

HOUSING AUTHORITY OF THE CITY OF
HOLYOKE, COLORADO

BASIC FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTAL INFORMATION
AND
SUPPLEMENTAL INFORMATION

Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT



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

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Holyoke, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Housing Authority of the City of Holyoke, 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 Holyoke, 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 the major fund of the Housing Authority of the City of Holyoke, Colorado as of December 31, 2025, and the changes in financial position and cash flows for the year 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 Holyoke, 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 Holyoke, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Housing Authority of the City of Holyoke, 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 Holyoke, 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 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Holyoke, Colorado's basic financial statements. The Program Financial Schedules and Financial Data Schedules 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 Program Financial Schedules and Financial Data Schedules 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 June 11, 2026 on our consideration of the Housing Authority of the City of Holyoke, 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 Holyoke, 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 Holyoke, Colorado's internal control over financial reporting and compliance.

Niewedde & Wiens, CPA's

York, Nebraska
June 11, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This section of the Housing Authority of the City of Holyoke, Colorado's annual financial report presents our 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.

OVERVIEW OF THE BASIC 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. The Authority's basic financial statements are presented as fund level financial statements because the Authority only has a single proprietary fund.

Required Basic financial statements

Proprietary Fund Financial Statements - The 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, deferred outflows of resources, liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources and obligations of the Authority creditors. It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

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

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 reports a single enterprise fund.

Notes to Financial Statements

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

Supplemental Information

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

FINANCIAL HIGHLIGHTS AND ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$1,397,688 at the close of the year ended December 31, 2025. This represents an increase of \$119,725, or 9.4% over the prior year. This was largely related to \$167,160 of capital

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

FINANCIAL HIGHLIGHTS AND ANALYSIS (CONT'D)

contributions from capital fund grants. The unrestricted component of net position was \$433,771 as of December 31, 2025 which was a decrease of \$11,018 which was due to net income of \$42,323 when not including depreciation expense which was offset by nongrant funded capital expenditures.

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

CONDENSED STATEMENTS OF NET POSITION

		FY 2025	FY 2024	Dollar Change	Percent Change
Current and other assets	\$	476,738	\$ 476,320	\$ 418	0.1%
Capital assets		963,917	833,174	130,743	15.7%
Total Assets		<u>1,440,656</u>	<u>1,309,494</u>	<u>131,162</u>	10.0%
Current liabilities		32,121	20,858	11,263	54.0%
Noncurrent liabilities		10,846	10,673	173	1.6%
Total Liabilities		<u>42,967</u>	<u>31,531</u>	<u>11,437</u>	36.3%
Net Position					
Net investment in capital assets		963,917	833,174	130,743	15.7%
Unrestricted		433,771	444,789	(11,018)	-2.5%
Total Net Position	\$	<u><u>1,397,688</u></u>	<u><u>1,277,963</u></u>	<u><u>119,725</u></u>	9.4%

Current and other assets increased \$418. Within this cash and investments increased \$2,348 and the receivable from HUD decreased \$2,500. Total liabilities increased \$11,437. Starting in 2025, the Authority is required to remit interest earned beyond \$500 in the Public Housing program to HHS on behalf of HUD and reported a \$14,344 payable related to that.

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

As seen in the table on the next page, rental income increased by \$13,921. The Public Housing program had 357 unit months leased out of 360 unit months available which was an increase of 3 over the previous year.

In the Section 8 New Construction program, 2025 had 141 unit months leased which was an increase 4 unit months from the previous year out of an available 144.

Operating subsidy decreased \$14,513 to \$50,950. Operating subsidy is based on a HUD formula which relies heavily on historic rental income and utility figures. The Authority earn \$500 of revenue by use of its capital funds for operations compared to \$10,301 in the prior year. Section 8 rental assistance increased \$4,908.

Interest income decreased \$19,186 largely due the interest income of \$14,344 being reported as a payable to HUD.

Operating expenses decreased by \$10,259 with maintenance expenses decreasing \$9,206 largely due to the Authority losing a maintenance staff during the year.

HUD capital fund grant contributions were \$167,160 for the year ended December 31, 2025. The Authority is allocated capital grant money each year as determined by HUD and remains relatively consistent from year to year

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

FINANCIAL HIGHLIGHTS AND ANALYSIS (CONT'D)

based on the Authority's number of units. The amount presented will vary from year to year depending on the timing of projects as outlined in the HUD approved capital grant budget.

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

	FY 2025	FY 2024	Dollar Change	Percent Change
Revenues				
Program revenues				
Rental	\$ 213,844	\$ 199,923	\$ 13,921	7.0%
HUD operating grants	85,263	104,669	(19,406)	-18.5%
Other	14,755	15,275	(520)	-3.4%
General revenues				
Interest	1,632	20,818	(19,186)	-92.2%
Other	5,557	-	5,557	100.0%
Total Revenues	<u>321,052</u>	<u>340,685</u>	<u>(19,634)</u>	-5.8%
Expenses				
Operating, less depreciation	278,730	288,988	(10,259)	-3.5%
Depreciation	87,257	100,098	(12,841)	-12.8%
Nonoperating	-	8,482	(8,482)	-100.0%
Total Expenses	<u>365,987</u>	<u>397,568</u>	<u>(31,582)</u>	-7.9%
Excess (Deficiency) Before Contributions and Special Items	(44,935)	(56,883)	11,948	
Contributions	167,160	13,582	153,578	
Special items, net	<u>(2,500)</u>	<u>(6,000)</u>	3,500	
Changes in Net Position	119,725	(49,301)	169,026	
Beginning net position	1,277,963	1,327,264	(49,301)	
Ending net position	<u>\$ 1,397,688</u>	<u>\$ 1,277,963</u>	<u>\$ 119,725</u>	

CAPITAL ASSETS

The Housing Authority of the City of Holyoke, Colorado's net investment in capital assets as of December 31, 2025 amounts to \$963,917 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment and construction in progress.

The total increase in the Authority's net investment in capital assets for the current fiscal year was 15.7% in terms of net book value. Actual expenditures to purchase or construct capital assets were \$224,374. The increase in capital assets included a trade in for a new lawn mower and deck, new shop doors and locks, new cement pads and fencing for garbage dumpster area, new cement parking lot, new kitchen cabinets in a couple apartments, new ADA doors with push bar exits on the Community rooms, and the purchase of a compact track loader for snow removal in parking lots.

Depreciation charges for the year totaled \$87,257. Additional information on the Authority's capital assets can be found in Note E of the notes to financial statements of this report.

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

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. 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 Holyoke, Colorado, 330 West Kellogg, Holyoke, Colorado, 80734.

BASIC FINANCIAL STATEMENTS

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

ASSETS

	<u>Housing</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 454,337.25
Due from other governments	7,141.00
Prepaid expenses	570.00
<i>Restricted:</i>	
Cash and cash equivalents	<u>14,690.00</u>
TOTAL CURRENT ASSETS	<u>476,738.25</u>
NONCURRENT ASSETS	
Capital Assets, non-depreciable	13,467.00
Capital Assets, depreciable, net	<u>950,450.34</u>
TOTAL NONCURRENT ASSETS	<u>963,917.34</u>
TOTAL ASSETS	<u>\$ 1,440,655.59</u>

LIABILITIES

CURRENT LIABILITIES:	
Accounts payable	\$ 540.57
Accrued wages and benefits payable	1,341.28
Accrued compensated absences	1,205.10
Due to other governments	14,344.32
Trust and deposit liabilities	<u>14,690.00</u>
TOTAL CURRENT LIABILITIES	<u>32,121.27</u>
NONCURRENT LIABILITIES	
Accrued compensated absences	<u>10,845.84</u>
TOTAL NONCURRENT LIABILITIES	<u>10,845.84</u>
TOTAL LIABILITIES	<u>42,967.11</u>

NET POSITION

Net investment in capital assets	963,917.34
Unrestricted	<u>433,771.14</u>
TOTAL NET POSITION	<u>\$ 1,397,688.48</u>

See accompanying notes.

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

	<u>Housing</u>
OPERATING REVENUES	
Rental income	\$ 213,843.88
HUD Section 8 contributions	33,813.00
Other income	<u>14,755.23</u>
TOTAL OPERATING REVENUES	262,412.11
OPERATING EXPENSES	
Administrative	100,608.04
Tenant services	142.94
Utilities	47,729.75
Ordinary maintenance and operations	110,151.49
General expense	20,097.62
Depreciation	<u>87,256.76</u>
TOTAL OPERATING EXPENSES	<u>365,986.60</u>
OPERATING INCOME (LOSS)	<u>(103,574.49)</u>
NONOPERATING REVENUES (EXPENSES)	
Operating subsidy	50,950.00
Capital fund grants	500.00
Gain on disposition of capital assets	5,557.28
Interest income	<u>1,632.21</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>58,639.49</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND SPECIAL ITEMS	<u>(44,935.00)</u>
CAPITAL CONTRIBUTIONS	
Capital fund grants	167,160.00
SPECIAL ITEMS	
Change in capital fund budget	<u>(2,500.00)</u>
INCREASE (DECREASE) IN NET POSITION	119,725.00
NET POSITION:	
Net position, beginning balance	<u>1,277,963.48</u>
TOTAL NET POSITION - ENDING BALANCE	<u>\$ 1,397,688.48</u>

See accompanying notes.

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

	<u>Housing</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Rental receipts	\$ 225,924.11
HUD Section 8 receipts	33,813.00
Other receipts	2,675.00
Trust and deposit liabilities	303.00
Cash payments for goods and services	(153,326.61)
Cash payments to employees for services	<u>(129,183.95)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(19,795.45)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating subsidy	50,950.00
Capital fund grants	<u>500.00</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	51,450.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases and construction of capital assets	(212,442.82)
HUD - capital grants	<u>167,160.00</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(45,282.82)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	<u>15,976.53</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>15,976.53</u>
NET INCREASE (DECREASE) IN CASH	2,348.26
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>466,678.99</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 469,027.25</u></u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (103,574.49)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	87,256.76
Change in assets and liabilities:	
(Increase) decrease in prepaid expenses	(570.00)
Increase (decrease) in accounts payable	(750.17)
Increase (decrease) in trust and deposit liabilities	303.00
Increase (decrease) in accrued wages and benefits payable	6.28
Increase (decrease) in accrued compensated absences	<u>(2,466.83)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (19,795.45)</u></u>

See accompanying notes.

HOUSING AUTHORITY OF THE CITY OF HOLYOKE, 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 Public Housing programs authorized by the Quality Housing and Work Responsibility Act of 1998. These programs are subsidized by the Federal Government through the U.S. Department of Housing and Urban Development (HUD).

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

Financial Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's basic 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 basic 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, fund 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, deferred outflow of resources, liabilities and deferred inflows of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in 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, HUD Section 8 funds earned and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations, housing assistance payments 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 HOLYOKE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

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

The reporting model as defined in Statement No. 34 and modified establishes criteria (percentage of the combined assets and deferred outflows of resources, combined liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for determination of major Funds.

The Authority has the following programs reported within the sole enterprise fund:

Public Housing Program. This program accounts for the operation, maintenance, and development of housing units which are owned by the Authority. The development 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.

Section 8 New Construction. This program accounts for the operation, maintenance, and development of housing units which are owned by the Authority. The program receives rental assistance from the U.S. Department of Housing and Urban Development.

Budgetary Process

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

Estimates

The preparation of basic 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, liabilities, revenues, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

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 basic 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.

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.

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

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

Prepaid Items

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

Capital Assets and Depreciation

Property and equipment are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets are recorded at acquisition value when received. Assets capitalized have an original cost of \$100.00 or more and over a one year of life.

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

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

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, the Authority's policy is to apply restricted first.

Compensated Absences

The Authority's policy allows employees to carry over up to fifteen (15) days of unused vacation leave from year to year. Vacation leave is payable upon termination of employment.

Sick leave may be accumulated without a maximum hour limitation; however, sick leave is only paid upon termination at a rate of one (1) day for each four (4) days accumulated, subject to a maximum payout of 480 hours.

In accordance with GASB Statement No. 101, *Compensated Absences*, the Authority recognizes a liability for compensated absences for leave that has been earned and is attributable to past service and is probable to be paid as either leave taken or cash paid upon termination. Liabilities for vacation leave are recorded as earned. Liabilities for sick leave are recognized to the extent the amounts are considered probable of being paid upon termination, based on the Authority's policies and historical experience.

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.

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

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

paid or provided. The Authority has not incurred, adopted a plan or obligated resources to other postemployment benefits as defined in GASB Statement No. 75.

Income Taxes

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

Taxpayer's Bill of Rights

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

Leases

Leases are accounted for following the guidance in GASB Statement No. 87. The Authority did not have material leases requiring recognition during the year.

Subscription-Based Information Technology Arrangements (SBITA)

The Authority accounts for subscription-based information technology agreements following the guidance in GASB Statement No. 96. The Authority did not have material SBITAs requiring recognition during the year.

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

At December 31, 2025, the Authority's carrying amount of deposits was \$109,603.77 and the bank balances were \$113,137.76. The Authority had cash on hand of \$50 as of December 31, 2025.

As required by the Colorado Public Deposit Protection Act (PDPA), any amount in excess of \$250,000 (including accrued interest) shall be collateralized as required by the Public Deposit Protection Acts, article 10.5 of title 11, C.R.S., as amended or article 47 of title 11, C.R.S., as amended. The entire balance was covered FDIC insurance and the Public Deposit Protection Act.

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

NOTE B - DEPOSITS AND INVESTMENTS (CONT'D)

Investments

At December 31, 2025, the Authority had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities Less Than 1 Year
Colotrust Prime	\$ 359,373.48	\$ 359,373.48

Interest Rate Risk: The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: The Authority has no investment policy that would limit its investment choices. At December 31, 2025, the Authority's investment in the Colotrust Fund was rated AAAM by Standard & Poor's.

The Colotrust Prime invests only in U.S. Treasury and government agencies.

Concentration of Credit Risk: The Authority places no limit on the amount the Authority may invest in any one issuer.

The Authority measures and reports investments at fair value in accordance with GASB Statement No. 72. The Authority's investment in Colotrust is valued using a net asset value (NAV) per share (or amortized cost, as applicable to the pool) as provided by the pool.

A reconciliation of cash and investments as shown on the Statement of Net Position is as follows:

Statement of Net Position

Cash and cash equivalents	\$ 454,337.25
Restricted cash	14,690.00
	<u>\$ 469,027.25</u>
Bank deposits	\$ 109,603.77
Investments	359,373.48
Cash on hand	50.00
	<u>\$ 469,027.25</u>

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:

HUD - Capital Funds	\$ <u>7,141.00</u>
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HOUSING AUTHORITY OF THE CITY OF HOLYOKE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE D – RESTRICTED ASSETS

Cash and cash equivalents of \$14,690 at December 31, 2025 is restricted for Tenant Security Deposits.

NOTE E – 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	\$ 13,467.00	\$ -	\$ -	\$ 13,467.00
Total non-depreciable assets	<u>13,467.00</u>	<u>-</u>	<u>-</u>	<u>13,467.00</u>
Depreciable assets				
Buildings	2,712,309.31	107,890.82	(11,402.40)	2,808,797.73
Equipment - Dwelling	94,494.95	8,616.54	-	103,111.49
Equipment - Administration	236,549.56	107,866.46	(32,337.87)	312,078.15
Total depreciable assets	<u>3,043,353.82</u>	<u>224,373.82</u>	<u>(43,740.27)</u>	<u>3,223,987.37</u>
Total Capital Assets	<u>3,056,820.82</u>	<u>224,373.82</u>	<u>(43,740.27)</u>	<u>3,237,454.37</u>
Accumulated depreciation				
Buildings	1,999,603.17	63,467.72	(10,325.51)	2,052,745.38
Equipment - Dwelling	23,682.16	10,330.06	-	34,012.22
Equipment - Administration	200,361.49	13,458.98	(27,041.04)	186,779.43
Total accumulated depreciation	<u>2,223,646.82</u>	<u>87,256.76</u>	<u>(37,366.55)</u>	<u>2,273,537.03</u>
Depreciable assets, net	<u>819,707.00</u>	<u>137,117.06</u>	<u>(6,373.72)</u>	<u>950,450.34</u>
Capital assets, net	<u>\$ 833,174.00</u>	<u>\$ 137,117.06</u>	<u>\$ (6,373.72)</u>	<u>\$ 963,917.34</u>

NOTE F – 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>540.57</u>
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NOTE G – 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:

	Beginning Balance	Net Change	Ending Balance	Due within One Year
Compensated absences	\$ <u>14,517.77</u>	\$ <u>(2,466.83)</u>	\$ <u>12,050.94</u>	\$ <u>1,205.10</u>

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

NOTE H – DUE TO OTHER GOVERNMENTS

In accordance with federal cash management requirements, interest earned on Public Housing Operating Fund grants in excess of allowable thresholds is required to be remitted to the federal government. At December 31, 2025, the Authority has recorded a liability of \$14,344.32 for interest earned on Operating Fund grants that is payable to HUD but remitted to the Department of Health and Human Services in accordance with HUD federal cash management requirements.

NOTE I – NET POSITION

The fund financial statements utilize a net position presentation. The components of net position are net investment in capital assets, restricted and unrestricted.

- ***Net Investment in Capital Assets*** – This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. Deferred outflows of resources and deferred inflows 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.
- ***Restricted*** – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The Authority had no restricted net position at December 31, 2025.
- ***Unrestricted*** – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

NOTE J – 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.

NOTE K – CONTINGENT LIABILITIES

The Authority receives revenues from various federal and state grant programs, which are subject to audit and adjustment by the respective grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

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

NOTE L – RETIREMENT PROGRAM

All eligible employees participate in the Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan) authorized by state statute. The Plan is a defined contribution plan. The Authority and the employee each contributed 6 percent of the employee's salary into the Plan. The Authority's and employees each contributed \$6,717.60 in 2025. The total compensation of employees was \$113,531.36 in 2025. Compensation of employees covered by the Plan was \$111,960 in 2025. The Plan has no unfunded liability since it is a defined contribution plan.

NOTE M – SPECIAL ITEM

The Authority had originally budgeted for \$2,500 of its 2024 Capital Funds grant and that revenue was recognized in accordance with GASB Statement 33 criteria. The Authority performed a budget revision during the year and this revenue no longer met the recognition criteria.

SUPPLEMENTAL INFORMATION

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

ASSETS	Public Housing	Section 8 New Construction	Totals
CURRENT ASSETS:			
Cash and cash equivalents	\$ 398,064.34	\$ 56,272.91	\$ 454,337.25
Due from other governments	7,141.00	-	7,141.00
Prepaid expenses	407.49	162.51	570.00
<i>Restricted:</i>			
Cash and cash equivalents	11,002.00	3,688.00	14,690.00
TOTAL CURRENT ASSETS	416,614.83	60,123.42	476,738.25
NONCURRENT ASSETS			
Capital Assets, non-depreciable	11,267.00	2,200.00	13,467.00
Capital Assets, depreciable, net	869,218.22	81,232.12	950,450.34
TOTAL NONCURRENT ASSETS	880,485.22	83,432.12	963,917.34
TOTAL ASSETS	\$ 1,297,100.05	\$ 143,555.54	\$ 1,440,655.59
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	\$ 540.57	\$ -	\$ 540.57
Accrued wages and benefits payable	891.28	450.00	1,341.28
Accrued compensated absences	857.47	347.63	1,205.10
Due to other governments	14,344.32	-	14,344.32
Trust and deposit liabilities	11,002.00	3,688.00	14,690.00
TOTAL CURRENT LIABILITIES	27,635.64	4,485.63	32,121.27
NONCURRENT LIABILITIES			
Accrued compensated absences	7,717.24	3,128.60	10,845.84
TOTAL NONCURRENT LIABILITIES	7,717.24	3,128.60	10,845.84
TOTAL LIABILITIES	35,352.88	7,614.23	42,967.11
NET POSITION			
Net investment in capital assets	880,485.22	83,432.12	963,917.34
Unrestricted	381,261.95	52,509.19	433,771.14
TOTAL NET POSITION	\$ 1,261,747.17	\$ 135,941.31	\$ 1,397,688.48

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

	Public Housing	Section 8 New Construction	Totals
OPERATING REVENUES			
Rental income	\$ 161,670.88	\$ 52,173.00	\$ 213,843.88
HUD Section 8 contributions	-	33,813.00	33,813.00
Other income	9,755.23	5,000.00	14,755.23
TOTAL OPERATING REVENUES	171,426.11	90,986.00	262,412.11
OPERATING EXPENSES			
Administrative	71,086.06	29,521.98	100,608.04
Tenant services	142.94	-	142.94
Utilities	34,129.81	13,599.94	47,729.75
Ordinary maintenance and operations	81,391.81	28,759.68	110,151.49
General expense	14,774.90	5,322.72	20,097.62
Depreciation	76,270.86	10,985.90	87,256.76
TOTAL OPERATING EXPENSES	277,796.38	88,190.22	365,986.60
OPERATING INCOME (LOSS)	(106,370.27)	2,795.78	(103,574.49)
NONOPERATING REVENUES (EXPENSES)			
Operating subsidy	50,950.00	-	50,950.00
Capital fund grants	500.00	-	500.00
Gain on disposition of capital assets	5,557.28	-	5,557.28
Interest income	500.00	1,132.21	1,632.21
TOTAL NONOPERATING REVENUES (EXPENSES)	57,507.28	1,132.21	58,639.49
INCOME (LOSS) BEFORE CONTRIBUTIONS AND SPECIAL ITEMS	(48,862.99)	3,927.99	(44,935.00)
CONTRIBUTIONS			
Capital fund grants	167,160.00	-	167,160.00
SPECIAL ITEMS			
Change in capital fund budget	(2,500.00)	-	(2,500.00)
INCREASE (DECREASE) IN NET POSITION	115,797.01	3,927.99	119,725.00
NET POSITION:			
Net position, beginning balance	1,145,950.16	132,013.32	1,277,963.48
TOTAL NET POSITION - ENDING BALANCE	\$ 1,261,747.17	\$ 135,941.31	\$ 1,397,688.48

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

	Public Housing	Section 8 New Construction	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Tenant receipts	\$ 169,876.11	\$ 56,048.00	\$ 225,924.11
HUD Section 8 receipts	-	33,813.00	33,813.00
Other receipts	1,550.00	1,125.00	2,675.00
Trust and deposit liabilities	572.00	(269.00)	303.00
Cash payments for goods and services	(114,131.91)	(39,194.70)	(153,326.61)
Cash payments to employees for services	(89,651.79)	(39,532.16)	(129,183.95)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(31,785.59)	11,990.14	(19,795.45)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
HUD operating subsidy	50,950.00	-	50,950.00
HUD - capital grants	500.00	-	500.00
Change in interfund balance	(1,035.83)	1,035.83	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	50,414.17	1,035.83	51,450.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases and construction of capital assets	(206,164.58)	(6,278.24)	(212,442.82)
HUD - capital grants	167,160.00	-	167,160.00
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(39,004.58)	(6,278.24)	(45,282.82)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	14,844.32	1,132.21	15,976.53
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	14,844.32	1,132.21	15,976.53
NET INCREASE (DECREASE) IN CASH	(5,531.68)	7,879.94	2,348.26
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	414,598.02	52,080.97	466,678.99
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 409,066.34	\$ 59,960.91	\$ 469,027.25
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (106,370.27)	\$ 2,795.78	\$ (103,574.49)
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	76,270.86	10,985.90	87,256.76
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in prepaid expenses	(407.49)	(162.51)	(570.00)
Increase (decrease) in accounts payable	(128.46)	(621.71)	(750.17)
Increase (decrease) in trust and deposit liabilities	572.00	(269.00)	303.00
Increase (decrease) in accrued wages and benefits payable	21.28	(15.00)	6.28
Increase (decrease) in accrued compensated absences	(1,743.51)	(723.32)	(2,466.83)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (31,785.59)	\$ 11,990.14	\$ (19,795.45)

Holyoke Housing Authority (CO023)

HOLYOKE, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2025

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$398,064	\$56,273	\$454,337		\$454,337
114 Cash - Tenant Security Deposits	\$11,002	\$3,688	\$14,690		\$14,690
100 Total Cash	\$409,066	\$59,961	\$469,027		\$469,027
122 Accounts Receivable - HUD Other Projects	\$7,141		\$7,141		\$7,141
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$7,141	\$0	\$7,141		\$7,141
142 Prepaid Expenses and Other Assets	\$407	\$163	\$570		\$570
150 Total Current Assets	\$416,614	\$60,124	\$476,738		\$476,738
161 Land	\$11,267	\$2,200	\$13,467		\$13,467
162 Buildings	\$2,057,497	\$711,424	\$2,768,921		\$2,768,921
163 Furniture, Equipment & Machinery - Dwellings	\$99,133	\$24,867	\$124,000		\$124,000
164 Furniture, Equipment & Machinery - Administration	\$315,105	\$15,962	\$331,067		\$331,067
166 Accumulated Depreciation	-\$1,602,517	-\$671,021	-\$2,273,538		-\$2,273,538
160 Total Capital Assets, Net of Accumulated Depreciation	\$880,485	\$83,432	\$963,917		\$963,917
180 Total Non-Current Assets	\$880,485	\$83,432	\$963,917		\$963,917
290 Total Assets and Deferred Outflow of Resources	\$1,297,099	\$143,556	\$1,440,655		\$1,440,655
312 Accounts Payable <= 90 Days	\$541		\$541		\$541
321 Accrued Wage/Payroll Taxes Payable	\$891	\$450	\$1,341		\$1,341
322 Accrued Compensated Absences - Current Portion	\$857	\$348	\$1,205		\$1,205
331 Accounts Payable - HUD PHA Programs	\$14,344		\$14,344		\$14,344
341 Tenant Security Deposits	\$11,002	\$3,688	\$14,690		\$14,690
310 Total Current Liabilities	\$27,635	\$4,486	\$32,121		\$32,121
354 Accrued Compensated Absences - Non Current	\$7,717	\$3,129	\$10,846		\$10,846
350 Total Non-Current Liabilities	\$7,717	\$3,129	\$10,846		\$10,846
300 Total Liabilities	\$35,352	\$7,615	\$42,967		\$42,967
508.4 Net Investment in Capital Assets	\$880,485	\$83,432	\$963,917		\$963,917
512.4 Unrestricted Net Position	\$381,262	\$52,509	\$433,771		\$433,771
513 Total Equity - Net Assets / Position	\$1,261,747	\$135,941	\$1,397,688		\$1,397,688
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,297,099	\$143,556	\$1,440,655		\$1,440,655

Holyoke Housing Authority (CO023)
HOLYOKE, CO
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2025

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$161,671	\$52,173	\$213,844		\$213,844
70400 Tenant Revenue - Other	\$8,205	\$3,875	\$12,080		\$12,080
70500 Total Tenant Revenue	\$169,876	\$56,048	\$225,924	\$0	\$225,924
70600 HUD PHA Operating Grants	\$51,450	\$33,813	\$85,263		\$85,263
70610 Capital Grants	\$167,160		\$167,160		\$167,160
71100 Investment Income - Unrestricted	\$500	\$1,132	\$1,632		\$1,632
71500 Other Revenue	\$1,550	\$1,125	\$2,675		\$2,675
71600 Gain or Loss on Sale of Capital Assets	\$5,557		\$5,557		\$5,557
70000 Total Revenue	\$396,093	\$92,118	\$488,211	\$0	\$488,211
91100 Administrative Salaries	\$49,494	\$21,423	\$70,917		\$70,917
91200 Auditing Fees	\$3,865	\$1,165	\$5,030		\$5,030
91500 Employee Benefit contributions - Administrative	\$7,915	\$3,178	\$11,093		\$11,093
91600 Office Expenses	\$5,125	\$1,092	\$6,217		\$6,217
91900 Other	\$4,686	\$2,663	\$7,349		\$7,349
91000 Total Operating - Administrative	\$71,085	\$29,521	\$100,606	\$0	\$100,606
92400 Tenant Services - Other	\$143		\$143		\$143
92500 Total Tenant Services	\$143	\$0	\$143	\$0	\$143
93100 Water	\$5,476	\$1,853	\$7,329		\$7,329
93200 Electricity	\$12,504	\$5,801	\$18,305		\$18,305
93300 Gas	\$13,239	\$4,019	\$17,258		\$17,258
93600 Sewer	\$2,911	\$1,927	\$4,838		\$4,838
93000 Total Utilities	\$34,130	\$13,600	\$47,730	\$0	\$47,730
94100 Ordinary Maintenance and Operations - Labor	\$29,873	\$12,742	\$42,615		\$42,615
94200 Ordinary Maintenance and Operations - Materials and Other	\$15,564	\$3,612	\$19,176		\$19,176
94300 Ordinary Maintenance and Operations Contracts	\$32,307	\$10,956	\$43,263		\$43,263
94500 Employee Benefit Contributions - Ordinary Maintenance	\$3,648	\$1,451	\$5,099		\$5,099
94000 Total Maintenance	\$81,392	\$28,761	\$110,153	\$0	\$110,153
96110 Property Insurance	\$9,301	\$3,720	\$13,021		\$13,021
96120 Liability Insurance	\$2,599	\$1,040	\$3,639		\$3,639
96130 Workmen's Compensation	\$2,875	\$563	\$3,438		\$3,438
96100 Total Insurance Premiums	\$14,775	\$5,323	\$20,098	\$0	\$20,098
96900 Total Operating Expenses	\$201,525	\$77,205	\$278,730	\$0	\$278,730
97000 Excess of Operating Revenue over Operating Expenses	\$194,568	\$14,913	\$209,481	\$0	\$209,481
97400 Depreciation Expense	\$76,271	\$10,986	\$87,257		\$87,257
90000 Total Expenses	\$277,796	\$88,191	\$365,987	\$0	\$365,987
10010 Operating Transfer In	\$500		\$500	-\$500	\$0
10020 Operating transfer Out	-\$500		-\$500	\$500	\$0
10080 Special Items (Net Gain/Loss)	-\$2,500		-\$2,500		-\$2,500
10100 Total Other financing Sources (Uses)	-\$2,500	\$0	-\$2,500	\$0	-\$2,500
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$115,797	\$3,927	\$119,724	\$0	\$119,724
11030 Beginning Equity	\$1,145,950	\$132,014	\$1,277,964		\$1,277,964
11190 Unit Months Available	360	144	504		504
11210 Number of Unit Months Leased	357	141	498		498
11270 Excess Cash	\$371,779		\$371,779		\$371,779
11620 Building Purchases	\$80,464		\$80,464		\$80,464
11630 Furniture & Equipment - Dwelling Purchases	\$29,765		\$29,765		\$29,765
11640 Furniture & Equipment - Administrative Purchases	\$95,936		\$95,936		\$95,936

Holyoke Housing Authority (CO023)
HOLYOKE, CO

Single Project Revenue and Expense

Submission Type: Audited/Non Single
Audit

Fiscal Year End: 12/31/2025

Project: CO023000001 SUNSET VIEW HOMES

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$161,671		\$161,671
70400 Tenant Revenue - Other	\$8,205		\$8,205
70500 Total Tenant Revenue	\$169,876	\$0	\$169,876
70600 HUD PHA Operating Grants	\$50,950	\$500	\$51,450
70610 Capital Grants		\$167,160	\$167,160
71100 Investment Income - Unrestricted	\$500		\$500
71500 Other Revenue	\$1,550		\$1,550
71600 Gain or Loss on Sale of Capital Assets	\$5,557		\$5,557
70000 Total Revenue	\$228,433	\$167,660	\$396,093
91100 Administrative Salaries	\$49,494		\$49,494
91200 Auditing Fees	\$3,865		\$3,865
91500 Employee Benefit contributions - Administrative	\$7,915		\$7,915
91600 Office Expenses	\$5,125		\$5,125
91900 Other	\$4,686		\$4,686
91000 Total Operating - Administrative	\$71,085	\$0	\$71,085
92400 Tenant Services - Other	\$143		\$143
92500 Total Tenant Services	\$143	\$0	\$143
93100 Water	\$5,476		\$5,476
93200 Electricity	\$12,504		\$12,504
93300 Gas	\$13,239		\$13,239
93600 Sewer	\$2,911		\$2,911
93000 Total Utilities	\$34,130	\$0	\$34,130
94100 Ordinary Maintenance and Operations - Labor	\$29,873		\$29,873
94200 Ordinary Maintenance and Operations - Materials and Other	\$15,564		\$15,564
94300 Ordinary Maintenance and Operations Contracts	\$32,307		\$32,307
94500 Employee Benefit Contributions - Ordinary Maintenance	\$3,648		\$3,648
94000 Total Maintenance	\$81,392	\$0	\$81,392
96110 Property Insurance	\$9,301		\$9,301
96120 Liability Insurance	\$2,599		\$2,599
96130 Workmen's Compensation	\$2,875		\$2,875
96100 Total insurance Premiums	\$14,775	\$0	\$14,775
96900 Total Operating Expenses	\$201,525	\$0	\$201,525
97000 Excess of Operating Revenue over Operating Expenses	\$26,908	\$167,660	\$194,568
97400 Depreciation Expense	\$71,755	\$4,516	\$76,271
90000 Total Expenses	\$273,280	\$4,516	\$277,796
10010 Operating Transfer In	\$500		\$500
10020 Operating transfer Out		-\$500	-\$500
10080 Special Items (Net Gain/Loss)	-\$2,500		-\$2,500
10100 Total Other financing Sources (Uses)	-\$2,000	-\$500	-\$2,500
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$46,847	\$162,644	\$115,797
11030 Beginning Equity	\$1,145,950	\$0	\$1,145,950
11190 Unit Months Available	360		360
11210 Number of Unit Months Leased	357		357
11270 Excess Cash	\$371,779		\$371,779
11620 Building Purchases	\$11,765	\$68,699	\$80,464
11630 Furniture & Equipment - Dwelling Purchases	\$8,617	\$21,148	\$29,765
11640 Furniture & Equipment - Administrative Purchases	\$18,623	\$77,313	\$95,936

GOVERNMENT AUDITING STANDARDS SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Commissioners
Housing Authority of the City of Holyoke, 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 Holyoke, Colorado as of and for the year ended December 31, 2025, and the related notes to the financial statements, which comprise the Housing Authority of the City of Holyoke, Colorado's basic financial statements, and have issued our report thereon dated June 11, 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 Holyoke, 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 Holyoke, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Holyoke, Colorado's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as Finding 2025-1 to be a material weakness.

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 consider the deficiency described in the accompanying schedule of findings and responses as Finding 2025-2 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Holyoke, Colorado'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Housing Authority of the City of Holyoke, Colorado's Responses to the Findings

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

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
June 11, 2026

HOUSING AUTHORITY OF THE CITY OF HOLYOKE, COLORADO
SCHEDULE OF FINDINGS AND RESPONSES
December 31, 2025

**Finding 2025-1: Internal Control Structure
Material Weakness**

Criteria: A properly designed internal control structure relies greatly on a proper segregation of duties between several individuals. In the ideal situation, duties related to initiating, authorizing, recording, processing and reporting financial data would be segregated so that there is a reasonable possibility that a material misstatement of the entity's basis financial statements would be prevented or detected. In addition, the Authority should have effective controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles. The application of such principles is necessary to ensure that the entity's basis financial statements and notes to the statements are prepared in accordance with generally accepted accounting principles.

Condition: The Authority consists of limited administrative employees and as a result does not have personnel to assign responsibilities in such a way that different employees handle different parts of the same transaction. The limited number of employees results in an inadequate overall internal control structure design.

Cause: The Authority has limited staff and does not have the resources to properly segregate duties.

Effect or Potential Effect: The lack of segregation of duties related to the controls over the categories are deficiencies that result in more than a reasonable possibility that a material misstatement of the basis financial statements will not be prevented or detected.

Recommendation: As noted above, the Authority has limited resources and additional controls are not financially feasible through the hiring of additional staff. In addition, the Board of Commissioners is considered a governing Board and the Board performing management or day-to-day activities is not recommended based on our previous experience and is not intended to be a solution to this situation. The Authority is a small entity and the lack of segregation of duties is common among entities with minimal employees and should be recognized as such. However, it is not our intent to establish internal controls as the Authority's Board should make the final determination in the cost versus benefit.

**Finding 2025-2: Controls Over Cost Allocation Between Programs/Projects
Significant Deficiency**

Criteria: The Authority should maintain internal controls to ensure costs are recorded in the proper program/project and allocated on a reasonable and consistently applied basis when costs benefit more than one program/project. Equipment purchases and other shared costs should be allocated to benefiting programs/projects based on a documented methodology and supported by underlying records.

Condition: During the year ended December 31, 2025, the Authority purchased maintenance equipment totaling \$83,194.70 that was charged entirely to the Public Housing program. Based on discussion with management regarding the benefiting programs/projects, \$7,487.52 of the cost should have been allocated to the Section 8 New Construction program. Management did not record an adjustment to allocate the costs.

Cause: The Authority does not have a formal, consistently applied cost allocation policy or a documented review process for identifying and allocating shared purchases between programs/projects.

Effect or Potential Effect: Costs may be systematically misallocated between programs/projects. While the Authority reports these activities within a single proprietary fund and the enterprise fund financial statements may not be misstated, program/project-level reporting and accountability may be distorted. This increases the risk that program resources are not charged in a manner consistent with the benefits received and may impair management and governance oversight of program financial performance.

HOUSING AUTHORITY OF THE CITY OF HOLYOKE, COLORADO
SCHEDULE OF FINDINGS AND RESPONSES
December 31, 2025

Finding 2025-2: Controls Over Cost Allocation Between Programs/Projects (Cont'd)

Recommendation: Management should implement and document a cost allocation methodology for shared costs (including equipment) and establish a review/approval control to ensure charges are allocated to benefiting programs/projects consistently. The methodology should be applied prospectively and supported by documentation (e.g., usage estimates, assignment logs, or reasonable allocation bases such as unit counts, labor hours, work orders, or square footage, as applicable). Further, as the Authority determines if future purchases are necessary, the Authority must determine the financial impact on both programs when costs are equitably distributed to ensure both programs remain financially viable.



June 18, 2026

Finding 2025-1: The Authority is relatively small with limited administrative staff. Further, the Board of Commissions is a volunteer oversight board and not a managing board and does not have the time or expertise to provide the necessary services to correct the internal control deficiencies noted. The sale of the appliance were coded wrong and were not insurance proceeds. The GFI outlet project should have been capitalized and not listed as a maintenance expense. The Board has reviewed this issue and determined there are no additional procedures which can reasonably be done to eliminate these deficiencies and accepts them.

Finding 2025-2: The Housing Authority agrees with the audit finding. During 2025, maintenance equipment totaling \$83,194.70 was charged to the Public Housing program; however, a portion of this equipment (\$7,487.52) also benefited the Section 8 New Construction program and should have been allocated accordingly. Management will ensure future shared purchases are identified and allocated on a reasonable and consistently applied basis.

Management will implement a written cost allocation policy for shared costs (including equipment, supplies, and other purchases benefiting both Public Housing and Section 8). The policy will define acceptable allocation bases (e.g., unit counts, labor hours, work orders, or documented usage estimates) and require supporting documentation to be retained with the purchase. In addition, the Executive Director will perform and document a review/approval of shared-cost allocations at the time invoices are coded, with Board review as part of its regular financial oversight.

This methodology will be applied prospectively beginning in 2026. As future shared purchases are considered, management will evaluate the expected allocation between programs in advance to understand the financial impact on both Public Housing and Section 8 New Construction and to help ensure that both programs remain financially viable.

AGREED-UPON PROCEDURE

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

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Housing Authority of the City of Holyoke, Colorado

We have performed the procedure described in the second paragraph of this report on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. The Housing Authority of the City of Holyoke, Colorado is responsible for the accuracy and completeness of the electronic submission.

The Housing Authority of the City of Holyoke, Colorado has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to determine whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Additionally, the U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC) has agreed to and acknowledged that the procedures performed are appropriate for its purposes. 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.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown 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 CFDA's, 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 Holyoke, Colorado to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *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 whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. 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 Holyoke, Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

We were engaged to perform an audit of the financial statements of the Housing Authority of the City of Holyoke, Colorado as of and for the year ended December 31, 2025, and have issued our report thereon dated June 11, 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 Holyoke, Colorado's Financial Data Schedule dated June 11, 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 Holyoke, Colorado. We have not performed any additional auditing procedures since the date of the aforementioned audit report.

The purpose of this report on applying the agreed-upon procedures is solely to describe the procedure performed on the electronic submission of the items listed in the "UFRS Rule Information" column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

Niewedde & Wiens, CPA's

York, Nebraska
June 11, 2026