
Burlington Housing Authority
Financial Statements and
Independent Auditor's Report

June 30, 2025



Burlington Housing Authority

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Burlington Housing Authority
Burlington, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Housing Authority of the City of Burlington, Colorado, (the Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority'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 respective statement of net position – proprietary funds of the Authority, as of June 30, 2025, and the respective statement of revenues, expenses, and changes in fund net position – proprietary funds, and, where applicable, statement of cash flows – proprietary funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 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.

Emphasis of Matter – New Accounting Pronouncement

As discussed in Note 1 to the financial statements, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, related to the recognition and measurement of compensated absences liabilities. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date financial statements are available to be issued.

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 opinions. 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 purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

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 statement, 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 opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of modernization costs, the schedule of net position – proprietary funds, and the schedule of revenues, expenses, and changes in fund net position – proprietary funds, 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 schedule of modernization costs, the schedule of net position – proprietary funds, and the schedule of revenues, expenses, and changes in fund net position – proprietary 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 February 10, 2026, on our consideration of the 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 the 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 Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Core CPAs PC". The letters are cursive and somewhat stylized.

February 10, 2026

Burlington Housing Authority

Management's Discussion and Analysis (MD&A)

June 30, 2025

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

Our discussion and analysis of the Burlington, Colorado Housing Authority financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2025. Please read the MD&A in conjunction with the Authority's financial statements.

For accounting purposes, the Authority is classified as a proprietary fund. Proprietary funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Overview of the Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

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

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

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, 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 notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

HUD has established Uniform Financial Reporting Standards that require the Authority to submit financial information electronically to HUD using the Financial Data Schedule (FDS) format. The financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2025, and is required to be included in the audit reporting package. A separate report was issued and is dated February 10, 2026.

Burlington Housing Authority

Management's Discussion and Analysis (MD&A)

June 30, 2025

Financial Highlights

The Authority's financial statements presented for financial analysis are the Statement of Net Position – Proprietary Funds, the Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds, and the Statement of Cash Flows – Proprietary Funds. The Statement of Net Position – Proprietary Funds provides a summary of the Authority's assets, deferred outflow of resources, liabilities, and deferred inflow of resources as of the close of business on June 30. The Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds summarizes the revenues and sources of those revenues generated during the year ended June 30 and the expenses incurred in operating the Authority for the year ended June 30.

The Authority accounts for its public housing activities in two related programs. The Authority has a low rent program that provides housing for qualified tenants and a capital fund program that the Authority uses for improvements to its low rent property. Our analysis below focuses on the net position, the change in net position, and the unrestricted resources of the Authority as a whole and not the individual programs.

Net Position

| | <u>2025</u> | <u>2024</u> <u>Restated</u> | <u>Increase</u> <u>(Decrease)</u> | <u>Percent</u> <u>Change</u> |
|--|-------------------|--------------------------------|--------------------------------------|---------------------------------|
| Current Assets, Net of Intraprogram | \$ 104,330 | \$ 121,625 | \$ (17,295) | (14.2%) |
| Capital Assets, Net | 494,231 | 447,529 | 46,702 | 10.4% |
| Total Assets | <u>598,561</u> | <u>569,154</u> | <u>29,407</u> | 5.2% |
| Deferred Outflow of Resources | - | - | - | 0.0% |
| Current Liabilities, Net of Intraprogram | 48,582 | 94,501 | (45,919) | (48.6%) |
| Total Liabilities | <u>48,582</u> | <u>94,501</u> | <u>(45,919)</u> | (48.6%) |
| Deferred Inflow of Resources | - | - | - | (100.0%) |
| Net Position, Restated | | | | |
| Net Investment in Capital Assets | 494,231 | 447,529 | 46,702 | 10.4% |
| Unrestricted | 55,748 | 27,124 | 28,624 | 105.5% |
| Total Net Position | <u>\$ 549,979</u> | <u>\$ 474,653</u> | <u>\$ 75,326</u> | 15.9% |
| Unrestricted Resources | <u>\$ 55,748</u> | <u>\$ 27,124</u> | <u>\$ 28,624</u> | 105.5% |
| Months Expendable Net Asset Ratio | <u>2.1</u> | <u>1.0</u> | <u>1.1</u> | 111.2% |

Total assets for the year ended June 30, 2024, were \$569,154 and \$598,561 at June 30, 2025, a 5.2% increase. This increase of \$29,407 is the function of an increase in capital assets, offset by a decrease in current assets. Current assets decreased due to a decrease in accounts receivable – tenants and accounts receivable – HUD, related to the capital fund program. Capital assets, net increased as a result of current year capital asset additions exceeding current year depreciation.

Burlington Housing Authority

Management's Discussion and Analysis (MD&A)

June 30, 2025

Total liabilities for the year ended June 30, 2025, decreased \$45,919, or 48.6%. This is mainly attributable to a decrease in unearned capital fund grants. In the prior year, the Authority drew down an excess of capital fund grants and did not spend them prior to year end. The Authority expended those funds in the current fiscal year and does not have any unearned capital fund grants at June 30, 2025.

The unrestricted resources of the Authority are a measure of the liquidity of the entity. If all of the Authority's current assets, less materials inventory, are converted to cash, and the Authority pays all current liabilities, the amount of cash left on hand are the unrestricted resources. In this case the unrestricted resources at June 30, 2025, were \$55,748.

The months expendable net asset ratio (MENAR) is a measure of how many months the Authority could operate under current conditions without any additional income. The MENAR is calculated by dividing the total expenses for the year, less depreciation, by twelve (12) to arrive at the average monthly expenses. The unrestricted resources (\$55,748) is then divided by the average monthly expenses (\$316,691 divided by 12 = \$26,391) to arrive at the MENAR (2.1) as of June 30, 2025.

Changes in Net Position

| | <u>2025</u> | <u>2024</u> <u>Restated</u> | <u>Increase</u> <u>(Decrease)</u> | <u>Percent</u> <u>Change</u> |
|-------------------------------------|------------------|--------------------------------|--------------------------------------|---------------------------------|
| Revenues: | | | | |
| Tenant Revenue | \$ 175,094 | \$ 141,404 | \$ 33,690 | 23.8% |
| Operating Grant Revenue | 170,052 | 129,652 | 40,400 | 31.2% |
| Capital Grants | 96,464 | 116,470 | (20,006) | (17.2%) |
| Investment Income | 50 | 1,899 | (1,849) | (97.4%) |
| Other Income | 119 | 337 | (218) | (64.7%) |
| Total Revenues | <u>441,779</u> | <u>389,762</u> | <u>52,017</u> | <u>13.3%</u> |
| Expenses: | | | | |
| Administrative | 111,576 | 98,682 | 12,894 | 13.1% |
| Utilities | 23,292 | 20,569 | 2,723 | 13.2% |
| Ordinary Maintenance and Operations | 154,318 | 154,149 | 169 | 0.1% |
| Insurance | 15,431 | 49,167 | (33,736) | (68.6%) |
| General | 12,074 | 2,891 | 9,183 | 317.6% |
| Depreciation | 49,762 | 39,948 | 9,814 | 24.6% |
| Total Expenses | <u>366,453</u> | <u>365,406</u> | <u>1,047</u> | <u>0.3%</u> |
| Increase in Net Position | <u>\$ 75,326</u> | <u>\$ 24,356</u> | <u>\$ 50,970</u> | <u>209.3%</u> |

It is apparent from the above schedule that total revenues of the Authority increased for the year ended June 30, 2025, when compared with the prior year. This is mainly due to increases in tenant revenue and operating grant revenue. Tenant revenue increased due to fewer unit vacancies in the current year. A large portion of the increase in operating grant revenue was due to the Authority obligating and drawing down a greater amount of capital grants to operations, when compared to the prior fiscal year. Operating grants are recognized as they are obligated. Capital fund grants are recognized as they are expended.

Burlington Housing Authority

Management's Discussion and Analysis (MD&A)

June 30, 2025

Total expenses of the Authority increased \$1,047, or 0.3%, for the year ended June 30, 2025. This increase is due to increases in administrative, utilities, ordinary maintenance and operations, general, and depreciation expenses. These were offset by a decrease in insurance expense. Insurance expense decreased substantially due to the Authority joining the City of Burlington's insurance policy, which decreased the Authority's insurance premiums.

Capital Assets

At June 30, 2025, the Authority had \$494,231 invested in (net) capital assets. This amount represents a net increase of \$46,702, which is due to current year additions being in excess of current year depreciation.

Capital Assets at Year End (Net of Accumulated Depreciation)

| | <u>2025</u> | <u>2024</u> | <u>Increase (Decrease)</u> | <u>Percent Change</u> |
|--|-------------------|-------------------|--------------------------------|---------------------------|
| Land | \$ 65,337 | \$ 65,337 | \$ - | 0.0% |
| Buildings | 2,414,880 | 2,318,416 | 96,464 | 4.2% |
| Furniture, Equipment & Machinery - Admin | 12,411 | 12,411 | - | 0.0% |
| Furniture, Equipment & Machinery - Dwelling | 59,177 | 59,177 | - | 0.0% |
| Subtotal | 2,551,805 | 2,455,341 | 96,464 | 3.9% |
| Accumulated Depreciation | (2,057,574) | (2,007,812) | (49,762) | 2.5% |
| Net Capital Assets | \$ 494,231 | \$ 447,529 | \$ 46,702 | 10.4% |

Current year major additions were: Sprinklers and windows.

The Authority has \$52,633 remaining in the 2025 capital fund program grant to draw down and spend in the future.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding by the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates
- Local inflation, recession, and employment trends, which can affect resident incomes and therefore the amount of rental income.

Contacting the Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Executive Director, at the Burlington, Colorado Housing Authority 944 Lowell Avenue, Burlington, Colorado 80807, telephone number (719) 346-5464.

Burlington Housing Authority

Statement of Net Position – Proprietary Funds

June 30, 2025

| | Public Housing |
|---|---------------------------|
| CURRENT ASSETS | |
| Cash and Cash Equivalents | \$ 96,230 |
| Accounts Receivable - Tenants (Net) | 247 |
| Accounts Receivable - HUD | 7,853 |
| Total Current Assets | 104,330 |
| CAPITAL ASSETS | |
| Land, Buildings and Equipment | 2,551,805 |
| Accumulated Depreciation | (2,057,574) |
| Total Net Capital Assets | 494,231 |
| TOTAL ASSETS | 598,561 |
| DEFERRED OUTFLOW OF RESOURCES | - |
| CURRENT LIABILITIES | |
| Accounts Payable | 8,805 |
| Accrued Wages and Payroll Taxes Payable | 24,321 |
| Accrued Compensated Absences | 4,275 |
| Accrued Utilities | 1,827 |
| Prepaid Rent | 34 |
| Tenant Security Deposits | 9,320 |
| Total Current Liabilities | 48,582 |
| TOTAL LIABILITIES | 48,582 |
| DEFERRED INFLOW OF RESOURCES | - |
| NET POSITION | |
| Net Investment in Capital Assets | 494,231 |
| Unrestricted | 55,748 |
| Total Net Position | \$ 549,979 |

See Notes to Financial Statements.

Burlington Housing Authority

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds

Year Ended June 30, 2025

| | Public Housing |
|--|---------------------------|
| OPERATING REVENUE | |
| Dwelling Rent | \$ 163,388 |
| Other Tenant Revenue | 11,706 |
| Operating Grant Revenue | 170,052 |
| Other Income | 119 |
| Total Operating Revenue | 345,265 |
| OPERATING EXPENSES | |
| Administrative | 111,576 |
| Utilities | 23,292 |
| Ordinary Maintenance and Operations | 154,318 |
| Insurance | 15,431 |
| General | 12,074 |
| Depreciation | 49,762 |
| Total Operating Expenses | 366,453 |
| Net Operating Loss | (21,188) |
| NONOPERATING REVENUES | |
| Investment Interest | 50 |
| Total Nonoperating Revenues | 50 |
| Loss Before Contributions | (21,138) |
| Capital Contributions - HUD | 96,464 |
| Change in Net Position | 75,326 |
| Net Position, June 30, 2024, Restated | 474,653 |
| Net Position, June 30, 2025 | \$ 549,979 |

See Notes to Financial Statements.

Burlington Housing Authority

Statement of Cash Flows – Proprietary Funds

Year Ended June 30, 2025

| | Public Housing |
|--|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received from Tenants | \$ 213,435 |
| Cash Received from Operating Grants | 170,052 |
| Cash Received from Other Operating Activities | 119 |
| Cash Payments for Goods and Services | (174,212) |
| Cash Payments for Employees | (188,349) |
| Net Cash Provided by Operating Activities | 21,045 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Receipts from Capital Grants | 96,464 |
| Purchase of Capital Assets | (96,464) |
| Net Cash Used in Capital and Related Financing Activities | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest Income | 50 |
| Net Increase in Cash and Cash Equivalents | 21,095 |
| Cash and Cash Equivalents, Beginning of Year | 75,135 |
| Cash and Cash Equivalents, End of Year | \$ 96,230 |
| RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Net Operating Loss | \$ (21,188) |
| Adjustment to Reconcile Net Operating Loss to Net Cash Provided by Operating Activities | |
| Depreciation | 49,762 |
| (Increase) Decrease in Assets | |
| Accounts Receivable | 38,071 |
| Prepays | 319 |
| Increase (Decrease) in Liabilities | |
| Accounts Payable | (10,990) |
| Security Deposits | 270 |
| Accrued Wages | 4,205 |
| Accrued Compensated Absences | 2,441 |
| Other Accrued Liabilities | (41,845) |
| Net Cash Provided by Operating Activities | \$ 21,045 |

See Notes to Financial Statements.

Burlington Housing Authority

Certification of Capital Fund Program Grants

Year Ended June 30, 2025

| | <u>Funds Advanced</u> | <u>Funds Expended</u> | <u>Grant Amount</u> |
|------------------------------------|---------------------------|---------------------------|-------------------------|
| CFP Project Number CO 01P030501-18 | \$ 69,722 | \$ 69,722 | \$ 69,722 |
| CFP Project Number CO 01P030501-19 | 74,089 | 74,089 | 74,089 |
| CFP Project Number CO 01P030501-20 | 79,655 | 79,655 | 79,655 |
| CFP Project Number CO 01P030501-21 | 84,580 | 84,580 | 84,580 |
| Total | \$ 308,046 | \$ 308,046 | \$ 308,046 |

See Notes to Financial Statements.

Burlington Housing Authority

Notes to Financial Statements

June 30, 2025

1. General Statement and Summary of Significant Accounting Policies

General Statement

The Authority was created under the provisions of the laws of the State of Colorado. The purpose of the organization is to administer Public Housing Programs authorized by the United States Housing Act. The governing board is appointed by the mayor of the City of Burlington. The governing board employs executives; authorizes contracts of subsidy with the U.S. Department of Housing and Urban Development (Annual Contributions Contract) pursuant to that agency's regulations and statutory authorizations; and causes the agency to construct, own, and operate public housing facilities. The financial liability of the Authority is essentially supported by the operating and debt service subsidies received under contract from the Federal government. The Burlington, Colorado Housing Authority is not considered a component unit of any other agency.

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. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Authority has elected to apply all applicable Financial Accounting Standards Board pronouncements, including those issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

The more significant accounting policies of the Authority are described below.

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 GASB Statements Nos. 39, 61, 80, and 97. These criteria state that the financial reporting entity consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria, there are no additional agencies or entities which should be included in the financial statements of the Authority.

Measurement Focus and Basis of Accounting

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 outflow of resources, liabilities, deferred inflow of resources, fund net position, revenues and expenditures or expenses, as appropriate.

Burlington Housing Authority

Notes to Financial Statements

June 30, 2025

Proprietary Fund Type - The Authority uses a Proprietary Fund Type to account for the activities of the Authority in a manner similar to commercial enterprises. 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, if applicable.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflow of resources, liabilities (whether current or non-current), and deferred inflow of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents 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.

Operating and Nonoperating Revenues and Expenses - The Authority distinguishes between operating and nonoperating revenues and expenses in its Statement of Revenues, Expenses and Changes in Net Position. For this purpose, the Authority’s operating revenues result from providing low-income housing services such as tenant rent and other tenant charges. Grants, which finance current operations, are reported as operating revenues. Operating expenses include the costs 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.

Major Fund Determination – The model as defined in Statement No. 34 established criteria for the determination of major funds. If non-major funds exist, these funds are combined in a single column in the fund financial statements. The Authority only has the Public Housing Program; therefore, it is the sole major fund.

Budgetary Information

The Authority annually prepares an estimate (budget) of its operations for the upcoming year. The Authority uses the budget for management purposes. The budget is adopted by the Board of Commissioners.

Use of 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 certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Burlington Housing Authority

Notes to Financial Statements

June 30, 2025

Cash and Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments (including restricted assets) with an original maturity of three months or less are considered to be cash equivalents.

Investments

Investments are reported 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. Investments in certificates of deposits are reported at fair value, with fair value being cost plus interest earned. Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements.

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 agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

Accounts Receivable

Accounts receivable consist primarily of tenant rents, amounts due from HUD for operating and capital subsidies, and any other grant-related receivables. Receivables are reported cost net of an allowance for credit losses.

The Authority estimates expected credit losses in accordance with ASC 326 using historical collection experience, current economic conditions, aging of receivables, and other qualitative factors specific to tenant populations and grantor funding environments. Receivables with similar risk characteristics are pooled for purposes of estimating credit losses.

The allowance for credit losses is adjusted each year based on the Authority's analysis. Balances are written off when management determines they are no longer collectible, generally after all collection efforts have been exhausted. Recoveries of amounts previously written off are recognized when received.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future periods. These payments are recorded as prepaid expenses.

Burlington Housing Authority

Notes to Financial Statements

June 30, 2025

Capital Assets

Capital assets are recorded at cost less depreciation. Depreciation is accounted for on the straight-line method based on estimated useful lives. It is the policy of the Authority to capitalize all assets with a cost of \$5,000 or greater. Lesser amounts are expensed. Estimated useful lives, in years, for depreciable assets are as follows:

| | |
|----------------------------|---------------|
| Buildings and Improvements | 10 - 40 years |
| Furniture and Fixtures | 5 - 10 years |
| Equipment | 3 - 10 years |

Impairment of Capital Assets

The Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2025, there has been no impairment of the capital assets.

Compensated Absences

Effective July 1, 2024, the Authority adopted GASB Statement No. 101, *Compensated Absences*, which requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The Authority's adoption of GASB Statement No. 101 did not have a material impact on the financial statements.

The Authority allows employees to accumulate the following compensated absences:

- Annual leave is accrued at 80-160 hours per year for employees, with an accumulation of 240 hours of leave being carried over to the following year. Unused accumulated annual leave is to be paid out at an employee's current rate of pay, upon termination.
- Sick leave is accrued at 80 hours per year for employees, with a maximum approved accumulation of 720 hours. Employees can request a lump sum payment for sick leave at termination.

The amount of these accumulated benefits at June 30, 2025, was \$4,275 and is included in accrued compensated absences in the statement of net position.

Grant Revenues

Grant revenues, net of estimated uncollectible amounts, if any, are recognized when all applicable eligibility requirements are met in accordance with GASB Statement No. 33. Grants received by the Authority before the eligibility requirements are met are reported as deferred inflow of resources or unearned revenue in accordance with GASB Statement No. 65.

Burlington Housing Authority

Notes to Financial Statements

June 30, 2025

Investment Income

Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average pooled cash and investments balance.

Income Taxes

The Authority is a governmental subdivision and is exempt from federal and state income taxes.

Leases

The Authority has implemented the provisions of GASB Statement No. 87, *Leases* (GASB 87). The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority has no leases that meet the requirements of this statement.

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.

Activities of the Housing Authority

The Authority operates and administers public housing projects in the Burlington, Colorado area under agreements with the U.S. Department of Housing and Urban Development. The projects of the Authority are as follows at June 30, 2025:

Public Housing: Project CO030 – 31 Units

Net Position

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, capital contributions and special items. Net position is classified in the following three components:

Net investment in capital assets — Consists of 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. Deferred outflow of resources and deferred inflow of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Burlington Housing Authority

Notes to Financial Statements

June 30, 2025

Restricted — Consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted — Consists of assets, deferred outflow of resources, liabilities, and deferred inflow of resources that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Restricted/Unrestricted Net Position

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

Advertising

The Authority's policy is to expense advertising costs as incurred. Advertising for the year ended June 30, 2025, was \$168.

2. Cash and Cash Equivalents

Cash (checking and savings) accounts are maintained by the Authority.

The amount of cash and cash equivalents of \$96,230 are allocated as follows:

| | | |
|--------------------------|-----------|---------------|
| Unrestricted | \$ | 86,910 |
| Tenant Security Deposits | | 9,320 |
| | <u>\$</u> | <u>96,230</u> |

3. Deposits and Investments

All of the funds of the Authority are invested in allowable investments in accordance with HUD guidelines. As of June 30, 2025, the Authority's deposits were fully insured.

The Authority does not have any investments as of June 30, 2025.

4. Accounts Receivable

All receivables from tenants are for rentals and service charges. These receivables are shown net of an allowance for credit losses. This amount is estimated based upon historical information. Accounts receivable at June 30, 2025, were \$247. The allowance was \$0 at June 30, 2025.

Receivables from HUD for operating subsidies totaled \$7,853 at June 30, 2025.

As of June 30, 2025, there was rent prepaid in the amount of \$34.

Burlington Housing Authority

Notes to Financial Statements

June 30, 2025

5. Capital Assets

A summary of capital assets is as follows:

| | Balance 6/30/2024 | Additions | Disposals | Balance 6/30/2025 |
|--|------------------------------|------------------|------------------|------------------------------|
| Land | \$ 65,337 | \$ - | \$ - | \$ 65,337 |
| Buildings | 2,318,416 | 96,464 | - | 2,414,880 |
| Furniture, Equipment & Machinery - Admin | 12,411 | - | - | 12,411 |
| Furniture, Equipment & Machinery - Dwelling | 59,177 | - | - | 59,177 |
| Subtotal | 2,455,341 | 96,464 | - | 2,551,805 |
| Accumulated Depreciation | (2,007,812) | (49,762) | - | (2,057,574) |
| Net Capital Assets | <u>\$ 447,529</u> | <u>\$ 46,702</u> | <u>\$ -</u> | <u>\$ 494,231</u> |

Depreciation expense for the year ended June 30, 2025, was \$49,762.

6. Major Source of Revenues

The Authority receives a significant portion of its funding from the U.S. Department of Housing and Urban Development (HUD). These funds, including grants received, constitute a significant portion of the Authority's operations capital. Therefore, any change in funding from HUD could have a major impact on the operations of the Authority. For the year ended June 30, 2025, the Authority received the following funding from HUD:

| | |
|----------------------|-------------------|
| Operating Subsidy | \$ 78,510 |
| Capital Fund Program | 188,006 |
| | <u>\$ 266,516</u> |

7. Contingencies

The entity is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to the federal grantors and/or program beneficiaries.

8. Interprogram Accounts

Interprogram receivables and payables arise from Interprogram transactions and are recorded by all programs affected in the period in which transactions are executed. These receivables and payables are eliminated for presentation of the financial statements.

Burlington Housing Authority

Notes to Financial Statements

June 30, 2025

9. 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 June 30, 2025, 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.

10. Restatement of Net Position

Net position of the Authority as of June 30, 2024, has been restated to reflect the correction of an error in revenue, related to shortfall operating subsidy, and to write off payroll-related liabilities from a prior year. Accordingly, an adjustment of \$34,435 was made during the fiscal year ended June 30, 2025.

Effect on Net Position

| | As Previously Reported | 2024 Restated | Increase (Decrease) |
|--|---------------------------------------|--------------------------|--------------------------------|
| Current Assets, Net of Intraprogram | \$ 114,655 | \$ 121,625 | \$ 6,970 |
| Capital Assets, Net | 447,529 | 447,529 | - |
| Total Assets | <u>562,184</u> | <u>569,154</u> | <u>6,970</u> |
| Deferred Outflow of Resources | - | - | - |
| Current Liabilities, Net of Intraprogram | <u>102,132</u> | <u>94,501</u> | <u>(7,631)</u> |
| Total Liabilities | <u>102,132</u> | <u>94,501</u> | <u>(7,631)</u> |
| Deferred Inflow of Resources | 19,834 | - | (19,834) |
| Net Position, Restated | | | |
| Net Investment in Capital Assets | 447,529 | 447,529 | - |
| Unrestricted | (7,311) | 27,124 | 34,435 |
| Total Net Position | <u>\$ 440,218</u> | <u>\$ 474,653</u> | <u>\$ 34,435</u> |

11. Subsequent Events

Upon evaluation, the Authority notes that there were no material subsequent events between the date of the financial statements February 10, 2026, the date the financial statement were issued or available to be issued.

SUPPLEMENTARY INFORMATION

Burlington Housing Authority

Schedule of Net Position – Proprietary Funds

June 30, 2025

| | <u>Public Housing</u> | <u>Capital Fund</u> | <u>Total</u> |
|---|---------------------------|---------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | \$ 96,230 | \$ - | \$ 96,230 |
| Accounts Receivable, Net | 247 | - | 247 |
| Accounts Receivable - HUD | 7,853 | - | 7,853 |
| Prepaid Expenses | - | - | - |
| Total Current Assets | 104,330 | - | 104,330 |
| CAPITAL ASSETS | | | |
| Land, Buildings and Equipment | 2,434,502 | 117,303 | 2,551,805 |
| Accumulated Depreciation | (2,052,938) | (4,636) | (2,057,574) |
| Total Net Capital Assets | 381,564 | 112,667 | 494,231 |
| TOTAL ASSETS | 485,894 | 112,667 | 598,561 |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| | - | - | - |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 8,805 | - | 8,805 |
| Accrued Wages and Payroll Taxes Payable | 24,321 | - | 24,321 |
| Accrued Compensated Absences | 4,275 | - | 4,275 |
| Accrued Utilities | 1,827 | - | 1,827 |
| Prepaid Rent | 34 | - | 34 |
| Tenant Security Deposits | 9,320 | - | 9,320 |
| Total Current Liabilities | 48,582 | - | 48,582 |
| TOTAL LIABILITIES | 48,582 | - | 48,582 |
| DEFERRED INFLOW OF RESOURCES | | | |
| | - | - | - |
| NET POSITION | | | |
| Net Investment in Capital Assets | 381,564 | 112,667 | 494,231 |
| Unrestricted | 55,748 | - | 55,748 |
| Total Net Position | \$ 437,312 | \$ 112,667 | \$ 549,979 |

Burlington Housing Authority

Schedule of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds

Year Ended June 30, 2025

| | <u>Public Housing</u> | <u>Capital Fund</u> | <u>Total</u> |
|--|---------------------------|---------------------|------------------|
| OPERATING REVENUE | | | |
| Dwelling Rent | \$ 163,388 | \$ - | \$ 163,388 |
| Other Tenant Revenue | 11,706 | - | 11,706 |
| Operating Grant Revenue | 78,510 | 91,542 | 170,052 |
| Other Income | 119 | - | 119 |
| Total Operating Revenue | 253,723 | 91,542 | 345,265 |
| OPERATING EXPENSES | | | |
| Administrative | 111,576 | - | 111,576 |
| Utilities | 23,292 | - | 23,292 |
| Ordinary Maintenance and Operations | 154,318 | - | 154,318 |
| Insurance | 15,431 | - | 15,431 |
| General | 12,074 | - | 12,074 |
| Depreciation | 45,343 | 4,419 | 49,762 |
| Total Operating Expenses | 362,034 | 4,419 | 366,453 |
| Net Operating Income (Loss) | (108,311) | 87,123 | (21,188) |
| NONOPERATING REVENUES | | | |
| Investment Interest | 50 | - | 50 |
| Total Nonoperating Revenues | 50 | - | 50 |
| Income(Loss) Before Contributions | (108,261) | 87,123 | (21,138) |
| Capital Contributions - HUD | - | 96,464 | 96,464 |
| TRANSFERS IN (OUT) | 91,542 | (91,542) | - |
| CHANGE IN NET POSITION | \$ (16,719) | \$ 92,045 | \$ 75,326 |

Burlington Housing Authority

Schedule of Modernization Cost

Year Ended June 30, 2025

| HUD Project Number | Status | Approved Funds | Expended Funds | Disbursed Funds | Approved Funds Available to Expend | Expended Funds Available to be Disbursed |
|-----------------------|------------|-------------------|-------------------|-------------------|---------------------------------------|--|
| CO 01P030501-18 | Complete | \$ 69,722 | \$ 69,722 | \$ 69,722 | \$ - | \$ - |
| CO 01P030501-19 | Complete | 74,089 | 74,089 | 74,089 | - | - |
| CO 01P030501-20 | Complete | 79,655 | 79,655 | 79,655 | - | - |
| CO 01P030501-21 | Complete | 84,580 | 84,580 | 84,580 | - | - |
| CO 01P030501-22 | Incomplete | 102,271 | 102,271 | 102,271 | - | - |
| CO 01P030501-23 | Incomplete | 103,929 | 103,929 | 103,929 | - | - |
| CO 01P030501-24 | Incomplete | 106,881 | 106,881 | 106,881 | - | - |
| CO 01P030501-25 | Incomplete | 112,633 | 60,000 | 60,000 | 52,633 | - |
| | | \$ 733,760 | \$ 681,127 | \$ 681,127 | \$ 52,633 | \$ - |

**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***

Board of Commissioners
Burlington 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 Burlington Housing Authority (the Authority), which comprise the statement of net position as of June 30, 2025, and the related statements of changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued our report thereon dated February 10, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) to determine the 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 our opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 reasonable possibility that a material misstatement of the Authority’s financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses to be material weaknesses (2025-001 and 2025-003).

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. We did not identify deficiencies in internal control that we consider to be significant deficiencies, as defined above.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, reported as Finding 2025-002.

Burlington Housing Authority's Response to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Core CPAs PC

February 10, 2026

Burlington Housing Authority

Schedule of Findings and Responses

June 30, 2025

FINDING 2025-001

Material Weakness in Internal Control over Financial Reporting – Lack of Segregation of Duties

Criteria: The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the entity's assets and ensure accurate financial reporting.

Condition: The Authority does not have adequate personnel to assign responsibilities in such a way that different employees handle different portions of a transaction.

Context: Due to the limited number of personnel, duties and responsibilities related to custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts cannot be properly segregated.

Effect: An individual controlling a transaction from beginning to conclusion does not have oversight from other individuals to ensure that the transaction was properly executed and recorded.

Cause: The Authority's limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective manner.

Recommendation: Due to the present size of the staff, it may not be feasible for the Authority to correct this situation by the hiring of additional employees, due to cost benefit considerations. We would recommend that the board of commissioners take an active part in internal controls and closely monitor all accounting functions, while seeking ways to continue to strengthen compensating controls.

**Auditee Response/
Corrective Action Plan:** See page 29.

Burlington Housing Authority

Schedule of Findings and Responses

June 30, 2025

FINDING 2025-002

Compliance with Federal Regulations – Federal Awards Compliance – Cash Management

- Criteria:** Under the 2 CFR Section 200.305:
- Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements.
- Condition:** During the current fiscal year, the Authority drew down more capital funds than it had expended within a reasonable time.
- Context:** The Authority had excess capital funds that were not expended within 3 days of drawing down.
- Effect:** The Authority is out of compliance in regards to cash management of Federal awards.
- Cause:** The previous Executive Director drew down an excess of \$35,831 of the Authority's 2023 capital funds during the year and had not expended the funds within 3 days.
- Recommendation:** The Authority should review 2 CFR Section 200.305 to familiarize themselves with the regulations.
- Auditee Response/
Corrective Action Plan:** See Page 29.

Burlington Housing Authority

Schedule of Findings and Responses

June 30, 2025

FINDING 2025-003

Material Weakness in Internal Control over Financial Reporting – Inadequate Monitoring of Cash Distributions

Criteria: Proper internal controls require that an organization has adequate segregation of duties within a significant account process. Ideally, the following account processes should be segregated so there is at least a reasonable possibility that a material misstatement of the organization’s financial statements would be prevented or detected: initiation, authorizing, recording, processing, and reporting.

Condition: During the current fiscal year, the Authority failed to maintain documentation of cleared check images.

Context: Due to various reasons, not limited to lack of segregation of duties, transactions were without supporting documentation.

Effect: Transactions between the months of July 2024 and June 2025 were missing a key piece of documentation required to prevent the reasonable possibility that a material misstatement would be prevented or detected.

Cause: The Authority changed banks in the current year and was not aware that the new bank does not provide check images with bank statements. Instead, check images are only electronically available for 90 days after they post. The Executive Director was not aware that maintaining check images was required. Check images outside of the 90 days were not able to be retrieved.

Recommendation: The Authority should review its processes to ensure check images are being maintained.

**Auditee Response/
Corrective Action Plan:** See Page 29.

Burlington Housing Authority

Summary Schedule of Prior Audit Findings

June 30, 2025

Identifying Number: 2024-001

Audit Finding: Lack of Segregation of Duties

Current Status: The Board of Commissioners has reviewed this issue and determined that there are no additional procedures which can reasonably be done to eliminate this deficiency.

Identifying Number: 2024-002

Audit Finding: Federal Awards Compliance – Cash Management

Current Status: The Authority has reviewed 2 CFR Part 200.305 and is working to implement procedures to be in compliance with Federal regulations.

BURLINGTON HOUSING AUTHORITY
944 LOWELL
BURLINGTON, CO 80807
(719) 346-5464

Corrective Action Plan

Contact Person: Kara Stevens
944 Lowell Avenue
Burlington, Colorado 80807
(719) 346-5464

Finding 2025-001

The Authority is relatively small with only one administrative staff. Further the Board of Commissioners is a volunteer board and not a managing board. It does not have the time nor expertise to provide the necessary services to correct the internal control deficiencies noted. The Board of Commissioners has reviewed this issue and determined there are no additional procedures which can reasonably be done to eliminate these deficiencies. As such, the Board of Commissioners accepts this finding.

Finding 2025-002

The Board of Commissioners has recognized the finding and will familiarize themselves with the requirements of 2 CFR Section 200.305.

Finding 2025-003

The Board of Commissioners has recognized the finding. The Executive Director has since started downloading check images from the bank on a monthly basis to ensure proper documentation is being maintained.