

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

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

Year Ended December 31, 2025

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

HOUSING AUTHORITY
CITY OF FORT MORGAN, COLORADO
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MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

This section of the Housing Authority of the City of Fort Morgan, Colorado's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on December 31, 2025. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the basic financial statements as a whole.

FINANCIAL HIGHLIGHTS

The term "Net Position" refers to the difference between assets and liabilities. The Authority's total net position as of December 31, 2025 was \$3,509,879. The net position increased by \$266,692, an increase of 8% over the prior year. Of this amount, \$2,329,572 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities.

Operating income for the Authority was \$821,264 for the year ended December 31, 2025. This was an increase of \$41,821 or 6% over the prior year.

Operating expenses for the Authority were \$957,880 for the year ended December 31, 2025. This was a decrease of (\$4,050) or 1% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Financial Statements

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

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

Notes to the Financial Statements

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

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *supplemental information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authorities to submit financial information electronically to HUD using the FDS format. The submitted financial information transmitted to the Real Estate Assessment Center (REAC) for the year ended December 31, 2025 is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

CONDENSED STATEMENT OF NET POSITION

	FY 2025	FY 2024	Dollar Change	Percent Change
Current and other assets	\$ 2,534,331	\$ 2,126,165	\$ 408,166	19%
Capital assets	1,506,483	1,626,201	(119,718)	-7%
Total Assets	<u>4,040,814</u>	<u>3,752,366</u>	<u>288,448</u>	<u>8%</u>
Current liabilities	128,623	92,061	36,562	40%
Noncurrent liabilities	402,312	417,118	(14,806)	-4%
Total Liabilities	<u>530,935</u>	<u>509,179</u>	<u>21,756</u>	<u>4%</u>
Net Position				
Net investment in capital assets	1,101,664	1,213,829	(112,165)	-9%
Restricted	78,643	78,525	118	0.2%
Unrestricted	2,329,572	1,950,833	378,739	19%
Total Net Position	<u>\$ 3,509,879</u>	<u>\$ 3,243,187</u>	<u>\$ 266,692</u>	<u>8%</u>

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

FINANCIAL ANALYSIS (CONT'D)

Net Position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$3,509,879 at the close of the year ended December 31, 2025. This represents an increase of \$266,692 which is an increase of 8% over the prior year and was attributed to operations for the year end December 31, 2025.

Current and other assets increased by \$408,166. This was attributed to operations before depreciation and offset by funds used for capital improvements and debt service payments which resulted in a net increase in cash and investments of \$367,447. In addition, prepaid items increased by \$39,603 as the result of when insurance premiums were paid.

Total liabilities increased by \$21,756. The primary changes were a decrease in accrued compensated absences of \$23,243, attributed to the retirement of a long-term employee. This was offset by a \$44,370 increase in interest income owed to HUD under PIH Notice 2024-25 and 2 CFR 200.305(b)(12), which mandates remitting interest over \$500 on federal cash balances. The other changes were related to the timing of payments and annual debt service payments.

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

Unrestricted net position as of December 31, 2025 was \$2,329,572, an increase of \$378,739. Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities. The Authority has sufficient funds to meet requirements for cash outlays in the next fiscal year as well as the financial capacity to sustain operations. The Authority had \$78,643 net position classified as restricted that is subject to external restrictions on how they may be used. The funds are restricted for capital activities as approved by Rural Development.

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

As can be seen on the next page, total revenues increased by \$10,092 primarily due to the increase in rental income of \$40,475 or 2% and offset by a decrease in Federal operating grants of (\$6,671). The increase in rental income was due to occupancy and rent composition from year to year. The program revenue from USDA increased by \$2,017.

During the year ended December 31, 2025, the Authority experienced a decrease in interest income totaling (\$24,286). This reduction was primarily due to regulatory restrictions within the Public Housing Program, which only permit the Authority to retain up to \$500 of interest income. As a result, any interest earned in excess of this threshold must be remitted and cannot be used to support the Authority's operations or financial position.

HUD operating subsidy for the Authority was \$133,488 for the year ended December 31, 2025. This was a decrease of (\$18,269) from the prior year. The operating subsidy funding is determined by HUD on an annual basis and is primarily based on income and utility expenses. In the current year the Authority recognized \$282,846 of HUD capital grants for operations compared to \$271,246 in the prior fiscal year. This amount will vary on the approved budget by HUD. The Authority has flexibility in the use of these funds.

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

FINANCIAL ANALYSIS (CONT'D)

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

	<u>FY 2025</u>	<u>FY 2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues				
Program revenues				
Rental	\$ 751,083	\$ 710,608	\$ 40,475	6%
HUD program contributions	416,334	423,005	(6,671)	-2%
USDA program contributions	72,956	71,711	1,245	2%
Other	13,105	13,776	(671)	-5%
General revenues				
Interest	724	25,010	(24,286)	-97%
Total Revenues	<u>1,254,202</u>	<u>1,244,110</u>	<u>10,092</u>	<u>1%</u>
Expenses				
Depreciation	179,883	192,991	(13,108)	-7%
Operating	777,997	768,939	9,058	1%
Interest expense	29,479	32,818	(3,339)	-10%
Other nonoperating	151	-	151	100%
Total Expenses	<u>987,510</u>	<u>994,748</u>	<u>(7,238)</u>	<u>-1%</u>
Changes in Net Position	266,692	249,362	17,330	
Beginning Net Position	3,243,187	2,993,825	249,362	
Ending Net Position	<u>\$ 3,509,879</u>	<u>\$ 3,243,187</u>	<u>\$ 266,692</u>	

Operating expenses for the Authority were \$777,997 for the year ended December 31, 2025. This was an increase of \$9,058 or 1% over the prior year. The various expense category fluctuations were not attributed to any specific event or unusual circumstance other than the typical variability from year to year.

OCCUPANCY

Hillcrest had an occupancy rate of 99% for 2025.

Fremont had an occupancy rate of 99% for 2025.

**HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

CAPITAL ASSETS

The Authority's capital assets as of December 31, 2025 were \$1,506,483. This includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation. The total decrease in the Authority's capital assets for the fiscal year was 7% in terms of net book value. The actual amount to purchase or construct capital assets was \$60,315 for the year. Depreciation charges for the year totaled \$179,883. Additional information on the Authority's capital assets can be found in Note G of the notes to the financial statements of this report.

DEBT ADMINISTRATION

The Authority has outstanding notes payable of \$404,819, a decrease of (\$7,553). The revenue from the Rural Development Programs is pledged to repay these notes. There were no changes to the debt structure during the year ended December 31, 2025. Additional information on the Authority's long-term debt can be found in Note K of the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2026 budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD and Rural Development. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The operating expenses are expected to increase by the economy's inflation rate.

REQUEST FOR INFORMATION

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

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the major fund of the Housing Authority of the City of Fort Morgan, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Fort Morgan, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Housing Authority of the City of Fort Morgan, Colorado as of December 31, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the City of Fort Morgan, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Fort Morgan, Colorado's ability to continue as a going concern for twelve months beyond the financial date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Housing Authority of the City of Fort Morgan, Colorado's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Fort Morgan, Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2026 on our consideration of the Housing Authority of the City of Fort Morgan, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Fort Morgan, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Fort Morgan, Colorado's internal control over financial reporting and compliance.

Niewedde & Wiens, CPA's

York, Nebraska
May 4, 2026

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2025

ASSETS	<u>Housing</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,116,927
Investments	1,211,711
Due from other governments	4,714
Accrued interest receivable	15,639
Prepaid items	50,363
Materials inventory, net	965
<i>Restricted:</i>	
Cash and cash equivalents	<u>55,369</u>
TOTAL CURRENT ASSETS	2,455,688
 NONCURRENT ASSETS:	
<i>Restricted:</i>	
Cash and cash equivalents	78,643
Capital Assets, non-depreciable	82,703
Capital Assets, depreciable, net	<u>1,423,780</u>
TOTAL NONCURRENT ASSETS	1,585,126
TOTAL ASSETS	\$ 4,040,814
 LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	\$ 2,545
Accrued payroll and benefits	6,217
Due to other governments	44,370
Accrued compensated absences	14,920
Accrued interest payable	405
Tenant security deposit payable	55,369
Current-portion notes payable	<u>4,797</u>
TOTAL CURRENT LIABILITIES	128,623
 NONCURRENT LIABILITIES:	
Accrued compensated absences	2,290
Notes payable	<u>400,022</u>
TOTAL NONCURRENT LIABILITIES	402,312
TOTAL LIABILITIES	530,935
 NET POSITION	
Net investment in capital assets	1,101,664
Restricted, replacement reserve	78,643
Unrestricted	<u>2,329,572</u>
TOTAL NET POSITION	\$ 3,509,879

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
Year Ended December 31, 2025

		Housing
OPERATING REVENUES		
Rental income	\$	751,083
USDA rental assistance		57,076
Other income		13,105
TOTAL OPERATING REVENUES		821,264
 OPERATING EXPENSES		
Administrative		185,928
Tenant services		9,494
Utilities		130,381
Ordinary maintenance and operations		296,234
General expense		155,960
Depreciation		179,883
TOTAL OPERATING EXPENSES		957,880
		OPERATING INCOME (LOSS) (136,616)
 NONOPERATING REVENUES (EXPENSES)		
HUD operating subsidy		133,488
HUD capital grants - operations		282,846
USDA interest subsidy		15,880
Interest income		724
Interest expense		(29,479)
Loss on capital asset dispositions		(151)
TOTAL NONOPERATING REVENUES (EXPENSES)		403,308
		INCREASE (DECREASE) IN NET POSITION 266,692
 NET POSITION:		
Net position, beginning balance		3,243,187
NET POSITION - ENDING BALANCE	\$	3,509,879

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended December 31, 2025

		Housing
CASH FLOWS FROM OPERATING ACTIVITIES:		
Rental receipts	\$	754,227
USDA rental assistance		56,609
Other receipts		13,105
Tenant security deposits		1,414
Cash payments for goods and services		(442,628)
Cash payments to employees for services		(392,957)
		(10,230)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
HUD operating subsidy		133,488
HUD capital grants - operations		282,846
		416,334
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases and construction of capital assets		(58,762)
Interest paid on capital debt		(13,645)
Principal paid on capital debt		(7,553)
		(79,960)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Deposits) withdrawals to investments		(340,094)
Interest received		41,303
		(298,791)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH		27,353
CASH AND CASH EQUIVALENTS-BEGINNING		1,223,586
CASH AND CASH EQUIVALENTS-END OF YEAR	\$	1,250,939

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)
Year Ended December 31, 2025

RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	<u>Housing</u>
Operating income (loss)	\$ (136,616)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	179,883
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	3,144
(Increase) decrease in due from other governments	(467)
(Increase) decrease in prepaid items	(39,603)
(Increase) decrease in materials inventory	(5)
Increase (decrease) in accounts payable	(956)
Increase (decrease) in accrued payroll and benefits	6,218
Increase (decrease) in tenant security deposits	1,414
Increase (decrease) in accrued leave	<u>(23,242)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>(10,230)</u></u>

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

Financial Reporting Entity

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

Basis of accounting, measurement focus, and financial statement presentation

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

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

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

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

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

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

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

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

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

Project Program. This program accounts for various non-federal financial activities of the Housing Authority.

Budgetary Process

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

Cash and Investments

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

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificate of deposit, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

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

Accounts Receivable

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

Prepaid Items

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

Use of Restricted/Unrestricted Net Position

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

Inventory

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

Capital Assets and Depreciation

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

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

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

Grant Revenue

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

Estimates

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

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

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

Compensated Absences

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

Postemployment Benefits Other Than Pensions (OPEB)

OPEB benefits are part of an exchange of salaries and/or benefits in a future period as the result of employee services rendered during employment. In accordance with the accrual basis of accounting, generally benefits should be associated with the periods in which the exchange occurs, rather than with the periods when benefits are paid or provided. The Authority has not incurred, adopted a plan or obligated resources to other postemployment benefits as defined in GASB Statement No. 75.

Leases

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

Subscription-Based Information Technology Arrangements

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

Income Taxes

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

Taxpayer's Bill of Rights

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

NOTE B - DEPOSITS AND INVESTMENTS

At December 31, 2025, the Authority's carrying amount of deposits was \$2,462,560 and the bank balances were \$2,494,251. The Authority had cash on hand of \$90 as of December 31, 2025. As required by the Colorado Public Deposit Protection Act (PDPA), any amount in excess of the FDIC insurance threshold shall be collateralized as required by the Public Deposit Protection Acts,

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE B - DEPOSITS AND INVESTMENTS (CONT'D)

article 10.5 of title 11, C.R.S., as amended or article 47 of title 11, C.R.S, as amended. Of the balance, \$750,000 was covered by FDIC insurance and \$1,744,251 was covered by the Public Deposit Protection Act.

NOTE C – DUE FROM OTHER GOVERNMENTS

A summary of due from other governments as presented in the Statement of Net Position at December 31, 2025 is as follows:

Rural Development – rental assistance	\$ <u>4,714</u>
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NOTE D – PREPAID ITEMS

A summary of prepaid items as presented in the Statement of Net Position at December 31, 2025 is as follows:

Prepaid insurance	\$ 44,704
Prepaid employee benefits	4,923
Other	<u>736</u>
	\$ <u>50,363</u>

NOTE E – MATERIALS INVENTORY

The following is a summary of materials inventory as presented in the Statement of Net Position at December 31, 2025:

Inventory supplies	\$ 965
Allowance for obsolete inventory	<u>--</u>
	\$ <u>965</u>

NOTE F – RESTRICTED ASSETS

The following is a summary of restricted assets at December 31, 2025:

Restricted Cash and Cash Equivalents

Tenant security deposits	\$ 55,369
Replacement Reserve	<u>78,643</u> [1]
	\$ <u>134,012</u>

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

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Non-depreciable assets:				
Land	\$ 81,150	\$ -	\$ -	\$ 81,150
Construction in progress	-	1,553	-	1,553
Total non-depreciable assets	<u>81,150</u>	<u>1,553</u>	<u>-</u>	<u>82,703</u>
Depreciable assets				
Buildings	5,713,683	20,079	-	5,733,762
Equipment - Dwelling	103,875	4,284	-	108,159
Equipment - Administration	268,021	34,399	(5,281)	297,139
Total depreciable assets	<u>6,085,579</u>	<u>58,762</u>	<u>(5,281)</u>	<u>6,139,060</u>
Total Capital Assets	<u>6,166,729</u>	<u>60,315</u>	<u>(5,281)</u>	<u>6,221,763</u>
Accumulated depreciation				
Buildings	4,263,740	150,794	-	4,414,534
Equipment - Dwelling	68,601	7,630	-	76,231
Equipment - Administration	208,187	21,459	(5,130)	224,516
Total accumulated depreciation	<u>4,540,528</u>	<u>179,883</u>	<u>(5,130)</u>	<u>4,715,280</u>
Depreciable assets, net	<u>1,545,051</u>	<u>(121,121)</u>	<u>(151)</u>	<u>1,423,780</u>
Capital assets, net	<u>\$ 1,626,201</u>	<u>\$ (119,568)</u>	<u>\$ (151)</u>	<u>\$ 1,506,483</u>

NOTE H – ACCOUNTS PAYABLE

A summary of accounts payable as presented in the Statement of Net Position at December 31, 2025 is as follows:

Vendors and contractors	\$ <u>2,545</u>
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NOTE I – DUE TO OTHER GOVERNMENTS

A summary of due to other governments as presented in the Statement of Net Position at December 31, 2025 is as follows:

Health and Human Services – interest	\$ <u>44,370</u>	[1]
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[1] – This represents interest income earned in excess of \$500 to be remitted to U.S Treasury via Health and Human Services as required by 2 CFR 200.305(b)(12).

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE J—ACCRUED COMPENSATED ABSENCES

A summary of accrued compensated absences as presented in the Statement of Net Position as of December 31, 2025 is as follows:

	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Compensated absences	\$ 40,453	\$ (23,243)	\$ 17,210	\$ 2,290

NOTE K – LONG-TERM LIABILITIES

Direct Borrowings:

The Authority has Rural Rental Housing loans with the U.S. Department of Agriculture Rural Development. There are two loans on the project, one is dated July 1, 1997 and had an original principal amount of \$370,976 and loan two is dated July 3, 1997 and had an original principal amount of \$128,233. The loans require monthly debt service payments of \$787 and \$272 respectively. The combined outstanding balance as of December 31, 2025 was \$404,819. The loans are secured by the property known as Fremont Apartments and the accounts and revenue of the project.

A summary of changes in Notes payable as of December 31, 2025 is as follows:

<u>Description</u>	<u>Balance 1/1/2025</u>	<u>Principal Retired</u>	<u>Balance 12/31/2025</u>	<u>Within One Year</u>
Rural Development Loan #6	\$ 306,332	\$ (5,621)	\$ 300,711	\$ 1,173
Rural Development Loan #5	106,040	(1,932)	104,108	3,624
Total	<u>\$ 412,372</u>	<u>\$ (7,553)</u>	<u>\$ 404,819</u>	<u>\$ 4,797</u>
		Less current maturities	(4,797)	
		Long-term portion	<u>\$ 400,022</u>	

Principal and interest requirements for the notes are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 4,797	\$ 7,910	\$ 12,707
2027	5,658	7,049	12,707
2028	4,984	7,723	12,707
2029	5,080	7,627	12,707
2030	5,178	7,529	12,707
2031-2035	27,417	36,118	63,535
2036-2040	30,155	33,380	63,535
2041-2045	33,165	30,370	63,535
2046-2047	7,021	5,686	12,707
Maturity [1]	281,364	-	281,364
	<u>\$ 404,819</u>	<u>\$ 143,392</u>	<u>\$ 548,211</u>

[1] – The loans mature in the year 2047, at the point of maturity the loans will either have to be refinanced or paid in full.

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE L—NET POSITION

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

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

Restricted net position of \$78,643 is restricted in the Rural Development Program for replacement reserves to be used for capital activities upon approval of USDA (See Note F).

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

NOTE M – CONTINGENCIES

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

NOTE N - RISK MANAGEMENT

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

During the year ended December 31, 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.

**SUPPLEMENTAL INFORMATION-
PROGRAM FINANCIAL SCHEDULES**

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
PROGRAM SCHEDULE OF NET POSITION
December 31, 2025

	Public Housing (Hillcrest)	Rural Development (Fremont)	Project Program	Totals
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 988,614	\$ 110,720	\$ 17,593	\$ 1,116,927
Investments	1,211,711	-	-	1,211,711
Interfund receivable	-	3,019	-	3,019
Due from other governments	-	4,714	-	4,714
Accrued interest receivable	15,639	-	-	15,639
Prepaid items	20,100	30,263	-	50,363
Materials inventory, net	965	-	-	965
<i>Restricted:</i>				
Cash and cash equivalents	35,264	20,105	-	55,369
TOTAL CURRENT ASSETS	2,272,293	168,821	17,593	2,458,707
NONCURRENT ASSETS:				
<i>Restricted:</i>				
Cash and cash equivalents	-	78,643	-	78,643
Capital Assets, non-depreciable	21,150	61,553	-	82,703
Capital Assets, depreciable, net	1,268,191	155,589	-	1,423,780
TOTAL NONCURRENT ASSETS	1,289,341	295,785	-	1,585,126
TOTAL ASSETS	\$ 3,561,634	\$ 464,606	\$ 17,593	\$ 4,043,833
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable	\$ 945	\$ 1,600	\$ -	\$ 2,545
Interfund payable	3,019	-	-	3,019
Accrued payroll and benefits	6,217	-	-	6,217
Due to other governments	44,370	-	-	44,370
Accrued compensated absences	10,187	4,733	-	14,920
Accrued interest payable	-	405	-	405
Tenant security deposit payable	35,264	20,105	-	55,369
Current-portion notes payable	-	4,797	-	4,797
TOTAL CURRENT LIABILITIES	100,002	31,640	-	131,642
NONCURRENT LIABILITIES:				
Accrued compensated absences	1,557	733	-	2,290
Notes payable	-	400,022	-	400,022
TOTAL NONCURRENT LIABILITIES	1,557	400,755	-	402,312
TOTAL LIABILITIES	101,559	432,395	-	533,954
NET POSITION:				
Net investment in capital assets	1,289,341	(187,677)	-	1,101,664
Restricted, replacement reserve	-	78,643	-	78,643
Unrestricted	2,170,734	141,245	17,593	2,329,572
TOTAL NET POSITION	\$ 3,460,075	\$ 32,211	\$ 17,593	\$ 3,509,879

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
PROGRAM SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Year Ended December 31, 2025

	Public Housing (Hillcrest)	Rural Development (Fremont)	Project Program	Totals
OPERATING REVENUES				
Rental income	\$ 508,555	\$ 242,528	\$ -	\$ 751,083
USDA rental assistance	-	57,076	-	57,076
Management fee income	41,238	-	-	41,238
Other income	8,950	4,155	-	13,105
TOTAL OPERATING REVENUES	558,743	303,759	-	862,502
OPERATING EXPENSES				
Administrative	158,737	68,429	-	227,166
Tenant services	9,330	164	-	9,494
Utilities	106,513	23,868	-	130,381
Ordinary maintenance and operations	214,289	81,945	-	296,234
General expense	115,607	40,353	-	155,960
Depreciation	159,904	19,979	-	179,883
TOTAL OPERATING EXPENSES	764,380	234,738	-	999,118
OPERATING INCOME (LOSS)	(205,637)	69,021	-	(136,616)
NONOPERATING REVENUES (EXPENSES)				
HUD operating subsidy	133,488	-	-	133,488
HUD capital grants - operations	282,846	-	-	282,846
USDA interest subsidy	-	15,880	-	15,880
Interest income	500	197	27	724
Interest expense	-	(29,479)	-	(29,479)
Loss on capital asset dispositions	(151)	-	-	(151)
TOTAL NONOPERATING REVENUES (EXPENSES)	416,683	(13,402)	27	403,308
INCREASE (DECREASE) IN NET POSITION	211,046	55,619	27	266,692
NET POSITION:				
Net position, beginning balance	3,249,029	(23,408)	17,566	3,243,187
NET POSITION - ENDING BALANCE	\$ 3,460,075	\$ 32,211	\$ 17,593	\$ 3,509,879

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS
Year Ended December 31, 2025

	Public Housing (Hillcrest)	Rural Development (Fremont)	Project Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Rental receipts	\$ 511,699	\$ 242,528	\$ -	\$ 754,227
USDA rental assistance	-	56,609	-	56,609
Management fee receipts	41,238	-	-	41,238
Other receipts	8,950	4,155	-	13,105
Tenant security deposits	629	785	-	1,414
Cash payments for goods and services	(330,456)	(153,410)	-	(483,866)
Cash payments to employees for services	(296,620)	(96,337)	-	(392,957)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(64,560)	54,330	-	(10,230)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
HUD operating subsidy	133,488	-	-	133,488
HUD capital grants - operations	282,846	-	-	282,846
Interfund borrowing	3,019	(3,019)	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	419,353	(3,019)	-	416,334
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases and construction of capital assets	(52,650)	(6,112)	-	(58,762)
Interest paid on capital debt	-	(13,645)	-	(13,645)
Principal paid on capital debt	-	(7,553)	-	(7,553)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(52,650)	(27,310)	-	(79,960)
 CASH FLOWS FROM INVESTING ACTIVITIES:				
(Deposits) withdrawals to investments	(340,094)	-	-	(340,094)
Interest received	41,080	196	27	41,303
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(299,014)	196	27	(298,791)
NET INCREASE (DECREASE) IN CASH	3,129	24,197	27	27,353
CASH AND CASH EQUIVALENTS-BEGINNING	1,020,749	185,271	17,566	1,223,586
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 1,023,878	\$ 209,468	\$ 17,593	\$ 1,250,939

HOUSING AUTHORITY OF THE CITY OF FORT MORGAN, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS (CONT'D)
Year Ended December 31, 2025

	Public Housing (Hillcrest)	Rural Development (Fremont)	Project Program	Totals
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (205,637)	\$ 69,021	\$ -	\$ (136,616)
Adjustments to reconcile income from operations to net cash provided by operating activities:				
Depreciation	159,904	19,979	-	179,883
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	3,144	-	-	3,144
(Increase) decrease in due from other governments	-	(467)	-	(467)
(Increase) decrease in prepaid items	(12,086)	(27,517)	-	(39,603)
(Increase) decrease in materials inventory	(5)	-	-	(5)
Increase (decrease) in accounts payable	(926)	(30)	-	(956)
Increase (decrease) in accrued payroll and benefits	6,218	-	-	6,218
Increase (decrease) in tenant security deposits	629	785	-	1,414
Increase (decrease) in accrued leave	(15,801)	(7,441)	-	(23,242)
NET CASH PROVIDED (USED)	BY OPERATING ACTIVITIES	BY OPERATING ACTIVITIES	BY OPERATING ACTIVITIES	BY OPERATING ACTIVITIES
	\$ (64,560)	\$ 54,330	\$ -	\$ (10,230)

**SUPPLEMENTAL INFORMATION –
HUD FINANCIAL DATA SCHEDULE**

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

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2025

	Project Total	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$988,614	\$17,593	\$110,720		\$1,116,927		\$1,116,927
113 Cash - Other Restricted			\$78,643		\$78,643		\$78,643
114 Cash - Tenant Security Deposits	\$35,264		\$20,105		\$55,369		\$55,369
100 Total Cash	\$1,023,878	\$17,593	\$209,468	\$0	\$1,250,939	\$0	\$1,250,939
124 Accounts Receivable - Other Government			\$4,714		\$4,714		\$4,714
126.2 Allowance for Doubtful Accounts - Other			\$0		\$0		\$0
129 Accrued Interest Receivable	\$15,639				\$15,639		\$15,639
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$15,639	\$0	\$4,714	\$0	\$20,353	\$0	\$20,353
131 Investments - Unrestricted	\$1,211,711				\$1,211,711		\$1,211,711
142 Prepaid Expenses and Other Assets	\$20,100		\$30,263		\$50,363		\$50,363
143 Inventories	\$965				\$965		\$965
143.1 Allowance for Obsolete Inventories	\$0				\$0		\$0
144 Inter Program Due From			\$3,019		\$3,019	-\$3,019	\$0
150 Total Current Assets	\$2,272,293	\$17,593	\$247,464	\$0	\$2,537,350	-\$3,019	\$2,534,331
161 Land	\$21,150		\$60,000		\$81,150		\$81,150
162 Buildings	\$4,606,548		\$1,127,214		\$5,733,762		\$5,733,762
163 Furniture, Equipment & Machinery - Dwellings	\$75,144				\$75,144		\$75,144
164 Furniture, Equipment & Machinery - Administration	\$283,701		\$13,438		\$297,139		\$297,139
166 Accumulated Depreciation	-\$3,697,202		-\$1,018,078		-\$4,715,280		-\$4,715,280
167 Construction in Progress			\$1,553		\$1,553		\$1,553
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,289,341	\$0	\$217,142	\$0	\$1,506,483	\$0	\$1,506,483
180 Total Non-Current Assets	\$1,289,341	\$0	\$217,142	\$0	\$1,506,483	\$0	\$1,506,483
290 Total Assets and Deferred Outflow of Resources	\$3,561,634	\$17,593	\$464,606	\$0	\$4,043,833	-\$3,019	\$4,040,814
312 Accounts Payable <= 90 Days	\$945		\$47		\$992		\$992
321 Accrued Wage/Payroll Taxes Payable	\$6,217				\$6,217		\$6,217
322 Accrued Compensated Absences - Current Portion	\$10,187		\$4,733		\$14,920		\$14,920
325 Accrued Interest Payable			\$405		\$405		\$405
331 Accounts Payable - HUD PHA Programs	\$44,370				\$44,370		\$44,370
341 Tenant Security Deposits	\$35,264		\$20,105		\$55,369		\$55,369
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$4,797		\$4,797		\$4,797
346 Accrued Liabilities - Other			\$1,553		\$1,553		\$1,553
347 Inter Program - Due To	\$3,019				\$3,019	-\$3,019	\$0
310 Total Current Liabilities	\$100,002	\$0	\$31,640	\$0	\$131,642	-\$3,019	\$128,623
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$400,022		\$400,022		\$400,022
354 Accrued Compensated Absences - Non Current	\$1,557		\$733		\$2,290		\$2,290
350 Total Non-Current Liabilities	\$1,557	\$0	\$400,755	\$0	\$402,312	\$0	\$402,312
300 Total Liabilities	\$101,559	\$0	\$432,395	\$0	\$533,954	-\$3,019	\$530,935
508.4 Net Investment in Capital Assets	\$1,289,341		-\$187,677		\$1,101,664		\$1,101,664
511.4 Restricted Net Position			\$78,643		\$78,643		\$78,643
512.4 Unrestricted Net Position	\$2,170,734	\$17,593	\$141,245	\$0	\$2,329,572		\$2,329,572
513 Total Equity - Net Assets / Position	\$3,460,075	\$17,593	\$32,211	\$0	\$3,509,879	\$0	\$3,509,879
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,561,634	\$17,593	\$464,606	\$0	\$4,043,833	-\$3,019	\$4,040,814

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

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2025

	Project Total	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$477,477		\$229,649		\$707,126		\$707,126
70400 Tenant Revenue - Other	\$31,078		\$12,879		\$43,957		\$43,957
70500 Total Tenant Revenue	\$508,555	\$0	\$242,528	\$0	\$751,083	\$0	\$751,083
70600 HUD PHA Operating Grants	\$416,334				\$416,334		\$416,334
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants			\$15,880	\$57,076	\$72,956		\$72,956
71100 Investment Income - Unrestricted	\$500	\$27	\$79		\$606		\$606
71500 Other Revenue	\$50,188		\$4,155		\$54,343	-\$41,238	\$13,105
71600 Gain or Loss on Sale of Capital Assets	-\$151				-\$151		-\$151
72000 Investment Income - Restricted			\$118		\$118		\$118
70000 Total Revenue	\$975,426	\$27	\$262,760	\$57,076	\$1,295,289	-\$41,238	\$1,254,051
91100 Administrative Salaries	\$94,959		\$12,684		\$107,643		\$107,643
91200 Auditing Fees	\$5,000		\$2,500		\$7,500		\$7,500
91300 Management Fee			\$41,238		\$41,238	-\$41,238	\$0
91400 Advertising and Marketing	\$783		\$217		\$1,000		\$1,000
91500 Employee Benefit contributions - Administrative	\$29,542		\$9,869		\$39,411		\$39,411
91600 Office Expenses	\$11,972		\$258		\$12,230		\$12,230
91700 Legal Expense	\$2,055		\$973		\$3,028		\$3,028
91800 Travel	\$1,066				\$1,066		\$1,066
91900 Other	\$13,360		\$690		\$14,050		\$14,050
91000 Total Operating - Administrative	\$158,737	\$0	\$68,429	\$0	\$227,166	-\$41,238	\$185,928
92100 Tenant Services - Salaries	\$6,304				\$6,304		\$6,304
92300 Employee Benefit Contributions - Tenant Services	\$1,904				\$1,904		\$1,904
92400 Tenant Services - Other	\$1,122		\$164		\$1,286		\$1,286
92500 Total Tenant Services	\$9,330	\$0	\$164	\$0	\$9,494	\$0	\$9,494
93100 Water	\$34,530		\$14,580		\$49,110		\$49,110
93200 Electricity	\$31,916		\$3,817		\$35,733		\$35,733
93300 Gas	\$17,854				\$17,854		\$17,854
93600 Sewer	\$22,213		\$5,471		\$27,684		\$27,684
93000 Total Utilities	\$108,513	\$0	\$23,868	\$0	\$130,381	\$0	\$130,381
94100 Ordinary Maintenance and Operations - Labor	\$101,384		\$37,751		\$139,135		\$139,135
94200 Ordinary Maintenance and Operations - Materials and Other	\$16,955		\$6,522		\$23,477		\$23,477
94300 Ordinary Maintenance and Operations Contracts	\$63,424		\$18,591		\$82,015		\$82,015
94500 Employee Benefit Contributions - Ordinary Maintenance	\$32,516		\$19,081		\$51,597		\$51,597
94000 Total Maintenance	\$214,289	\$0	\$81,945	\$0	\$296,234	\$0	\$296,234
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$84,836		\$28,280		\$113,116		\$113,116
96120 Liability Insurance	\$1,507		\$709		\$2,216		\$2,216
96130 Workmen's Compensation	\$3,746		\$1,763		\$5,509		\$5,509
96140 All Other Insurance	\$4,155		\$90		\$4,245		\$4,245
96100 Total Insurance Premiums	\$94,244	\$0	\$30,842	\$0	\$125,086	\$0	\$125,086
96210 Compensated Absences	\$20,428		\$9,511		\$29,939		\$29,939
96400 Bad debt - Tenant Rents	\$935				\$935		\$935
96000 Total Other General Expenses	\$21,363	\$0	\$9,511	\$0	\$30,874	\$0	\$30,874
96710 Interest of Mortgage (or Bonds) Payable			\$29,479		\$29,479		\$29,479
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$29,479	\$0	\$29,479	\$0	\$29,479
96900 Total Operating Expenses	\$604,476	\$0	\$244,238	\$0	\$848,714	-\$41,238	\$807,476
97000 Excess of Operating Revenue over Operating Expenses	\$370,950	\$27	\$18,522	\$57,076	\$446,575	\$0	\$446,575
97400 Depreciation Expense	\$159,904		\$19,979		\$179,883		\$179,883
90000 Total Expenses	\$764,380	\$0	\$264,217	\$0	\$1,028,597	-\$41,238	\$987,359
10010 Operating Transfer In	\$282,846		\$57,076		\$339,922	-\$339,922	\$0
10020 Operating Transfer Out	-\$282,846			-\$57,076	-\$339,922	\$339,922	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$57,076	-\$57,076	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$211,046	\$27	\$55,619	\$0	\$266,692	\$0	\$266,692
11020 Required Annual Debt Principal Payments	\$0	\$0	\$7,553	\$0	\$7,553		\$7,553
11030 Beginning Equity	\$3,249,029	\$17,566	-\$23,408	\$0	\$3,243,187		\$3,243,187
11190 Unit Months Available	102		460		1512		1512
11210 Number of Unit Months Leased	1015		475		1490		1490
11270 Excess Cash	\$2,100,853				\$2,100,853		\$2,100,853
11620 Building Purchases	\$14,686				\$14,686		\$14,686
11630 Furniture & Equipment - Dwelling Purchases	\$3,565				\$3,565		\$3,565
11640 Furniture & Equipment - Administrative Purchases	\$34,399				\$34,399		\$34,399

Fort Morgan Housing Authority (CO011)
FORT MORGAN, CO

Single Project Revenue and Expense

Submission Type: Audited/Non Single
Audit

Fiscal Year End: 12/31/2025

Project: CO011011011 HILLCREST APARTMENTS

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$477,477		\$477,477
70400 Tenant Revenue - Other	\$31,078		\$31,078
70500 Total Tenant Revenue	\$508,555	\$0	\$508,555
70600 HUD PHA Operating Grants	\$133,488	\$282,846	\$416,334
71100 Investment Income - Unrestricted	\$500		\$500
71500 Other Revenue	\$50,188		\$50,188
71600 Gain or Loss on Sale of Capital Assets	-\$151		-\$151
70000 Total Revenue	\$692,580	\$282,846	\$975,426
91100 Administrative Salaries	\$94,959		\$94,959
91200 Auditing Fees	\$5,000		\$5,000
91400 Advertising and Marketing	\$783		\$783
91500 Employee Benefit contributions - Administrative	\$29,542		\$29,542
91600 Office Expenses	\$11,972		\$11,972
91700 Legal Expense	\$2,055		\$2,055
91800 Travel	\$1,066		\$1,066
91900 Other	\$13,360		\$13,360
91000 Total Operating - Administrative	\$158,737	\$0	\$158,737
92100 Tenant Services - Salaries	\$6,304		\$6,304
92300 Employee Benefit Contributions - Tenant Services	\$1,904		\$1,904
92400 Tenant Services - Other	\$1,122		\$1,122
92500 Total Tenant Services	\$9,330	\$0	\$9,330
93100 Water	\$34,530		\$34,530
93200 Electricity	\$31,916		\$31,916
93300 Gas	\$17,854		\$17,854
93600 Sewer	\$22,213		\$22,213
93000 Total Utilities	\$106,513	\$0	\$106,513
94100 Ordinary Maintenance and Operations - Labor	\$101,384		\$101,384
94200 Ordinary Maintenance and Operations - Materials and Other	\$16,965		\$16,965
94300 Ordinary Maintenance and Operations Contracts	\$63,424		\$63,424
94500 Employee Benefit Contributions - Ordinary Maintenance	\$32,516		\$32,516
94000 Total Maintenance	\$214,289	\$0	\$214,289
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$84,836		\$84,836
96120 Liability Insurance	\$1,507		\$1,507
96130 Workmen's Compensation	\$3,746		\$3,746
96140 All Other Insurance	\$4,155		\$4,155
96100 Total insurance Premiums	\$94,244	\$0	\$94,244
96210 Compensated Absences	\$20,428		\$20,428
96400 Bad debt - Tenant Rents	\$935		\$935
96000 Total Other General Expenses	\$21,363	\$0	\$21,363
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$604,476	\$0	\$604,476
97000 Excess of Operating Revenue over Operating Expenses	\$88,104	\$282,846	\$370,950
97400 Depreciation Expense	\$159,904		\$159,904
90000 Total Expenses	\$764,380	\$0	\$764,380
10010 Operating Transfer In	\$282,846		\$282,846
10020 Operating transfer Out		-\$282,846	-\$282,846
10100 Total Other financing Sources (Uses)	\$282,846	-\$282,846	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$211,046	\$0	\$211,046
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$3,249,029	\$0	\$3,249,029
11190 Unit Months Available	1032		1032
11210 Number of Unit Months Leased	1015		1015
11270 Excess Cash	\$2,100,853		\$2,100,853
11620 Building Purchases	\$14,686	\$0	\$14,686
11630 Furniture & Equipment - Dwelling Purchases	\$3,665	\$0	\$3,665
11640 Furniture & Equipment - Administrative Purchases	\$34,399	\$0	\$34,399

GOVERNMENT AUDITING STANDARDS SECTION

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

Independent Auditors Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the major fund of the Housing Authority of the City of Fort Morgan, Colorado as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Fort Morgan, Colorado's basic financial statements, and have issued our report thereon dated May 4, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Niewedde & Wiens, CPA's

York, Nebraska
May 4, 2026

AGREED-UPON PROCEDURE

Independent Accountant's Report on Applying Agreed-Upon Procedure

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

We have performed the procedures enumerated below on whether the electronic submission of certain information agrees with the hard copy documents within the reporting package for the year ended December 31, 2025. The U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) is responsible for the Uniform Financial Reporting Standards (UFRS) procedures.

The Housing Authority of the City of Fort Morgan, Colorado, has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with the REAC's UFRS requirements for the submission of the PHA financial data for the year ended December 31, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below:

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue and Revenue and Expense (account numbers 111 to 13901)	Financial Data Schedule, all Federal Assistance Listing Numbers, if applicable.	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (date element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

We were engaged by the Housing Authority of the City of Fort Morgan, Colorado to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on UFRS Rule Information. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Housing Authority of the City of Fort Morgan, Colorado and REAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedure engagement.

This report is intended solely for the information and use of the Housing Authority of the City of Fort Morgan, Colorado and REAC, and is not intended to be, and should not be, used by anyone other than these specified parties.

We were engaged to perform an audit of the financial statements of the Housing Authority of the City of Fort Morgan, Colorado as of and for the year ended December 31, 2025, and have issued our report thereon dated May 4, 2026. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority of the City of Fort Morgan, Colorado's Financial Data Schedule dated May 4, 2026, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package and the Financial Data Schedule, which includes the auditor's report, is available in its entirety from the Housing Authority of the City of Fort Morgan, Colorado. We have not performed any additional auditing procedures since the date of the aforementioned audit report.

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

Niewedde & Wiens, CPA's

York, Nebraska
May 4, 2026