



HOUSING AUTHORITY OF THE  
CITY OF RIFLE

FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Year ended December 31, 2017

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Office of the State Auditor

October 10, 2018

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**INDEPENDENT AUDITOR'S REPORT**

February 9, 2018

Board of Commissioners  
Housing Authority of the City of Rifle  
Rifle, Colorado

We have audited the accompanying financial statements of Housing Authority of the City of Rifle (the Authority) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Housing Authority of the City of Rifle  
Page 2  
February 9, 2018

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Rifle as of December 31, 2017, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 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 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.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental schedules on pages 15 through 20 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

## Management's Discussion and Analysis (MD&A)

This discussion and analysis is designed to provide an analysis of the Authority's financial condition and operating results and to also inform the reader of Authority financial issues and activities. Please read it in conjunction with the Authority's financial statements that follow the MD&A.

### HIGHLIGHTS

In 2017, cash and cash equivalents increased by \$172,352 to \$813,170 from \$640,818 in 2016. This increase is attributable to grants and other receipts as well as an increase in rent income.

Total operating revenues decreased to \$871,817 in 2017 from \$884,874 in 2016. This is a decrease of \$13,057, or 1.5%. Total operating expenses decreased to \$741,642 in 2017 from \$821,466 in 2016. This is a decrease of \$79,824 or 9.7%. The decrease in expenses is attributable to less need for capital outlays.

Net position increased by \$130,207 as opposed to an increase of \$63,448 in 2016. The Authority no longer has any non-current liabilities.

### USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government entity engaged in a business-type activity. The following statements and schedules are included:

- Statement of net position – reports the Authority's current financial resources (short-term spendable resources) with capital assets and long-term obligations. (See page 7.)
- Statement of revenue, expenses and changes in net position – reports the Authority's operating and non-operating revenues by major source along with operating and non-operating expenses and contributions. (See page 8.)
- Statement of cash flows – reports the Authority's cash flows from operating, capital and related financing, and investing activities. (See page 9.)
- Schedules of revenues, expenses, and changes in net position - non-GAAP basis - budget and actual – reports the Authority's revenues and expenditures on the same basis as the budget. (See pages 17-19.)

## STATEMENT OF NET POSITION

The following presentation shows the condensed statement of net position for the past two years.

### HIGHLIGHTS

At December 31,	2017	2016
Current assets	<u>\$ 767,509</u>	<u>\$ 595,374</u>
Tenant Security Deposits	45,661	45,444
Annexation Costs		7,607
Capital assets	<u>1,942,036</u>	<u>2,000,874</u>
Total assets	<u>\$ 2,755,206</u>	<u>\$ 2,649,299</u>
Current liabilities	<u>\$ 51,530</u>	<u>\$ 75,830</u>
Total liabilities	<u>51,530</u>	<u>75,830</u>
Net investment in capital assets	1,942,036	2,000,874
Unrestricted	<u>761,640</u>	<u>572,595</u>
Total net position	<u>2,703,676</u>	<u>2,573,469</u>
Total liabilities and net position	<u>\$ 2,755,206</u>	<u>\$ 2,649,299</u>

The net position of the Authority increased \$130,207 from \$2,573,469 in 2016, to \$2,703,676 in 2017 due to a decrease in capital spending.

### REVIEW OF REVENUES

Year ended December 31,	2017	2016
Operating revenues	<u>\$ 871,817</u>	<u>\$ 884,874</u>
Interest income	32	698
Total	<u>\$ 871,849</u>	<u>\$ 885,572</u>

The Authority's revenue decrease of \$13,723 from 2016 to 2017 reflects a decrease of \$50,531 in 2017 grant income with other revenue sources remaining stable.

## REVIEW OF EXPENSES

Year ended December 31,	<u>2017</u>	<u>2016</u>
Operating expenses	\$ 741,642	\$ 821,466
Interest expense	-	658
Total	<u>\$ 741,642</u>	<u>\$ 822,124</u>
Change in net position	\$ 130,207	\$ 63,448
Net position, beginning	<u>2,573,469</u>	<u>2,510,021</u>
Net position, ending	<u>\$ 2,703,676</u>	<u>\$ 2,573,469</u>

The Authority's expenses decreased by \$80,842 from 2016.

## CAPITAL ASSETS

Capital assets decreased (net of accumulated depreciation) \$58,838 from 2016 to 2017 due to depreciation costs of \$58,838.

At December 31,	<u>2017</u>	<u>2016</u>
Non-depreciable assets:		
Land	\$ 396,592	\$ 396,592
Total non-depreciable assets	396,592	396,592
Depreciable assets:		
Buildings	3,860,780	3,841,907
Furnishings	<u>73,006</u>	<u>66,659</u>
Total capital assets, being depreciated	3,933,786	3,908,566
Less accumulated depreciation for:		
Buildings	2,325,544	2,244,992
Furnishings	<u>62,798</u>	<u>59,292</u>
Less accumulated depreciation	<u>2,388,342</u>	<u>2,304,284</u>
Book value of depreciated assets	1,545,444	1,604,282
Total capital assets, net	<u>\$ 1,942,036</u>	<u>\$ 2,000,874</u>

## DEBT ADMINISTRATION

The Authority has no debt as of December 31, 2017.

## ECONOMIC AND OTHER FACTORS

The economy of the Authority's area follows the same pattern as the rest of the country. The Authority has no idea what factors will affect the economy in 2018; however, the Authority will remain economically responsible. The Authority's revenues depend on the national budget to a great degree, and there is no reason to believe that rent subsidies will decrease at this time, but the Authority will maintain sound fiscal policies in any event.

## FINANCIAL CONTACT

The Authority's financial statements are designed to present users (service users, taxpayers and creditors) with a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have any questions concerning this report or need additional financial information, please contact the Authority at 970-625-3974.

Housing Authority of the City of Rifle

STATEMENT OF NET POSITION

December 31, 2017

ASSETS		
Current assets		
Cash and investments		\$ 767,509
	Total current assets	<u>767,509</u>
Noncurrent assets		
Restricted cash		
Tenant security deposits		45,661
	Total restricted assets	<u>45,661</u>
Capital assets		
		1,942,036
	Total noncurrent assets	<u>1,987,697</u>
	Total assets	<u><u>\$ 2,755,206</u></u>
LIABILITIES AND NET POSITION		
Liabilities		
Current liabilities		
Accounts payable		\$ 383
Accrued payroll expense		5,486
Security deposits and escrows held		45,661
	Total current liabilities	<u>51,530</u>
Net position		
Net investment in capital assets		1,942,036
Unrestricted		761,640
	Total net position	<u>2,703,676</u>
	Total liabilities and net position	<u><u>\$ 2,755,206</u></u>

The accompanying notes are an integral part of this statement.

Housing Authority of the City of Rifle

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Year ended December 31, 2017

Operating revenue	
Rent income and housing assistance payments	\$ 768,954
Grant revenue	33,148
Other revenues	69,715
Total operating revenue	<u>871,817</u>
Operating expenses	
Operations and maintenance	
Maintenance labor	145,451
Maintenance repairs	153,181
Utilities	175,948
Capital outlay	12,278
Depreciation	84,058
Total operations and maintenance	<u>570,916</u>
General and administrative	
Manager salary	63,720
Employee benefits	40,178
Legal fees	3,775
Accounting and auditing	16,108
Insurance and bonding	25,365
Other administrative	21,580
Total general and administrative	<u>170,726</u>
Total operating expenses	<u>741,642</u>
Net operating income (loss)	130,175
Non-operating revenue (expenses)	
Interest income	32
Total non-operating revenue (expense)	<u>32</u>
Change in net position	130,207
Net position at beginning of year	<u>2,573,469</u>
Net position at end of year	<u><u>\$ 2,703,676</u></u>

The accompanying notes are an integral part of this statement.

Housing Authority of the City of Rifle

STATEMENT OF CASH FLOWS

Year ended December 31, 2017

Cash flows from operating activities	
Cash received from tenants and subsidies	\$ 768,954
Other operating receipts and grants	102,863
Cash paid to suppliers	(460,708)
Cash paid to employees	(213,569)
	<u>197,540</u>
Net cash provided (used) by operating activities	
Cash flows from capital and related financing activities	
Purchase of capital assets	(25,220)
	<u>(25,220)</u>
Net cash provided (used) by capital and related financing activities	
Cash flows from investing activities	
Interest received	32
	<u>32</u>
Net cash provided (used) by investing activities	
	<u>32</u>
Increase (decrease) in cash and cash equivalents	
	172,352
Cash and cash equivalents at beginning of year	<u>640,818</u>
Cash and cash equivalents at end of year	<u><u>\$ 813,170</u></u>
<u>Reconciliation of net operating income (loss) to net cash</u>	
<u>provided (used) by operating activities:</u>	
Net operating income (loss)	\$ 130,175
Adjustments to reconcile net operating income (loss) to net cash	
provided (used) by operating activities:	
Depreciation	84,058
Loss on disposal of other assets	7,607
Increase (decrease) in accounts payable	(12,503)
Increase (decrease) in accrued payroll expense	(12,014)
Increase (decrease) in security deposits	217
	<u>67,365</u>
Total adjustments	<u>67,365</u>
Net cash provided (used) by operating activities	<u><u>\$ 197,540</u></u>

The accompanying notes are an integral part of this statement.

Housing Authority of the City of Rifle

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Housing Authority of the City of Rifle, Rifle, Colorado (the Housing Authority), conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to governments. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

1. Reporting Entity

The Housing Authority of the City of Rifle, Colorado, was established April 27, 1977, under State of Colorado statute and is governed by a five member Board of Commissioners. As required by US GAAP, these financial statements present the activities of the Housing Authority.

The Housing Authority consists of 106 low-income apartment units for the elderly and disabled, rented on a monthly basis to tenants. Some rental payments are subsidized by the Office of Rural Rental Housing, and 60 units are eligible for rental assistance under Housing and Urban Development (HUD) Section 8 Existing Housing guidelines.

The Board of Commissioners is appointed by the City Council of the City of Rifle for specified terms, normally five years. Once appointed, the Board of Commissioners has total control of financial resources, can buy or sell property, enter into contracts and acquire indebtedness on behalf of the Housing Authority. The Housing Authority has no component units, nor is it a component unit of the City of Rifle.

2. Basis of Presentation – Fund Accounting and Basis of Accounting

The accounts of the Housing Authority are organized and operated on a fund basis. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position, revenues and expenses. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to those applicable to businesses in the private sector.

GASB Statement No. 34 sets forth minimum criteria for the determination of major funds to be presented in the financial statements. Since the operations of the Housing Authority are accounted for on a fund basis in a single enterprise fund, it is the only fund presented.

Enterprise funds may be used to account for operations (a) that are financed and operated in a manner similar to business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Housing Authority of the City of Rifle

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Basis of accounting refers to when revenues or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Proprietary (enterprise) funds are presented on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows associated with the operation of a fund are included on the statement of net position. Net position is categorized as net investment in capital assets and unrestricted. Fund operating statements present increases (e.g., revenues and contributions) and decreases (e.g., expenses) in net position. Proprietary funds are presented on an accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. The Authority uses the accrual basis of accounting. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use unrestricted resources first. Use of restricted resources is a last resort.

Operating revenues and expenses for enterprise funds are those that result from providing services and producing and delivering goods and/or services within the scope of the enterprise operation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Revenues from grants are recognized in the year in which all eligibility requirements have been satisfied.

3. Assets, Liabilities and Equity

Cash and cash equivalents

The Housing Authority's cash and cash equivalents are considered to be unrestricted and restricted cash on hand, demand deposits and certificates of deposit. As of December 31, 2017, the Authority had \$566,200 of bank balances exceeding Federal Depository Insurance Limits. However, this amount is collateralized as described at Note C, under PDPA.

Fair Value of Financial Instruments

The Housing Authority's financial instruments include cash and cash equivalents, prepaids, and accounts payable. The Housing Authority estimates that the fair value of all financial instruments at December 31, 2017, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Restricted Assets – Cash and Cash Equivalents

Certain cash accounts of the Housing Authority are classified as restricted since they are set aside for tenant security (damage) deposits. Tenant damage deposits for Kendall Heights and Jackson Heights are segregated in separate bank accounts.

Housing Authority of the City of Rifle  
NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Capital Assets

Capital assets of the Housing Authority are recorded at cost if purchased or constructed. Donated assets are recorded at their estimated fair value at the date of donation. The Housing Authority's capitalization policy is \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives of 5 to 50 years.

Risk Management

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past four years.

Estimates

The preparation of financial statements in accordance with US GAAP involves the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenues and expenditures during the reporting period. These estimates are based upon management's best judgment, after considering past and current events and assumptions about future events. Actual results could differ from those estimates.

**NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgetary Information

Annual budgets are adopted for each project on a non-GAAP basis. All annual appropriations lapse at fiscal year end.

Prior to October 1, the Housing Authority's Executive Director (not an elected official) submits proposed operating budgets for the year commencing the following January 1 to the Board of Commissioners (appointed officials). The operating budgets include proposed expenditures and the means of financing them.

Housing Authority of the City of Rifle

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE C – DEPOSITS AND INVESTMENTS**

Cash

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

**NOTE D – CAPITAL ASSETS**

At December 31, 2017, capital asset transactions and balances include the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Non-depreciable assets:				
Land	\$ 396,592	\$ —	\$ —	\$ 396,592
Total capital assets, not being depreciated	396,592	—	—	396,592
Depreciable assets:				
Buildings	3,841,907	18,873	—	3,860,780
Furnishings	66,659	6,347	—	73,006
Total capital assets, being depreciated	3,908,566	25,220	—	3,933,786
Less accumulated depreciation for:				
Buildings	2,244,992	80,552	—	2,325,544
Furnishings	59,292	3,506	—	62,798
Total accumulated depreciation	2,304,284	84,058	—	2,388,342
Total capital assets, being depreciated	1,604,282	(58,838)	—	1,545,444
Total capital assets, net	<u>\$2,000,874</u>	<u>\$ (58,838)</u>	<u>\$ —</u>	<u>\$1,942,036</u>

**NOTE E – GRANTS**

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 expenses which may be disallowed by the grantor cannot be determined at this time although the Housing Authority expects such amounts, if any, to be immaterial.

**NOTE F – TAX, SPENDING AND DEBT LIMITATIONS**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including raising revenue, spending abilities and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The Authority believes it is in compliance with the requirements of the amendment. However, the Authority has made certain interpretations of the amendment's language in order to determine its compliance.

Housing Authority of the City of Rifle

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE G – PENSION PLAN**

The Authority offers a voluntary defined contribution plan under the provisions of Section 457 of the Internal Revenue Code. The plan allows salaried employees to contribute up to 5% of their yearly salary, and the Authority contributes a matching amount up to 5%. Under the plan, the Housing Authority can contribute 2% of the employee's pay whether or not the employee contributes. The plan is administered by State Farm. Contributions to the plan for the year ended December 31, 2017 were \$7,487 from the employees and \$7,462 from the Housing Authority.

SUPPLEMENTAL INFORMATION

Housing Authority of the City of Rifle

SCHEDULE OF NET POSITION - ALL PROJECTS

December 31, 2017

	Kendall Heights	Jackson Heights	Total
<b>ASSETS</b>			
Cash and investments	\$ 378,893	\$ 388,616	\$ 767,509
Tenant security deposits	25,192	20,469	45,661
Capital assets, net	691,638	1,250,398	1,942,036
Total assets	<u>\$ 1,095,723</u>	<u>\$ 1,659,483</u>	<u>\$ 2,755,206</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 383	\$ 383
Accrued payroll expense	2,359	3,127	5,486
Security deposits held	25,192	20,469	45,661
Total liabilities	27,551	23,979	51,530
<b>Net position</b>			
Net investment in capital assets	691,638	1,250,398	1,942,036
Unrestricted	376,534	385,106	761,640
Total net position	<u>1,068,172</u>	<u>1,635,504</u>	<u>2,703,676</u>
Total liabilities and net position	<u>\$ 1,095,723</u>	<u>\$ 1,659,483</u>	<u>\$ 2,755,206</u>

Housing Authority of the City of Rifle

SCHEDULE OF INDIVIDUAL PROJECT REVENUES,  
EXPENSES, AND CHANGES IN NET POSITION

Year ended December 31, 2017

	Kendall Heights	Jackson Heights	Total
Operating revenue			
Rent income and housing assistance payments	\$ 499,190	\$ 269,764	\$ 768,954
Grant revenue	-	33,148	33,148
Other revenues	38,905	30,810	69,715
Total operating revenue	538,095	333,722	871,817
Operating expenses			
Operations and maintenance			
Maintenance labor	82,905	62,546	145,451
Maintenance and repairs	75,001	78,180	153,181
Utilities	100,287	75,661	175,948
Capital outlay	3,877	8,401	12,278
Depreciation	42,184	41,874	84,058
Total operations and maintenance	304,254	266,662	570,916
General and administrative			
Manager salary	36,335	27,385	63,720
Employee benefits	22,870	17,308	40,178
Legal fees	2,171	1,604	3,775
Accounting and auditing	9,181	6,927	16,108
Insurance and bonding	14,458	10,907	25,365
Other administrative	13,578	8,002	21,580
Total general and administrative	98,593	72,133	170,726
Total operating expenses	402,847	338,795	741,642
Net operating income (loss)	135,248	(5,073)	130,175
Non-operating revenue (expense)			
Interest income	-	32	32
Total non-operating revenue (expense)	-	32	32
Change in net position	135,248	(5,041)	130,207
Net position at beginning of year	932,924	1,640,545	2,573,469
Net position at end of year	\$ 1,068,172	\$ 1,635,504	\$ 2,703,676

Housing Authority of the City of Rifle

Schedule of Revenues, Expenses and Changes in Net Position  
Non-GAAP Basis - Budget and Actual

Year ended December 31, 2017			
	Original and Final Budget	Total Actual	Variance Favorable (Unfavorable)
Revenue			
Rent income and housing assistance payments	\$ 747,575	\$ 768,954	\$ 21,379
Interest income	22	32	10
Grant revenue	-	33,148	33,148
Other revenues	53,354	69,715	16,361
Total revenue	800,951	871,849	70,898
Expenses			
Operations and maintenance			
Maintenance labor	142,649	145,451	(2,802)
Maintenance and repairs	128,993	153,181	(24,188)
Utilities	169,449	175,948	(6,499)
Capital outlay	25,960	12,278	13,682
Total operations and maintenance	467,051	486,858	(19,807)
General and administrative			
Manager salary	63,220	63,720	(500)
Employee benefits	23,705	40,178	(16,473)
Accounting and auditing	15,750	16,108	(358)
Legal fees	1,216	3,775	(2,559)
Insurance and bonding	25,175	25,365	(190)
Other administrative	18,325	21,580	(3,255)
Total general and administrative	147,391	170,726	(23,335)
Total expenses	614,442	657,584	(43,142)
Excess of revenue over (under) expenses	\$ 186,509	214,265	\$ 27,756
Adjustments to non-GAAP basis			
Depreciation		(84,058)	
Total adjustments		(84,058)	
Change in net position		130,207	
Net position at beginning of year		2,573,469	
Net position at end of year		\$ 2,703,676	

Housing Authority of the City of Rifle

Schedule of Kendall Heights Revenues, Expenses and Changes in Net Position  
Non-GAAP Basis - Budget and Actual

Year ended December 31, 2017			
	Original and Final Budget	Kendall Heights Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
Rent income and housing assistance payments	\$ 486,785	\$ 499,190	\$ 12,405
Other revenues	30,635	38,905	8,270
Total revenue	<u>517,420</u>	<u>538,095</u>	<u>20,675</u>
<b>Expenses</b>			
<b>Operations and maintenance</b>			
Maintenance labor	81,310	82,905	(1,595)
Maintenance and repairs	65,499	72,592	(7,093)
Painting and decorating	-	2,409	(2,409)
Utilities	98,689	100,287	(1,598)
Capital outlay	13,960	3,877	10,083
Total operations and maintenance	<u>259,458</u>	<u>262,070</u>	<u>(2,612)</u>
<b>General and administrative</b>			
Manager salary	36,036	36,335	(299)
Employee benefits	8,980	22,870	(13,890)
Legal fees	700	2,171	(1,471)
Accounting and auditing	8,978	9,181	(203)
Insurance and bonding	14,345	14,458	(113)
Other administrative	10,125	13,578	(3,453)
Total general and administrative	<u>79,164</u>	<u>98,593</u>	<u>(19,429)</u>
Total expenses	<u>338,622</u>	<u>360,663</u>	<u>(22,041)</u>
Excess of revenue over (under) expenses	<u>\$ 178,798</u>	<u>177,432</u>	<u>\$ (1,366)</u>
<b>Adjustments to non-GAAP basis</b>			
Depreciation		(42,184)	
Total adjustments		<u>(42,184)</u>	
Change in net position		135,248	
Net position at beginning of year		932,924	
Net position at end of year		<u>\$ 1,068,172</u>	

Housing Authority of the City of Rifle

Schedule of Jackson Heights Revenues, Expenses and Changes in Net Position  
Non-GAAP Basis - Budget and Actual

Year ended December 31, 2017			
	Original and Final Budget	Jackson Heights Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
Rent income and housing assistance payments	\$ 260,790	\$ 269,764	\$ 8,974
Interest income	22	32	10
Grant revenue	-	33,148	33,148
Other revenues	22,719	30,810	8,091
Total revenue	283,531	333,754	50,223
<b>Expenses</b>			
Operations and maintenance			
Maintenance labor	61,339	62,546	(1,207)
Maintenance and repairs	63,494	78,180	(14,686)
Utilities	70,760	75,661	(4,901)
Capital outlay	12,000	8,401	3,599
Total operations and maintenance	207,593	224,788	(17,195)
General and administrative			
Manager salary	27,184	27,385	(201)
Employee benefits	14,725	17,308	(2,583)
Legal fees	516	1,604	(1,088)
Accounting and auditing	6,772	6,927	(155)
Insurance and bonding	10,830	10,907	(77)
Other administrative	8,200	8,002	198
Total general and administrative	68,227	72,133	(3,906)
Total expenses	275,820	296,921	(21,101)
Excess of revenue over (under) expenses	\$ 7,711	36,833	\$ 29,122
Adjustments to non-GAAP basis			
Depreciation		(41,874)	
Total adjustments		(41,874)	
Change in net position		(5,041)	
Net position at beginning of year		1,640,545	
Net position at end of year		\$ 1,635,504	

Housing Authority of the City of Rifle

SCHEDULE OF INDIVIDUAL PROJECT CASH FLOWS

Year ended December 31, 2017

	Kendall Heights	Jackson Heights	Total
<b>Cash flows from operating activities</b>			
Cash received from tenants and subsidies	\$ 499,190	\$ 269,764	\$ 768,954
Other operating receipts and grants	38,905	63,958	102,863
Cash paid to suppliers	(250,211)	(210,497)	(460,708)
Cash paid to employees	(119,240)	(94,329)	(213,569)
Net cash provided (used) by operating activities	168,644	28,896	197,540
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	-	(25,220)	(25,220)
Net cash provided (used) by capital and related financing activities	-	(25,220)	(25,220)
<b>Cash flows from investing activities</b>			
Interest received	-	32	32
Net cash provided (used) by investing activities	-	32	32
Increase (decrease) in cash and cash equivalents	168,644	3,708	172,352
Beginning cash and cash equivalents	235,441	405,377	640,818
Ending cash and cash equivalents	\$ 404,085	\$ 409,085	\$ 813,170
<b>Reconciliation of net operating income (loss) to net cash provided (used) by operating activities</b>			
Net operating income (loss)	\$ 135,248	\$ (5,073)	\$ 130,175
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	42,184	41,874	84,058
Loss on disposal of other assets	-	7,607	7,607
Increase (decrease) in accounts payable	(1,357)	(11,146)	(12,503)
Increase (decrease) in accrued payroll expense	(7,616)	(4,398)	(12,014)
Increase (decrease) in security deposits	185	32	217
Total adjustments	33,396	33,969	67,365
Net cash provided (used) by operating activities	\$ 168,644	\$ 28,896	\$ 197,540