

LAS ANIMAS / BENT COUNTY HOUSING AUTHORITY

Financial Statements

With Independent Auditor's Report

December 31, 2024

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Las Animas / Bent County Housing Authority
Las Animas / Bent County, Colorado

Opinions

We have audited the accompanying financial statements of Las Animas / Bent County Housing Authority as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Las Animas / Bent County Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Las Animas / Bent County Housing Authority as of December 31, 2024, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Las Animas / Bent County Housing Authority 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Animas / Bent County Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known 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 generally accepted auditing standards, 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

PO Box 1576
Fort Collins, CO 80522

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

In performing an audit in accordance with generally accepted auditing standards 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 of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Las Animas / Bent County Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Animas / Bent County Housing Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Las Animas / Bent County Housing Authority's basic financial statements. The Combining 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*, as listed in the table of contents, 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 was 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 Combining Schedules, Financial Data Schedules, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2025 on our consideration of the Las Animas / Bent County Housing Authority'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 Las Animas / Bent County Housing Authority'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 Las Animas / Bent County Housing Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gurn + Associates LLC". The signature is written in black ink and is positioned above the typed address and date.

Fort Collins, Colorado
September 29, 2025

Management Discussion and Analysis

Management Discussion and Analysis

As management of the Las Animas / Bent County Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2024.

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statement. The Authority's financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial Statements The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as an underlying event giving rise to the change occurs, regardless of the time of related cash flows.

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority one proprietary enterprise fund that consists of three housing and grant programs which are described in Note 1 to Financial Statements.

Notes to the Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on pages 9 to 16 of this report.

Financial Analysis

As noted, net position may, over time serve as a useful indicator of the Authority's financial position. The Liabilities of the Authority exceeded its assets at the close of the most recent fiscal year by \$77,388.

The largest portion of the Authority's net position is restricted for future uses such as renovation of current assets and funding of housing assistance payments.

Condensed Statement of Net Position

	2024	2023	Increase (Decrease)
ASSETS			
Cash and equivalents	\$ 184,001	\$ 181,500	\$ 2,501
Other current assets	24,190	28,478	(4,288)
Capital assets	261,463	291,722	(30,259)
Total Assets	<u>469,654</u>	<u>501,700</u>	<u>(32,046)</u>
LIABILITIES			
Current liabilities	105,193	121,071	(15,878)
Long term liabilities	441,849	486,953	(45,104)
Total liabilities	<u>547,042</u>	<u>608,024</u>	<u>(60,982)</u>
NET POSITION			
Net investment in capital assets	(218,774)	(225,288)	6,514
Restricted	104,116	104,960	(844)
Unrestricted	37,270	14,004	23,266
Total Net Position	<u>\$ (77,388)</u>	<u>\$ (106,324)</u>	<u>\$ 28,936</u>

Current and other assets are decreased due to the payment of debt.

Long term liabilities decreased due to the payment of long-term debt.

Condensed Statement of Activities

	2024	2023	Increase (Decrease)
Revenue:			
Operating Revenue	\$ 361,750	\$ 329,778	\$ 31,972
Non Operating Revenue	654,651	542,807	111,844
Interest Income	714	556	158
Total Revenue	<u>1,017,115</u>	<u>873,141</u>	<u>143,974</u>
Expenses:			
Operating Expenses	299,614	283,530	16,084
Housing Assistance Payments	655,486	562,739	92,747
Interest Expense and loan costs	33,079	39,401	(6,322)
Total Expenses	<u>988,179</u>	<u>885,670</u>	<u>102,509</u>
Change in Net Position	28,936	(12,529)	41,465
Net Position-Beginning	(106,324)	(93,795)	(12,529)
Net Position-Ending	<u>\$ (77,388)</u>	<u>\$ (106,324)</u>	<u>\$ 28,936</u>

Operating revenue increased by \$31,972 due to a decrease in vacancy rates. Operating expenses increased by \$16,084 from the prior year due to an increase in maintenance of buildings and management costs which. The Authority had an increase in net position of \$28,936.

Condensed Statement of Cash Flows

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Cash from (for) Operating Activities	\$ 80,944	\$ 66,496	\$ 14,448
Cash from Non Capital Financing Activities	(835)	(19,932)	19,097
Cash from (for) Capital and Related Financing Activities	(78,322)	24,237	(102,559)
Cash from (for) Investing Activities	714	556	158
Increase (Decrease)	<u>2,501</u>	<u>71,357</u>	<u>(68,856)</u>
Cash and Cash Equivalents, Beginning of Year	<u>181,500</u>	<u>110,143</u>	<u>71,357</u>
Cash and Cash Equivalents, End of Year	<u>\$ 184,001</u>	<u>\$ 181,500</u>	<u>\$ 2,501</u>

Capital Asset and Debt Administration

Capital Assets. The Authority's net capital assets as of December 31, 2024, amounts to \$261,436 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment. The Authority's capital expenditure during fiscal year 2024 were \$0. The Authority did not dispose of any capital assets during the year. Additional information on capital assets can be found in note 5 to the accompanying financial statements.

Long Term Debt

At the end of the year, the Authority had outstanding long-term debt of \$486,950. The changes in long term debt were the scheduled payments of principal. The Authority did not issue any additional long-term debt. Additional information on Long-Term Debt can be found in note 5.

Economic Factors and Next Year's Revenue

The Authority does not receive any revenue by taxes. The Authority is not expected to receive another capital contribution in 2024. It is anticipated that vacancy rates will decrease which will increase rental revenues. The remaining revenues are expected to remain similar as the prior year.

Request for Information

This financial report is designed to provide an overview of the Las Animas/Bent County Housing Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Authority's Executive Director, 326 Prowers Ct, PO Box 247, Las Animas, CO 81054.

Basic Financial Statements

Las Animas / Bent County Housing Authority
Statement of Net Position
December 31, 2024

ASSETS

Current Assets

Cash and cash equivalents - unrestricted	\$	89,462
Cash security deposits		20,866
Accounts receivable, net		4,523
Other receivables		7,173
Escrow accounts		5,442
Prepaid expenses		7,052
Cash - restricted		73,673

Total Current Assets		208,191
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Capital assets

Land		82,007
Buildings		1,784,233
Machinery and equipment		65,006
Less: accumulated depreciation		(1,669,783)

Net Capital Assets		261,463
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Total Assets		469,654
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LIABILITIES

Current Liabilities

Accounts payable		36,117
Accrued interest		208
Tenant security deposits		20,866
Accrued payroll taxes		2,901
Long term debt - current portion		45,101
Total Current Liabilities		105,193

Long Term Liabilities

Long term debt		441,849
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Total Long Term Liabilities		441,849
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Total Liabilities		547,042
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Net Position

Net investment in capital assets		(218,774)
Restricted for HAP		51,003
Restricted - other		53,113
Unrestricted		37,270

Total Net Position	\$	(77,388)
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Las Animas / Bent County Housing Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2024

Operating Revenues	
Dwelling Rental - Net	\$ 105,136
Rental subsidy	166,555
Administrative fee	89,255
Miscellaneous revenue	804
Total Operating Revenues	361,750
 Operating Expenses	
General and Administrative	134,821
Utilities	35,481
Maintenance and Operation	99,053
Depreciation and Amortization	30,259
Total Operating Expenses	299,614
Operating Income (Loss)	62,136
 Non-Operating Revenues (Expenses)	
HUD Contributions and Grants	654,651
Housing Assistance Payments	(655,486)
Interest Expense and Loan Issuance Costs	(33,079)
Interest Income	714
Total Non-Operating Revenues (Expenses)	(33,200)
Change in Net Position	28,936
Net Position, Beginning of Year	(106,324)
Net Position, End of Year	\$ (77,388)

Las Animas / Bent County Housing Authority
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash Flows From Operating Activities:	
Cash Received from Tenants and Subsidies	\$ 364,519
Cash Payments to Tenants and Suppliers	(283,575)
Net Cash Provided For Operating Activities	80,944
 Cash Flows From Noncapital Financing Activities:	
HUD Contributions and Grants	654,651
Housing Assistance Payments	(655,486)
Net Cash Provided by Non-Capital Financing Activities	(835)
 Cash Flows From Capital and Related Financing Activities:	
Repayment of Notes and Mortgage	(45,173)
Interest Expense	(33,149)
Net Cash (Used) by Capital and Related Financing Activities	(78,322)
 Cash Flows from Investing Activities:	
Interest Income	714
Net Cash Provided by Investing Activities	714
Net increase in Cash and Cash Equivalents	2,501
Cash and Cash Equivalents, Beginning	181,500
Cash and Cash Equivalents, Ending	\$ 184,001
 Detail of cash and cash equivalents:	
Cash - Unrestricted	89,462
Cash - Security Deposits	20,866
Cash-Restricted	73,673
Total	\$ 184,001
 Reconciliation of Operating Income to Net	
Cash Used for Operating Activities:	
Operating (Loss)	62,136
Adjustments to Reconcile Operating Loss to	
Net Cash Used for Operating Activities:	
Depreciation and Amortization	30,259
Changes in Assets and Liabilities:	
Accounts Receivable	573
Other Receivables	308
Prepaid Expenses and Escrow	3,407
Accounts Payable	(17,627)
Security Deposits	1,888
Net Cash Provided for Operating Activities	80,944

Las Animas / Bent County Housing Authority
Notes to the Financial Statements
December 31, 2024

Note 1 Summary of Significant Accounting Policies

The Las Animas / Bent County Housing Authority (the Authority) was established in 1976 by the City of Las Animas, Colorado and Bent County, Colorado. The Authority is operated by a Board of Commissioners.

The accounting policies of the Authority conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority follows all pronouncements issued by GASB. The more significant of the Authority's policies are described below. The Authority does not have any employees and all operations are contracted.

Financial Reporting Entity

The Authority follows the Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Based upon the application of these criteria, no entities will be included in the Authority's reporting entity. The Las Animas / Bent County Housing Authority is not a component unit of any other entities.

Basis of Accounting

Enterprise fund accounting is utilized by the Authority in accordance with accounting principles generally accepted in the United States of America. Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets. Retirement of bonds is recorded as a reduction of liabilities.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, cost incurred and/or net income is necessary for management accountability. All assets, deferred inflows, liabilities, deferred outflows associated with the operation of the Authority are included in the statement of net position. The principal operating revenues of the Authority are rental revenues received from tenants and rental subsidies received from government agencies.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprises fund is charges for providing low-income housing. Operating expenses for the enterprise fund include the cost of providing low-income housing, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2024

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of Accounting (continued)

The Authority follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* as amended by Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* and Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These statements establish standards for external financial reporting for all state and local governmental entities which includes a management’s discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. It requires the classification of net position into three components: net investment in capital assets; restricted; and unrestricted.

The Authority presents its activities as a single enterprise proprietary fund and its primary operations are comprised of a number of grant programs as follows:

State and Local Program accounts for the financial activities associated with 12 houses situated in the City of Las Animas, which were constructed with the bond proceeds.

Rural Development Program accounts for the financial activities associated with 10 Farm Labor Housing Units.

Housing Choice Vouchers Program accounts for the financial activities associated with Section 8 Housing Choice Vouchers.

Deferred Outflows / Inflows of Resources

The Authority implemented the provisions of GASB No. 65 *Items Previously Reported as Assets and Liabilities* (GASB 65). As a result, in addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Assets, Liabilities and Net Position

Investments - Investments are recorded at fair value, which approximates cost.

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

Capital assets - These consist of all property, plant and equipment. The Authority defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or estimated historical cost if donated.

Depreciation of all exhaustible capital assets is charged as expense against operations. Accumulated depreciation is reported on the balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20 - 50 years
Improvements	10 - 20 years
Equipment	1 - 20 years

Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2024

Note 1 Summary of Significant Accounting Policies (Continued)

Restricted Assets - Certain resources are set restricted for future uses and are classified as restricted cash and cash equivalents on the balance sheet in the amount of \$73,673 because they are restricted by loan covenants or grant requirements. Of this amount \$53,113 is restricted for capital projects in the farm labor program. The Authority receives payments in advance that are designated for housing assistance by the Department of Housing and Urban Development. These amounts are shown as restricted cash on the Statement of Net Position in the amount of \$20,560. At December 31, 2024 the Authority did not have enough cash to cover the restricted fund balance related to the housing choice vouchers. The Authority had \$20,866 of cash restricted for tenant security deposits at December 31, 2024.

Short-Term Inter-program Receivables/Payables and Transfers - During the course of operations, transactions may occur between individual programs for the goods provided or services rendered. These receivables and payables are classified as due from other programs or due to other programs on the balance sheet and have been eliminated in the government wide statement of net position. The outstanding balances between programs result mainly from the time lag between the dates that (1) transactions are recorded in the accounting system, and (2) payments between programs are made. The composition of inter program balances is as follows:

Program	Farm Labor	HUD	State & Local	Total
Farm labor	\$ -	\$ (3,237)	\$ (97,932)	\$ (101,169)
HUD	3,237	-	435	3,672
State & Local	97,932	(435)	-	97,497
Total	\$ 101,169	\$ (3,672)	\$ (97,497)	\$ -

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

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net positions are available for future operations or distributions. The Authority utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes. As of December 31, 2024 the Authority had a deficit in unrestricted net position.

As of December 31, 2024 the Authority reported a deficit net position of \$(77,388).

Cash Equivalents

For purposes of the financial statements, including the statement of cash flows, cash equivalents are defined as investments (including restricted assets) with maturity of three months or less at date of acquisition. The Authority considers certificates of deposit with maturities of more than three months at date of purchase as investments.

Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2024

Note 1 Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end. The Authority adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The Authority Board must approve revisions that alter total expenditures by fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Authority Board or revised by the Authority Board.

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2024, the Authority's cash deposits had a carrying balance of \$184,001 and a corresponding bank balance of \$188,324 all of which was insured by the Federal Deposit Insurance Corporation, respectively.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2024, none of the Authority's bank deposits were exposed to custodial credit risk.

**Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2024**

Note 2 Cash and Investments (Continued)

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

- Obligations of the United States and certain United States government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities.
- Bankers' acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

The Authority does not have a formal investment policy.

Note 3 Accounts Receivable

Accounts receivable balance at December 31, 2024, was comprised of the following:

Program	Subsidy and Other Receivable	Tenants Receivable	Allowance for Bad Debt	Receivable Net of Allowance
State & Local	\$ 7,173	\$ 5,793	\$ (3,838)	\$ 9,128
HCV	-	-	-	-
Rural Development	-	2,775	(207)	2,568
Total	<u>\$ 7,173</u>	<u>\$ 8,568</u>	<u>\$ (4,045)</u>	<u>\$ 11,696</u>

Note 4 Fixed Assets

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

	Balance at 12/31/2023	Additions	Deletions	Balance at 12/31/2024
Nondepreciable				
Land	\$ 82,007	\$ -	\$ -	\$ 82,007
Total Nondepreciable	<u>82,007</u>	<u>-</u>	<u>-</u>	<u>82,007</u>
Depreciable				
Buildings and improvements	1,784,233	-	-	1,784,233
Machinery and equipment	65,006	-	-	65,006
Total Depreciable	<u>1,785,760</u>	<u>-</u>	<u>-</u>	<u>1,849,239</u>
TOTAL	<u>1,867,767</u>	<u>-</u>	<u>-</u>	<u>1,931,246</u>
Less Accumulated Depreciation	<u>(1,639,524)</u>	<u>(30,259)</u>	<u>-</u>	<u>(1,669,783)</u>
Total Accumulated Depreciation	<u>(1,525,782)</u>	<u>(30,259)</u>	<u>-</u>	<u>(1,669,783)</u>
Net Capital Assets	<u>\$ 341,985</u>	<u>\$ (30,259)</u>	<u>\$ -</u>	<u>\$ 261,463</u>

Depreciation expense charged to business activities for the year ended December 31, 2024 was \$30,259.

**Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2024**

Note 5 Notes Payable

On May 30, 2023 the Authority entered into a promissory note with First National bank of Las Animas totaling \$400,000. The note carries a variable interest rate. For the first 60 months the rate will be 7.72%, thereafter the interest rate is subject to change based on the First National Bank Ag/Commercial variable rate. Out of the note proceeds the Authority paid off the 2014 Series loan totaling \$140,156, the Total Concept loan totaling \$117,853 and used the balance of funds for operations and improvements to the building. Due to the variable nature of the loan a future amortization schedule cannot be determined.

On October 25, 1995, the authority obtained a First Mortgage Construction Loan (“loan”) from Colorado Housing and Finance Authority (CHFA) in the amount of \$159,000 bearing 8% interest rate. The loan proceeds were used to construct the 10 Farm labor units in the Bent County. On March 28, 1997, the loan was converted to a permanent 30-year first mortgage payable monthly with principal and interest beginning May 1, 1997. The rate of interest on loan was 7.5%. The loan is secured by 10 Farm Labor units.

Effective January 1, 2002 CHFA agreed to reduce the interest rate to 6.5 percent. On January 1, 2013 CHFA issued a 6-month forbearance and capitalized the interest from that time period. Regular payments resumed on July 1, 2013 with a maturity date of April 1, 2027. As of December 31, 2024, future payments were as follows:

Year	Principal	Interest	Total
2025	\$ 11,391	\$ 1,470	\$ 12,861
2026	12,154	707	12,861
2027	4,229	57	12,861
Total	<u>\$ 27,774</u>	<u>\$ 2,234</u>	<u>\$ 38,583</u>

On October 25, 1995, the Authority obtained a second mortgage loan from United States Department of Agriculture, Farmers Home Administration, in the amount of \$420,200. The loan is secured by second mortgage lien on 10 farm labor housing units and the revenues derived from rents from the property. On September 1, 2024 the Authority entered into a reamortization agreement on the loan which extended its payments until October 1, 2028. The loan has an interest rate of 1% and payments of \$1,477 due monthly. As of December 31, 2024, future payments were as follows:

Year	Principal	Interest	Total
2025	\$ 17,131	\$ 593	\$ 17,724
2026	17,303	421	17,724
2027	17,477	242	17,724
2028	14,699	67	14,766
Total	<u>\$ 66,610</u>	<u>\$ 1,323</u>	<u>\$ 67,938</u>

During 2014 HUD conducted an audit of the Authority’s Housing Choice Vouchers program. As a result of this review HUD has determined that funding from prior years designated for housing assistance payments were used for unallowable purposes. On May 28, 2014 the Authority executed a formal repayment agreement with HUD. The Authority is required to repay \$700 per month to the housing choice voucher program until the balance is repaid in full, with payments beginning on July 1, 2014 and the term not to exceed a 15-year period at 0% interest.

**Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2024**

Note 5 Notes Payable (Continued)

Year	Principal	Interest	Total
2025	\$ 6,713	\$ -	\$ 6,713
Total	<u>\$ 6,713</u>	<u>\$ -</u>	<u>\$ 6,713</u>

Changes in long term debt for the year ending December 31, 2024 were as follows:

	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Amounts Due Within One Year
CHFA	\$ 38,450	\$ -	\$ 10,676	\$ 27,774	\$ 11,391
USDA	83,572	-	16,962	66,610	17,131
First National Bank	394,988	-	9,135	385,853	9,866
HUD	15,113	-	8,400	6,713	6,713
Total Long-term Debt	<u>\$ 496,255</u>	<u>\$ -</u>	<u>\$ 45,173</u>	<u>\$ 486,950</u>	<u>\$ 45,101</u>

Note 6 Tax, Spending, and Debt Limitation

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded, unless the local electorate votes to retain the revenue. The Tabor Amendment is subject to many interpretations; however, the Authority believes it is exempt because it receives no taxes and is funded primarily by federal grants and contributions.

Note 7 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 disaster. These risks are covered by commercial insurance purchased from independent insurance companies. Settled claims for these risks have not exceeded commercial insurance coverage's in the past three years.

Note 8 Claims and Judgments and Subsequent Events

The Authority participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government.

Other Supplemental Information

Las Animas / Bent County Housing Authority
Combining Schedule of Program Net Position
December 31, 2024

	State & Local	Housing Choice Vouchers	Rural Development	Total
ASSETS				
Current Assets				
Cash and cash equivalents - unrestricted	\$ 81,953	\$ -	\$ 7,509	\$ 89,462
Cash security deposits	9,606	-	11,260	20,866
Accounts receivable, net	1,955	-	2,568	4,523
Other receivables	7,173	-	-	7,173
Prepaid expenses	-	7,052	-	7,052
Escrow accounts	-	-	5,442	5,442
Due from other programs	97,932	3,672	-	101,604
Cash - restricted	-	20,560	53,113	73,673
Total Current Assets	<u>198,619</u>	<u>31,284</u>	<u>79,892</u>	<u>309,795</u>
Capital assets				
Land	79,007	3,000	-	82,007
Buildings	1,123,169	22,000	639,064	1,784,233
Machinery and equipment	26,674	31,798	6,534	65,006
Less: accumulated depreciation	<u>(1,016,937)</u>	<u>(38,266)</u>	<u>(614,580)</u>	<u>(1,669,783)</u>
Net Capital Assets	<u>211,913</u>	<u>18,532</u>	<u>31,018</u>	<u>261,463</u>
Total Assets	<u>410,532</u>	<u>49,816</u>	<u>110,910</u>	<u>571,258</u>
LIABILITIES				
Current Liabilities				
Accounts payable	2,412	28,770	4,935	36,117
Accrued interest	-	-	208	208
Tenant security deposits	9,606	-	11,260	20,866
Accrued payroll taxes	2,901	-	-	2,901
Due to other programs	435	-	101,169	101,604
Long term debt - current portion	9,866	6,713	28,522	45,101
Total Current Liabilities	<u>25,220</u>	<u>35,483</u>	<u>146,094</u>	<u>206,797</u>
Long Term Liabilities				
Long term debt	375,987	-	65,862	441,849
Total Long Term Liabilities	<u>375,987</u>	<u>-</u>	<u>65,862</u>	<u>441,849</u>
Total Liabilities	<u>401,207</u>	<u>35,483</u>	<u>211,956</u>	<u>648,646</u>
Net Position				
Net investment in capital assets	(173,940)	18,532	(63,366)	(218,774)
Restricted for HAP	-	51,003	-	51,003
Restricted - other	-	-	53,113	53,113
Unrestricted	183,265	(55,202)	(90,793)	37,270
Total Net Position	<u>\$ 9,325</u>	<u>\$ 14,333</u>	<u>\$ (101,046)</u>	<u>\$ (77,388)</u>

Las Animas / Bent County Housing Authority
Combining Schedule of Program Revenues, Expenses and Changes in Net Position
December 31, 2024

	State & Local	Housing Choice Vouchers	Rural Development	Total
Operating Revenues				
Dwelling Rental - Net	\$ 82,757	\$ -	\$ 22,379	\$ 105,136
Rental Subsidy	65,350	-	101,205	166,555
Administrative Fee	-	89,255	-	89,255
Miscellaneous Revenue	-	-	804	804
Total Operating Revenues	<u>148,107</u>	<u>89,255</u>	<u>124,388</u>	<u>361,750</u>
Operating Expenses				
General and Administrative	36,192	73,899	24,730	134,821
Utilities	21,839	1,695	11,947	35,481
Maintenance and Operation	55,358	5,448	38,247	99,053
Depreciation and Amortization	23,220	4,198	2,841	30,259
Total Operating Expenses	<u>136,609</u>	<u>85,240</u>	<u>77,765</u>	<u>299,614</u>
Operating Income (Loss)	11,498	4,015	46,623	62,136
Non-Operating Revenues (Expenses)				
HUD Contributions and Grants	-	654,651	-	654,651
Housing Assistance Payments	-	(655,486)	-	(655,486)
Interest Expense and Loan Issuance Costs	(30,206)	-	(2,873)	(33,079)
Interest Income	225	3	486	714
Total Non-Operating Revenues (Expenses)	<u>(29,981)</u>	<u>(832)</u>	<u>(2,387)</u>	<u>(33,200)</u>
Change in Net Position	(18,483)	3,183	44,236	28,936
Net Position, Beginning of Year	27,808	11,150	(145,282)	(106,324)
Net Position, End of Year	<u>\$ 9,325</u>	<u>\$ 14,333</u>	<u>\$ (101,046)</u>	<u>\$ (77,388)</u>

Las Animas Housing Authority (CO024)
Las Animas, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$81,953			\$7,509	\$89,462		\$89,462
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted			\$20,560	\$53,113	\$73,673		\$73,673
114 Cash - Tenant Security Deposits	\$9,606			\$11,260	\$20,866		\$20,866
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$91,559	\$0	\$20,560	\$71,882	\$184,001	\$0	\$184,001
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government	\$7,173			\$691	\$7,864		\$7,864
125 Accounts Receivable - Miscellaneous							
126 Accounts Receivable - Tenants	\$5,793			\$2,084	\$7,877		\$7,877
126.1 Allowance for Doubtful Accounts - Tenants	-\$3,838			-\$207	-\$4,045		-\$4,045
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud							
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$9,128	\$0	\$0	\$2,568	\$11,696	\$0	\$11,696
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets			\$7,052	\$5,442	\$12,494		\$12,494
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From	\$97,932		\$3,673	\$0	\$101,605	-\$101,604	\$1
145 Assets Held for Sale							
150 Total Current Assets	\$198,619	\$0	\$31,285	\$79,892	\$309,796	-\$101,604	\$208,192
161 Land	\$79,007		\$3,000		\$82,007		\$82,007
162 Buildings	\$1,123,169		\$22,000	\$639,064	\$1,784,233		\$1,784,233
163 Furniture, Equipment & Machinery - Dwellings	\$26,674			\$6,534	\$33,208		\$33,208
164 Furniture, Equipment & Machinery - Administration	\$0		\$31,798		\$31,798		\$31,798
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$1,016,937		-\$38,266	-\$614,580	-\$1,669,783		-\$1,669,783
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$211,913	\$0	\$18,532	\$31,018	\$261,463	\$0	\$261,463
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets							
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$211,913	\$0	\$18,532	\$31,018	\$261,463	\$0	\$261,463
200 Deferred Outflow of Resources							
290 Total Assets and Deferred Outflow of Resources	\$410,532	\$0	\$49,817	\$110,910	\$571,259	-\$101,604	\$469,655
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$2,412		\$19,582	\$4,935	\$26,929		\$26,929
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$2,901		\$9,188		\$12,089		\$12,089
322 Accrued Compensated Absences - Current Portion							
324 Accrued Contingency Liability							
325 Accrued Interest Payable				\$208	\$208		\$208
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government							
341 Tenant Security Deposits	\$9,606			\$11,260	\$20,866		\$20,866
342 Unearned Revenue							
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$9,133		\$6,713	\$28,522	\$44,368		\$44,368
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To	\$435			\$101,169	\$101,604	-\$101,604	\$0
348 Loan Liability - Current							
310 Total Current Liabilities	\$24,487	\$0	\$35,483	\$146,094	\$206,064	-\$101,604	\$104,460

Las Animas Housing Authority (CO024)
Las Animas, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$376,720			\$65,862	\$442,582		\$442,582
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current							
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities							
350 Total Non-Current Liabilities	\$376,720	\$0	\$0	\$65,862	\$442,582	\$0	\$442,582
300 Total Liabilities	\$401,207	\$0	\$35,483	\$211,956	\$648,646	-\$101,604	\$547,042
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	-\$173,940	\$0	\$18,532	-\$63,366	-\$218,774		-\$218,774
511.4 Restricted Net Position	\$0	\$0	\$51,003	\$53,113	\$104,116		\$104,116
512.4 Unrestricted Net Position	\$183,265	\$0	-\$55,201	-\$90,793	\$37,271		\$37,271
513 Total Equity - Net Assets / Position	\$9,325	\$0	\$14,334	-\$101,046	-\$77,387	\$0	-\$77,387
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$410,532	\$0	\$49,817	\$110,910	\$571,259	-\$101,604	\$469,655

Las Animas Housing Authority (CO024)
Las Animas, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$82,757			\$22,379	\$105,136		\$105,136
70400 Tenant Revenue - Other				\$804	\$804		\$804
70500 Total Tenant Revenue	\$82,757	\$0	\$0	\$23,183	\$105,940		\$105,940
70600 HUD PHA Operating Grants			\$743,906		\$743,906		\$743,906
70610 Capital Grants							
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue							
70800 Other Government Grants	\$65,350			\$101,205	\$166,555		\$166,555
71100 Investment Income - Unrestricted	\$225			\$486	\$711		\$711
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery							
71500 Other Revenue							
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted			\$5		\$5		\$5
70000 Total Revenue	\$148,332	\$0	\$743,911	\$124,874	\$1,017,117		\$1,017,117
91100 Administrative Salaries	\$11,193		\$29,584	\$11,189	\$51,966		\$51,966
91200 Auditing Fees	\$1,973		\$10,697	\$1,480	\$14,150		\$14,150
91300 Management Fee	\$12,906		\$9,600	\$10,374	\$32,880		\$32,880
91310 Book-keeping Fee	\$2,230				\$2,230		\$2,230
91400 Advertising and Marketing							
91500 Employee Benefit contributions - Administrative	\$932		\$3,647		\$4,579		\$4,579
91600 Office Expenses	\$1,688		\$20,372	\$875	\$22,935		\$22,935
91700 Legal Expense				\$607	\$607		\$607
91800 Travel							
91810 Allocated Overhead							
91900 Other	\$113				\$113		\$113
91000 Total Operating - Administrative	\$31,035	\$0	\$73,900	\$24,525	\$129,460		\$129,460
92000 Asset Management Fee							
92100 Tenant Services - Salaries							
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services							
92400 Tenant Services - Other							
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0		\$0
93100 Water	\$8,621		\$142	\$6,597	\$15,360		\$15,360
93200 Electricity	\$1,387		\$1,274	\$1,600	\$4,261		\$4,261
93300 Gas	\$151			\$31	\$182		\$182
93400 Fuel							
93500 Labor							
93600 Sewer	\$7,524		\$136	\$704	\$8,364		\$8,364
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense	\$4,156		\$143	\$3,016	\$7,315		\$7,315
93000 Total Utilities	\$21,839	\$0	\$1,695	\$11,948	\$35,482		\$35,482
94100 Ordinary Maintenance and Operations - Labor	\$9,884			\$8,543	\$18,427		\$18,427
94200 Ordinary Maintenance and Operations - Materials and Other	\$16,289		\$492	\$14,817	\$31,598		\$31,598
94300 Ordinary Maintenance and Operations Contracts	\$50			\$1,750	\$1,800		\$1,800
94500 Employee Benefit Contributions - Ordinary Maintenance				\$932	\$932		\$932
94000 Total Maintenance	\$26,223	\$0	\$492	\$26,042	\$52,757		\$52,757
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0		\$0
96110 Property Insurance	\$28,896			\$10,926	\$39,822		\$39,822
96120 Liability Insurance							
96130 Workmen's Compensation			\$1,878	\$1,277	\$3,155		\$3,155
96140 All Other Insurance			\$3,048		\$3,048		\$3,048

Las Animas Housing Authority (CO024)
Las Animas, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2024

	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
96100 Total Insurance Premiums	\$28,896	\$0	\$4,926	\$12,203	\$46,025		\$46,025
96200 Other General Expenses	\$241		\$30	\$1	\$272		\$272
96210 Compensated Absences							
96300 Payments in Lieu of Taxes							
96400 Bad debt - Tenant Rents	\$5,156			\$205	\$5,361		\$5,361
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	\$5,397	\$0	\$30	\$206	\$5,633		\$5,633
96710 Interest of Mortgage (or Bonds) Payable	\$30,206			\$2,873	\$33,079		\$33,079
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs							
96700 Total Interest Expense and Amortization Cost	\$30,206	\$0	\$0	\$2,873	\$33,079		\$33,079
96900 Total Operating Expenses	\$143,596	\$0	\$81,043	\$77,797	\$302,436		\$302,436
97000 Excess of Operating Revenue over Operating Expenses	\$4,736	\$0	\$662,868	\$47,077	\$714,681		\$714,681
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			\$655,486		\$655,486		\$655,486
97350 HAP Portability-In							
97400 Depreciation Expense	\$23,219		\$4,198	\$2,841	\$30,258		\$30,258
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$166,815	\$0	\$740,727	\$80,638	\$988,180		\$988,180
10010 Operating Transfer In							
10020 Operating Transfer Out							
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In							
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$18,483	\$0	\$3,184	\$44,236	\$28,937		\$28,937
11020 Required Annual Debt Principal Payments	\$9,133	\$0	\$0	\$28,522	\$37,655		\$37,655
11030 Beginning Equity	\$27,808	\$0	\$11,150	-\$145,282	-\$106,324		-\$106,324
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity			-\$36,669		-\$36,669		-\$36,669
11180 Housing Assistance Payments Equity			\$51,003		\$51,003		\$51,003
11190 Unit Months Available	168		1524	120	1812		1812
11210 Number of Unit Months Leased	167		1196	113	1476		1476
11270 Excess Cash							
11610 Land Purchases							
11620 Building Purchases							
11630 Furniture & Equipment - Dwelling Purchases							
11640 Furniture & Equipment - Administrative Purchases							
11650 Leasehold Improvements Purchases							
11660 Infrastructure Purchases							
13510 CFFP Debt Service Payments							
13901 Replacement Housing Factor Funds							

SINGLE AUDIT SECTION

Green & Associates LLC

Certified Public Accountants & Business Consultants

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

To the Board of Commissioners

Las Animas / Bent County Housing Authority

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 Las Animas / Bent County Housing Authority, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Las Animas / Bent County Housing Authority's basic financial statements, and have issued our report thereon dated September 29, 2025.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

A handwritten signature in black ink that reads "Gurn + Associates LLC". The signature is written in a cursive, flowing style.

Fort Collins, Colorado
September 29, 2025

Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE UNIFORM GUIDANCE

To the Board of Commissioners
Las Animas / Bent County Housing Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Las Animas / Bent County Housing Authority'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 Las Animas / Bent County Housing Authority's major federal programs for the year ended December 31, 2024. Las Animas / Bent County Housing Authority'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, Las Animas Housing / Bent County Authority complied, in all material respects, with the 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 Las Animas / Bent County Housing Authority 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 Las Animas / Bent County Housing Authority'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 Las Animas / Bent County Housing Authority's federal programs.

PO Box 1576
Fort Collins, CO 80522

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

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 Las Animas Housing Authority'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 Las Animas / Bent County Housing Authority'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 Las Animas Housing Authority'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 Las Animas Housing Authority'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 Las Animas / Bent County Housing Authority'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Las Animas / Bent County Housing Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Las Animas / Bent County Housing Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be material weaknesses.

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.



Fort Collins, Colorado
September 29, 2025

**Las Animas / Bent County Housing Authority
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Federal Award Expenditures
U.S. Department of Housing and Urban Development (HUD)		
Housing Choice Vouchers (Housing Voucher Cluster)	14.871	\$ 744,741
Total Housing Voucher Cluster and HUD		<u>744,741</u>
U.S. Department of Agriculture		
Rural Development-Rental Assistance	10.427	101,205
Rural Development Loan	10.415	83,571
Total U.S. Department of Agriculture		<u>184,776</u>
Total Federal Awards Expended		<u><u>\$ 929,517</u></u>

There were no federal awards passed through to sub recipients in the current year.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Las Animas / Bent County Housing Authority. All federal financial assistance received by the reporting entity directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule.

Basis of presentation

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Federal financial assistance provided to sub recipients is treated as an expenditure when it is paid to the sub recipient.

Las Animas / Bent County Housing Authority uses the de minimis indirect cost rate of 10%.

Loan Guarantees

The Authority had one loan that was guaranteed by the U.S. Department of Agriculture. The ending balance of each of the loan at December 31, 2024 was \$66,610.

Las Animas / Bent County Housing Authority
Schedule of Findings and Questioned Costs (Continued)
December 31, 2024

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material Weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? Yes None reported

Noncompliance material to financial

- statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material Weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? Yes None reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes No

Identification of major programs:

Housing Choice Vouchers 14.871

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Audited qualified as low-risk audited? Yes No

Las Animas / Bent County Housing Authority
Schedule of Findings and Questioned Costs (Continued)
December 31, 2024

Current Year Findings:

2025-001 Income Review and Minimum Tenant Contribution

Criteria: 24 CFR section 982.516 require that the Authority reexamine family income and composition annually, or upon the change of household income, verify the family income, and adjust the tenant rent and housing assistance payments as needed.

Condition: The control deficiency exists due to three instances out of fifteen samples in which the Authority failed to properly document income, or did not properly calculate the tenant's income. In one additional instance out of the fifteen samples the Authority failed to properly calculate the utility allowance which resulted in the miscalculation of the tenant contribution.

Cause: The cause of the deficiency was related to the improper input of information into the system and the failure to obtain, and retain proper documentation of income related items in accordance with the Authority's policies.

Effect: The Authority is not in compliance with 24 CFR sections 982.516 which requires it to obtain and document in the file reported family annual income and to determine the tenant's portion of the rent.

Recommendation: We recommend that the Authority communicate the income verification policy with all employees and to ensure the employees have training sufficient to comply with these policies.

Views of responsible officials and corrective action plans: We concur with the recommendation. The staff member is no longer with the organization. Staff currently assigned these duties have been communicated to regarding income verification policy and have had training sufficient to comply with these policies.

2025-002 Document Retention

Criteria: 24 CFR section 982.158 (e) and (f) requires that the Authority maintain certain records for a minimum of three years.

Condition: The control deficiency exists due to one instance out of fifteen samples in which the tenant file was unable to be located and resulted in a lack of documentation of the tenant's eligibility and other compliance requirements.

Cause: The cause of the deficiency was related to the improper storage and retention of the tenant's information.

Effect: The Authority is not in compliance with 24 CFR sections 982.158 which requires it to document tenant eligibility and retain it for a minimum of three years. In addition it was unable to be determined if the tenant was eligible for assistance under the terms of the Housing Choice Voucher program.

Recommendation: We recommend that the Authority communicate review its policies relating to documentation and record retention and implement safeguards to ensure they are in compliance with HUD regulations.

Views of responsible officials and corrective action plans: The file that was unable to be located was a result of water damage from wind/storm damage. Files have been relocated from that area and are in a more weather-secure area. We have reviewed our policies and have implemented safeguards by relocation of these tenant files.

**Las Animas / Bent County Housing Authority
Schedule of Findings and Questioned Costs (Continued)
December 31, 2024**

Prior Year Findings:

None