

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

Financial Statements

December 31, 2023

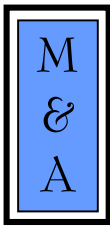


**Housing Authority of the City of Rifle, Colorado
dba Rifle Housing Authority**

**Financial Statements
December 31, 2023**

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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**

Opinions

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, 2023, as listed in the table of contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2023 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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, the Authority's management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

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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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 U.S. GAAS 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 U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, 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

U.S. GAAP require that the Management's Discussion and Analysis in section B be presented to supplement the basic financial statements. Such information is the responsibility of the Authority's 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. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, 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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary schedules in section E – including the budgetary comparison schedules - are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Supplementary Information (continued)

The supplementary schedules in section E are the responsibility of the Authority's management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 5, 2024

MANAGEMENT'S DISCUSSION and ANALYSIS



Housing Authority of the City of Rifle, Colorado dba Rifle Housing Authority Management's Discussion and Analysis December 31, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with the Authority's 2023 financial statements.

Financial Highlights

- The Authority's assets exceeded its liabilities by \$5,345,896 at December 31, 2023.
- The Authority assets are highly liquid at December 31, 2023, with \$2,058,981 of cash and investments.
- The Authority continues to have no long-term debt.
- The Authority's net position increased by \$127,354 in 2023.
- Total revenues for 2023 declined \$919,827 from 2022, while aggregate expenses increased \$113,083.

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 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Assets:		
Current assets	\$ 2,058,981	1,874,506
Other assets	1,778,427	1,726,392
Capital assets, net	<u>1,605,221</u>	<u>1,712,874</u>
Total Assets	<u>5,442,629</u>	<u>5,313,772</u>
Liabilities:		
Current liabilities	69,089	64,736
Non-current liabilities	<u>27,644</u>	<u>30,494</u>
Total Liabilities	<u>96,733</u>	<u>95,230</u>
Net Position:		
Net investment in capital assets	1,605,221	1,712,874
Restricted	-	62,000
Unrestricted net position	<u>3,740,675</u>	<u>3,443,668</u>
Total Net Position	<u>\$ 5,345,896</u>	<u>5,218,542</u>

The Authority continues to maintain a high degree of liquidity, with cash and investment balances representing 38% of total assets at December 31, 2023.

Capital assets – which includes land, buildings, equipment, and furniture and fixtures (net of accumulated depreciation) used in the operation of the Authority’s housing operations – comprises 29% of the Authority’s total assets. During 2023, the Authority’s net capital assets decreased by a total of \$107,653, as a result of depreciation expense exceeding capital additions for the year.

The Authority’s net position – the extent to which assets exceeded liabilities – was \$5,345,896 at December 31, 2023. This comprises the Authority’s net investment in capital assets (\$1,605,221) and unrestricted net position (\$3,740,675) 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, 2023.

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 2023 and 2022:

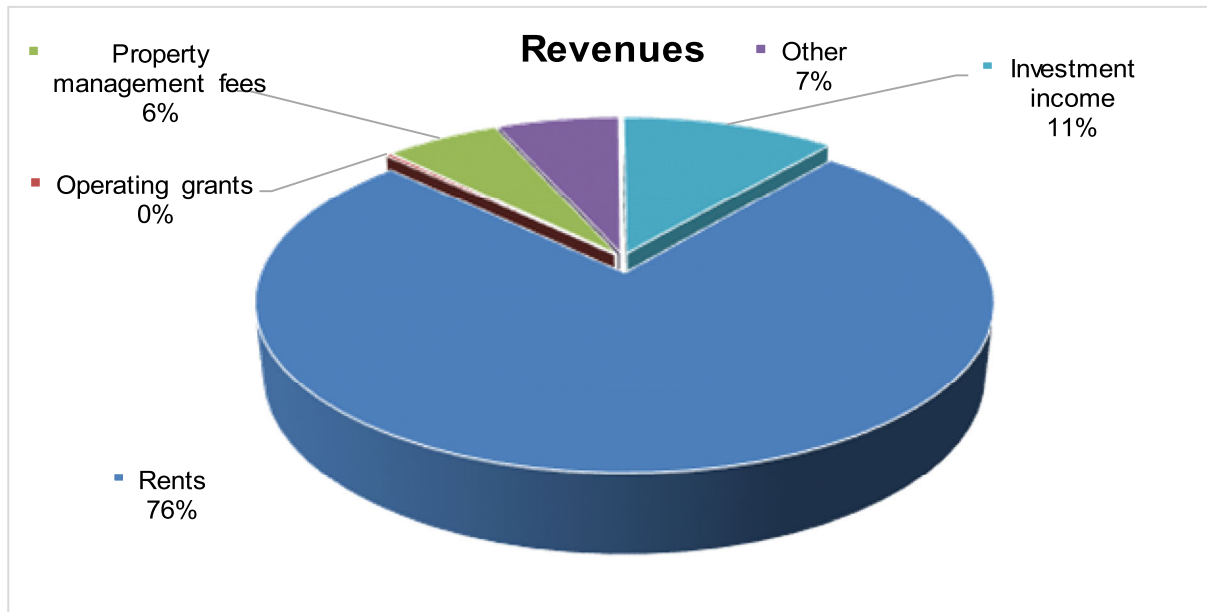
	<u>2023</u>	<u>2022</u>
Housing Authority of the City of Rifle, Colorado		
dba Rifle Housing Authority		
<u>Change in Net Position</u>		
Revenues:		
Program revenues:		
Rentals	\$ 864,788	828,148
Grants	3,000	3,000
Property management fees	68,278	-
Other	72,808	63,984
General revenues		
Investment income	127,580	28,355
Partnership fees and reimbursements	-	89,794
Non-operating grants	-	1,043,000
Total Revenues	<u>1,136,454</u>	<u>2,056,281</u>
Expenses:		
Operations and maintenance	751,033	635,996
General and administrative	258,067	198,161
Partnership expenses	-	61,860
Total Expenses	<u>1,009,100</u>	<u>896,017</u>
Change in net position	127,354	1,160,264
Net Position - Beginning of Year	<u>5,218,542</u>	<u>4,058,278</u>
Net Position - End of Year	<u>\$ 5,345,896</u>	<u>5,218,542</u>

Rents and rental assistance are typically the Authority's most significant sources of revenues, accounting for approximately 76% of the Authority's total revenues.

The 2023 increase in the Authority's net position of \$127,354 was mainly attributable to the increase in investment income earned on the Authority's cash balances held with the bank. Interest earned on bank balances in 2023 was \$75,545 compared to \$298 in 2022. In addition, both the Jackson Heights and Kendall Heights projects had rent increases during the year with little vacancies.

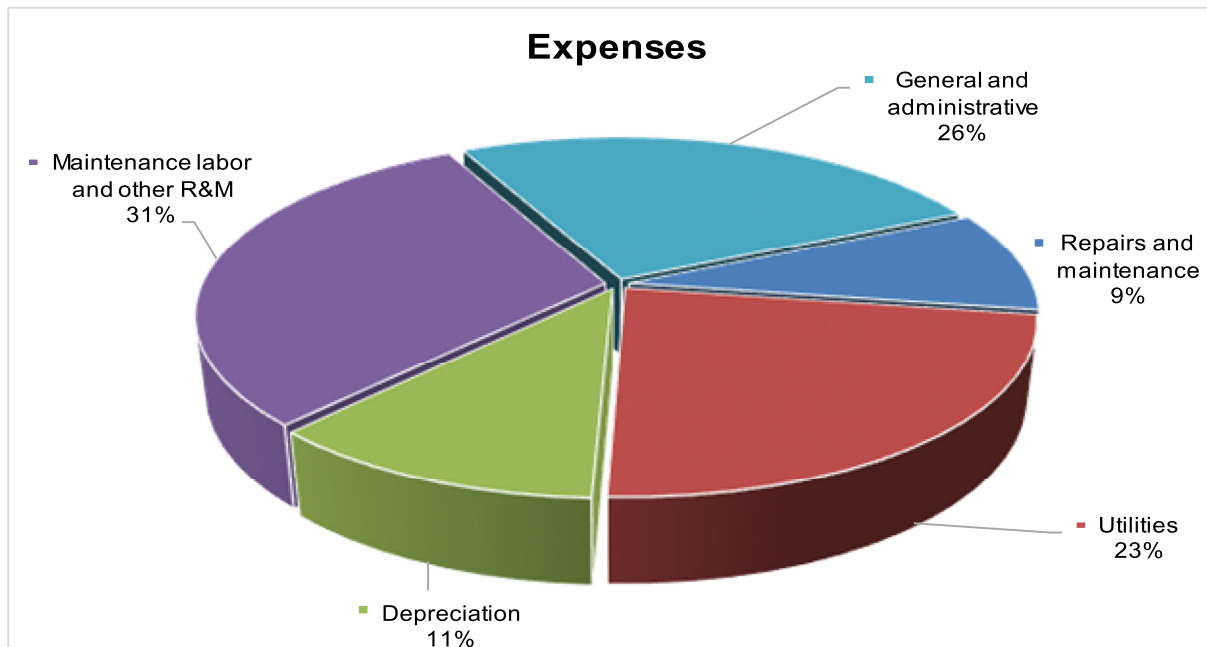
Overview of the Financial Statements (continued)

Financial Analysis of the Authority (continued): The following chart summarizes the components of the Authority's total revenues in 2023:



The Authority's total revenues decreased \$919,827 between 2022 and 2023, primarily due to the \$1,043,000 of non-operating grants received in 2022 which provided funding towards the Authority's loans to the Partnership developing the Maxfield Heights Project.

The following chart summarizes the Authority's expenses, by natural classification, during 2023:



The Authority's expenses increased \$113,083 from 2022. Additional payroll costs were incurred in connection with the hiring of additional employees, part of which was reimbursed by the Partnership under a management services agreement.

Budget Variances

During 2023, no supplemental appropriations were made to the Authority's budget. 2023 revenues were \$113,719 higher than budgeted for the year, while actual 2023 expenditures for the Authority were \$69,053 lower than budgeted. Significant budget variances were as follows:

	Final Budget	Actual Amount	Variance Positive (Negative)	Reason
Revenues:				
<i>Non-operating:</i>				
Investment income	\$ 200	127,580	127,380	Conservatively budgeted. Average yield on 2022 cash accounts was 0.04%, while 2023 was 5.45%. Additionally, the approximate \$52k interest earned on notes receivable from Partnership are not budgeted.

Capital assets:

In 2023, the Authority made additions to capital assets totaling \$7,350, which included a golf cart, and recorded depreciation expense of \$115,003. 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 2023 was \$5,345,896. The Authority's 2024 budget anticipates a decrease in net position of \$43,215, with revenues of \$1,005,800 and expenditures of \$1,049,015.

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, 2023 and 2022

	2023	2022
Assets:		
Current assets:		
Cash and investments - Unrestricted	2,005,770	1,810,123
Cash and investments - Restricted	53,211	53,650
Accounts receivable - Other	-	10,733
Total - Current assets	2,058,981	1,874,506
Non-current assets:		
Notes receivable:		
Principal receivable in more than one year	1,714,773	1,714,773
Interest receivable in more than one year	63,554	11,519
Investment in Partnership	100	100
Capital assets:		
Capital assets not being depreciated	271,989	271,989
Depreciable capital assets, net of accumulated depreciation	1,333,232	1,440,885
Total - Non-current assets	3,383,648	3,439,266
Total Assets	5,442,629	5,313,772
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	8,915	7,528
Accrued payroll liabilities	6,963	3,558
Tenant security deposits	53,211	53,650
Total - Current liabilities	69,089	64,736
Non-current liabilities:		
Accrued compensated absences - Due in more than one year	27,644	30,494
Total Liabilities	96,733	95,230
Net Position:		
Net investment in capital assets	1,605,221	1,712,874
Restricted for emergencies	-	62,000
Unrestricted net position	3,740,675	3,443,668
Total Net Position	5,345,896	5,218,542

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Tenant rents, net	546,633	493,094
Tenant assistance payments	318,155	335,054
Total - Rental Revenues	<u>864,788</u>	<u>828,148</u>
Grants	3,000	3,000
Property management fees	68,278	-
Miscellaneous	72,808	63,984
Total Revenues	<u>1,008,874</u>	<u>895,132</u>
Operating expenses:		
Operations and maintenance:		
Maintenance labor	229,155	190,926
Repairs and maintenance	94,538	89,518
Utilities	234,277	221,236
Capital outlay	78,060	17,643
Depreciation	115,003	116,673
Total - Operations and maintenance	<u>751,033</u>	<u>635,996</u>
General and administrative:		
Manager salary	115,321	78,046
Employee benefits	48,954	39,802
Legal fees	789	1,286
Accounting and auditing	13,874	15,660
Insurance and bonding	28,403	24,592
Other administrative	50,726	38,775
Total - General and administrative	<u>258,067</u>	<u>198,161</u>
Total Operating Expenses	<u>1,009,100</u>	<u>834,157</u>
Income (Loss) from Operations	(226)	60,975
Non-operating Revenues (Expenses):		
Investment income	127,580	28,355
Partnership fees and reimbursements	-	89,794
Partnership expenses	-	(61,860)
Non-operating grants	-	1,043,000
Total Non-operating Revenues (Expenses)	<u>127,580</u>	<u>1,099,289</u>
Change in Net Position	127,354	1,160,264
Net Position - Beginning of Year	<u>5,218,542</u>	<u>4,058,278</u>
Net Position - End of Year	<u><u>5,345,896</u></u>	<u><u>5,218,542</u></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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Cash received for rents and housing assistance	864,349	831,183
Operating grants and other cash receipts	75,808	66,984
Property management fees received	68,278	-
Cash paid for goods and services	(551,292)	(408,447)
Cash paid for wages and benefits	(330,130)	(313,830)
	<u>127,013</u>	<u>175,890</u>
Net Cash Provided (Used) By Operating Activities	<u>127,013</u>	<u>175,890</u>
Cash Flows From Noncapital and Related Financing Activities:		
Non-operating grants received	-	1,043,000
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>-</u>	<u>1,043,000</u>
Cash Flows From Capital and Related Financing Activities:		
Cash paid to acquire capital assets	(7,350)	(31,122)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(7,350)</u>	<u>(31,122)</u>
Cash Flows From Investing Activities:		
Interest received	75,545	57,472
Cash advanced on promissory notes	-	(1,043,000)
Principal received on promissory notes	-	128,227
Net cash receipts from (payments to) Partnership	-	150,198
	<u>75,545</u>	<u>(707,103)</u>
Net Cash Provided (Used) By Investing Activities	<u>75,545</u>	<u>(707,103)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	195,208	480,665
Cash and Cash Equivalents - Beginning	<u>1,863,773</u>	<u>1,383,108</u>
Cash and Cash Equivalents - Ending	<u>2,058,981</u>	<u>1,863,773</u>
Cash and Cash Equivalents - Ending is comprised of:		
Cash and cash equivalents - Unrestricted	2,005,770	1,810,123
Cash and cash equivalents - Restricted	53,211	53,650
	<u>2,058,981</u>	<u>1,863,773</u>
Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:		
Income (loss) from operations	(226)	60,975
Adjustments to reconcile:		
Depreciation	115,003	116,673
(Increase) decrease - Accounts receivable - Other	10,733	-
Increase (decrease) - Accounts payable / accruals	1,387	(797)
Increase (decrease) - Accrued payroll liabilities	3,405	(2,226)
Increase (decrease) - Tenant security deposits	(439)	3,035
Increase (decrease) - Accrued compensated absences	(2,850)	(1,770)
	<u>127,013</u>	<u>175,890</u>
Net Cash Provided (Used) By Operating Activities	<u>127,013</u>	<u>175,890</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, 2023

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, 2023
(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, 2023
(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, 2023, 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, 2023.

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, 2023
 (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:

Asset	Estimated Useful Life (Years)
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 assets 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, 2023.

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 assets 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, 2023.

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, 2023, 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, 2023
(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 2023.

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, 2023
(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, 2023 are entirely covered by FDIC or by PDPA.

At December 31, 2023, the carrying value of the Authority's deposits was \$2,058,981 and the bank balance of these accounts was \$2,062,018. 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, 2023:

Type	Standard & Poor's Rating	Carrying Amount	Investment Maturities	
			Less Than One Year	One to Five Years
Deposits:				
Checking	Not Rated	\$ 243,486	243,486	-
Savings	Not Rated	1,815,495	1,815,495	-
Total		\$ 2,058,981	2,058,981	-

Housing Authority of the City of Rifle, Colorado
dba Rifle Housing Authority
Notes to the Financial Statements
December 31, 2023
(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, 2023 as follows:

Cash and investments - Unrestricted	\$ 2,005,770
Cash and investments - Restricted	<u>53,211</u>
Total	<u>\$ 2,058,981</u>

B. Notes 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.

During 2023, the Authority accrued interest income of \$20,100 in respect of the promissory note. At December 31, 2023, accrued interest receivable on the note was \$24,462 and the principal balance outstanding on the note was \$671,773.

In October 2022, the Authority executed a promissory note in the principal amount of \$150,000 with the Partnership, to fund the Partnership's development, management, operation, and leasing 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 3.43% 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 November 2057.

During 2023, the Authority accrued interest income of \$5,145 in respect of the promissory note. At December 31, 2023, accrued interest receivable on the note was \$6,357 and the principal balance outstanding on the note was \$150,000.

In October 2022, the Authority executed a promissory note in the principal amount of \$593,000 with the Partnership, to fund the Partnership's development, management, operation, and leasing 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.

During 2023, the Authority accrued interest income of \$17,790 in respect of the promissory note. At December 31, 2023, accrued interest receivable on the note was \$21,738 and the principal balance outstanding on the note was \$593,000.

Housing Authority of the City of Rifle, Colorado
dba Rifle Housing Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

III. Detailed Notes on All Funds (continued)

B. Notes Receivable (continued)

In October 2022, the Authority executed a promissory note in the principal amount of \$300,000 with the Partnership, to fund the Partnership's development, management, operation, and leasing 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.

During 2023, the Authority accrued interest income of \$9,000 in respect of the promissory note. At December 31, 2023, accrued interest receivable on the note was \$10,997 and the principal balance outstanding on the note was \$300,000.

C. Capital Assets

The Authority's capital asset activity for 2023 was as follows:

	Balance			Balance
	Jan. 1/23	Additions	Disposals	Dec. 31/23
Capital assets not being depreciated:				
Land	\$ 271,989	-	-	271,989
Total capital assets not being depreciated	<u>271,989</u>	<u>-</u>	<u>-</u>	<u>271,989</u>
Capital assets being depreciated:				
Buildings and improvements	4,226,462	-	-	4,226,462
Furniture and equipment	50,510	7,350	-	57,860
Total capital assets being depreciated	<u>4,276,972</u>	<u>7,350</u>	<u>-</u>	<u>4,284,322</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,797,869)	(106,934)	-	(2,904,803)
Furniture and equipment	(38,218)	(8,069)	-	(46,287)
Total accumulated depreciation	<u>(2,836,087)</u>	<u>(115,003)</u>	<u>-</u>	<u>(2,951,090)</u>
Total capital assets being depreciated, net	<u>1,440,885</u>	<u>(107,653)</u>	<u>-</u>	<u>1,333,232</u>
Total Capital Assets, Net	<u>\$ 1,712,874</u>	<u>(107,653)</u>	<u>-</u>	<u>1,605,221</u>

D. Long-term Liabilities

Long-term liability activity for 2023 was as follows:

	Balance			Balance
	Jan. 1/23	Additions	Reductions	Dec. 31/23
Accrued compensated absences	\$ 30,494	22,208	(25,058)	27,644

Housing Authority of the City of Rifle, Colorado
dba Rifle Housing Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

III. Detailed Notes on All Funds (continued)

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 2023, the Authority earned HAP subsidies totaling \$299,438, or 35% 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 2023.

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 \$233,365 and current year total payroll was \$356,830. For 2023, the Authority's contributions to the plan totaled \$10,263, 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, 2023.

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.

Housing Authority of the City of Rifle, Colorado
dba Rifle Housing Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

IV. Other Information (continued)

D. Maxfield Heights Project (continued)

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 2021, the Authority received fees totaling \$112,500 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.

In May 2021, the Authority's Board approved assigning \$250,000 of its cash balances to fund the Authority's intent to exercise the Purchase Option Agreement in the future. During 2022, the Board approved additional assignments and the opening of a new money market account, whereby all future payments received on the note receivable related to the land contributed to the Partnership will be deposited. As of December 31, 2023, the Authority had \$453,538 set aside for the future exercise of the option.

E. Services Agreement

Effective April 30, 2020 but commencing in August 2021, the Authority entered into a Services Agreement with TWG Management, LLC ("TWG", an entity affiliated with the developers of Maxfield Heights Project), pursuant to which the Authority is to assign certain of its management and maintenance employees to manage, operate, and maintain the Maxfield Heights Project for TWG. In consideration for the services provided by the Authority, TWG is to pay a fixed annual fee of \$66,288. Barring termination under applicable provisions, the Services Agreement has an initial term of one year, but automatically renews for successive one-year terms.

In June 2023, the first amendment to the Services Agreement was executed, which revised the fixed annual fee TWG is to pay to \$68,280. Beginning January 1, 2024, the fee will be increased by 3% annually.

During 2023, the Authority received \$68,278 from TWG under the Services Agreement.

F. Intergovernmental Agreement – City of Rifle

In September 2022, 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. Under the terms of the agreement, the City will reimburse the Authority a monthly maximum of \$1,700 for these services rendered. The Agreement is to remain in effect unless otherwise terminated by either party.

During 2023, the Authority received a total of \$17,825 from the City in accordance with these arrangements.

Housing Authority of the City of Rifle, Colorado
dba Rifle Housing Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

IV. Other Information (continued)

G. 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

H. Concentration – Geographic

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

SUPPLEMENTARY INFORMATION



Housing Authority of the City of Rifle, Colorado
dba Rifle Housing Authority
Schedule of Net Position - All Projects
December 31, 2023
(With Comparative Totals for December 31, 2022)

	2023			2022	
	Kendall Heights	Jackson Heights	Maxfield Heights	Total	Total
Assets:					
Current assets:					
Cash and investments - Unrestricted	154,392	1,840,640	10,738	2,005,770	1,810,123
Cash and investments - Restricted	28,329	24,882	-	53,211	53,650
Accounts receivable - Other	-	-	-	-	10,733
Due (to) from other project	635,346	(565,977)	(69,369)	-	-
Total - Current assets	<u>818,067</u>	<u>1,299,545</u>	<u>(58,631)</u>	<u>2,058,981</u>	<u>1,874,506</u>
Non-current assets:					
Notes receivable:					
Principal receivable in more than one year	-	1,714,773	-	1,714,773	1,714,773
Interest receivable in more than one year	-	63,554	-	63,554	11,519
Investment in Partnership	-	100	-	100	100
Capital assets:					
Capital assets not being depreciated	110,246	161,743	-	271,989	271,989
Depreciable capital assets, net of accumulated depreciation	483,789	849,443	-	1,333,232	1,440,885
Total - Non-current assets	<u>594,035</u>	<u>2,789,613</u>	<u>-</u>	<u>3,383,648</u>	<u>3,439,266</u>
Total Assets	<u>1,412,102</u>	<u>4,089,158</u>	<u>(58,631)</u>	<u>5,442,629</u>	<u>5,313,772</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued expenses	5,843	2,763	309	8,915	7,528
Accrued payroll liabilities	-	6,963	-	6,963	3,558
Tenant security deposits	28,329	24,882	-	53,211	53,650
Total - Current liabilities	<u>34,172</u>	<u>34,608</u>	<u>309</u>	<u>69,089</u>	<u>64,736</u>
Non-current liabilities:					
Accrued compensated absences - Due in more than one year	12,799	9,655	5,190	27,644	30,494
Total Liabilities	<u>46,971</u>	<u>44,263</u>	<u>5,499</u>	<u>96,733</u>	<u>95,230</u>
Net Position:					
Net investment in capital assets	594,035	1,011,186	-	1,605,221	1,712,874
Restricted for emergencies	-	-	-	-	62,000
Unrestricted net position (deficit)	771,096	3,033,709	(64,130)	3,740,675	3,443,668
Total Net Position	<u>1,365,131</u>	<u>4,044,895</u>	<u>(64,130)</u>	<u>5,345,896</u>	<u>5,218,542</u>

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, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	2023				2022
	Kendall Heights	Jackson Heights	Maxfield Heights	Total	Total
Revenues:					
Tenant rents, net	267,588	279,045	-	546,633	493,094
Tenant assistance payments	299,438	18,717	-	318,155	335,054
Total - Rentals	<u>567,026</u>	<u>297,762</u>	<u>-</u>	<u>864,788</u>	<u>828,148</u>
Grants	-	3,000	-	3,000	3,000
Property management fees	-	-	68,278	68,278	-
Miscellaneous	35,971	28,844	7,993	72,808	63,984
Total Revenues	<u>602,997</u>	<u>329,606</u>	<u>76,271</u>	<u>1,008,874</u>	<u>895,132</u>
Operating expenses:					
Operations and maintenance:					
Maintenance labor	94,926	71,024	63,205	229,155	190,926
Repairs and maintenance	62,291	26,098	6,149	94,538	89,518
Utilities	138,644	94,879	754	234,277	221,236
Capital outlay	54,257	23,759	44	78,060	17,643
Depreciation	53,746	61,257	-	115,003	116,673
Total - Operations and maintenance	<u>403,864</u>	<u>277,017</u>	<u>70,152</u>	<u>751,033</u>	<u>635,996</u>
General and administrative:					
Manager salary	41,901	31,627	41,793	115,321	78,046
Employee benefits	20,297	15,311	13,346	48,954	39,802
Legal fees	-	337	452	789	1,286
Accounting and auditing	7,001	5,259	1,614	13,874	15,660
Insurance and bonding	15,179	11,290	1,934	28,403	24,592
Other administrative	21,633	17,983	11,110	50,726	38,775
Total - General and administrative	<u>106,011</u>	<u>81,807</u>	<u>70,249</u>	<u>258,067</u>	<u>198,161</u>
Total Operating Expenses	<u>509,875</u>	<u>358,824</u>	<u>140,401</u>	<u>1,009,100</u>	<u>834,157</u>
Income (Loss) from Operations	93,122	(29,218)	(64,130)	(226)	60,975
Non-operating Revenues (Expenses):					
Investment income	-	127,580	-	127,580	28,355
Partnership fees and reimbursements	-	-	-	-	89,794
Partnership expenses	-	-	-	-	(61,860)
Non-operating grants	-	-	-	-	1,043,000
Total Non-operating Revenues (Expenses)	<u>-</u>	<u>127,580</u>	<u>-</u>	<u>127,580</u>	<u>1,099,289</u>
Change in Net Position	93,122	98,362	(64,130)	127,354	1,160,264
Net Position - Beginning	<u>1,272,009</u>	<u>3,946,533</u>	<u>-</u>	<u>5,218,542</u>	<u>4,058,278</u>
Net Position (Deficit) - Ending	<u>1,365,131</u>	<u>4,044,895</u>	<u>(64,130)</u>	<u>5,345,896</u>	<u>5,218,542</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Tenant rents, net	840,000	546,633	(293,367)	493,094
Tenant assistance payments	-	318,155	318,155	335,054
Total - Rentals	840,000	864,788	24,788	828,148
Grants	-	3,000	3,000	3,000
Property management fees	68,000	68,278	278	-
Miscellaneous	62,500	72,808	10,308	63,984
Total Revenues	970,500	1,008,874	38,374	895,132
Operating expenses:				
Operations and maintenance:				
Maintenance labor	250,000	229,155	20,845	190,926
Repairs and maintenance	121,200	94,538	26,662	89,518
Utilities	249,000	234,277	14,723	221,236
Capital outlay	127,500	85,410	42,090	48,765
Total - Operations and maintenance	747,700	643,380	104,320	550,445
General and administrative:				
Manager salary	80,000	115,321	(35,321)	78,046
Employee benefits	48,500	48,954	(454)	39,802
Legal fees	5,000	789	4,211	1,286
Accounting and auditing	16,500	13,874	2,626	15,660
Insurance and bonding	33,000	28,403	4,597	24,592
Other administrative	39,800	50,726	(10,926)	38,775
Total - General and administrative	222,800	258,067	(35,267)	198,161
Total Operating Expenses	970,500	901,447	69,053	748,606
Income (Loss) from Operations	-	107,427	107,427	146,526
Non-operating Revenues (Expenses):				
Investment income	200	75,545	75,345	57,472
Partnership fees and reimbursements	-	-	-	89,794
Partnership expenses	-	-	-	(61,860)
Non-operating grants	-	-	-	1,043,000
Total Non-operating Revenues (Expenses)	200	75,545	75,345	1,128,406
Change in Net Position - Budget Basis	200	182,972	182,772	1,274,932
Reconciliation to GAAP Basis:				
Capitalized assets		7,350		31,122
Accrued interest receivable change		52,035		(29,117)
Depreciation expense		(115,003)		(116,673)
Change in net position - GAAP basis		127,354		1,160,264
Net Position - Beginning		5,218,542		4,058,278
Net Position - Ending		5,345,896		5,218,542

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Tenant rents, net	557,025	267,588	(289,437)	251,047
Tenant assistance payments	-	299,438	299,438	305,918
Total - Rentals	<u>557,025</u>	<u>567,026</u>	<u>10,001</u>	<u>556,965</u>
Miscellaneous	34,675	35,971	1,296	36,087
Total Revenues	<u>591,700</u>	<u>602,997</u>	<u>11,297</u>	<u>593,052</u>
Operating expenses:				
Operations and maintenance:				
Maintenance labor	143,300	94,926	48,374	106,873
Repairs and maintenance	65,000	62,291	2,709	27,886
Utilities	139,500	138,644	856	128,158
Capital outlay	71,500	58,446	13,054	7,392
Total - Operations and maintenance	<u>419,300</u>	<u>354,307</u>	<u>64,993</u>	<u>270,309</u>
General and administrative:				
Manager salary	45,600	41,901	3,699	44,487
Employee benefits	27,000	20,297	6,703	22,687
Legal fees	2,900	-	2,900	467
Accounting and auditing	9,400	7,001	2,399	8,977
Insurance and bonding	18,500	15,179	3,321	14,017
Other administrative	22,600	21,633	967	18,252
Total - General and administrative	<u>126,000</u>	<u>106,011</u>	<u>19,989</u>	<u>108,887</u>
Total Operating Expenses	<u>545,300</u>	<u>460,318</u>	<u>84,982</u>	<u>379,196</u>
Change in Net Position - Budget Basis	<u>46,400</u>	142,679	<u>96,279</u>	213,856
Reconciliation to GAAP Basis:				
Capitalized assets		4,189		-
Depreciation expense		<u>(53,746)</u>		<u>(54,698)</u>
Change in net position - GAAP basis		93,122		159,158
Net Position - Beginning		<u>1,272,009</u>		<u>1,112,851</u>
Net Position - Ending		<u>1,365,131</u>		<u>1,272,009</u>

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Tenant rents, net	282,975	279,045	(3,930)	242,047
Tenant assistance payments	-	18,717	18,717	29,136
Total - Rentals	<u>282,975</u>	<u>297,762</u>	<u>14,787</u>	<u>271,183</u>
Grants	-	3,000	3,000	3,000
Miscellaneous	<u>27,825</u>	<u>28,844</u>	<u>1,019</u>	<u>27,897</u>
Total Revenues	<u>310,800</u>	<u>329,606</u>	<u>18,806</u>	<u>302,080</u>
Operating expenses:				
Operations and maintenance:				
Maintenance labor	106,700	71,024	35,676	84,053
Repairs and maintenance	56,200	26,098	30,102	61,632
Utilities	109,500	94,879	14,621	93,078
Capital outlay	<u>56,000</u>	<u>26,920</u>	<u>29,080</u>	<u>41,373</u>
Total - Operations and maintenance	<u>328,400</u>	<u>218,921</u>	<u>109,479</u>	<u>280,136</u>
General and administrative:				
Manager salary	34,400	31,627	2,773	33,559
Employee benefits	21,500	15,311	6,189	17,115
Legal fees	2,100	337	1,763	819
Accounting and auditing	7,100	5,259	1,841	6,683
Insurance and bonding	14,500	11,290	3,210	10,575
Other administrative	<u>17,200</u>	<u>17,983</u>	<u>(783)</u>	<u>20,523</u>
Total - General and administrative	<u>96,800</u>	<u>81,807</u>	<u>14,993</u>	<u>89,274</u>
Total Operating Expenses	<u>425,200</u>	<u>300,728</u>	<u>124,472</u>	<u>369,410</u>
Income (Loss) from Operations	(114,400)	28,878	143,278	(67,330)
Non-operating Revenues (Expenses):				
Investment income	200	75,545	75,345	57,472
Partnership fees and reimbursements	-	-	-	89,794
Partnership expenses	-	-	-	(61,860)
Non-operating grants	-	-	-	1,043,000
Total Non-operating Revenues (Expenses)	<u>200</u>	<u>75,545</u>	<u>75,345</u>	<u>1,128,406</u>
Change in Net Position - Budget Basis	<u>(114,200)</u>	104,423	<u>218,623</u>	1,061,076
Reconciliation to GAAP Basis:				
Capitalized assets		3,161		31,122
Accrued interest receivable change		52,035		(29,117)
Depreciation expense		<u>(61,257)</u>		<u>(61,975)</u>
Change in net position - GAAP basis		98,362		1,001,106
Net Position - Beginning		<u>3,946,533</u>		<u>2,945,427</u>
Net Position - Ending		<u>4,044,895</u>		<u>3,946,533</u>

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 - Maxfield Heights
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:			
Property management fees	68,000	68,278	278
Miscellaneous	-	7,993	7,993
Total Revenues	68,000	76,271	8,271
Operating expenses:			
Operations and maintenance:			
Maintenance labor	-	63,205	(63,205)
Repairs and maintenance	-	6,149	(6,149)
Utilities	-	754	(754)
Capital outlay	-	44	(44)
Total - Operations and maintenance	-	70,152	(70,152)
General and administrative:			
Manager salary	-	41,793	(41,793)
Employee benefits	-	13,346	(13,346)
Legal fees	-	452	(452)
Accounting and auditing	-	1,614	(1,614)
Insurance and bonding	-	1,934	(1,934)
Other administrative	-	11,110	(11,110)
Total - General and administrative	-	70,249	(70,249)
Total Operating Expenses	-	140,401	(140,401)
Income (Loss) from Operations	68,000	(64,130)	(132,130)
Net Position - Beginning		-	
Net Position (Deficit) - Ending		(64,130)	

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, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	2023				2022
	Kendall Heights	Jackson Heights	Maxfield Heights	Total	Total
Cash Flows From Operating Activities:					
Cash received for rents and housing assistance	566,558	297,791	-	864,349	831,183
Operating grants and other cash receipts	35,971	31,844	7,993	75,808	66,984
Property management fees received	-	-	68,278	68,278	-
Cash paid for goods and services	(297,865)	(179,207)	(74,220)	(551,292)	(408,447)
Cash paid for wages and benefits	(160,067)	(120,114)	(49,949)	(330,130)	(313,830)
Transfers in (out)	(189,103)	130,467	58,636	-	-
Net Cash Provided (Used) By Operating Activities	(44,506)	160,781	10,738	127,013	175,890
Cash Flows From Noncapital and Related Financing Activities:					
Non-operating grants received	-	-	-	-	1,043,000
Net Cash Provided (Used) by Noncapital and Related Financing Activities	-	-	-	-	1,043,000
Cash Flows From Capital and Related Financing Activities:					
Cash paid to acquire capital assets	(4,189)	(3,161)	-	(7,350)	(31,122)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,189)	(3,161)	-	(7,350)	(31,122)
Cash Flows From Investing Activities:					
Interest received	-	75,545	-	75,545	57,472
Cash advanced on promissory notes	-	-	-	-	(1,043,000)
Principal received on promissory notes	-	-	-	-	128,227
Net cash receipts from (payments to) Partnership	-	-	-	-	150,198
Net Cash Provided (Used) By Investing Activities	-	75,545	-	75,545	(707,103)
Net Increase (Decrease) in Cash and Cash Equivalents	(48,695)	233,165	10,738	195,208	480,665
Cash and Cash Equivalents - Beginning	231,416	1,632,357	-	1,863,773	1,383,108
Cash and Cash Equivalents - Ending	182,721	1,865,522	10,738	2,058,981	1,863,773
Cash and Cash Equivalents - Ending is comprised of:					
Cash and cash equivalents - Unrestricted	154,392	1,840,640	10,738	2,005,770	1,810,123
Cash and cash equivalents - Restricted	28,329	24,882	-	53,211	53,650
	<u>182,721</u>	<u>1,865,522</u>	<u>10,738</u>	<u>2,058,981</u>	<u>1,863,773</u>
Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:					
Income (loss) from operations	93,122	(29,218)	(64,130)	(226)	60,975
Adjustments:					
Depreciation	53,746	61,257	-	115,003	116,673
Increase (decrease) - Inter-project balances	(189,103)	119,734	69,369	-	-
(Increase) decrease - Accounts receivable - Other	-	10,733	-	10,733	-
Increase (decrease) - Accounts payable / accruals	2,512	(1,434)	309	1,387	(797)
Increase (decrease) - Accrued payroll liabilities	-	3,405	-	3,405	(2,226)
Increase (decrease) - Tenant security deposits	(468)	29	-	(439)	3,035
Increase (decrease) - Accrued compensated absences	(4,315)	(3,725)	5,190	(2,850)	(1,770)
Net Cash Provided (Used) By Operating Activities	(44,506)	160,781	10,738	127,013	175,890

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