



HOUSING AUTHORITY OF THE
CITY OF RIFLE

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Year ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

January 30, 2020

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, 2019, 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
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January 30, 2020

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, 2019, 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 noted in the table of contents 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 2019, cash and cash equivalents increased by \$191,491 to \$1,173,380 from \$981,889 in 2018. This increase is attributable to grants and other receipts as well as an increase in rent income.

Total operating revenues increased to \$915,133 in 2019 from \$867,450 in 2018. This is an increase of \$47,683, or about 6%. Total operating expenses increased to \$761,486 in 2019 from \$720,905 in 2018. This is an increase of \$40,581 or about 6%. The increase in expenses is attributable to the need for capital outlays.

Net position increased by \$153,723 as opposed to an increase of \$146,606 in 2018. 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,	<u>2019</u>	<u>2018</u>
Current assets	\$ 1,125,395	\$ 933,729
Tenant Security Deposits	47,985	48,160
Capital assets	<u>1,885,049</u>	<u>1,919,811</u>
Total assets	<u>\$ 3,058,429</u>	<u>\$ 2,901,700</u>
Current liabilities	<u>\$ 54,424</u>	<u>\$ 51,418</u>
Total liabilities	<u>54,424</u>	<u>51,418</u>
Net investment in capital assets	1,885,049	1,919,811
Unrestricted	<u>1,118,956</u>	<u>930,471</u>
Total net position	<u>3,004,005</u>	<u>2,850,282</u>
Total liabilities and net position	<u>\$ 3,058,429</u>	<u>\$ 2,901,700</u>

The net position of the Authority increased \$153,723 from \$2,850,282 in 2018 to \$3,004,005 in 2019 due to increases in rents and grants.

REVIEW OF REVENUES

Year ended December 31,	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 915,133	\$ 867,450
Interest income	<u>76</u>	<u>61</u>
Total	<u>\$ 915,209</u>	<u>\$ 867,511</u>

The Authority's revenue increase of \$47,683 from 2018 to 2019 reflects an increase in 2019 grant income with other revenue sources remaining stable.

REVIEW OF EXPENSES

Year ended December 31,	<u>2019</u>	<u>2018</u>
Operating expenses	\$ 761,486	\$ 720,905
Total	<u>\$ 761,486</u>	<u>\$ 720,905</u>
Change in net position	\$ 153,723	\$ 146,606
Net position, beginning	<u>2,850,282</u>	<u>2,703,676</u>
Net position, ending	<u>\$ 3,004,005</u>	<u>\$ 2,850,282</u>

The Authority's expenses increased by \$40,581 from 2018.

CAPITAL ASSETS

Capital assets decreased (net of accumulated depreciation) \$34,762 from 2018 to 2019 due to depreciation costs of \$90,434, with net additions of only \$55,672.

At December 31,	<u>2019</u>	<u>2018</u>
Non-depreciable assets:		
Land	\$ 396,592	\$ 396,592
Development Costs	<u>-</u>	<u>7,865</u>
Total non-depreciable assets	396,592	404,457
Depreciable assets:		
Buildings	3,966,934	3,903,397
Furnishings	<u>88,706</u>	<u>88,706</u>
Total capital assets, being depreciated	4,055,640	3,992,103
Less accumulated depreciation for:		
Buildings	2,491,524	2,407,304
Furnishings	<u>75,659</u>	<u>69,445</u>
Less accumulated depreciation	<u>2,567,183</u>	<u>2,476,749</u>
Book value of depreciated assets	<u>1,488,457</u>	<u>1,515,354</u>
Total capital assets, net	<u>\$ 1,885,049</u>	<u>\$ 1,919,814</u>

DEBT ADMINISTRATION

The Authority has no debt as of December 31, 2019.

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 2019; 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, 2019

ASSETS	
Current assets	
Cash and investments	\$ 1,125,395
	<u>1,125,395</u>
	Total current assets
Noncurrent assets	
Restricted cash	
Tenant security deposits	47,985
	<u>47,985</u>
	Total restricted assets
Capital assets	1,885,049
	<u>1,885,049</u>
	Total noncurrent assets
	<u>1,933,034</u>
	Total assets
	<u>\$ 3,058,429</u>
LIABILITIES AND NET POSITION	
Liabilities	
Current liabilities	
Accounts payable	\$ 2,704
Accrued payroll expense	3,735
Security deposits and escrows held	47,985
	<u>54,424</u>
	Total current liabilities
Net position	
Net investment in capital assets	1,885,049
Unrestricted	1,118,956
	<u>3,004,005</u>
	Total net position
	<u>\$ 3,058,429</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, 2019

Operating revenue		
Rent income and housing assistance payments	\$	794,428
Grant revenue		55,925
Other revenues		64,780
		915,133
	Total operating revenue	
Operating expenses		
Operations and maintenance		
Maintenance labor		167,253
Maintenance repairs		120,678
Utilities		184,316
Capital outlay		14,090
Depreciation		90,434
		576,771
	Total operations and maintenance	
General and administrative		
Manager salary		70,199
Employee benefits		37,196
Legal fees		4,262
Accounting and auditing		15,066
Insurance and bonding		28,901
Other administrative		29,091
		184,715
	Total general and administrative	
	Total operating expenses	761,486
	Net operating income (loss)	153,647
Non-operating revenue (expenses)		
Interest income		76
		76
	Total non-operating revenue (expense)	
	Change in net position	153,723
Net position at beginning of year		2,850,282
Net position at end of year	\$	3,004,005

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, 2019

<hr/>	
Cash flows from operating activities	
Cash received from tenants and subsidies	\$ 794,428
Other operating receipts and grants	120,705
Cash paid to suppliers	(422,664)
Cash paid to employees	(237,516)
	<hr/>
Net cash provided (used) by operating activities	254,953
Cash flows from capital and related financing activities	
Purchase of capital assets	(63,538)
	<hr/>
Net cash provided (used) by capital and related financing activities	(63,538)
Cash flows from investing activities	
Interest received	76
	<hr/>
Net cash provided (used) by investing activities	76
	<hr/>
Increase (decrease) in cash and cash equivalents	191,491
Cash and cash equivalents at beginning of year	<hr/>
	981,889
	<hr/>
Cash and cash equivalents at end of year	<u>\$ 1,173,380</u>
<u>Reconciliation of net operating income (loss) to net cash</u>	
<u>provided (used) by operating activities:</u>	
Net operating income (loss)	\$ 153,647
Adjustments to reconcile net operating income (loss) to net cash	
provided (used) by operating activities:	
Depreciation	90,434
Loss on disposal of development costs	7,866
Increase (decrease) in accounts payable	2,376
Increase (decrease) in accrued payroll expense	805
Increase (decrease) in security deposits	(175)
	<hr/>
Total adjustments	101,306
	<hr/>
Net cash provided (used) by operating activities	<u>\$ 254,953</u>

The accompanying notes are an integral part of this statement.

Housing Authority of the City of Rifle

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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, 2019

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, 2019, the Authority had \$873,012 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, 2019, 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, 2019

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, 2019

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, 2019, 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
Development costs	7,865	–	7,865	–
Total capital assets, not being depreciated	404,457	–	7,865	396,592
Depreciable assets:				
Buildings	3,903,397	63,537	–	3,966,934
Furnishings	88,706	–	–	88,706
Total capital assets, being depreciated	3,992,103	63,537	–	4,055,640
Less accumulated depreciation for:				
Buildings	2,407,304	84,220	–	2,491,524
Furnishings	69,445	6,214	–	75,659
Total accumulated depreciation	2,476,749	90,434	–	2,567,183
Total capital assets, being depreciated	1,515,354	(26,897)	–	1,488,457
Total capital assets, net	<u>\$1,919,811</u>	<u>\$ (26,897)</u>	<u>\$ 7,865</u>	<u>\$1,885,049</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, 2019

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, 2019 were \$8,227 from the employees and \$8,227 from the Housing Authority.

SUPPLEMENTAL INFORMATION

Housing Authority of the City of Rifle

SCHEDULE OF NET POSITION - ALL PROJECTS

December 31, 2019

	Kendall Heights	Jackson Heights	Total
ASSETS			
Cash and investments	\$ 227,663	\$ 897,732	\$ 1,125,395
Tenant security deposits	26,001	21,984	47,985
Capital assets, net	644,930	1,240,119	1,885,049
Total assets	<u>\$ 898,594</u>	<u>\$ 2,159,835</u>	<u>\$ 3,058,429</u>
LIABILITIES AND NET POSITION			
Liabilities			
Accounts payable	\$ -	\$ 2,704	\$ 2,704
Accrued payroll expense	2,129	1,606	3,735
Security deposits held	26,001	21,984	47,985
Total liabilities	28,130	26,294	54,424
Net position			
Net investment in capital assets	644,930	1,240,119	1,885,049
Unrestricted	225,534	893,422	1,118,956
Total net position	<u>870,464</u>	<u>2,133,541</u>	<u>3,004,005</u>
Total liabilities and net position	<u>\$ 898,594</u>	<u>\$ 2,159,835</u>	<u>\$ 3,058,429</u>

Housing Authority of the City of Rifle

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

Year ended December 31, 2019

	Kendall Heights	Jackson Heights	Total
Operating revenue			
Rent income and housing assistance payments	\$ 515,908	\$ 278,520	\$ 794,428
Grant revenue	52,925	3,000	55,925
Other revenues	36,316	28,464	64,780
Total operating revenue	<u>605,149</u>	<u>309,984</u>	<u>915,133</u>
Operating expenses			
Operations and maintenance			
Maintenance labor	95,179	72,074	167,253
Maintenance and repairs	67,776	52,902	120,678
Utilities	107,654	76,662	184,316
Capital outlay	13,280	810	14,090
Depreciation	44,321	46,113	90,434
Total operations and maintenance	<u>328,210</u>	<u>248,561</u>	<u>576,771</u>
General and administrative			
Manager salary	40,013	30,186	70,199
Employee benefits	21,201	15,995	37,196
Legal fees	4,076	186	4,262
Accounting and auditing	8,558	6,508	15,066
Insurance and bonding	16,473	12,428	28,901
Other administrative	16,253	12,838	29,091
Total general and administrative	<u>106,574</u>	<u>78,141</u>	<u>184,715</u>
Total operating expenses	<u>434,784</u>	<u>326,702</u>	<u>761,486</u>
Net operating income (loss)	170,365	(16,718)	153,647
Non-operating revenue (expense)			
Interest income	-	76	76
Total non-operating revenue (expense)	<u>-</u>	<u>76</u>	<u>76</u>
Change in net position	170,365	(16,642)	153,723
Net position at beginning of year	870,099	1,980,183	2,850,282
Transfers	(170,000)	170,000	-
Net position at end of year	<u>\$ 870,464</u>	<u>\$ 2,133,541</u>	<u>\$ 3,004,005</u>

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, 2019

	Original and Final Budget	Total Actual	Variance Favorable (Unfavorable)
Revenue			
Rent income and housing assistance payments	\$ 775,689	\$ 794,428	\$ 18,739
Interest income	45	76	31
Grant revenue	-	55,925	55,925
Other revenues	58,806	64,780	5,974
Total revenue	<u>834,540</u>	<u>915,209</u>	<u>80,669</u>
Expenses			
Operations and maintenance			
Maintenance labor	172,506	167,253	5,253
Maintenance and repairs	119,925	120,678	(753)
Utilities	199,950	184,316	15,634
Capital outlay	53,500	77,628	(24,128)
Total operations and maintenance	<u>545,881</u>	<u>549,875</u>	<u>(3,994)</u>
General and administrative			
Manager salary	69,678	70,199	(521)
Employee benefits	40,157	37,196	2,961
Accounting and auditing	17,600	15,066	2,534
Legal fees	12,000	4,262	7,738
Insurance and bonding	32,500	28,901	3,599
Other administrative	28,300	29,091	(791)
Total general and administrative	<u>200,235</u>	<u>184,715</u>	<u>15,520</u>
Total expenses	<u>746,116</u>	<u>734,590</u>	<u>11,526</u>
Excess of revenue over (under) expenses	<u>\$ 88,424</u>	<u>180,619</u>	<u>\$ 92,195</u>
Adjustments to non-GAAP basis			
Capitalized capital outlay		63,538	
Depreciation		(90,434)	
Total adjustments		<u>(26,896)</u>	
Change in net position		153,723	
Net position at beginning of year		2,850,282	
Net position at end of year		<u>\$ 3,004,005</u>	

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, 2019

	Original and Final Budget	Kendall Heights Actual	Variance Favorable (Unfavorable)
Revenue			
Rent income and housing assistance payments	\$ 504,245	\$ 515,908	\$ 11,663
Grant revenue	-	52,925	52,925
Other revenues	33,361	36,316	2,955
Total revenue	<u>537,606</u>	<u>605,149</u>	<u>67,543</u>
Expenses			
Operations and maintenance			
Maintenance labor	98,329	95,179	3,150
Maintenance and repairs	66,539	67,776	(1,237)
Utilities	113,619	107,654	5,965
Capital outlay	34,050	37,050	(3,000)
Total operations and maintenance	<u>312,537</u>	<u>307,659</u>	<u>4,878</u>
General and administrative			
Manager salary	39,717	40,013	(296)
Employee benefits	22,890	21,201	1,689
Legal fees	6,840	4,076	2,764
Accounting and auditing	10,032	8,558	1,474
Insurance and bonding	18,525	16,473	2,052
Other administrative	16,310	16,253	57
Total general and administrative	<u>114,314</u>	<u>106,574</u>	<u>7,740</u>
Total expenses	<u>426,851</u>	<u>414,233</u>	<u>12,618</u>
Excess of revenue over (under) expenses	<u>\$ 110,755</u>	<u>190,916</u>	<u>\$ 80,161</u>
Adjustments to non-GAAP basis			
Capitalized capital outlay		23,770	
Depreciation		(44,321)	
Total adjustments		<u>(20,551)</u>	
Change in net position		170,365	
Net position at beginning of year		870,099	
Transfer out		(170,000)	
Net position at end of year		<u>\$ 870,464</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, 2019

	Original and Final Budget	Jackson Heights Actual	Variance Favorable (Unfavorable)
Revenue			
Rent income and housing assistance payments	\$ 271,444	\$ 278,520	\$ 7,076
Interest income	45	76	31
Grant revenue	-	3,000	3,000
Other revenues	25,445	28,464	3,019
Total revenue	296,934	310,060	13,126
Expenses			
Operations and maintenance			
Maintenance labor	74,177	72,074	2,103
Maintenance and repairs	53,386	52,902	484
Utilities	86,331	76,662	9,669
Capital outlay	19,450	40,578	(21,128)
Total operations and maintenance	233,344	242,216	(8,872)
General and administrative			
Manager salary	29,961	30,186	(225)
Employee benefits	17,267	15,995	1,272
Legal fees	5,160	186	4,974
Accounting and auditing	7,568	6,508	1,060
Insurance and bonding	13,975	12,428	1,547
Other administrative	11,990	12,838	(848)
Total general and administrative	85,921	78,141	7,780
Total expenses	319,265	320,357	(1,092)
Excess of revenue over (under) expenses	\$ (22,331)	(10,297)	\$ 12,034
Adjustments to non-GAAP basis			
Capitalized capital outlay		39,768	
Depreciation		(46,113)	
Total adjustments		(6,345)	
Change in net position		(16,642)	
Net position at beginning of year		1,980,183	
Transfer in		170,000	
Net position at end of year		\$ 2,133,541	

Housing Authority of the City of Rifle

SCHEDULE OF INDIVIDUAL PROJECT CASH FLOWS

Year ended December 31, 2019

	Kendall Heights	Jackson Heights	Total
Cash flows from operating activities			
Cash received from tenants and subsidies	\$ 515,908	\$ 278,520	\$ 794,428
Other operating receipts and grants	89,241	31,464	120,705
Cash paid to suppliers	(254,592)	(168,072)	(422,664)
Cash paid to employees	(135,192)	(102,324)	(237,516)
Net cash provided (used) by operating activities	215,365	39,588	254,953
Cash flows from capital and related financing activities			
Purchase of capital assets	(23,770)	(39,768)	(63,538)
Net cash provided (used) by capital and related financing activities	(23,770)	(39,768)	(63,538)
Cash flows from investing activities			
Transfers	(170,000)	170,000	-
Interest received	-	76	76
Net cash provided (used) by investing activities	(170,000)	170,076	76
Increase (decrease) in cash and cash equivalents	21,595	169,896	191,491
Beginning cash and cash equivalents	232,069	749,820	981,889
Ending cash and cash equivalents	<u>\$ 253,664</u>	<u>\$ 919,716</u>	<u>\$ 1,173,380</u>
<u>Reconciliation of net operating income (loss) to net cash provided (used) by operating activities</u>			
Net operating income (loss)	\$ 170,365	\$ (16,718)	\$ 153,647
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	44,321	46,113	90,434
Loss on disposal of development costs	-	7,866	7,866
Increase (decrease) in accounts payable	-	2,376	2,376
Increase (decrease) in accrued payroll expense	869	(64)	805
Increase (decrease) in security deposits	(190)	15	(175)
Total adjustments	45,000	56,306	101,306
Net cash provided (used) by operating activities	<u>\$ 215,365</u>	<u>\$ 39,588</u>	<u>\$ 254,953</u>