, beginning balance	3,057,022	(57,002)	17,540	3,017,560
Prior period adjustments-GASB 101 implementation	(16,140)	(7,595)	-	(23,735)
Net position, beginning balance, restated	<u>3,040,882</u>	<u>(64,597)</u>	<u>17,540</u>	<u>2,993,825</u>
NET POSITION - ENDING BALANCE	<u>\$ 3,249,029</u>	<u>\$ (23,408)</u>	<u>\$ 17,566</u>	<u>\$ 3,243,187</u>

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS
Year Ended December 31, 2024

	<u>Public Housing (Hillcrest)</u>	<u>Rural Development (Fremont)</u>	<u>Project Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Rental receipts	\$ 471,654	\$ 235,982	\$ -	\$ 707,636
USDA rental assistance		53,112	-	53,112
Management fee receipts	38,556	-	-	38,556
Other receipts	9,386	4,390	-	13,776
Tenant security deposits	545	723	-	1,268
Cash payments for goods and services	(312,362)	(114,013)	-	(426,375)
Cash payments to employees for services	(276,020)	(103,097)	-	(379,117)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(68,241)	77,097	-	8,856
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
HUD operating subsidy	151,757	-	-	151,757
HUD capital grants - operations	271,248	-	-	271,248
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	423,005	-	-	423,005
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases and construction of capital assets	(43,872)	(13,601)	-	(57,473)
Interest paid on capital debt	-	(16,209)	-	(16,209)
Principal paid on capital debt	-	(7,025)	-	(7,025)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(43,872)	(36,835)	-	(80,707)
CASH FLOWS FROM INVESTING ACTIVITIES:				
(Deposits) withdrawals to investments	(611,784)	-	-	(611,784)
Interest received	13,015	184	26	13,225
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(598,769)	184	26	(598,559)
NET INCREASE (DECREASE) IN CASH	(287,877)	40,446	26	(247,405)
CASH AND CASH EQUIVALENTS-BEGINNING	1,308,626	144,825	17,540	1,470,991
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 1,020,749	\$ 185,271	\$ 17,566	\$ 1,223,586

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS (CONT'D)
Year Ended December 31, 2024

	Public Housing (Hillcrest)	Rural Development (Fremont)	Project Program	Totals
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (239,656)	\$ 57,171	\$ -	\$ (182,487)
Adjustments to reconcile income from operations to net cash provided by operating activities:				
Depreciation	173,126	19,865	-	192,991
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(2,972)	-	-	(2,972)
(Increase) decrease in due from other governments	-	(1,947)	-	(1,947)
(Increase) decrease in prepaid items	1,762	922	-	2,684
(Increase) decrease in materials inventory	279	-	-	279
Increase (decrease) in accounts payable	906	77	-	983
Increase (decrease) in accrued payroll and benefits	(3,570)	(293)	-	(3,863)
Increase (decrease) in tenant security deposits	545	723	-	1,268
Increase (decrease) in accrued leave	1,341	579	-	1,920
NET CASH PROVIDED (USED)				
BY OPERATING ACTIVITIES	\$ (68,241)	\$ 77,097	\$ -	\$ 8,856

**SUPPLEMENTAL INFORMATION –
HUD FINANCIAL DATA SCHEDULE**

Fort Morgan Housing Authority (CO011)
FORT MORGAN, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$986,115	\$17,566	\$87,426		\$1,091,107		\$1,091,107
113 Cash - Other Restricted			\$78,525		\$78,525		\$78,525
114 Cash - Tenant Security Deposits	\$34,634		\$19,320		\$53,954		\$53,954
100 Total Cash	\$1,020,749	\$17,566	\$165,271	\$0	\$1,223,586		\$1,223,586
124 Accounts Receivable - Other Government			\$4,247		\$4,247		\$4,247
126 Accounts Receivable - Tenants	\$3,144				\$3,144		\$3,144
126.1 Allowance for Doubtful Accounts - Tenants	\$0				\$0		\$0
126.2 Allowance for Doubtful Accounts - Other			\$0		\$0		\$0
129 Accrued Interest Receivable	\$11,850				\$11,850		\$11,850
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$14,994	\$0	\$4,247	\$0	\$19,241		\$19,241
131 Investments - Unrestricted	\$871,618				\$871,618		\$871,618
142 Prepaid Expenses and Other Assets	\$8,014		\$2,746		\$10,760		\$10,760
143 Inventories	\$960				\$960		\$960
143.1 Allowance for Obsolete Inventories	\$0				\$0		\$0
150 Total Current Assets	\$1,916,335	\$17,566	\$192,284	\$0	\$2,126,165		\$2,126,165
161 Land	\$21,150		\$80,000		\$81,150		\$81,150
162 Buildings	\$4,591,882		\$1,121,821		\$5,713,683		\$5,713,683
163 Furniture, Equipment & Machinery - Dwellings	\$71,579		\$32,296		\$103,875		\$103,875
164 Furniture, Equipment & Machinery - Administration	\$254,583		\$13,438		\$268,021		\$268,021
166 Accumulated Depreciation	-\$3,542,429		-\$998,099		-\$4,540,528		-\$4,540,528
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,396,745	\$0	\$229,456	\$0	\$1,626,201		\$1,626,201
180 Total Non-Current Assets	\$1,396,745	\$0	\$229,456	\$0	\$1,626,201		\$1,626,201
290 Total Assets and Deferred Outflow of Resources	\$3,313,080	\$17,566	\$421,720	\$0	\$3,752,366		\$3,752,366
312 Accounts Payable <= 90 Days	\$1,872		\$78		\$1,950		\$1,950
322 Accrued Compensated Absences - Current Portion	\$21,116		\$9,883		\$30,999		\$30,999
325 Accrued Interest Payable			\$450		\$450		\$450
341 Tenant Security Deposits	\$34,634		\$19,320		\$53,954		\$53,954
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$4,708		\$4,708		\$4,708
310 Total Current Liabilities	\$57,622	\$0	\$34,439	\$0	\$92,061		\$92,061
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$407,664		\$407,664		\$407,664
354 Accrued Compensated Absences - Non Current	\$6,429		\$3,025		\$9,454		\$9,454
350 Total Non-Current Liabilities	\$6,429	\$0	\$410,889	\$0	\$417,118		\$417,118
300 Total Liabilities	\$64,051	\$0	\$445,128	\$0	\$509,179		\$509,179
508.4 Net Investment in Capital Assets	\$1,396,745		-\$182,916		\$1,213,829		\$1,213,829
511.4 Restricted Net Position			\$78,525		\$78,525		\$78,525
512.4 Unrestricted Net Position	\$1,852,284	\$17,566	\$80,983	\$0	\$1,950,833		\$1,950,833
513 Total Equity - Net Assets / Position	\$3,249,029	\$17,566	-\$23,408	\$0	\$3,243,187		\$3,243,187
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,313,080	\$17,566	\$421,720	\$0	\$3,752,366		\$3,752,366

Fort Morgan Housing Authority (CO011)
FORT MORGAN, CO
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$444,196		\$221,654		\$665,750		\$665,750
70400 Tenant Revenue - Other	\$30,430		\$14,428		\$44,858		\$44,858
70500 Total Tenant Revenue	\$474,626	\$0	\$235,982	\$0	\$710,608	\$0	\$710,608
70600 HUD PHA Operating Grants	\$423,005				\$423,005		\$423,005
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants			\$18,652	\$55,059	\$71,711		\$71,711
71100 Investment Income - Unrestricted	\$24,800	\$26	\$65		\$24,891		\$24,891
71500 Other Revenue	\$47,942		\$4,390		\$52,332	-\$38,556	\$13,776
72000 Investment Income - Restricted			\$119		\$119		\$119
70000 Total Revenue	\$970,373	\$26	\$257,208	\$55,059	\$1,282,668	-\$38,556	\$1,244,110
91100 Administrative Salaries	\$102,013		\$21,449		\$123,462		\$123,462
91200 Auditing Fees	\$4,796		\$2,404		\$7,200		\$7,200
91300 Management Fee			\$38,656		\$38,656	-\$38,556	\$0
91400 Advertising and Marketing	\$931		\$323		\$1,154		\$1,154
91500 Employee Benefit Contributions - Administrative	\$33,815		\$11,033		\$44,848		\$44,848
91600 Office Expenses	\$9,539		\$665		\$10,204		\$10,204
91700 Legal Expense	\$197		\$197		\$197		\$197
91800 Travel	\$1,560				\$1,560		\$1,560
91900 Other	\$12,067		\$652		\$12,719		\$12,719
91000 Total Operating - Administrative	\$164,818	\$0	\$75,082	\$0	\$239,900	-\$38,556	\$201,344
92100 Tenant Services - Salaries	\$6,115				\$6,115		\$6,115
92300 Employee Benefit Contributions - Tenant Services	\$1,800				\$1,800		\$1,800
92400 Tenant Services - Other	\$1,259		\$159		\$1,418		\$1,418
92500 Total Tenant Services	\$9,174	\$0	\$159	\$0	\$9,333	\$0	\$9,333
93100 Water	\$36,540		\$16,171		\$52,711		\$52,711
93200 Electricity	\$32,610		\$3,645		\$36,255		\$36,255
93300 Gas	\$17,960				\$17,960		\$17,960
93600 Sewer	\$19,317		\$4,768		\$24,075		\$24,075
93000 Total Utilities	\$106,427	\$0	\$24,574	\$0	\$131,001	\$0	\$131,001
94100 Ordinary Maintenance and Operations - Labor	\$86,307		\$42,840		\$139,147		\$139,147
94200 Ordinary Maintenance and Operations - Materials and Other	\$19,879		\$105		\$19,984		\$19,984
94300 Ordinary Maintenance and Operations Contracts	\$55,551		\$17,897		\$73,438		\$73,438
94500 Employee Benefit Contributions - Ordinary Maintenance	\$31,608		\$19,464		\$51,072		\$51,072
94000 Total Maintenance	\$203,345	\$0	\$80,296	\$0	\$283,641	\$0	\$283,641
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$94,309		\$35,016		\$129,325		\$129,325
96120 Liability Insurance	\$1,507		\$709		\$2,216		\$2,216
96130 Workmen's Compensation	\$3,114		\$1,468		\$4,580		\$4,580
96140 All Other Insurance	\$4,068		\$90		\$4,158		\$4,158
96100 Total Insurance Premiums	\$102,998	\$0	\$37,281	\$0	\$140,279	\$0	\$140,279
96210 Compensated Absences	\$2,338		\$1,003		\$3,341		\$3,341
96000 Total Other General Expenses	\$2,338	\$0	\$1,003	\$0	\$3,341	\$0	\$3,341
96710 Interest of Mortgage (or Bonds) Payable			\$32,818		\$32,818		\$32,818
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$32,818	\$0	\$32,818	\$0	\$32,818
96900 Total Operating Expenses	\$589,100	\$0	\$251,213	\$0	\$840,313	-\$38,556	\$801,757
97000 Excess of Operating Revenue over Operating Expenses	\$381,273	\$26	\$5,995	\$55,059	\$442,353	\$0	\$442,353
97400 Depreciation Expense	\$173,126		\$19,865		\$192,991		\$192,991
90000 Total Expenses	\$762,226	\$0	\$271,078	\$0	\$1,033,304	-\$38,556	\$994,748
10010 Operating Transfer In	\$271,248		\$55,059		\$326,307	-\$326,307	\$0
10020 Operating Transfer Out	-\$271,248			-\$55,059	-\$326,307	\$326,307	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$55,059	-\$55,059	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$208,147	\$26	\$41,189	\$0	\$249,362	\$0	\$249,362
11020 Required Annual Debt Principal Payments	\$0	\$0	\$7,025	\$0	\$7,025		\$7,025
11030 Beginning Equity	\$3,057,022	\$17,540	-\$57,002	\$0	\$3,017,560		\$3,017,560
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$16,140		-\$7,595		-\$23,735		-\$23,735
11180 Unit Months Available	1032		480		1512		1512
11210 Number of Unit Months Leased	1003		476		1479		1479
11270 Excess Cash	\$1,800,648				\$1,800,648		\$1,800,648
11620 Building Purchases	\$43,872				\$43,872		\$43,872

Fort Morgan Housing Authority (CO011)
FORT MORGAN, CO
Single Project Revenue and Expense

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

Project: CO011011011 HILLCREST APARTMENTS

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$444,196		\$444,196
70400 Tenant Revenue - Other	\$30,430		\$30,430
70500 Total Tenant Revenue	\$474,626	\$0	\$474,626
70600 HUD PHA Operating Grants	\$151,757	\$271,248	\$423,005
71100 Investment Income - Unrestricted	\$24,800		\$24,800
71500 Other Revenue	\$47,942		\$47,942
70000 Total Revenue	\$699,125	\$271,248	\$970,373
91100 Administrative Salaries	\$102,013		\$102,013
91200 Auditing Fees	\$4,796		\$4,796
91400 Advertising and Marketing	\$831		\$831
91500 Employee Benefit contributions - Administrative	\$33,815		\$33,815
91600 Office Expenses	\$9,539		\$9,539
91700 Legal Expense	\$197		\$197
91800 Travel	\$1,560		\$1,560
91800 Other	\$12,067		\$12,067
91000 Total Operating - Administrative	\$164,818	\$0	\$164,818
92100 Tenant Services - Salaries	\$6,115		\$6,115
92300 Employee Benefit Contributions - Tenant Services	\$1,800		\$1,800
92400 Tenant Services - Other	\$1,259		\$1,259
92500 Total Tenant Services	\$9,174	\$0	\$9,174
93100 Water	\$36,540		\$36,540
93200 Electricity	\$32,610		\$32,610
93300 Gas	\$17,960		\$17,960
93600 Sewer	\$19,317		\$19,317
93000 Total Utilities	\$106,427	\$0	\$106,427
94100 Ordinary Maintenance and Operations - Labor	\$96,307		\$96,307
94200 Ordinary Maintenance and Operations - Materials and Other	\$19,879		\$19,879
94300 Ordinary Maintenance and Operations Contracts	\$55,551		\$55,551
94500 Employee Benefit Contributions - Ordinary Maintenance	\$31,608		\$31,608
94000 Total Maintenance	\$203,345	\$0	\$203,345
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$94,309		\$94,309
96120 Liability Insurance	\$1,507		\$1,507
96130 Workmen's Compensation	\$3,114		\$3,114
96140 All Other Insurance	\$4,068		\$4,068
96100 Total Insurance Premiums	\$102,998	\$0	\$102,998
96210 Compensated Absences	\$2,338		\$2,338
96000 Total Other General Expenses	\$2,338	\$0	\$2,338
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$589,100	\$0	\$589,100
97000 Excess of Operating Revenue over Operating Expenses	\$110,025	\$271,248	\$381,273
97400 Depreciation Expense	\$173,126		\$173,126
90000 Total Expenses	\$762,226	\$0	\$762,226
10010 Operating Transfer In	\$271,248		\$271,248
10020 Operating transfer Out		-\$271,248	-\$271,248
10100 Total Other financing Sources (Uses)	\$271,248	-\$271,248	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$208,147	\$0	\$208,147
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$3,057,022	\$0	\$3,057,022
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$16,140		-\$16,140
11180 Unit Months Available	1032		1032
11210 Number of Unit Months Leased	1003		1003
11270 Excess Cash	\$1,800,648		\$1,800,648
11620 Building Purchases	\$43,872	\$0	\$43,872

SINGLE AUDIT SECTION

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2024

<u>Federal Grantor</u>	<u>Assistance Listing</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Public and Indian Housing:		
Operating subsidy	14.850	\$ 151,757
Capital Funds		
Public Housing Capital Fund	14.872	<u>271,248</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		<u><u>\$ 423,005</u></u>
U.S. DEPARTMENT OF AGRICULTURE		
Rural Rental Housing Loan Program:		
Loan balance	10.415	419,396
Interest subsidy	10.415	<u>16,652</u>
		436,048
Rural Rental Housing Assistance Program:		
Rental assistance	10.427	<u>55,059</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>491,107</u>
TOTAL FEDERAL AWARDS		<u><u>\$ 914,112</u></u>

Notes to Schedule

1. The Schedule of Expenditures of Federal Awards includes the federal grant activity for the year ended December 31, 2024 and is presented in accordance with generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

2. The entity did not elect to use the 10% de minimus cost rate as covered by §200.414 Indirect (F&A) Costs.

3. The Authority had a loan balance of \$412,372 under the Rural Rental Housing Loan Program as of December 31, 2024.

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

**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 Morgan, 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 Morgan, Colorado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Fort Morgan, Colorado's basic financial statements, and have issued our report thereon dated May 12, 2025.

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 Morgan, 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 Morgan, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Fort Morgan, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Fort Morgan, 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*.

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
May 12, 2025

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

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Fort Morgan, Colorado's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Fort Morgan, Colorado's major federal programs for the year ended December 31, 2024. The Housing Authority of the City of Fort Morgan, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority of the City of Fort Morgan, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority of the City of Fort Morgan, Colorado's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting

material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Authority of the City of Fort Morgan, Colorado's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Niewedde & Wiens, CPA's

York, Nebraska
May 12, 2025

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2024**

The audit report for the year ended December 31, 2023 contained no findings and no questioned costs.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2024

Section I - Summary of Auditors Results:

- We issued an unmodified opinion on the financial statements of the Housing Authority of the City of Fort Morgan, Colorado for the fiscal year ended December 31, 2024.

Financial Statements:

- The results of our audit procedures disclosed no material weakness in internal control over financial reporting for the year ended December 31, 2024.
- The results of our audit procedures disclosed no instances of noncompliance which are material to the financial statements for the fiscal year ended December 31, 2024.

Federal Awards:

- We issued an unmodified opinion on compliance for major programs for the fiscal year ended December 31, 2024.
- The results of our audit procedures disclosed no material weaknesses or significant deficiencies in internal control over major programs for the fiscal year ended December 31, 2024.
- The results of our audit procedures disclosed no audit findings that are required to be reported under §.516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- The programs identified and audited as major are as follows: Capital Fund Grant Program, Federal Assistance Listing #14.872.
- The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- For the fiscal year ended December 31, 2024, the Housing Authority of the City of Fort Morgan, Colorado qualified as a low-risk auditee.

Section II - Financial Statement Findings:

No Section II findings.

Section III - Federal Award Findings and Questioned Costs:

No Section III findings.

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 Morgan, 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, 2024. 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 Morgan, 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, 2024. 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:

Procedures	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 Listing numbers, if applicable.	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-50)	Schedule of Findings and Questioned Costs, Part 1 and OMD Data Collection Form.	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Agrees

Procedures	UFRS Rule Information	Hard Copy Document(s)	Findings
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

We were engaged by Housing Authority of the City of Fort Morgan, 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 Morgan, 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 Housing Authority of the City of Fort Morgan, 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 in accordance with 2 CFR 200, Subpart F, *Audit Requirements* for the Housing Authority of the City of Fort Morgan, Colorado as of and for the year ended December 31, 2024, and have issued our report thereon dated May 12, 2025. 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 Morgan, Colorado's Financial Data Schedule dated May 12, 2025, was expressed in relation to the basic financial statements of the Housing Agency 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 Morgan, 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 Agency 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
May 12, 2025