

**Housing Authority of the City of Rifle, Colorado  
dba Rifle Housing Authority**

**Financial Statements**

**December 31, 2020**



**Housing Authority of the City of Rifle, Colorado  
dba Rifle Housing Authority**

**Financial Statements  
December 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Commissioners  
Housing Authority of the City of Rifle, Colorado  
dba Rifle Housing Authority  
Rifle, Colorado**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Housing Authority of the City of Rifle, Colorado, dba Rifle Housing Authority (the "Authority"), as of and for the year ended December 31, 2020, as listed in the table of contents, and the related notes to the financial statements.

### ***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 opinions 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 of 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 opinions.

*Member: American Institute of Certified Public Accountants*

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**INDEPENDENT AUDITORS REPORT**  
**To the Board of Commissioners**  
**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Rifle, Colorado**

***Opinions***

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, Colorado, dba Rifle Housing Authority, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B 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 Management's Discussion and Analysis in Section B 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparison in section E is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 in section E is fairly stated in all material aspects in relation to the financial statements as a whole.

The financial statements of the Housing Authority of the City of Rifle, Colorado, dba Rifle Housing Authority, as of and for the year ended December 31, 2019 were audited by another auditor, who expressed an unmodified opinion on those statements in their report dated January 30, 2020.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**July 20, 2021**

**MANAGEMENT'S DISCUSSION and ANALYSIS**



# **Housing Authority of the City of Rifle, Colorado dba Rifle Housing Authority Management's Discussion and Analysis December 31, 2020**

As management of the Housing Authority of the City of Rifle, Colorado, dba Rifle Housing Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative summary of the financial activities of the Authority for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the Authority's 2020 financial statements.

## **Financial Highlights**

- The Authority's assets exceeded its liabilities by \$3,857,480 at December 31, 2020.
- The Authority assets are highly liquid at December 31, 2020, with \$1,464,718 of cash and investments.
- The Authority continues to have no long-term debt.
- The Authority's net position increased by \$950,381 in 2020.
- Total revenues for 2020 grew \$820,939 from 2019, while aggregate expenses increased \$24,281.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

*Financial Statements:* The financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the Authority's assets and liabilities (both short-term and long-term), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position shows how the government's net position changed during the years presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned revenue that will be received in subsequent years).

The Statement of Cash Flows shows the Authority's sources of cash inflows and outflows for the years presented. Cash flows are categorized among operating, non-capital financing, capital and related financing and investing activities, and unlike items reported in the Statement of Revenues, Expenses and Changes in Fund Net Position, these amounts are reported on the cash basis of accounting.

The business-type activity of the Authority relates to residential rental operations. There are currently no governmental-type activities occurring at the Authority.

The Authority's basic financial statements can be found in Section C of this report.

*Proprietary Fund:* The Authority maintains a proprietary fund commonly known as an enterprise fund. Enterprise funds are used to report business-type activities. The Authority uses an enterprise fund to account for its residential rental operations.

*Notes to the Financial Statements:* The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the Authority. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in Section D of this report.

## Overview of the Financial Statements (continued)

*Other Information:* In addition to the basic financial statements and accompanying notes, this report also contains certain supplementary information. The Schedule of Revenues, Expenses, and Changes in Net Position – All Projects - Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis provides a detailed comparison of the Authority’s actual revenues and expenditures to budgeted amounts. As the Authority’s budget was adopted in a manner that is not consistent with Generally Accepted Accounting Principles (“GAAP”), this schedule reconciles the Authority’s non-GAAP budget presentation to the GAAP-basis financial statements. This supplementary information can be found in Section E of this report.

*Financial Analysis of the Authority:* The following table shows the Authority’s assets, liabilities, and net position at the end of 2020 and 2019:

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Net Position**

	<u>2020</u>	<u>2019</u>
<b>Assets:</b>		
Current assets	\$ 1,464,718	1,173,380
Other assets	816,736	-
Capital assets, net	<u>1,729,666</u>	<u>1,885,049</u>
<b>Total Assets</b>	<u>4,011,120</u>	<u>3,058,429</u>
<b>Liabilities:</b>		
Current liabilities	58,535	54,424
Non-current liabilities	<u>95,105</u>	<u>96,906</u>
<b>Total Liabilities</b>	<u>153,640</u>	<u>151,330</u>
<b>Net Position:</b>		
Net investment in capital assets	1,729,666	1,885,049
Unrestricted net position	<u>2,127,814</u>	<u>1,022,050</u>
<b>Total Net Position</b>	<u>\$ 3,857,480</u>	<u>2,907,099</u>

43% of the Authority’s total assets is reflected in capital assets, which includes land, buildings, equipment, and furniture and fixtures, less accumulated depreciation. These assets are used in the operation of the Authority’s housing operations. During 2020, the Authority’s net capital assets decreased by a total of \$155,383, as a result of both depreciation expense exceeding capital asset additions for the year and the sale of a parcel of land.

The Authority’s net position – the extent to which assets exceeded liabilities – was \$3,857,480 at December 31, 2020. This comprises the Authority’s net investment in capital assets (\$1,729,666), and unrestricted net position (\$2,127,814) which may be used to meet the Authority’s ongoing obligations. The Authority reports a positive balance in all components of net position at December 31, 2020.

## Overview of the Financial Statements (continued)

*Financial Analysis of the Authority (continued):* The following table summarizes the changes in the Authority's net position for 2020 and 2019:

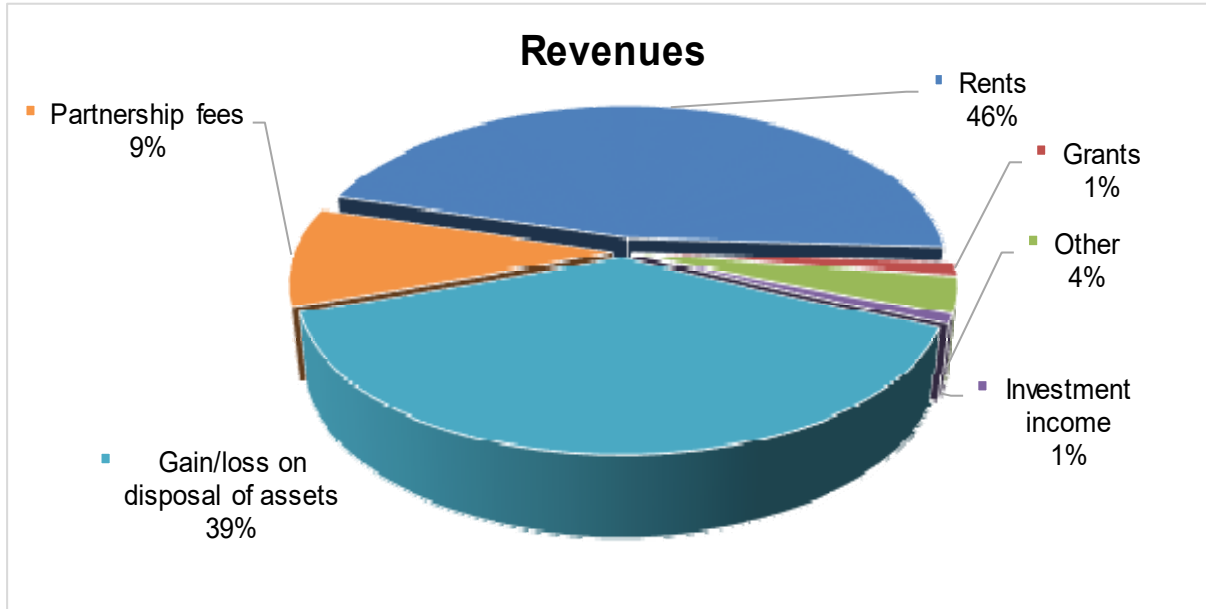
	<u>2020</u>	<u>2019</u>
<b>Revenues:</b>		
Program revenues:		
Rentals	\$ 806,059	794,428
Grants	20,338	55,925
Other	59,782	64,780
General revenues		
Investment income	16,733	76
Gain (loss) on disposal of assets	670,736	-
Partnership fees	162,500	-
<b>Total Revenues</b>	<u>1,736,148</u>	<u>915,209</u>
<b>Expenses:</b>		
Operations and maintenance	567,728	576,771
General and administrative	218,039	184,715
<b>Total Expenses</b>	<u>785,767</u>	<u>761,486</u>
<b>Change in net position</b>	950,381	153,723
<b>Net Position - Beginning of Year (as restated)</b>	<u>2,907,099</u>	<u>2,753,376</u>
<b>Net Position - End of Year</b>	<u>\$ 3,857,480</u>	<u>2,907,099</u>

Rents and rental assistance are the Authority's most significant sources of revenues, accounting for approximately 46% of the Authority's total revenues.

The 2020 increase in the Authority's net position of \$950,381 was mainly attributable to the gain on the sale of land and the partnership fees received through the Authority's investment in the Partnership developing the Maxfield Heights project.

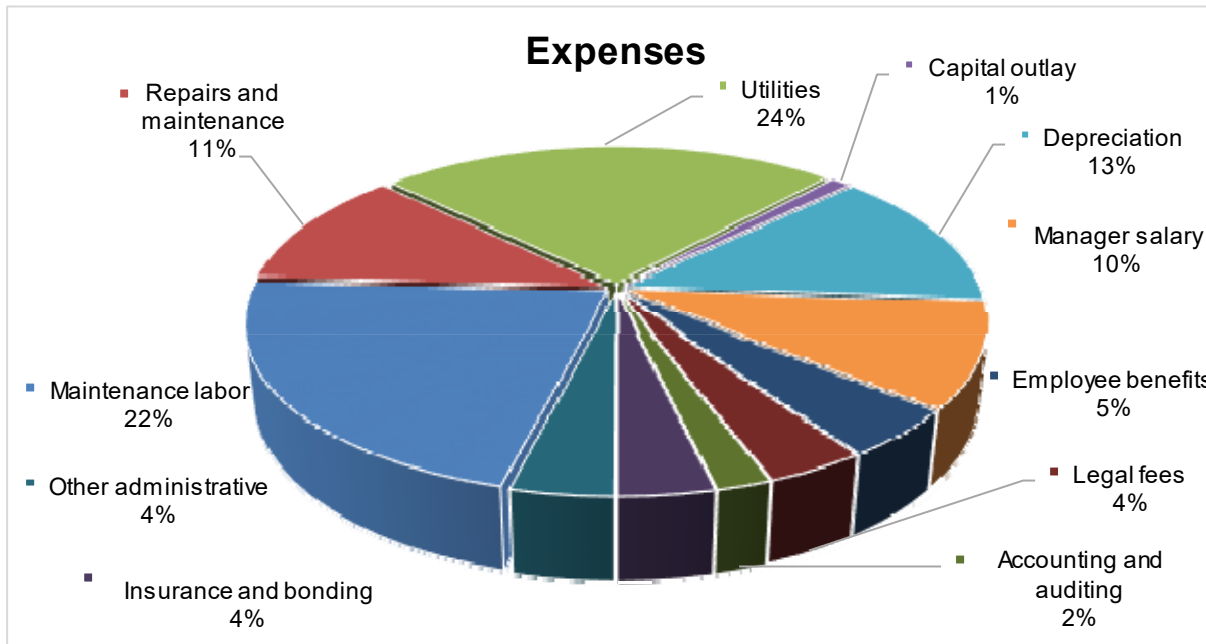
**Overview of the Financial Statements (continued)**

*Financial Analysis of the Authority (continued):* The following chart summarizes the components of the Authority's total revenues in 2020:



The Authority's total revenues increased \$820,939 between 2019 and 2020, primarily due to the partnership fees and gain realized on the land sale during the past year.

The following chart summarizes the Authority's expenses, by natural classification, during 2020:



The Authority's expenses increased \$24,281 from 2019. Additional legal fees were incurred during 2020 in connection with the Authority's investment in the Partnership, with the Partnership's \$25,000 reimbursement of such costs included in Other Revenues.

## Budget Variances

During 2020, no supplemental appropriations were made to the Authority's budget. 2020 revenues were \$132,684 higher than budgeted for the year, while actual 2020 expenditures for the Authority were \$183,893 lower than budgeted. Significant budget variances were as follows:

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>Reason</u>
<b>Revenues:</b>				
Grants	\$ 70,000	20,338	(49,662)	Grants budgeted in the current year were accrued as revenue in the prior year.
Partnership fees	-	162,500	162,500	Maxfield Heights project conservatively not budgeted.
<b>Expenses:</b>				
<u>Operations and maintenance:</u>				
Repairs and maintenance	141,398	89,079	52,319	Budgeted conservatively for anticipated costs of broken plumbing pipes, which did not happen.
Capital outlay	206,750	81,966	124,784	Budgeted to replace old carpet and vinyl in some apartments but, due to COVID-19, these projects did not occur.

### Capital assets:

In 2020, the Authority made additions to capital assets totaling \$73,510 and made dispositions with an aggregate cost of \$191,260. The majority of the 2020 disposals was represented by the land parcel sold to the Maxfield Heights partnership. Additional information about the Authority's capital assets can be found in the Notes to the Financial Statements in section D.

### Next Year's Budget and Rates

The Authority's net position at the end of 2020 was \$3,857,480. The Authority's 2021 budget anticipates an increase in net position of \$40,108, with revenues of \$861,291 and expenditures of \$821,183.

### 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 the government's finances.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Housing Authority of the City of Rifle, Colorado, 250 Ute Avenue, Rifle, Colorado 81650.

**BASIC FINANCIAL STATEMENTS**



**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Statement of Net Position**  
**December 31, 2020 and 2019**

	<b>2020</b>	<b>2019 (Restated)</b>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and investments - Unrestricted	1,416,832	1,125,395
Cash and investments - Restricted	47,886	47,985
<b>Total - Current assets</b>	1,464,718	1,173,380
<b>Non-current assets:</b>		
Note receivable:		
Principal receivable in more than one year	800,000	-
Interest receivable in more than one year	16,636	-
Investment in Partnership	100	-
Capital assets:		
Capital assets not being depreciated	271,989	396,592
Depreciable capital assets, net of accumulated depreciation	1,457,677	1,488,457
<b>Total - Non-current assets</b>	2,546,402	1,885,049
<b>Total Assets</b>	4,011,120	3,058,429
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	6,478	2,704
Accrued payroll liabilities	4,171	3,735
Tenant security deposits	47,886	47,985
<b>Total - Current liabilities</b>	58,535	54,424
<b>Non-current liabilities:</b>		
Accrued compensated absences - Due in more than one year	95,105	96,906
<b>Total Liabilities</b>	153,640	151,330
<b>Net Position:</b>		
Net investment in capital assets	1,729,666	1,885,049
Unrestricted net position	2,127,814	1,022,050
<b>Total Net Position</b>	3,857,480	2,907,099

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Statement of Revenue, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u> <u>(Restated)</u>
<b>Operating Revenues:</b>		
Tenant rents	482,200	473,003
Tenant assistance payments	323,859	321,425
<b>Total - Rental Revenues</b>	<u>806,059</u>	<u>794,428</u>
Grants	20,338	55,925
Miscellaneous	59,782	64,780
<b>Total Revenues</b>	<u>886,179</u>	<u>915,133</u>
<b>Operating expenses:</b>		
<b>Operations and maintenance:</b>		
Maintenance labor	173,542	167,253
Repairs and maintenance	89,079	120,678
Utilities	192,361	184,316
Capital outlay	8,456	14,090
Depreciation	104,290	90,434
<b>Total - Operations and maintenance</b>	<u>567,728</u>	<u>576,771</u>
<b>General and administrative:</b>		
Manager salary	76,237	70,199
Employee benefits	37,069	37,196
Legal fees	29,485	4,262
Accounting and auditing	16,256	15,066
Insurance and bonding	28,609	28,901
Other administrative	30,383	29,091
<b>Total - General and administrative</b>	<u>218,039</u>	<u>184,715</u>
<b>Total Operating Expenses</b>	<u>785,767</u>	<u>761,486</u>
<b>Income (Loss) from Operations</b>	100,412	153,647
<b>Non-operating Revenues (Expenses):</b>		
Investment income	16,733	76
Gain (loss) on disposal of assets	670,736	-
Partnership fees	162,500	-
<b>Total Non-operating Revenues (Expenses)</b>	<u>849,969</u>	<u>76</u>
<b>Change in Net Position</b>	950,381	153,723
<b>Net Position - Beginning of Year (as restated)</b>	<u>2,907,099</u>	<u>2,753,376</u>
<b>Net Position - End of Year</b>	<u>3,857,480</u>	<u>2,907,099</u>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Statement of Cash Flows**  
**For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u> <u>(Restated)</u>
<b>Cash Flows From Operating Activities:</b>		
Cash received for rents and housing assistance	805,960	794,428
Operating grants and other cash receipts	80,120	112,839
Cash paid for goods and services	(390,960)	(422,664)
Cash paid for wages and benefits	(288,108)	(237,516)
	<u>207,012</u>	<u>247,087</u>
<b>Net Cash Provided (Used) By Operating Activities</b>		
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Cash paid to acquire capital assets	(78,171)	(63,538)
Proceeds on disposal of capital assets	-	7,866
	<u>(78,171)</u>	<u>(55,672)</u>
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>		
<b>Cash Flows From Investing Activities:</b>		
Interest received	97	76
Net cash receipts from (payments to) Partnership	162,400	-
	<u>162,497</u>	<u>76</u>
<b>Net Cash Provided (Used) By Investing Activities</b>		
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	291,338	191,491
<b>Cash and Cash Equivalents - Beginning</b>	1,173,380	981,889
<b>Cash and Cash Equivalents - Ending</b>	<u>1,464,718</u>	<u>1,173,380</u>
<b>Cash and Cash Equivalents - Ending is comprised of:</b>		
Cash and cash equivalents - Unrestricted	1,416,832	1,125,395
Cash and cash equivalents - Restricted	47,886	47,985
	<u>1,464,718</u>	<u>1,173,380</u>
<b>Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:</b>		
Income (loss) from operations	100,412	153,647
<b>Adjustments to reconcile:</b>		
Depreciation	104,290	90,434
Increase (decrease) - Accounts payable / accruals	3,774	2,376
Increase (decrease) - Accrued payroll liabilities	436	805
Increase (decrease) - Tenant security deposits	(99)	(175)
Increase (decrease) - Accrued compensated absences	(1,801)	-
	<u>207,012</u>	<u>247,087</u>
<b>Net Cash Provided (Used) By Operating Activities</b>		
<b>Noncash Capital and Related Financing Activities</b>		
Promissory note received on sale of land	(800,000)	-
	<u>(800,000)</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

**NOTES to the FINANCIAL STATEMENTS**



**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Notes to the Financial Statements**  
**December 31, 2020**

**I. Summary of Significant Accounting Policies**

The Housing Authority of the City of Rifle, Colorado, dba Rifle Housing Authority (the "Authority"), was established on April 27, 1977 pursuant to section 29-4-201 et seq. of the Colorado Revised Statutes, to provide safe and adequate housing for the inhabitants of the City of Rifle, Colorado (the "City").

The Authority operates two low-income rental apartment projects in Rifle, Colorado:

- Kendall Heights consists of 15 buildings with a total of 60 units reserved for elderly and disabled tenants. Tenant rents at Kendall Heights are subsidized by the United States Department of Housing and Urban Development ("HUD") through a Section 8 Housing Assistance Payments contract ("HAP Contract") with the Authority.
- Jackson Heights consists of 10 buildings with a total of 46 units, which are restricted to tenants that are at least 55 years old or disabled. Rents for qualifying tenants in Jackson Heights may be subsidized through vouchers issued by another local housing authority.

The Authority is governed by a seven-member Board of Commissioners (the "Board"); all of whom are appointed by the City's elected City Council for two-year terms.

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for the establishment of GAAP for governmental entities. The more significant accounting policies established by GAAP used by the Authority are discussed below.

**A. Reporting Entity**

The reporting entity consists of (a) the primary government, i.e., the Authority, and (b) organizations for which the Authority is financially accountable. The Authority is considered to be financially accountable for a legally separate organization if it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Authority. Consideration is also given to other organizations that are fiscally dependent, i.e., unable to adopt a budget, levy tax, or issue debt without approval by the Authority. Organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Once appointed, the Board controls all Authority financial resources, can buy or sell property, enter into contracts, and incur indebtedness of behalf of the Authority.

Based on the criteria above, the Authority is not financially accountable for any other entity, nor is the Authority a component unit of any other government.

**B. Financial Reporting**

The Authority uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Financial Reporting (continued)**

The Authority uses a proprietary fund-type – an enterprise fund – to account for its sole activity: renting apartment units to qualifying, low-income individuals. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private 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.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the account and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Measurement Focus and basis of Accounting**

Proprietary funds use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Financial Statement Presentation**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rentals, together with related tenant rent-based government assistance. Operating expenses for the enterprise fund include the costs to operate and maintain the Authority's apartments, depreciation, and expenses incurred in administering the Authority's operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Financial Statement Accounts**

**1. Cash and Investments**

Cash and cash equivalents include amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the Authority.

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**1. Cash and Investments (continued)**

The Authority follows Colorado state statutes as an investment policy, which permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Treasury obligations (maximum maturity of 60 months)
- Federal instrumentality securities (maximum maturity of 60 months)
- FDIC-insured certificates of deposit (maximum maturity of 18 months)
- Corporate bonds (maximum maturity of 36 months)
- Prime commercial paper (maximum maturity of 9 months)
- Eligible banker's acceptances
- Repurchase agreements
- General Obligations and Revenue Obligations
- Local government investment pools
- Money market mutual funds

**2. Restricted Assets**

Certain assets of the Authority are classified as restricted assets because their use is restricted to specific purposes by legally-binding commitments. At December 31, 2020, the Authority held restricted cash balances related to security deposits.

**3. Receivables**

Receivables, if any, consist primarily of amounts due from tenants for rents and other charges, as well as amounts due from HUD and other entities for tenant assistance.

Receivables are reported net of an allowance for uncollectible accounts. The Authority's management reviews such accounts periodically to consider the collectability of the balances and determined that no allowance for uncollectible accounts was required at December 31, 2020.

**4. Investment in Partnership**

The Authority holds a 0.01% interest as the Class B Limited Partner in Maxfield Heights, LLLP (the "Partnership"). The Partnership was organized as a limited liability limited partnership in January 2020 to develop a 50-unit multifamily affordable housing development (the "Maxfield Heights Project") in Rifle, Colorado, pursuant to an Agreement of Limited Liability Limited Partnership, effective in April 2020 and as subsequently amended (the "Partnership Agreement"). The Authority's investment in the Partnership is accounted for using the cost method of accounting.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**5. Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial cost of at least \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets, if any, are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets (excluding land) are depreciated, using the straight-line method, over the following estimated useful lives:

<b>Asset</b>	<b>Estimated Useful Life (Years)</b>
Buildings and improvements	5 - 50 years
Furniture and equipment	5 - 15 years

**6. Accrued Compensated Absences**

Vested or accumulated vacation benefits are recorded as an expense and liability as the benefits accrue to employees.

**7. Deferred Inflows and Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Authority does not have any item that qualifies for reporting in this category at December 31, 2020.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority does not have any item that qualifies for reporting in this category at December 31, 2020.

**8. Net Position**

Governments report reservations of net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. At December 31, 2020, the Authority did not report any amounts as restricted net position.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**9. Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as needed.

**10. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the Authority's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

In the fall of each year, the Board formally adopts a budget with appropriations for its sole fund for the ensuing year, pursuant to the State of Colorado *Local Budget Law*. The budget incorporates both projects (Kendall Heights and Jackson Heights) operated by the Authority, and are reported in a single proprietary fund. Expenditures may not legally exceed appropriations at the fund level and all appropriations lapse at year-end.

The Authority's budget is adopted on a non-GAAP basis. A reconciliation to GAAP basis is included in the supplementary budgetary comparison schedule on page E3.

No supplemental appropriations to the Authority's original budget were made for 2020.

**B. Comparative Information**

Comparative total data for the prior year has been presented in the certain of the accompanying financial statements in order to provide an understanding of the changes in the Authority's financial position and operations. However, comparative data has not been presented in all statements since their inclusion would make the statements unduly complex and difficult to understand. The comparative information is not included in accordance with GAAP and such information should be read with the Authority's prior year financial statements.

**C. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**C. TABOR Amendment (continued)**

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

The Authority's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

Colorado's 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 levels insured by the Federal Deposit Insurance Corporation (the "FDIC") must be collateralized. The eligible collateral is determined by the PDPA. The 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 the aggregate uninsured deposits. The FDIC insures the first \$250,000 of the Authority's interest-bearing deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by the PDPA. The Authority's deposits at December 31, 2020 are entirely covered by FDIC or by PDPA.

At December 31, 2020, the carrying value of the Authority's deposits was \$1,464,718 and the bank balance of these accounts was \$1,451,391. The difference between carrying and bank balances represents items that had not cleared the bank at year end.

The Authority held deposits and investments with the following ratings and maturities at December 31, 2020:

<u>Type</u>	<u>Standard &amp; Poor's Rating</u>	<u>Carrying Amount</u>	<u>Investment Maturities</u>	
			<u>Less Than One Year</u>	<u>One to Five Years</u>
<b>Deposits:</b>				
Checking	Not Rated	\$ 369,648	369,648	-
Savings	Not Rated	1,095,070	1,095,070	-
<b>Total</b>		<b>\$ 1,464,718</b>	<b>1,464,718</b>	<b>-</b>

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

The Authority's cash and investments are presented on the Statement of Net Position at December 31, 2020 as follows:

Cash and investments - Unrestricted	\$ 1,416,832
Cash and investments - Restricted	<u>47,886</u>
<b>Total</b>	<b><u>\$ 1,464,718</u></b>

**B. Note Receivable**

In April 2020, the Authority received an \$800,000 promissory note from the Partnership as consideration for the Partnership's purchase of certain land from the Authority for use in the Partnership's development of the Maxfield Heights Project. The note is secured by a deed of trust on the land and an assignment of all Rents and Revenues of the Partnership attributable to the property, but is subordinate to certain other long-term debt of the Partnership. The outstanding principal balance of the note bears simple interest at 3% per annum, with annual payments of principal and interest to the extent of the Partnership's annual Cash Flow, as defined. The note matures in April 2060.

**C. Capital Assets**

The Authority's capital asset activity for 2020 was as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>Jan. 1/20</b>	<b>Additions</b>	<b>Disposals</b>	<b>Dec. 31/20</b>
Capital assets not being depreciated:				
Land	\$ 396,592	-	(124,603)	271,989
Total capital assets not being depreciated	<u>396,592</u>	<u>-</u>	<u>(124,603)</u>	<u>271,989</u>
Capital assets being depreciated:				
Buildings and improvements	3,966,934	45,049	-	4,011,983
Furniture and equipment	88,706	28,461	(66,657)	50,510
Total capital assets being depreciated	<u>4,055,640</u>	<u>73,510</u>	<u>(66,657)</u>	<u>4,062,493</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,491,524)	(94,552)	-	(2,586,076)
Furniture and equipment	(75,659)	(9,738)	66,657	(18,740)
Total accumulated depreciation	<u>(2,567,183)</u>	<u>(104,290)</u>	<u>66,657</u>	<u>(2,604,816)</u>
Total capital assets being depreciated, net	<u>1,488,457</u>	<u>(30,780)</u>	<u>-</u>	<u>1,457,677</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 1,885,049</u></b>	<b><u>(30,780)</u></b>	<b><u>(124,603)</u></b>	<b><u>1,729,666</u></b>

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**D. Long-term Liabilities**

Long-term liability activity for 2020 was as follows:

	<u>Balance</u> <u>Jan. 1/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31/20</u>
Accrued compensated absences	\$ 96,906	14,974	(16,775)	95,105

**E. HAP Contract**

Effective in November 2015, the Authority entered into a HAP Contract with HUD to subsidize sixty tenant rents in the Kendall Heights project. Based on the resources and income of each qualifying tenant, HUD determines the HAP subsidy to be provided to the Authority. The HAP Contract has a 20-year term, expiring in October 2035. During 2020, the Authority earned HAP subsidies totaling \$296,770, or 37% of the Authority's total operating revenues.

**IV. Other Information**

**A. 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; and general liability. The Authority carries commercial coverage for these risks and does not expect claims to exceed their coverage. There have been no reductions in coverage in 2020.

**B. Savings Incentive Match Plan for Employees**

The Authority has established a Savings Incentive Match for Employees retirement plan (the "SIMPLE Plan") covering all full-time employees.

The Plan is a defined contribution plan; as such, the Authority has no liability for losses under the Plan and is only liable to pay the value of benefits credited to a participant. The Authority matches employee contributions up to 5% of participating employee wages.

The Authority's current year covered payroll was \$246,918 and current year total payroll was \$258,462. For 2020, the Authority's contributions to the plan totaled \$8,716, which matched employee contributions.

**C. Grant Funds**

The Authority participates in several grant arrangements. Expenses financed by grants are subject to audit and disallowance by granting authorities. Management of the Authority is unaware of any non-compliance issues and feels any potential questions or disallowed costs would not materially affect the presentation of the Authority's financial statements as of and for the year ended December 31, 2020.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**IV. Other Information (continued)**

**D. Maxfield Heights Project**

Under the terms of the Partnership Agreement, the Authority is to be paid a \$250,000 advisory / facilitation fee for its services in connection with the Maxfield Heights Project. A total of \$137,500 was payable upon the Authority's admission to the Partnership (\$25,000 from the Partnership and \$112,500 from an affiliate of the Partnership's General Partner), with the remaining \$112,500 payable from an affiliate of the Partnership's General Partner upon the earlier of (i) the Partnership's receipt of the Second Installment of Capital Contributions from the Investor Limited Partner pursuant to the Partnership Agreement, or (ii) six months following the issuance of certificates of occupancy for the Maxfield Heights Project.

The Partnership Agreement also calls for the Partnership to reimburse the Authority \$25,000 for legal fees and other transactional costs incurred upon its admission to the Partnership.

During 2020, the Authority received fees totaling \$162,500 from the Partnership, as required by the Partnership Agreement.

In April 2020, the Authority entered into a Purchase Option and Right of First Refusal Agreement (the "Purchase Option Agreement"), pursuant to which the Partnership and its Limited Partners granted the Authority a right of first refusal to purchase, for the price and terms specified in the Purchase Option Agreement, either the Maxfield Heights Project (including all related real estate, fixtures, and personal property) or the Limited Partners' aggregate interests in the Partnership.

**E. Intergovernmental Agreement – City of Rifle**

In October 2015, the Authority and the City entered into an Intergovernmental Agreement, under which the City agreed to make monthly payments to the Authority for maintenance work performed by Authority employees at the City of Rifle Senior Center. The Agreement is to remain in effect unless otherwise terminated by either party. During 2020, the Authority received a total of \$14,728 from the City in accordance with this arrangement.

**F. Related Party**

A member of the Board is employed as a manager at the bank that holds the Authority's cash and investments. The Authority performed a competitive review of area banks to determine which best met the Authority's requirements; which included safety, liquidity, and yield. The referenced Board member abstains from voting in matters pertaining to the Authority's banking and investment decisions.

**G. Concentration – Geographic**

The Authority operates two properties located in Rifle, Colorado. Future operations could be affected by economic changes or other conditions in that geographical area.

**H. Restatement**

Beginning net position as of January 1, 2019 has been reduced by a total of \$96,906 to reflect the Authority's liability for accrued compensated absences earned by employees through that date.

**REQUIRED SUPPLEMENTARY INFORMATION**



**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Schedule of Net Position - All Projects**  
**December 31, 2020**  
**(With Comparative Totals for December 31, 2019)**

	<b>2020</b>			<b>2019</b>
	<b>Kendall Heights</b>	<b>Jackson Heights</b>	<b>Total</b>	<b>(Restated)</b>
	<b>Kendall Heights</b>	<b>Jackson Heights</b>	<b>Total</b>	<b>Total</b>
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and investments - Unrestricted	339,423	1,077,409	1,416,832	1,125,395
Cash and investments - Restricted	26,312	21,574	47,886	47,985
Due (to) from other project	67,310	(67,310)	-	-
<b>Total - Current assets</b>	<b>433,045</b>	<b>1,031,673</b>	<b>1,464,718</b>	<b>1,173,380</b>
<b>Non-current assets:</b>				
Note receivable:				
Principal receivable in more than one year	-	800,000	800,000	-
Interest receivable in more than one year	-	16,636	16,636	-
Investment in Partnership	-	100	100	-
Capital assets:				
Capital assets not being depreciated	110,246	161,743	271,989	396,592
Depreciable capital assets, net of accumulated depreciation	533,762	923,915	1,457,677	1,488,457
<b>Total - Non-current assets</b>	<b>644,008</b>	<b>1,902,394</b>	<b>2,546,402</b>	<b>1,885,049</b>
<b>Total Assets</b>	<b>1,077,053</b>	<b>2,934,067</b>	<b>4,011,120</b>	<b>3,058,429</b>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	3,767	2,711	6,478	2,704
Accrued payroll liabilities	-	4,171	4,171	3,735
Tenant security deposits	26,312	21,574	47,886	47,985
<b>Total - Current liabilities</b>	<b>30,079</b>	<b>28,456</b>	<b>58,535</b>	<b>54,424</b>
<b>Non-current liabilities:</b>				
Accrued compensated absences - Due in more than one year	54,210	40,895	95,105	96,906
<b>Total Liabilities</b>	<b>84,289</b>	<b>69,351</b>	<b>153,640</b>	<b>151,330</b>
<b>Net Position:</b>				
Net investment in capital assets	644,008	1,085,658	1,729,666	1,885,049
Unrestricted net position	348,756	1,779,058	2,127,814	1,022,050
<b>Total Net Position</b>	<b>992,764</b>	<b>2,864,716</b>	<b>3,857,480</b>	<b>2,907,099</b>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Schedule of Revenues, Expenses, and Changes in Net Position - All Projects**  
**For the Year Ended December 31, 2020**  
**(With Comparative Totals for the Year Ended December 31, 2019)**

	<b>2020</b>			<b>2019 (Restated)</b>
	<b>Kendall Heights</b>	<b>Jackson Heights</b>	<b>Total</b>	<b>Total</b>
<b>Revenues:</b>				
Tenant rents	233,475	248,725	482,200	473,003
Tenant assistance payments	296,770	27,089	323,859	321,425
<b>Total - Rentals</b>	<b>530,245</b>	<b>275,814</b>	<b>806,059</b>	<b>794,428</b>
Grants	17,338	3,000	20,338	55,925
Miscellaneous	34,250	25,532	59,782	64,780
<b>Total Revenues</b>	<b>581,833</b>	<b>304,346</b>	<b>886,179</b>	<b>915,133</b>
<b>Operating expenses:</b>				
<b>Operations and maintenance:</b>				
Maintenance labor	98,919	74,623	173,542	167,253
Repairs and maintenance	37,454	51,625	89,079	120,678
Utilities	111,735	80,626	192,361	184,316
Capital outlay	7,667	789	8,456	14,090
Depreciation	41,305	62,985	104,290	90,434
<b>Total - Operations and maintenance</b>	<b>297,080</b>	<b>270,648</b>	<b>567,728</b>	<b>576,771</b>
<b>General and administrative:</b>				
Manager salary	43,455	32,782	76,237	70,199
Employee benefits	21,129	15,940	37,069	37,196
Legal fees	509	28,976	29,485	4,262
Accounting and auditing	9,163	7,093	16,256	15,066
Insurance and bonding	16,307	12,302	28,609	28,901
Other administrative	16,654	13,729	30,383	29,091
<b>Total - General and administrative</b>	<b>107,217</b>	<b>110,822</b>	<b>218,039</b>	<b>184,715</b>
<b>Total Operating Expenses</b>	<b>404,297</b>	<b>381,470</b>	<b>785,767</b>	<b>761,486</b>
<b>Income (Loss) from Operations</b>	<b>177,536</b>	<b>(77,124)</b>	<b>100,412</b>	<b>153,647</b>
<b>Non-operating Revenues (Expenses):</b>				
Investment income	-	16,733	16,733	76
Gain (loss) on disposal of assets	-	670,736	670,736	-
Partnership fees	-	162,500	162,500	-
<b>Total Non-operating Revenues (Expenses)</b>	<b>-</b>	<b>849,969</b>	<b>849,969</b>	<b>76</b>
<b>Change in Net Position</b>	<b>177,536</b>	<b>772,845</b>	<b>950,381</b>	<b>153,723</b>
<b>Net Position - Beginning (as restated)</b>	<b>815,228</b>	<b>2,091,871</b>	<b>2,907,099</b>	<b>2,753,376</b>
<b>Net Position - Ending</b>	<b>992,764</b>	<b>2,864,716</b>	<b>3,857,480</b>	<b>2,907,099</b>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Schedule of Revenues, Expenses, and Changes in Net Position - All Projects**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2020**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2019)**

	<b>2020</b>		<b>2019</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>(Restated)  Actual</b>
<b>Revenues:</b>			
Tenant rents	787,212	482,200	(305,012)
Tenant assistance payments	-	323,859	323,859
<b>Total - Rentals</b>	<b>787,212</b>	<b>806,059</b>	<b>18,847</b>
Grants	70,000	20,338	(49,662)
Miscellaneous	58,806	59,782	976
<b>Total Revenues</b>	<b>916,018</b>	<b>886,179</b>	<b>(29,839)</b>
<b>Operating expenses:</b>			
<b>Operations and maintenance:</b>			
Maintenance labor	181,371	173,542	7,829
Repairs and maintenance	141,398	89,079	52,319
Utilities	201,100	192,361	8,739
Capital outlay	206,750	81,966	124,784
<b>Total - Operations and maintenance</b>	<b>730,619</b>	<b>536,948</b>	<b>193,671</b>
<b>General and administrative:</b>			
Manager salary	73,161	76,237	(3,076)
Employee benefits	39,500	37,069	2,431
Legal fees	20,000	29,485	(9,485)
Accounting and auditing	17,900	16,256	1,644
Insurance and bonding	31,500	28,609	2,891
Other administrative	26,200	30,383	(4,183)
<b>Total - General and administrative</b>	<b>208,261</b>	<b>218,039</b>	<b>(9,778)</b>
<b>Total Operating Expenses</b>	<b>938,880</b>	<b>754,987</b>	<b>183,893</b>
<b>Income (Loss) from Operations</b>	<b>(22,862)</b>	<b>131,192</b>	<b>154,054</b>
<b>Non-operating Revenues (Expenses):</b>			
Investment income	74	97	23
Partnership fees	-	162,500	162,500
<b>Total Non-operating Revenues (Expenses)</b>	<b>74</b>	<b>162,597</b>	<b>162,523</b>
<b>Change in Net Position - Budget Basis</b>	<b>(22,788)</b>	<b>293,789</b>	<b>316,577</b>
<b>Reconciliation to GAAP Basis:</b>			
Capitalized assets		73,510	63,538
Gain (loss) on disposal of assets		670,736	-
Accrued interest receivable change		16,636	-
Depreciation expense		(104,290)	(90,434)
<b>Change in net position - GAAP basis</b>		<b>950,381</b>	<b>153,723</b>
<b>Net Position - Beginning (as restated)</b>		<b>2,907,099</b>	<b>2,753,376</b>
<b>Net Position - Ending</b>		<b>3,857,480</b>	<b>2,907,099</b>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Schedule of Revenues, Expenses, and Changes in Net Position - Kendall Heights**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2020**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2019)**

	<b>2020</b>		<b>2019</b>	
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>(Restated)</b>	
			<b>Actual</b>	
		<b>Final Budget Variance Positive (Negative)</b>		
<b>Revenues:</b>				
Tenant rents	517,514	233,475	(284,039)	220,822
Tenant assistance payments	-	296,770	296,770	295,086
<b>Total - Rentals</b>	<b>517,514</b>	<b>530,245</b>	<b>12,731</b>	<b>515,908</b>
Grants	70,000	17,338	(52,662)	52,925
Miscellaneous	33,361	34,250	889	36,316
<b>Total Revenues</b>	<b>620,875</b>	<b>581,833</b>	<b>(39,042)</b>	<b>605,149</b>
<b>Operating expenses:</b>				
<b>Operations and maintenance:</b>				
Maintenance labor	103,382	98,919	4,463	95,179
Repairs and maintenance	90,192	37,454	52,738	67,776
Utilities	113,832	111,735	2,097	107,654
Capital outlay	106,958	53,820	53,138	37,050
<b>Total - Operations and maintenance</b>	<b>414,364</b>	<b>301,928</b>	<b>112,436</b>	<b>307,659</b>
<b>General and administrative:</b>				
Manager salary	41,702	43,455	(1,753)	40,013
Employee benefits	22,515	21,129	1,386	21,201
Legal fees	11,400	509	10,891	4,076
Accounting and auditing	10,203	9,163	1,040	8,558
Insurance and bonding	17,955	16,307	1,648	16,473
Other administrative	14,864	16,654	(1,790)	16,253
<b>Total - General and administrative</b>	<b>118,639</b>	<b>107,217</b>	<b>11,422</b>	<b>106,574</b>
<b>Total Operating Expenses</b>	<b>533,003</b>	<b>409,145</b>	<b>123,858</b>	<b>414,233</b>
<b>Income (Loss) from Operations</b>	<b>87,872</b>	<b>172,688</b>	<b>84,816</b>	<b>190,916</b>
Transfers in (out)	-	-	-	(170,000)
<b>Change in Net Position - Budget Basis</b>	<b>87,872</b>	<b>172,688</b>	<b>84,816</b>	<b>20,916</b>
<b>Reconciliation to GAAP Basis:</b>				
Capitalized assets		46,153		23,770
Depreciation expense		(41,305)		(44,321)
<b>Change in net position - GAAP basis</b>		<b>177,536</b>		<b>365</b>
<b>Net Position - Beginning (as restated)</b>		<b>815,228</b>		<b>814,863</b>
<b>Net Position - Ending</b>		<b>992,764</b>		<b>815,228</b>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Schedule of Revenues, Expenses, and Changes in Net Position - Jackson Heights**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2020**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2019)**

	2020			2019 (Restated)
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Tenant rents	269,698	248,725	(20,973)	252,181
Tenant assistance payments	-	27,089	27,089	26,339
<b>Total - Rentals</b>	<b>269,698</b>	<b>275,814</b>	<b>6,116</b>	<b>278,520</b>
Grants	-	3,000	3,000	3,000
Miscellaneous	25,445	25,532	87	28,464
<b>Total Revenues</b>	<b>295,143</b>	<b>304,346</b>	<b>9,203</b>	<b>309,984</b>
<b>Operating expenses:</b>				
<b>Operations and maintenance:</b>				
Maintenance labor	77,989	74,623	3,366	72,074
Repairs and maintenance	51,206	51,625	(419)	52,902
Utilities	87,268	80,626	6,642	76,662
Capital outlay	99,792	28,146	71,646	40,578
<b>Total - Operations and maintenance</b>	<b>316,255</b>	<b>235,020</b>	<b>81,235</b>	<b>242,216</b>
<b>General and administrative:</b>				
Manager salary	31,459	32,782	(1,323)	30,186
Employee benefits	16,985	15,940	1,045	15,995
Legal fees	8,600	28,976	(20,376)	186
Accounting and auditing	7,697	7,093	604	6,508
Insurance and bonding	13,545	12,302	1,243	12,428
Other administrative	11,336	13,729	(2,393)	12,838
<b>Total - General and administrative</b>	<b>89,622</b>	<b>110,822</b>	<b>(21,200)</b>	<b>78,141</b>
<b>Total Operating Expenses</b>	<b>405,877</b>	<b>345,842</b>	<b>60,035</b>	<b>320,357</b>
<b>Income (Loss) from Operations</b>	<b>(110,734)</b>	<b>(41,496)</b>	<b>69,238</b>	<b>(10,373)</b>
<b>Non-operating Revenues (Expenses):</b>				
Investment income	74	97	23	76
Partnership fees	-	162,500	162,500	-
<b>Total Non-operating Revenues (Expenses)</b>	<b>74</b>	<b>162,597</b>	<b>162,523</b>	<b>76</b>
<b>Income (Loss) before Transfers</b>	<b>(110,660)</b>	<b>121,101</b>	<b>231,761</b>	<b>(10,297)</b>
Transfers in (out)	-	-	-	170,000
<b>Change in Net Position - Budget Basis</b>	<b>(110,660)</b>	<b>121,101</b>	<b>231,761</b>	<b>159,703</b>
<b>Reconciliation to GAAP Basis:</b>				
Capitalized assets		27,357		39,768
Gain (loss) on disposal of assets		670,736		-
Accrued interest receivable change		16,636		-
Depreciation expense		(62,985)		(46,113)
<b>Change in net position - GAAP basis</b>		<b>772,845</b>		<b>153,358</b>
<b>Net Position - Beginning (as restated)</b>		<b>2,091,871</b>		<b>1,938,513</b>
<b>Net Position - Ending</b>		<b>2,864,716</b>		<b>2,091,871</b>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Rifle, Colorado**  
**dba Rifle Housing Authority**  
**Schedule of Cash Flows - All Projects**  
**For the Year Ended December 31, 2020**  
**(With Comparative Totals for the Year Ended December 31, 2019)**

	<b>2020</b>			<b>2019</b>
	<b>Kendall Heights</b>	<b>Jackson Heights</b>	<b>Total</b>	<b>(Restated)</b>
<b>Cash Flows From Operating Activities:</b>				<b>Total</b>
Cash received for rents and housing assistance	530,556	275,404	805,960	794,428
Operating grants and other cash receipts	51,588	28,532	80,120	112,839
Cash paid for goods and services	(197,353)	(193,607)	(390,960)	(422,664)
Cash paid for wages and benefits	(165,027)	(123,081)	(288,108)	(237,516)
Transfers in (out)	(1,621)	1,621	-	-
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>218,143</b>	<b>(11,131)</b>	<b>207,012</b>	<b>247,087</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Cash paid to acquire capital assets	(40,383)	(37,788)	(78,171)	(63,538)
Proceeds on disposal of capital assets	-	-	-	7,866
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(40,383)</b>	<b>(37,788)</b>	<b>(78,171)</b>	<b>(55,672)</b>
<b>Cash Flows From Investing Activities:</b>				
Interest received	-	97	97	76
Net cash receipts from (payments to) Partnership	-	162,400	162,400	-
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>-</b>	<b>162,497</b>	<b>162,497</b>	<b>76</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>177,760</b>	<b>113,578</b>	<b>291,338</b>	<b>191,491</b>
<b>Cash and Cash Equivalents - Beginning</b>	<b>187,975</b>	<b>985,405</b>	<b>1,173,380</b>	<b>981,889</b>
<b>Cash and Cash Equivalents - Ending</b>	<b>365,735</b>	<b>1,098,983</b>	<b>1,464,718</b>	<b>1,173,380</b>
<b>Cash and Cash Equivalents - Ending is comprised of:</b>				
Cash and cash equivalents - Unrestricted	339,423	1,077,409	1,416,832	1,125,395
Cash and cash equivalents - Restricted	26,312	21,574	47,886	47,985
	<b>365,735</b>	<b>1,098,983</b>	<b>1,464,718</b>	<b>1,173,380</b>
<b>Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:</b>				
Income (loss) from operations	177,536	(77,124)	100,412	153,647
<b>Adjustments:</b>				
Depreciation	41,305	62,985	104,290	90,434
Inter-property transfers	(1,621)	1,621	-	-
Increase (decrease) - Accounts payable / accruals	3,767	7	3,774	2,376
Increase (decrease) - Accrued payroll liabilities	(2,129)	2,565	436	805
Increase (decrease) - Tenant security deposits	311	(410)	(99)	(175)
Increase (decrease) - Accrued compensated absences	(1,026)	(775)	(1,801)	-
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>218,143</b>	<b>(11,131)</b>	<b>207,012</b>	<b>247,087</b>
<b>Noncash Capital and Related Financing Activities:</b>				
Promissory note received on sale of land	-	800,000	800,000	-

The accompanying notes are an integral part of these financial statements.