HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO

BASIC FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTAL INFORMATION AND SUPPLEMENTAL INFORMATION

Year Ended March 31, 2026

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REQUIRED SUPPLEMENTAL INFORMATION-
MANAGEMENT'S DISCUSSION AND ANALYSIS

HOUSING AUTHORITY OF TOWN OF HAXTUN

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MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2026

This section of the Housing Authority of the Town of Haxtun, Colorado's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on March 31, 2026. 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 March 31, 2026 was $854,272. The net position decreased by ($34,955), a decrease of 4% from the prior year. Of this amount, $652,487 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 $172,078 for the year ended March 31, 2026. This was a decrease of ($5,938) or 4% from the prior year.

Operating expenses for the Authority were $276,832 for the year ended March 31, 2026. This was a decrease of ($8,371) or 3% 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.

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 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 March 31, 2026 is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

CONDENSED STATEMENT OF NET POSITION

	FY 2026	FY 2025	Dollar Change	Percent Change
Current and other assets	$ 694,490	$ 741,037	$ (46,547)	-6%
Capital assets	201,839	182,983	18,856	10%
Total Assets	896,329	924,020	(27,691)	-3%
Current liabilities	37,914	27,228	10,686	39%
Noncurrent liabilities	4,143	7,565	(3,422)	-45%
Total Liabilities	42,057	34,793	7,264	21%
Net Position				
Net investment in capital assets	201,785	178,202	23,583	13%
Unrestricted	652,487	711,025	(58,538)	-8%
Total Net Position	$ 854,272	$ 889,227	$ (34,955)	-4%

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 $854,272 at the close of the year ended March 31, 2026. This represents a decrease of ($34,955) which is a decrease of 4% from the prior year and was attributed to operations for the year end March 31, 2026.

Current and other assets decreased by ($46,547). 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 $1,498. This was offset by a decrease of ($46,500) in the amount receivable from HUD, which is the result of when funds are requisitioned.

Total liabilities increased by $7,264. The increase was primarily attributable to a payable recorded in the amount of $9,426 due to the U.S. Treasury in accordance with HUD PIH Notice 2024-25 and 2 CFR 200.305(b)(12), which require the remittance of interest earned in excess of $500 on federal cash balances. The remaining changes in liabilities were primarily related to the timing of vendor payments and scheduled 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 March 31, 2026 was $652,487, a decrease of ($58,538). 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 no restricted net position that are subject to external restrictions on how they may be used. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

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 decreased by ($143,028) primarily due to the decrease in Federal operating grants of ($129,570), a decrease of ($8,129) or 5% in rental income and by a decrease of ($7,520) in interest revenue. The decrease in rental income was attributed to the change in rent compositions and occupancy from the prior year.

During the year ended March 31, 2026, the Authority's interest income decreased by ($7,520). The decrease was primarily attributable to Public Housing Program restrictions that permit the Authority to retain only the first $500 of interest earned on federal cash balances. Interest earned in excess of that threshold must be remitted to HUD and therefore is not available to support the Authority's operations or financial position.

HUD operating subsidy for the Authority was $55,846 for the year ended March 31, 2026. This was a decrease of ($15,138) 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 expended $20,541 of HUD capital grants for operations compared to $134,973 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.

FINANCIAL ANALYSIS (CONT'D)

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	FY 2026	FY 2025	Dollar Change	Percent Change
Revenues				
Program revenues				
Rental	$ 161,742	$ 169,871	$ (8,129)	-5%
HUD program contributions	76,387	205,957	(129,570)	-63%
USDA program contributions	6,014	5,767	247	4%
Other	4,322	2,378	1,944	82%
General revenues				
Interest	1,640	9,160	(7,520)	-82%
Total Revenues	250,105	393,133	(143,028)	-36%
Expenses				
Depreciation	33,290	37,424	(4,134)	-11%
Operating	243,542	247,779	(4,237)	-2%
Nonoperating	6,692	6,094	598	10%
Total Expenses	283,524	291,297	(7,773)	-3%
Excess (deficiency) before contributions	(33,419)	101,836	(135,255)	
Capital contributions	-	245	245	
Changes in Net Position	(33,419)	102,081	(135,010)	
Beginning Net Position, restated	887,691	787,146	100,545	
Ending Net Position	$ 854,272	$ 889,227	$ (34,955)	

Operating expenses for the Authority were $243,542 for the year ended March 31, 2026. This was a decrease of ($4,237) or 2% from 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.

CAPITAL ASSETS

The Authority's capital assets as of March 31, 2026 were $201,839. This includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation.

The total increase in the Authority's capital assets for the fiscal year was 10% in terms of net book value. The actual amount to purchase or construct capital assets was $53,111 for the year and mostly consisted of a new camera system of $41,061. Depreciation charges for the year totaled $33,290. Additional information on the Authority's capital assets can be found in Note I of the notes to the financial statements of this report.

DEBT ADMINISTRATION

The Authority has outstanding notes payable of $54, a decrease of ($4,727). 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 March 31, 2026. Additional information on the Authority's long-term debt can be found in Note L 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 2027 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 Town of Haxtun, 136 S. Miller Ave., Haxtun, Colorado 80731.

INDEPENDENT AUDITOR'S REPORT

Niewedde & Wiens
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the Town of Haxtun, 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 Town of Haxtun, Colorado, as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Haxtun, 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 Town of Haxtun, Colorado as of March 31, 2026, 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 Town of Haxtun, 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 Town of Haxtun, 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 Town of Haxtun, 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 Town of Haxtun, 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, amount 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, 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 Town of Haxtun, 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 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 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 September 18, 2026 on our consideration of the Housing Authority of the Town of Haxtun, 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 Town of Haxtun, 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 Town of Haxtun, Colorado's internal control over financial reporting and compliance.

Niewedde & Wiens, CPA's

York, Nebraska
September 18, 2026

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO
STATEMENT OF NET POSITION - PROPRIETARY FUND
March 31, 2026

ASSETS		Housing
CURRENT ASSETS:		
Cash and cash equivalents	$	418,592
Investments		215,574
Accounts receivable, net		766
Due from other governments		31,873
Accrued interest receivable		911
Prepaid items		19,307
Restricted:		
Cash and cash equivalents		7,467
TOTAL CURRENT ASSETS		694,490
NONCURRENT ASSETS:		
Capital Assets, non-depreciable		2,098
Capital Assets, depreciable, net		199,741
TOTAL NONCURRENT ASSETS		201,839
TOTAL ASSETS	$	896,329
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$	5,890
Accrued payroll and benefits		611
Compensated absences		5,743
Due to other governments		17,616
Tenant security deposits payable		7,467
Unearned revenue		533
Current portion, notes payable		54
TOTAL CURRENT LIABILITIES		37,914
NONCURRENT LIABILITIES:		
Compensated absences		4,143
TOTAL NONCURRENT LIABILITIES		4,143
TOTAL LIABILITIES		42,057
NET POSITION		
Net investment in capital assets		201,785
Unrestricted		652,487
TOTAL NET POSITION	$	854,272

See accompanying notes.

HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
Year Ended March 31, 2026

		Housing
OPERATING REVENUES		
Rental income	$	161,742
USDA rental assistance		6,014
Other income		4,322
	TOTAL OPERATING REVENUES	172,078
OPERATING EXPENSES		
Administrative		94,270
Utilities		37,174
Ordinary maintenance and operations		63,381
General expense		48,717
Depreciation		33,290
	TOTAL OPERATING EXPENSES	276,832
	OPERATING INCOME (LOSS)	(104,754)
NONOPERATING REVENUES (EXPENSES)		
HUD operating subsidy		55,846
HUD capital fund grants - operations		20,541
Interest income		1,640
Interest/overage expense		(5,727)
Loss on capital asset dispositions		(965)
	TOTAL NONOPERATING REVENUES (EXPENSES)	71,335
	INCREASE (DECREASE) IN NET POSITION	(33,419)
NET POSITION		
Net position, beginning balance		889,227
Prior period adjustments		(1,536)
Net position, beginning balance, restated		887,691
	TOTAL NET POSITION - ENDING BALANCE $	854,272

See accompanying notes.

HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended March 31, 2026

	Housing
CASH FLOWS FROM OPERATING ACTIVITIES:	
Rental receipts	$ 163,760
USDA rental assistance	6,014
Tenant security deposits	517
Other receipts	4,322
Cash payments for goods and services	(139,288)
Cash payments to employees for services	(104,171)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(68,846)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
HUD operating subsidy	54,812
HUD capital fund grants - operations	67,799
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	122,611
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases and construction of capital assets	(53,111)
HUD capital fund grants	276
Principal paid on capital debt	(4,727)
Interest/overage paid on capital debt	(5,727)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(63,289)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net (deposits) withdrawals to investments	(6,184)
Interest received	11,022
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	4,838
NET INCREASE (DECREASE) IN CASH	(4,686)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	430,745
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 426,059

See accompanying notes.

HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)
Year Ended March 31, 2026

RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		Housing
Operating income (loss)	$	(104,754)
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation		33,290
Change in assets and liabilities:		
(Increase) decrease in accounts receivable		1,579
(Increase) decrease in prepaid items		11
Increase (decrease) in accounts payable		251
Increase (decrease) in accrued payroll and benefits		10
Increase (decrease) in accrued leave		(201)
Increase (decrease) in tenant deposits		517
Increase (decrease) in due to other governments		12
Increase (decrease) in unearned revenue		439
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$	(68,846)

See accompanying notes.

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.

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 22 housing units which are owned by the Authority. 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 10 housing units known as Villa East Apartments 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.

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, certificates 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 are reported net of estimated uncollectible amounts. Allowances are recorded when management determines accounts are uncollectible.

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.

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.

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 $5,000 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	20-50 years
Building improvements	10-50 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.

Compensated Absences

The Authority's policy allows employees to accumulate unused vacation leave for 90 days past their date of hire. Any vacation time not taken is lost by year end and no monetary compensation will be given. Sick leave may be accumulated but not paid upon termination.

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

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 that Colorado governmental entities may spend or retain. The amendment is effective for most governmental entities for years beginning after 1992 but exempts enterprise funds from the limitations. The Board of Commissioners of the Authority believes the Authority is exempt from the provisions of the TABOR amendment because it is an enterprise, as defined in the constitutional amendment, and because its governing board is not elected, does not have an electoral constituency, and does not have the power to impose taxes.

NOTE B - DEPOSITS AND INVESTMENTS

At March 31, 2026, the Authority's carrying amount of deposits was $641,608 and the bank balances were $647,812. The Authority had cash on hand of $25 as of March 31, 2026. 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, 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, $467,367 was covered by FDIC insurance and $180,445 was covered by the Public Deposit Protection Act.

NOTE C – ACCOUNTS RECEIVABLE

A summary of accounts receivable as presented in the Statement of Net Position at March 31, 2026 are as follows:

Tenants	$	766
Allowance for doubtful accounts		--
	$	766

NOTE D – DUE FROM OTHER GOVERNMENTS

A summary of due from other governments as presented in the Statement of Net Position at March 31, 2026 is as follows:

HUD – operating subsidy	$	11,332
HUD – capital fund grants		20,541
	$	31,873

NOTE E – PREPAID ITEMS

A summary of prepaid items as presented in the Statement of Net Position at March 31, 2026 is as follows:

Prepaid insurance	$	16,808
Other prepaid expenses		2,499
	$	19,307

NOTE F – RESTRICTED ASSETS

Cash and cash equivalents of $7,467 as presented in the Statement of Net Position at March 31, 2026 is restricted for Tenant Security Deposits.

NOTE G – ACCOUNTS PAYABLE

A summary of accounts payable as presented in the Statement of Net Position at March 31, 2026 is as follows:

Vendors and contractors	$	5,890

NOTE H – UNEARNED REVENUE

A summary of unearned revenue as presented in the Statement of Net Position at March 31, 2026 is as follows:

Tenant prepaid rents	$	533

NOTE I – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2026 was as follows:

	Balance 4/1/2025	Increases	Decreases	Balance 3/31/2026
Non-depreciable assets:				
Land	$ 2,098	$ -	$ -	$ 2,098
Construction in progress	-	-	-	-
Total non-depreciable assets	2,098	-	-	2,098
Depreciable assets				
Buildings	1,217,420	46,890	(24,751)	1,239,559
Equipment - Dwelling	38,382	6,221	(2,223)	42,380
Equipment - Administration	67,651	-	(6,225)	61,426
Total depreciable assets	1,323,453	53,111	(33,199)	1,343,365
Total Capital Assets	1,325,551	53,111	(33,199)	1,345,463
Accumulated depreciation				
Buildings	1,045,783	29,483	(23,787)	1,051,479
Equipment - Dwelling	33,875	1,513	(2,223)	33,165
Equipment - Administration	62,911	2,294	(6,225)	58,980
Total accumulated depreciation	1,142,569	33,290	(32,235)	1,143,624
Depreciable assets, net	180,884	19,821	(964)	199,741
Capital assets, net	$ 182,982	$ 19,821	$ (964)	$ 201,839

NOTE J – DUE TO OTHER GOVERNMENTS

A summary of due to other governments as presented in the Statement of Net Position at March 31, 2026 is as follows:

Payments in lieu of taxes	$ 8,190	
HUD – interest payback	9,426	[1]
	$ 17,616	

[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).

NOTE K—ACCRUED COMPENSATED ABSENCES

A summary of accrued compensated absences as presented in the Statement of Net Position as of March 31, 2026 is as follows:

	Beginning Balance	Net Change	Ending Balance	Due within One Year
Compensated absences	$ 10,087	$ (201)	$ 9,886	$ 5,743

NOTE L – NONCURRENT LIABILITIES

The Authority has a Rural Rental Housing loan with the U.S. Department of Agriculture Rural Development. The loan is dated September 23, 1977 and had an original principal amount of $200,000. The loan requires monthly debt service payments of $432 through 2026. The outstanding balance as of March 31, 2026 was $54.

A summary of changes in notes payable as of March 31, 2026 is as follows:

Description	Balance 4/1/2025	Retired	Balance 3/31/2026	Due Within One Year
Rural Development Loan	$ 4,781	$ (4,727)	$ 54	$ 54
Total	$ 4,781	$ (4,727)	$ 54	$ 54
		Less current maturities	(54)	
		Long-term portion	$ -	

Principal and interest requirements for the notes are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 54	$ 1	$ 55

NOTE M—NET POSITION

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

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

NOTE N—PRIOR PERIOD ADJUSTMENTS

The Authority recognized a prior period adjustment of $1,536 to record prior-year interest income owed to HUD under PIH Notice 2024-25, which requires remittance of interest earned in excess of $500 on federal cash balances.

NOTE O – 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 P - 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 March 31, 2026, 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 TOWN OF HAXTUN, COLORADO
PROGRAM SCHEDULE OF NET POSITION
March 31, 2026

ASSETS	Public Housing	Rural Development (Villa East)	Totals
CURRENT ASSETS:			
Cash and cash equivalents	$ 339,504	$ 79,088	$ 418,592
Investments	185,080	30,494	215,574
Accounts receivable, net	766	-	766
Due from other governments	31,873	-	31,873
Accrued interest receivable	849	62	911
Prepaid items	12,421	6,886	19,307
Restricted:			
Cash and cash equivalents	5,367	2,100	7,467
TOTAL CURRENT ASSETS	575,860	118,630	694,490
NONCURRENT ASSETS:			
Capital Assets, non-depreciable	1,098	1,000	2,098
Capital Assets, depreciable, net	162,584	37,157	199,741
TOTAL NONCURRENT ASSETS	163,682	38,157	201,839
TOTAL ASSETS	$ 739,542	$ 156,787	$ 896,329
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	$ 4,434	$ 1,456	$ 5,890
Accrued payroll and benefits	588	23	611
Compensated absences	5,743	-	5,743
Due to other governments	17,616	-	17,616
Tenant security deposits payable	5,367	2,100	7,467
Unearned revenue	533	-	533
Current portion, notes payable	-	54	54
TOTAL CURRENT LIABILITIES	34,281	3,633	37,914
NONCURRENT LIABILITIES:			
Compensated absences	4,143	-	4,143
TOTAL NONCURRENT LIABILITIES	4,143	-	4,143
TOTAL LIABILITIES	38,424	3,633	42,057
NET POSITION			
Net investment in capital assets	163,682	38,103	201,785
Unrestricted	537,436	115,051	652,487
TOTAL NET POSITION	$ 701,118	$ 153,154	$ 854,272

HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO
PROGRAM SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended March 31, 2026

	Public Housing	Rural Development (Villa East)	Totals
OPERATING REVENUES			
Rental income	$ 108,174	$ 53,568	$ 161,742
USDA rental assistance	-	6,014	6,014
Other income	3,172	1,150	4,322
TOTAL OPERATING REVENUES	111,346	60,732	172,078
OPERATING EXPENSES			
Administrative	86,878	7,392	94,270
Utilities	24,898	12,276	37,174
Ordinary maintenance and operations	55,924	7,457	63,381
General expense	40,421	8,296	48,717
Depreciation	23,810	9,480	33,290
TOTAL OPERATING EXPENSES	231,931	44,901	276,832
OPERATING INCOME (LOSS)	(120,585)	15,831	(104,754)
NONOPERATING REVENUES (EXPENSES)			
HUD operating subsidy	55,846	-	55,846
HUD capital fund grants - operations	20,541	-	20,541
Interest income	500	1,140	1,640
Interest/overage expense	-	(5,727)	(5,727)
Loss on capital asset dispositions	(965)	-	(965)
TOTAL NONOPERATING REVENUES (EXPENSES)	75,922	(4,587)	71,335
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(44,663)	11,244	(33,419)
CAPITAL CONTRIBUTIONS			
HUD capital fund grants	-	-	-
INCREASE (DECREASE) IN NET POSITION	(44,663)	11,244	(33,419)
NET POSITION			
Net position, beginning balance	747,317	141,910	889,227
Prior period adjustments	(1,536)	-	(1,536)
Net position, beginning balance, restated	745,781	141,910	887,691
TOTAL NET POSITION - ENDING BALANCE	$ 701,118	$ 153,154	$ 854,272

HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS
Year Ended March 31, 2026

	Public Housing	Rural Development (Villa East)	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Rental receipts	$ 110,208	$ 53,552	$ 163,760
USDA rental assistance	-	6,014	6,014
Tenant security deposits	317	200	517
Other receipts	3,172	1,150	4,322
Cash payments for goods and services	(110,188)	(29,100)	(139,288)
Cash payments to employees for services	(98,008)	(6,163)	(104,171)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(94,499)	25,653	(68,846)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
HUD operating subsidy	54,812	-	54,812
HUD capital fund grants - operations	67,799	-	67,799
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	122,611	-	122,611
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases and construction of capital assets	(53,111)	-	(53,111)
HUD capital fund grants	276	-	276
Principal paid on capital debt	-	(4,727)	(4,727)
Interest/overage paid on capital debt	-	(5,727)	(5,727)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(52,835)	(10,454)	(63,289)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net (deposits) withdrawals to investments	(6,184)	-	(6,184)
Interest received	9,882	1,140	11,022
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,698	1,140	4,838
NET INCREASE (DECREASE) IN CASH	(21,025)	16,339	(4,686)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	365,896	64,849	430,745
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 344,871	$ 81,188	$ 426,059

HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO
PROGRAM SCHEDULE OF CASH FLOWS (CONT'D)
Year Ended March 31, 2026

	Public Housing	Rural Development (Villa East)	Totals
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ (120,585)	$ 15,831	$ (104,754)
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	23,810	9,480	33,290
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	1,595	(16)	1,579
(Increase) decrease in prepaid items	(237)	248	11
Increase (decrease) in accounts payable	316	(65)	251
Increase (decrease) in accrued payroll and benefits	35	(25)	10
Increase (decrease) in accrued leave	(201)	-	(201)
Increase (decrease) in tenant deposits	317	200	517
Increase (decrease) in due to other governments	12	-	12
Increase (decrease) in unearned revenue	439	-	439
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (94,499)	$ 25,653	$ (68,846)

SUPPLEMENTAL INFORMATION –
FINANCIAL DATA SCHEDULE

Housing Authority of the Town of Haxtun (CO017)

HAXTUN, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 03/31/2026

	Project Total	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	$339,504	$79,088		$418,592		$418,592
114 Cash - Tenant Security Deposits	$5,367	$2,100		$7,467		$7,467
100 Total Cash	$344,871	$81,188	$0	$426,059		$426,059
122 Accounts Receivable - HUD Other Projects	$31,873			$31,873		$31,873
126 Accounts Receivable - Tenants	$766			$766		$766
126.1 Allowance for Doubtful Accounts -Tenants	$0			$0		$0
126.2 Allowance for Doubtful Accounts - Other	$0			$0		$0
129 Accrued Interest Receivable	$849	$62		$911		$911
120 Total Receivables, Net of Allowances for Doubtful Accounts	$33,488	$62	$0	$33,550		$33,550
131 Investments - Unrestricted	$185,080	$30,494		$215,574		$215,574
142 Prepaid Expenses and Other Assets	$12,421	$6,886		$19,307		$19,307
150 Total Current Assets	$575,860	$118,630	$0	$694,490		$694,490
161 Land	$1,098	$1,000		$2,098		$2,098
162 Buildings	$884,067	$355,492		$1,239,559		$1,239,559
163 Furniture, Equipment & Machinery - Dwellings	$42,380			$42,380		$42,380
164 Furniture, Equipment & Machinery - Administration	$61,426			$61,426		$61,426
166 Accumulated Depreciation	-$825,289	-$318,335		-$1,143,624		-$1,143,624
160 Total Capital Assets, Net of Accumulated Depreciation	$163,682	$38,157	$0	$201,839		$201,839
180 Total Non-Current Assets	$163,682	$38,157	$0	$201,839		$201,839
290 Total Assets and Deferred Outflow of Resources	$739,542	$156,787	$0	$896,329		$896,329
312 Accounts Payable <= 90 Days	$2,620	$508		$3,128		$3,128
321 Accrued Wage/Payroll Taxes Payable	$588	$23		$611		$611
322 Accrued Compensated Absences - Current Portion	$5,743			$5,743		$5,743
331 Accounts Payable - HUD PHA Programs	$9,426			$9,426		$9,426
333 Accounts Payable - Other Government	$8,190			$8,190		$8,190
341 Tenant Security Deposits	$5,367	$2,100		$7,467		$7,467
342 Unearned Revenue	$533			$533		$533
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		$54		$54		$54
346 Accrued Liabilities - Other	$1,814	$948		$2,762		$2,762
310 Total Current Liabilities	$34,281	$3,633	$0	$37,914		$37,914
354 Accrued Compensated Absences - Non Current	$4,143			$4,143		$4,143
350 Total Non-Current Liabilities	$4,143	$0	$0	$4,143		$4,143
300 Total Liabilities	$38,424	$3,633	$0	$42,057		$42,057
508.4 Net Investment in Capital Assets	$163,682	$38,103		$201,785		$201,785
512.4 Unrestricted Net Position	$537,436	$115,051	$0	$652,487		$652,487
513 Total Equity - Net Assets / Position	$701,118	$153,154	$0	$854,272		$854,272
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$739,542	$156,787	$0	$896,329		$896,329

Housing Authority of the Town of Haxtun (CO017)

HAXTUN, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 03/31/2026

	Project Total	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$105,332	$52,037		$157,369		$157,369
70400 Tenant Revenue - Other	$2,842	$1,531		$4,373		$4,373
70500 Total Tenant Revenue	$108,174	$53,568	$0	$161,742	$0	$161,742
70600 HUD PHA Operating Grants	$76,387			$76,387		$76,387
70800 Other Government Grants			$6,014	$6,014		$6,014
71100 Investment Income - Unrestricted	$500	$1,140		$1,640		$1,640
71500 Other Revenue	$3,172	$1,150		$4,322		$4,322
71600 Gain or Loss on Sale of Capital Assets	-$965			-$965		-$965
72000 Investment Income - Restricted		$0		$0		$0
70000 Total Revenue	$187,268	$55,858	$6,014	$249,140	$0	$249,140
91100 Administrative Salaries	$47,046	$3,054		$50,100		$50,100
91200 Auditing Fees	$2,900	$1,450		$4,350		$4,350
91500 Employee Benefit contributions - Administrative	$25,238	$378		$25,616		$25,616
91600 Office Expenses	$6,307	$319		$6,626		$6,626
91800 Travel	$418			$418		$418
91900 Other	$4,969	$2,191		$7,160		$7,160
91000 Total Operating - Administrative	$86,878	$7,392	$0	$94,270	$0	$94,270
92500 Total Tenant Services	$0	$0	$0	$0	$0	$0
93100 Water	$2,597	$684		$3,281		$3,281
93200 Electricity	$10,701	$6,356		$17,057		$17,057
93300 Gas	$8,324	$4,156		$12,480		$12,480
93600 Sewer	$3,276	$1,080		$4,356		$4,356
93000 Total Utilities	$24,898	$12,276	$0	$37,174	$0	$37,174
94100 Ordinary Maintenance and Operations - Labor	$18,083	$2,408		$20,491		$20,491
94200 Ordinary Maintenance and Operations - Materials and Other	$7,643			$7,643		$7,643
94300 Ordinary Maintenance and Operations Contracts	$28,663	$4,751		$33,414		$33,414
94500 Employee Benefit Contributions - Ordinary Maintenance	$1,535	$298		$1,833		$1,833
94000 Total Maintenance	$55,924	$7,457	$0	$63,381	$0	$63,381
95000 Total Protective Services	$0	$0	$0	$0	$0	$0
96110 Property Insurance	$20,900	$7,831		$28,731		$28,731
96120 Liability Insurance	$1,597			$1,597		$1,597
96130 Workmen's Compensation	$1,363	$322		$1,685		$1,685
96140 All Other Insurance	$1,573	$143		$1,716		$1,716
96100 Total insurance Premiums	$25,433	$8,296	$0	$33,729	$0	$33,729
96210 Compensated Absences	$5,940			$5,940		$5,940
96300 Payments in Lieu of Taxes	$8,190			$8,190		$8,190
96400 Bad debt - Tenant Rents	$858			$858		$858
96000 Total Other General Expenses	$14,988	$0	$0	$14,988	$0	$14,988
96710 Interest of Mortgage (or Bonds) Payable		$5,727		$5,727		$5,727
96700 Total Interest Expense and Amortization Cost	$0	$5,727	$0	$5,727	$0	$5,727
96900 Total Operating Expenses	$208,121	$41,148	$0	$249,269	$0	$249,269
97000 Excess of Operating Revenue over Operating Expenses	-$20,853	$14,710	$6,014	-$129	$0	-$129
97400 Depreciation Expense	$23,810	$9,480		$33,290		$33,290
90000 Total Expenses	$231,931	$50,628	$0	$282,559	$0	$282,559
10010 Operating Transfer In	$20,541	$6,014		$26,555	-$26,555	$0
10020 Operating transfer Out	-$20,541		-$6,014	-$26,555	$26,555	$0
10100 Total Other financing Sources (Uses)	$0	$6,014	-$6,014	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$44,663	$11,244	$0	-$33,419	$0	-$33,419
11020 Required Annual Debt Principal Payments	$0	$4,727	$0	$4,727		$4,727
11030 Beginning Equity	$747,317	$141,910	$0	$889,227		$889,227
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$1,536			-$1,536		-$1,536
11190 Unit Months Available	264	120		384		384
11210 Number of Unit Months Leased	244	117		361		361
11270 Excess Cash	$511,815			$511,815		$511,815
11620 Building Purchases	$46,891			$46,891		$46,891
11630 Furniture & Equipment - Dwelling Purchases	$6,220			$6,220		$6,220

Housing Authority of the Town of Haxtun (CO017)
HAXTUN, CO

Single Project Revenue and Expense

Submission Type: Audited/Non Single Audit | Fiscal Year End: 03/31/2026 | Project: CO017070772 HAXTUN MANOR

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	$105,332		$105,332
70400 Tenant Revenue - Other	$2,842		$2,842
70500 Total Tenant Revenue	$108,174	$0	$108,174
70600 HUD PHA Operating Grants	$55,846	$20,541	$76,387
71100 Investment Income - Unrestricted	$500		$500
71500 Other Revenue	$3,172		$3,172
71600 Gain or Loss on Sale of Capital Assets	-$965		-$965
70000 Total Revenue	$166,727	$20,541	$187,268
91100 Administrative Salaries	$47,046		$47,046
91200 Auditing Fees	$2,900		$2,900
91500 Employee Benefit contributions - Administrative	$25,238		$25,238
91600 Office Expenses	$6,307		$6,307
91800 Travel	$418		$418
91900 Other	$4,969		$4,969
91000 Total Operating - Administrative	$86,878	$0	$86,878
92500 Total Tenant Services	$0	$0	$0
93100 Water	$2,597		$2,597
93200 Electricity	$10,701		$10,701
93300 Gas	$8,324		$8,324
93600 Sewer	$3,276		$3,276
93000 Total Utilities	$24,898	$0	$24,898
94100 Ordinary Maintenance and Operations - Labor	$18,083		$18,083
94200 Ordinary Maintenance and Operations - Materials and Other	$7,643		$7,643
94300 Ordinary Maintenance and Operations Contracts	$28,663		$28,663
94500 Employee Benefit Contributions - Ordinary Maintenance	$1,535		$1,535
94000 Total Maintenance	$55,924	$0	$55,924
96110 Property Insurance	$20,900		$20,900
96120 Liability Insurance	$1,597		$1,597
96130 Workmen's Compensation	$1,363		$1,363
96140 All Other Insurance	$1,573		$1,573
96100 Total insurance Premiums	$25,433	$0	$25,433
96210 Compensated Absences	$5,940		$5,940
96300 Payments in Lieu of Taxes	$8,190		$8,190
96400 Bad debt - Tenant Rents	$858		$858
96000 Total Other General Expenses	$14,988	$0	$14,988
96700 Total Interest Expense and Amortization Cost	$0	$0	$0
96900 Total Operating Expenses	$208,121	$0	$208,121
97000 Excess of Operating Revenue over Operating Expenses	-$41,394	$20,541	-$20,853
97400 Depreciation Expense	$23,810		$23,810
90000 Total Expenses	$231,931	$0	$231,931
10010 Operating Transfer In	$20,541		$20,541
10020 Operating transfer Out		-$20,541	-$20,541
10100 Total Other financing Sources (Uses)	$20,541	-$20,541	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$44,663	$0	-$44,663
11020 Required Annual Debt Principal Payments	$0	$0	$0
11030 Beginning Equity	$747,317	$0	$747,317
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$1,536		-$1,536
11190 Unit Months Available	264		264
11210 Number of Unit Months Leased	244		244
11270 Excess Cash	$511,815		$511,815
11620 Building Purchases	$46,891	$0	$46,891
11630 Furniture & Equipment - Dwelling Purchases	$6,220	$0	$6,220

GOVERNMENT AUDITING STANDARDS SECTION

Niewedde & Wiens
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditors Report

To the Board of Commissioners
Housing Authority of the Town of Haxtun, 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 Town of Haxtun, Colorado, as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Haxtun, Colorado's basic financial statements, and have issued our report thereon dated September 18, 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 Town of Haxtun, 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 Town of Haxtun, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Haxtun, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify deficiencies in internal control that we consider to be material weaknesses and are described in the accompanying schedule of findings and responses as Findings 2026-1 and 2026-2.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Haxtun, 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as Finding 2026-2.

Housing Authority of the Town of Haxtun, Colorado Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the Town of Haxtun, Colorado's responses to the findings identified in our audit and are described in the accompanying schedule of findings and responses. The Housing Authority of the Town of Haxtun, Colorado's responses were not subjected to the other auditing procedures applied in the audit of the basic 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
September 18, 2026

HOUSING AUTHORITY OF THE TOWN OF HAXTUN, COLORADO
SCHEDULE OF FINDINGS AND RESPONSES
March 31, 2026

Finding 2026-1: Internal Control Structure
Material Weakness

Criteria: A properly designed internal control structure depends significantly on appropriate segregation of duties among multiple individuals. Duties related to initiating, authorizing, recording, processing, and reporting financial data should be divided among personnel to reduce the risk of error or fraud that could lead to a material misstatement of the financial statements.

Condition: The Authority employs only one administrative staff member. As a result, responsibilities are not assigned in a manner that allows different employees to handle different aspects of a transaction. This lack of personnel results in an inadequate internal control structure.

Cause: The Authority operates with limited staff and financial resources, which makes the segregation of duties impractical.

Effect or Potential Effect: The absence of segregation of duties constitutes a significant deficiency in internal control. This deficiency increases the risk of material misstatement in the financial statements, whether due to error or fraud.

Recommendation: Due to the Authority's size and limited resources, hiring additional staff to achieve full segregation of duties may not be financially feasible. This situation is common among small entities. However, the Authority's Board should evaluate the cost-benefit of implementing any additional compensating controls. While it is not our role to design internal controls, we recommend that the Board consider the risk and determine whether additional oversight or mitigating procedures are warranted.

Finding 2026-2: HOTMA
Material Weakness/Noncompliance

Criteria: The Housing Opportunity Through Modernization Act of 2016 (HOTMA), as implemented through HUD regulations and guidance, requires public housing agencies to adopt and implement applicable HOTMA provisions by the required effective dates. HUD revised certain implementation requirements through PIH Notice 2024-38, including selected income exclusions, updated definitions, and other identified income and asset changes applicable to the Public Housing Program effective July 1, 2025. Public housing agencies are responsible for ensuring program policies, procedures, systems, and operations are updated timely to comply with HUD requirements.

Condition: The Authority did not implement the required HOTMA provisions applicable to the Public Housing Program by the July 1, 2025 effective date. This included not updating the Admissions and Continued Occupancy Policy (ACOP) for the applicable HOTMA provisions. In addition, Authority personnel had not completed training related to HOTMA requirements, which is necessary to support proper implementation of the new regulations.

Cause: The Authority did not have adequate internal controls or monitoring procedures in place to identify, evaluate, and timely implement new HUD regulatory requirements.

Effect or Potential Effect: Failure to timely implement HOTMA requirements increases the risk that tenant eligibility, income calculations, rent determinations, and related program decisions may not be made in accordance with current HUD regulations. This could result in program noncompliance, incorrect tenant rent calculations, unsupported eligibility determinations, and potential findings or corrective action by HUD.

Finding 2026-2 (cont'd):

Recommendation: We recommend the Authority take immediate steps to implement the applicable HOTMA provisions, including updating the ACOP and related procedures, completing appropriate HOTMA training, and ensuring staff responsible for eligibility, income, rent, and occupancy determinations understand the new requirements. Management should also establish a process to monitor HUD regulatory updates, identify required policy and procedural changes, assign responsibility for implementation, and obtain Board approval of updated policies prior to required effective dates. In addition, management should continue monitoring HUD guidance related to the remaining HOTMA Sections 102 and 104 provisions scheduled for full compliance by January 1, 2027.

HOUSING AUTHORITY OF TOWN OF HAXTUN

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CORRECTIVE ACTION PLAN
Year Ended March 31, 2026

The following are responses to and the corrective action to be taken in regard to the findings as reported in the accompanying Schedule of Findings and Responses for the fiscal year ended March 31, 2026:

ITEM	
2026-1	The Authority is a small entity and acknowledges the lack of segregation of duties due to the limited number of personnel. Given our size, implementing additional controls by hiring more staff would result in a significant increase in costs. At this time, we believe the cost of implementing such controls would outweigh the expected benefits.
2026-2	HOTMA training and updating policies will be implemented by January 2027.

Contact Person: Julie Angleton, Executive Director
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Haxtun, CO 80731
970-774-7251

AGREED-UPON PROCEDURE

Niewedde & Wiens
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Accountant's Report on Applying Agreed-Upon Procedure

To the Board of Commissioners
Housing Authority of the Town of Haxtun, 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 March 31, 2026. 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 Town of Haxtun, 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 March 31, 2026. 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 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 Town of Haxtun, 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 Town of Haxtun, 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 Town of Haxtun, 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 Town of Haxtun, Colorado as of and for the year ended March 31, 2026, and have issued our report thereon dated September 18, 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 Town of Haxtun, Colorado's Financial Data Schedule dated September 18, 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 Town of Haxtun, 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
September 18, 2026