

**CHAFFEE HOUSING AUTHORITY**

**CHAFFEE COUNTY, COLORADO**

**ANNUAL FINANCIAL REPORT**

**FOR THE**

**YEAR ENDED DECEMBER 31, 2023**

# **CHAFFEE HOUSING AUTHORITY**

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## **ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023**

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**CHAFFEE HOUSING AUTHORITY  
APPOINTED OFFICIALS  
December 31, 2023**

**BOARD OF DIRECTORS**

APPOINTED BOARD MEMBERS

Craig Nelson, Chairman  
Jeff Eaton, Vice Chairman  
Rich Mancuso, Treasurer  
Monica Haskell  
Nichol McCoy  
Angela Mokate  
Salty Riggs  
Dan Shore  
Joseph Teipel

ALTERNATE BOARD MEMBERS

Beth Helmke  
Christy Doon  
Chris Ledger  
Brian Berger

MANAGEMENT

Ashley Kappel, Executive Director  
Trisha Arosemena, Housing Navigator

**SCOTT C. WRIGHT**  
**CERTIFIED PUBLIC ACCOUNTANT**

9591 Mint Lane  
Salida, Colorado 81201  
scottwright.cpa@icloud.com  
(970) 471-9091

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Chaffee Housing Authority  
Salida, Colorado

**Report on the Audit of the Financial Statements**

*Opinions*

I have audited the accompanying financial statements of the governmental activities and the major fund of the Chaffee Housing Authority as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Chaffee Housing Authority as of December 31, 2023, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Basis for Opinions*

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Chaffee Housing Authority and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

*Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chaffee Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chaffee Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chaffee Housing Authority's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical

context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information.

*Scott Wright*

Salida, Colorado  
May 20, 2024

# CHAFFEE HOUSING AUTHORITY

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## STATEMENT OF NET POSITION DECEMBER 31, 2023

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	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 40,824
Receivables	2,161,071
Capital Assets, net of accumulated depreciation:	
Nondepreciable	<u>695,184</u>
<b>Total Assets</b>	<u>2,897,079</u>
<b>LIABILITIES</b>	
Accounts Payable	9,634
Accrued Liabilities	<u>44,398</u>
<b>Total Liabilities</b>	<u>54,032</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	695,184
Restricted For:	
Emergencies	74,893
Capital Improvements	1,997,048
Unrestricted (Deficit)	<u>75,922</u>
<b>Total Net Position</b>	<u>\$ 2,843,047</u>

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

# CHAFFEE HOUSING AUTHORITY

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities:</b>					
Housing	\$ 451,114	\$ -	\$ 417,131	\$ 2,123,075	\$ 2,089,092
<b>Total Governmental Activities</b>	<u>\$ 451,114</u>	<u>\$ -</u>	<u>\$ 417,131</u>	<u>\$ 2,123,075</u>	<u>2,089,092</u>
General Revenues:					
					31
					Unrestricted Investment Earnings
					<u>31</u>
					<b>Total General Revenues</b>
					2,089,123
					<b>Increase in Net Position</b>
					<u>753,924</u>
					<b>Net Position - Beginning of Year</b>
					<u>\$ 2,843,047</u>
					<b>Net Position - End of Year</b>

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

# CHAFFEE HOUSING AUTHORITY

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## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2023

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	General Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 40,824
Receivables:	
- Accounts	19,614
- Due from Other Local Governments	<u>2,141,457</u>
<b>Total Assets</b>	<u><u>\$ 2,201,895</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Accounts Payable	\$ 9,634
Accrued Liabilities	<u>44,398</u>
<b>Total Liabilities</b>	<u>54,032</u>
<b>FUND BALANCES</b>	
Restricted For:	
TABOR Emergency Reserve	74,893
Capital Improvements	1,997,048
Unassigned	<u>75,922</u>
<b>Total Fund Balances</b>	<u>2,147,863</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 2,201,895</u></u>

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

# CHAFFEE HOUSING AUTHORITY

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## RECONCILIATION OF THE BALANCE SHEET- GENERAL FUND TO THE STATEMENT OF NET POSITION DECEMBER 31, 2023

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Total Fund Balances - General Fund \$ 2,147,863

*Amounts reported for governmental activities in the  
statement of net position are different because:*

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the fund balance sheet.

Capital Assets 695,184

**Net Position of Governmental Activities** \$ 2,843,047

# CHAFFEE HOUSING AUTHORITY

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## STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2023

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	General Fund
<b>Revenues</b>	
Intergovernmental:	
- Federal and State Grants	\$ 1,300,000
- County, Local and Private Foundation Grants	750,047
- Chaffee County Lodging Tax Reallocation	260,000
- IGA Contributions - County and Municipality	186,370
Investment Earnings	31
Miscellaneous:	
Donations and Contributions	43,789
<b>Total Revenues</b>	<u>2,540,237</u>
<b>Expenditures</b>	
Current:	
Personnel Services	315,004
Operating Costs	136,110
Capital Expenditures	501,027
<b>Total Expenditures</b>	<u>952,141</u>
<b>Net Change in Fund Balances</b>	1,588,096
<b>Fund Balances, Beginning of Year</b>	<u>559,767</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 2,147,863</u></u>

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

# CHAFFEE HOUSING AUTHORITY

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## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

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Net change in fund balances - Total Governmental Funds \$ 1,588,096

*Amounts reported for governmental activities in the  
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However,  
for governmental activities, those capital outlays other than  
noncapitalizable items are shown in the Statement of Activities and the  
cost of those assets is allocated over their estimated useful lives and  
reported as depreciation expense:

- Capital outlay 501,027

**Change in Net Position of Governmental Activities** \$ 2,089,123

# CHAFFEE HOUSING AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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The financial statements of the Chaffee Housing Authority, a Multijurisdictional Housing Authority (Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the Authority's basic financial statements.

### **Note 1. Summary of Significant Accounting Policies**

#### **A. Financial Reporting Entity**

*Primary Government.* The Chaffee Housing Authority was established on October 22, 2020 by Intergovernmental Agreement by and among the Board of County Commissioners of Chaffee County, Colorado (County); the Town of Buena Vista (Buena Vista), Colorado; and the City of Salida (Salida), Colorado, all of which are political subdivisions of the State of Colorado. The provision of Section 18 of Article XIV of the Colorado Constitution and C.R.S. 29-1-203 allow Colorado governments to cooperate with each other to establish a separate governmental entity to be known as a multijurisdictional housing authority.

The governing body of the Authority is a nine-member Board of Directors. The County appoints three members and Buena Vista and Salida each appoint two members. Two members-at-large are appointed with the approval of a majority of the member jurisdictions. Members of the Board serve two-year terms. Each party shall also appoint an alternate or alternates, who may serve in the event a regular member is unable to attend a meeting. Alternate members shall have the same powers and duties as regular members.

A multijurisdictional housing authority may be used by the contracting local governments to effect the planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, and operation of housing projects or programs pursuant to a multijurisdictional plan to provide: dwelling accommodations at rental prices or purchase prices within the means of families of low or moderate income; and attainable and affordable housing projects or programs for employees of employers located within the jurisdiction of the authority.

The boundaries of the Authority are coterminous with the boundaries of the separate governmental entities that comprise the Authority. The boundaries of the Authority exclude the area incorporated with the Salida Housing Authority and the incorporated area of the Town of Poncha Springs.

As required by generally accepted accounting principles, these financial statements present the activities and financial position of the Chaffee Housing Authority (the primary government), which is legally separate and financially independent of other state and local governments. The Authority follows GASB Statement No. 61, *The Financial Reporting*

# CHAFFEE HOUSING AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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*Entity: Omnibus*, which amended GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 29, *Determining Whether Certain Organizations are Component Units*, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The Authority is not financially accountable for any other organization, nor is the Authority a component unit of any other primary governmental entity.

### **B. Government-wide and Fund Financial Statements**

*Government-wide Financial Statements.* The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Authority. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the Authority. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements report detailed information about the Authority with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds. The Authority has no proprietary or fiduciary funds. Individual governmental funds are reported as separate columns in the fund financial statements.

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

*Measurement Focus and Basis of Accounting.* The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are

# CHAFFEE HOUSING AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes, sales taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

*Financial Statement Presentation – Fund Accounting.* A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The Authority uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The Authority reports the following major governmental fund:

- *General Fund* – This is the Authority’s primary operating fund. It is used to account for all activities of the Authority not required to be accounted for in another fund.

### **D. Cash and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Authority. Colorado State Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. These investments include local government investment pools and certain obligations of the United States government. State law limits investments in commercial paper, corporate bonds, and money market mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The Authority has no investment policy that would further limit its investment choices. Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

### **E. Capital Assets.**

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the governmental activities column in the government-wide financial statements. It is the Authority’s policy to capitalize expenditures with a cost greater than \$5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available.

# CHAFFEE HOUSING AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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Donated capital assets are recorded at their estimated fair market value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed. The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred.

Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Infrastructure	40-50 years
Buildings and Improvements	15-50 years
Improvements Other Than Buildings	10-50 years
Machinery and Equipment	5-20 years

### **F. Long-term Obligations.**

In the government-wide financial statements, long-term debt, capital leases, and other long-term obligations are reported as liabilities in the applicable governmental activities fund-type statement of net position. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

### **G. Compensated Absences**

It is the Authority's policy to permit employees to accumulate earned but unused personal leave from year to year up to a maximum of 60 hours. There is no liability for unpaid personal leave since the Authority does not pay any amounts upon termination of employment.

### **H. Fund Equity**

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are required to be maintained intact;

# CHAFFEE HOUSING AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Authority establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the Authority’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Authority considers all unassigned fund balances to be “reserves” for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note7).

### **I. Budgetary information**

Budgets are adopted on a basis consistent with generally accepted accounting principles. According to Local Government Budget Law, the legal level of appropriations is at the total fund expenditure level and lapse at year-end. During the year, changes may be made to budgets by adoption of supplemental amendments by resolution of the Board of Directors.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Directors. There were no supplemental amendments during the year ended December 31, 2023.

### **Note 2. Cash and Investments**

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Cash and Investments	\$ 40,824
Total	\$ 40,824

# CHAFFEE HOUSING AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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Cash and investments as of December 31, 2023, consist of the following:

Deposits With Financial Institutions	\$ <u>40,824</u>
Total	\$ <u>40,824</u>

### Custodial Credit Risk

*Deposits.* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Authority's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado's Public Deposit Protection Act (PDPA). The FDIC insures the first \$250,000 of the Authority's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits 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 with the Authority being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

### Note 3. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 194,157	\$ -	\$ -	\$ 194,157
Construction in Progress	<u>-</u>	<u>501,027</u>	<u>-</u>	<u>501,027</u>
Total Capital Assets, Not Being Depreciated	<u>194,157</u>	<u>501,027</u>	<u>-</u>	<u>695,184</u>
Governmental Activities Capital Assets, Net	<u>\$ 194,157</u>	<u>\$ 501,027</u>	<u>\$ -</u>	<u>\$ 695,184</u>

# CHAFFEE HOUSING AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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### **Note 4. Legal Compliance – Budgets**

No later than October 15<sup>th</sup>, the Executive Director submits to the Board of Directors a proposed budget for the calendar year commencing the following January 1<sup>st</sup>. The budget is prepared by fund, program, and line item and includes information on the prior year, current year estimates and requested appropriations and estimated revenues for the upcoming year.

The Board of Directors holds public hearings and must adopt the budget by resolution prior to December 15<sup>th</sup>. Once adopted, the Board may at any time, by resolution, amend the budget. The Authority had no supplemental amendments during the year ended December 31, 2023.

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements are presented with a higher level of detail than legally required in order to facilitate closer financial analysis. General Fund expenditures exceeded budgeted appropriations during 2023 which may be a violation of Colorado budget law.

### **Note 5. Employee Retirement Plan**

For the year ended December 31, 2023, the Authority participated in the Colorado County Officials and Employee Retirement Association (CCOERA), a multi-employer defined contribution retirement plan, of which there were 2 Authority participants as of December 31, 2023. A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account. The seven-member Governing Board of the Association makes all necessary rules and is responsible for the administration of the funds in the Retirement Plan.

Employees are eligible to participate in CCOERA after 6 months of employment and most work at least 20 hours per week. Eligible employees and the Authority each contribute an amount equal to 6% of the employee's base salary each month. Employees may contribute up to an additional 10% of base salary on an after-tax basis. The Authority does not match these additional contributions. During the year there were no differences between contribution requirements and contributions actually made by plan participants or the Authority.

Employees are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Contributions made by employees and the Authority for the three years ended December 31, 2023, are as follows:

# CHAFFEE HOUSING AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employee Contributions	\$ 10,208	\$ 10,208	\$ 10,019
Authority Contributions	\$ 10,208	\$ 10,208	\$ 10,019

Both the Authority and the covered employees each made the required 6% contributions to the plans. There are no liabilities for benefits beyond the Authority's matching payments. No changes in the various plan's provisions occurred in 2023.

### **Note 6. 457 Deferred Compensation Plan**

The Authority offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by CCOERA and allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2023, there was 1 participant in the 457 plan.

### **Note 7. Commitments, Contingencies and Agreements**

*Tax, Spending and Debt Limitations.* Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

The Authority is contemplating a ballot question allowing them to retain and collect revenue from state and local grants notwithstanding the limits set forth in TABOR. If the election is not successful, the Authority may be liable for refunds to various state and local governments of certain revenue received that caused the Authority to exceed its TABOR limits for the last four fiscal years. The Authority will make any refund determinations after the November 2024 election.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The emergency reserve balance at December 31, 2023, totaled \$74,893.

# **CHAFFEE HOUSING AUTHORITY**

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## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023**

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### **Note 8. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority minimizes adverse effects of losses through the purchase of commercial insurance, including worker's compensation. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

# CHAFFEE HOUSING AUTHORITY

## REQUIRED SUPPLEMENTAL INFORMATION GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Intergovernmental			
- Federal and State Grants	\$ -	\$ 1,300,000	\$ 1,300,000
- County, Local and Private Foundation Grants	165,000	750,047	585,047
- Chaffee County Lodging Tax Reallocation	-	260,000	260,000
- IGA Contributions - County and Municipality	140,000	186,370	46,370
Donations and Contributions	-	43,789	43,789
Investment Earnings	-	31	31
<b>Total Revenues</b>	<u>305,000</u>	<u>2,540,237</u>	<u>2,235,237</u>
<b>Expenditures</b>			
Current:			
<i>Personnel Services:</i>			
Salaries and Wages	292,810	242,066	50,744
Payroll Taxes	23,200	18,620	4,580
Retirement Contributions	17,500	10,208	7,292
Health Insurance	81,570	43,430	38,140
Workers Compensation	17,000	680	16,320
Legal Services	50,000	35,789	14,211
Professional Services	25,000	73,486	(48,486)
Travel and Transportation	7,000	8,937	(1,937)
Other Operating Costs	4,880	17,898	(13,018)
Capital Outlay:			
Jane's Place	-	501,027	(501,027)
<b>Total Expenditures</b>	<u>518,960</u>	<u>952,141</u>	<u>(433,181)</u>
<b>Net Change in Fund Balances</b>	(213,960)	1,588,096	1,802,056
<b>Fund Balances, Beginning of Year</b>	<u>231,705</u>	<u>559,767</u>	<u>328,062</u>
<b>Fund Balances, End of year</b>	<u>\$ 17,745</u>	<u>\$ 2,147,863</u>	<u>\$ 2,130,118</u>