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# Brush Housing Authority

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FINANCIAL STATEMENTS

Year Ended December 31, 2024



## TABLE OF CONTENTS

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Independent Auditors' Report .....	1
STATEMENT OF NET POSITION.....	4
STATEMENT OF ACTIVITIES.....	5
STATEMENT OF CASH FLOWS .....	6
NOTES TO FINANCIAL STATEMENTS.....	7
SUPPLEMENTARY INFORMATION .....	23

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## Independent Auditors' Report

Board of Directors  
Brush Housing Authority  
Brush, Colorado

### **Opinion**

We have audited the accompanying financial statements of the business-type activities of the Brush Housing Authority (the Housing Authority) as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Brush Housing Authority as of December 31, 2024, and the respective changes in its financial position and cash flows for the year then ended, accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Brush Housing 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 opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 the Housing Authority's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### **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 opinion. 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 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 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 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing 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**

Accounting principles generally accepted in the United States require pension schedules 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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 evidence sufficient to express an opinion or provide any assurance.

The Authority has not presented the management discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, 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. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The combining statements, financial data schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

October 29, 2025

*Anderson's Whitney, P.C.*

# BRUSH HOUSING AUTHORITY

## STATEMENT OF NET POSITION

December 31	2024
<u>ASSETS</u>	
Current Assets:	
Cash - general accounts	\$ 281,514
Trade receivables	6,314
Prepaid expenses	6,719
Total Current Assets	294,547
Capital Assets, Net of Accumulated Depreciation	1,194,566
Restricted Assets:	
Cash:	
Reserve funds	144,886
Tenant security deposits	31,915
Total Restricted Assets	176,801
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Plan	31,760
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 1,697,674</b>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	\$ 26,356
Accrued expenses	4,747
Current portion of long-term debt	13,750
Total Current Liabilities	44,853
Long-term liabilities:	
Tenant Security Deposits	22,328
Long-term debt	290,747
Net Pension Liability	159,535
Total Long-term Liabilities	472,610
Total Liabilities	517,463
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Plan	-
<u>NET POSITION</u>	
Net Investment in capital assets	994,124
Restricted for debt service	144,886
Unrestricted	41,201
Total Net Position	1,180,211
<b>TOTAL LIABILITIES , DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 1,697,674</b>

See Accompanying Notes to Financial Statements.

# BRUSH HOUSING AUTHORITY

## STATEMENT OF ACTIVITIES

Years Ended December 31	2024
Operating Revenue:	
Rental income - apartments	\$ 380,222
Rent subsidy	209,531
Operating subsidy	217,963
Management fees	25,073
<b>Total Operating Revenue</b>	<b>832,789</b>
Operating Expenses:	
Salaries	238,588
Payroll taxes	14,738
Employee benefits	85,113
Legal	18,645
Office supplies	13,671
Repairs and maintenance	97,461
Accounting and auditing	10,898
Elevator	10,207
Advertising	4,922
Utilities:	
Electricity	44,432
Water	12,486
Sewer	13,605
Heat	18,320
Trash	25,842
Travel	3,497
Telephone	3,020
Other	11,274
Property insurance	70,143
Depreciation	36,021
<b>Total Operating Expenses</b>	<b>732,883</b>
<b>Operating Income</b>	<b>99,906</b>
Nonoperating Revenue (Expenses):	
Interest income	5,514
Interest expense	(5,817)
Oil and laundry proceeds	6,045
Insurance proceeds	144,691
<b>Net Nonoperating Revenue</b>	<b>150,433</b>
<b>Net Profit</b>	<b>250,339</b>
<b>Net Position, Beginning of Year</b>	<b>929,872</b>
<b>Net Position, End of Year</b>	<b>\$ 1,180,211</b>

See Accompanying Notes to Financial Statements.

# BRUSH HOUSING AUTHORITY

## STATEMENT OF CASH FLOWS

Years Ended December 31	2024
Cash Flows from Operating Activities:	
Cash received:	
From tenants	\$ 417,546
Customer deposits	4,053
Cash payments:	
To suppliers for goods and services	(695,615)
Net Cash Used by Operating Activities	(274,016)
Cash Flows from Noncapital Financing Activities:	
Rental Subsidy	209,531
Operating subsidy	217,963
Net Cash Provided by Capital and Related Financing Activities	427,494
Cash Flows from Capital and Related Financing Activities:	
Insurance reimbursement	144,693
Acquisition of capital assets	(360,956)
Principal paid on debt	(52,090)
Interest on debt	(5,817)
Net Cash Provided (Used) by Capital and Related Financing Activities	(274,170)
Cash Flows from Investing Activities:	
Interest received on investments	5,514
Net Cash Provided by Investing Activities	5,514
Net Increase (Decrease) in Cash	(115,178)
Cash and Restricted Cash, beginning of year	573,493
Cash and Restricted Cash, end of year	\$ 458,315
Reconciliation of Operating Income to Net Cash Used by Operating Activities:	
Operating income (loss)	\$ 250,339
Depreciation	36,021
Investment earnings	(5,514)
Interest expense	5,817
Insurance proceeds	(144,693)
Rent subsidy	(209,531)
Operating subsidy	(217,963)
Change in assets and liabilities:	
(Increase) decrease in rent receivables	11,119
Increase (decrease) in accounts payable	(4,832)
Increase (decrease) in accrued payroll taxes	50,940
Increase (decrease) in security deposits payable	(2,433)
Increase (decrease) in pension liabilities	(43,286)
Net Cash Used by Operating Activities	\$ (274,016)

See Accompanying Notes to Financial Statements.

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Brush Housing Authority conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Authority's financial statements.

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#### Organization:

Centennial Manor East, a 48-unit project for qualified elderly/handicapped persons was constructed through a loan from USDA Rural Development with 32 one-bedroom units receiving HUD project based rental assistance and 16 two-bedroom units receiving USDA Rural Development rental assistance. Centennial Manor West is a 30-unit, one-bedroom multistory unit built as a HUD conventional public housing project for the elderly/handicapped. Centennial South provides 12 units of qualified family housing with the construction financed through USDA Rural Development and the families receiving HUD project-based rental assistance.

The financial report of Brush Housing Authority includes all of the integral parts of the Authority's operations. Brush Housing Authority has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

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#### Basis of Presentation:

Activities of Brush Housing Authority are accounted for as an individual enterprise fund. Enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises.

Enterprise funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Enterprise fund operating statements present increases (revenue) and decreases (expenses) in net total position.

Enterprise funds distinguish *operating* revenues from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of Brush Housing Authority are rents and HUD rent supplements. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Basis of Presentation - Continued:

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 they are needed.

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#### Accounting Method:

Enterprise fund revenue and expenses including nonexchange transactions are recognized on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and becomes measurable; expenses are recognized when fund liabilities are incurred.

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#### Property and Equipment:

Property and equipment are recorded at acquisition cost or at market value if contributed. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Category	Years
Buildings and improvements	20-40
Furnishings	5-10
Equipment	5

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Expenditures for maintenance and repairs are charged to expense as incurred whereas major property replacements and betterments which extend the useful life of the asset are capitalized and subsequently depreciated. It is Brush Housing Authority's policy to capitalize all capital expenditures over \$1,000. When assets are sold or abandoned, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. The Authority has no infrastructure assets.

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#### Rent Supplements:

Brush Housing Authority has executed a Housing Assistance Payments Contract with the U.S. Department of Housing and Urban Development (HUD). Under the contract, HUD pays the Authority the difference between the established rental value of the apartments and the amount paid by tenants. The tenants' share of the rent is based on their income.

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# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Authority has one item that qualifies for reporting in this category: changes in the net pension liability not included in pension expense reported in the statement of net position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category: changes in the net pension liability not included in pension expense reported in the statement of net position.

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#### Budget:

Brush Housing Authority is not covered by the Colorado Local Government Budget Law. Budget forms are submitted to HUD but are not included in financial statements as they are not legally adopted.

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#### Compensated Absences:

Full-time employees earn varying amounts of accrued vacation determined by their length of employment. It is the Housing Authority's policy that accrued vacation hours do not carryover to the following year. Sick leave hours are earned by full-time employees which can be carried forward to the next year. In 2024, Brush Housing Authority has evaluated the requirements of GASB Statement No. 101, *Compensated Absences*, and determined that the impact of these requirements is immaterial to the financial statements for the current reporting period. As a result, no additional recognition or disclosures related to compensated absences have been included in these financial statements.

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#### Statement of Cash Flows:

For purposes of the statement of cash flows, Brush Housing Authority considers all highly-liquid investments purchased with a maturity of three months or less to be cash equivalents.

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# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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#### Pensions:

Brush Housing Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multi-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Brush Housing Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by PERA. The net OPEB liability, deferred outflows and deferred inflows are not material to the financial statements. OPEB expense is included in employee benefits expense.

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# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – Changes in Capital Assets:

	Balance, 1/01/24	Additions	Deletions	Balance, 12/31/24
Land	\$ 47,381	\$ --	\$ --	\$ 47,381
Buildings	3,558,646	329,720	--	3,888,366
Furnishings & equipment	212,142	31,236	12,300	231,078
Total Cost	3,618,169	360,956	12,300	4,166,825
Less Accumulated Depreciation:				
Buildings	2,854,137	35,344	--	2,889,482
Furnishings & equipment	94,401	677	12,300	82,778
Total Accumulated Depreciation	2,948,538	36,021	12,300	2,972,259
Capital Assets, Net	\$ 869,631	\$324,935	\$ --	\$1,194,566

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### NOTE 3 - Cash and Investments:

Brush Housing Authority's bank deposits at year-end were covered by federal depository insurance up to \$250,000 with the remainder covered by the Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

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### NOTE 4 – Investment in Brush Village Partnership, LTD.

During 1994, the Authority became a 1% General Partner in Brush Village Partnership, Ltd., (Partnership). The Partnership owns a low-income housing project consisting of 40 units located in Brush, Colorado. The Authority invested \$96,966 as its partnership contribution to the project. The Partnership has incurred significant losses and it is doubtful that the Authority would be able to realize its original investment. In addition, the Authority's share of partnership liabilities included \$236,581 of qualified nonrecourse financing. These amounts have not been recorded in the Authority's financial statements.

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 – Investment in Brush Village Partnership, LTD. – Continued:

A promissory note of \$800,000 bearing a 3.75% interest rate, compounded annually, secured by a junior lien on the 40-unit low-income housing project owned by the Partnership. Payments for interest and principal are due to the extent of the Partnership's cash flow available after cumulative distributions are paid to the owners of the Partnership.

Total Notes Receivable	\$ 800,000
Less Allowance for Uncollectible Notes	<u>(800,000)</u>
Net Notes Receivable	<u>\$ --</u>

In prior years, the Authority has assisted in the development of Brush Village Partnership, Ltd. The Authority currently manages the project on behalf of the private owners. Through the development of this project, the Authority was to receive development fees. The Authority would be paid an annual management fee by the private project only if there was surplus cash available. Any management fees not paid would accrue interest as determined by the management agreement. The Authority received promissory notes from the private entities as part of the development and/or sale of the project. Those notes accrue annual interest as specified in the promissory notes. The collection of the development fees, management fees, promissory notes and related accrued interest in future years is questionable. Therefore, the Authority has established reserves for all fees and interest due under the aforementioned agreements.

The following is a summary of the various fees:

Brush Village Partnership, Ltd. (BVPL)	
Development fees and expenses	\$ 92,933
Accrued interest on note receivable	<u>458,531</u>
Total Other Receivables	551,464
Less: Allowance for Uncollectible Accounts	<u>(551,464)</u>
Net Other Receivables	<u>\$ --</u>

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# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5– Notes Payable:

Centennial Manor East – USDA Rural Development dated March 1, 1976, maturing in 2024, payable in monthly installments of \$1,907 including variable interest from 1% to 8.125%. Collateralized by property and equipment and tenant leases.	\$ -
Centennial South – USDA Rural Development dated November 3, 1980, maturing in 2030, was refinanced and debt was forgiven of \$79,912 in 1999. In addition, the interest rate was reduced from 10.75% to 1%. The new note agreement requires monthly installments of \$1,114 and is collateralized by property.	199,997
Northeast Colorado Housing, Inc., dated December 31, 2003, payable in annual installments of \$5,500 beginning March 15, 2004, according to amended promissory note, accruing interest at 0%, unsecured.	104,500
	<u>\$ 304,497</u>

A summary of changes in notes payable as of December 31, 2024 is as follows:

Description	Balance 1/01/2024	Retired	Balance 12/31/2024	Due in one year
Rural Development – Centennial Manor East	\$ 17,061	\$ 17,061	\$ -	\$ -
Rural Development – Centennial Manor South	229,526	29,529	199,997	8,250
Northeast Colorado Housing, Inc.	110,000	5,500	104,500	5,500
	<u>\$ 356,587</u>	<u>\$ 52,090</u>	<u>\$ 304,497</u>	<u>\$ 13,750</u>

Principal requirements for the Northeast Colorado Housing, Inc. notes are as follows:

Fiscal Year	Principal
2025	\$ 5,500
2026	5,500
2027	5,500
2028	5,500
2028	5,500
2029-2043	77,000
	<u>\$ 104,500</u>

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5– Notes Payable - Continued:

The debt service requirements to maturity for the Centennial Manor East and Centennial South projects are determined by the annual amount of interest subsidy received from USDA Rural Development and are therefore not presented.

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### NOTE 6 – Fund Equity:

Pursuant to the USDA – Rural Development loan requirements dated March 1, 1976 and June 1, 1999, the Authority is required to establish a reserve account of \$116,603 for Centennial Manor East and \$16,254 for Centennial Manor South at a rate of \$8,832 and \$3,612 per year, respectively, until the reserve balance is met. The ending reserve balances are as follows:

	Centennial Manor East	Centennial Manor South
Funded Reserve Balances	\$ 116,603	\$ 16,254
Required Reserve Balances	(116,603)	(16,254)
Excess	\$ --	\$ --

The Authority is allowed by USDA Rural Development to make withdrawals from these reserve accounts for extraordinary expenditures.

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### NOTE 7 - PERA:

Brush Housing Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Plan description.* Eligible employees of the are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – PERA – Continued:

*Benefits provided as of December 31, 2024.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – PERA – Continued:

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

*Contributions:* Eligible employees and Brush Housing Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized as follows:

	01/01/24 - 12/31/24
Employer contribution rate as a percentage of salary	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)
Amount Apportioned to the LGDTF	9.98
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20
Defined contribution supplement as specified in C.R.S. § 24-51-415	.08
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50
<b>Total Employer Contribution Rate to the LGDTF</b>	<b>13.76%</b>

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and Brush Housing Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Brush Housing Authority were \$34,195 for the year ended December 31, 2024.

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – PERA – Continued:

At December 31, 2024, Brush Housing Authority reported a liability of \$159,535 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. Brush Housing Authority proportion of the net pension liability was based on Brush Housing Authority contributions to the LGDTF for the calendar year 2023 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2024 Brush Housing Authority proportion was .02 percent, which was approximately the same as measured as of December 31, 2023.

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability for the LGDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The Eaton Housing Authority proportion of the net pension liability was based on Eaton Housing Authority contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

For the year ended December 31, 2024, Brush Housing Authority recognized pension expense of \$36,962. At December 31, 2024, Brush Housing Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 12,038	\$ --
Changes in assumption	4,708	-
Net difference between projected and actual earnings on pension plan investments	15,013	--
Total	\$ 31,760	\$ --

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – PERA – Continued:

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year Ending December 31	Amount
2025	\$ 29,193
2026	38,038
2027	(25,411)
2028	(10,060)
	<u>\$ 31,760</u>

*Actuarial assumptions:* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.2 – 11.3 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 (automatic)	1.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The actuarial assumptions used in the December 31, 2023, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – PERA – Continued:

Salary increases, including wage inflation: 3.40%-13.00%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – PERA – Continued:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
<b>Total</b>	<b>100.00%</b>	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

*Discount rate.* The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year and the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Employee Contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50%, every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and the retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – PERA – Continued:

- As of December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$486 and \$20 respectively.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the Brush Housing Authority proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

December 31, 2024	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 349,191	\$ 159,535	\$ 203

*Pension plan fiduciary net position.* Detailed information about the LGDTF’s FNP is available in PERA’s ACFR which can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

# BRUSH HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – PERA – Continued:

*Subsequent Event:* SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500 million (actual dollars) on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

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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 carries commercial insurance with risk of loss transferring to the carriers. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past five fiscal years, and there were no material changes in coverage for 2024.

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### NOTE 9 - Contingencies:

In 1992, the Colorado voters approved the “Taxpayer’s Bill of Rights” (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, such as the Housing Authority, and federal funds. Brush Housing Authority believes it is in compliance with the requirements of TABOR.

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# BRUSH HOUSING AUTHORITY

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

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Year Ended December 31	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2024	\$ 34,195	\$ 34,195	\$ 248,507	13.7%
2023	33,773	33,773	245,799	13.7%
2022	29,716	26,716	220,702	13.7%
2021	26,668	26,668	201,960	12.7%
2020	21,086	21,086	163,273	12.7%
2019	12,704	12,704	100,190	12.7%
2018	11,556	11,556	91,142	12.7%
2017	11,554	11,554	91,121	12.7%
2016	12,938	12,938	102,034	12.7%
2015	11,933	11,393	94,108	12.7%

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## BRUSH HOUSING AUTHORITY

### SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended December 31	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net Pension Liability
2024	.02%	\$ 159,535	\$ 248,507	64%	90.0%
2023	.02%	190,851	245,799	78%	88.0%
2022	.02%	200,513	220,702	91%	83.0%
2021	.02%	(23,149)	201,960	11%	90.9%
2020	.02%	88,592	163,273	54%	86.3%
2019	.03%	124,336	100,190	124%	76.0%
2018	.03%	213,726	91,142	234%	79.4%
2017	.02%	189,283	91,121	197%	73.6%
2016	.02%	229,558	102,034	242%	76.9%
2015	.02%	187,268	94,108	145%	76.9%

**BRUSH HOUSING AUTHORITY**  
**SUPPLEMENTAL STATEMENT OF NET POSITION - ALL PROJECT FUNDS**  
**December 31, 2024**

	CENTENNIAL MANOR EAST	CENTENNIAL MANOR WEST	CENTENNIA L MANOR SOUTH	GENERAL FUND	TOTAL
<b>ASSETS</b>					
Cash in bank and on hand	\$ 34,188	189,484	29,098	28,744	\$ 281,514
Cash in bank - security deposits	17,035	12,382	2,498	-	31,915
Restricted cash - reserve funds	65,579	-	79,307	-	144,886
Rent and insurance receivables (net of allowance for uncollectibles)	570	71	5,673	-	6,314
Prepaid insurance	1,494	2,905	2,320	-	6,719
Capital assets:					
Land	8,071	21,309	18,000	-	47,380
Buildings and improvements	1,736,661	1,451,100	700,606	-	3,888,367
Property and equipment	65,815	117,235	14,213	33,815	231,078
Less: accumulated depreciation	<u>(1,103,661)</u>	<u>(1,333,678)</u>	<u>(501,549)</u>	<u>(33,370)</u>	<u>(2,972,258)</u>
Total Assets	<u>825,752</u>	<u>460,808</u>	<u>350,166</u>	<u>29,189</u>	<u>1,665,914</u>
<b>DEFERRED OUTFLOWS</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,760</u>	<u>31,760</u>
<b>LIABILITIES</b>					
Accounts payable	8,517	8,891	2,848	6,100	26,356
Accrued payroll and payroll taxes	-	-	-	4,747	4,747
Security deposits	11,688	8,109	2,531	-	22,328
Noncurrent liabilities:					
Due within one year	-	-	8,250	5,500	13,750
Due in more than one year	-	-	191,747	99,000	290,747
Net pension liability	-	-	-	159,535	159,535
Total Liabilities	<u>20,205</u>	<u>17,000</u>	<u>205,376</u>	<u>274,882</u>	<u>517,463</u>
<b>DEFERRED INFLOWS</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Invested in capital assets, net of related debt	706,886	255,966	31,273	-	994,124
Restricted for debt service/capital	65,579	-	79,307	-	144,886
Unrestricted	33,083	187,843	34,208	(213,934)	41,201
Total Net Position	<u>\$ 805,548</u>	<u>\$ 443,809</u>	<u>\$ 144,788</u>	<u>\$ (213,934)</u>	<u>\$ 1,180,211</u>

**BRUSH HOUSING AUTHORITY**  
**SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**ALL PROJECT FUNDS**  
**For the Year Ended December 31, 2024**

	CENTENNIAL MANOR EAST	CENTENNIA L MANOR WEST	CENTENNIAL MANOR SOUTH	GENERAL FUND	TOTAL
<b>OPERATING REVENUES</b>					
Rent	\$ 201,887	\$ 130,422	\$ 47,913	\$ -	\$ 380,222
Management fees	-	-	-	25,073	25,073
Rent subsidy	117,117	-	92,414	-	209,531
Operating subsidy	-	217,963	-	-	217,963
Other	3,254	2,201	230	360	6,045
Total Operating Revenues	<u>322,258</u>	<u>350,586</u>	<u>140,557</u>	<u>25,433</u>	<u>838,834</u>
<b>OPERATING EXPENSES</b>					
Legal	2,911	11,357	4,377	-	18,645
Salaries	96,484	81,500	34,302	26,302	238,588
Advertising	1,551	1,605	1,551	215	4,922
Repairs and maintenance	40,356	26,259	29,336	1,510	97,461
Elevator	-	10,207	-	-	10,207
Utilities	59,994	33,767	20,924	-	114,685
Telephone	1,694	1,022	304	-	3,020
Miscellaneous	4,692	1,187	243	5,152	11,274
Accounting and auditing	4,739	1,955	3,704	500	10,898
Employee benefits	25,859	23,716	16,699	18,839	85,113
Office supplies	566	455	564	12,086	13,671
Property insurance	20,243	22,023	27,745	132	70,143
Payroll tax expense	4,102	3,090	3,200	4,346	14,738
Travel	2,296	-	1,201	-	3,497
Total Operating Expenses	<u>265,487</u>	<u>218,143</u>	<u>144,150</u>	<u>69,082</u>	<u>696,862</u>
Operating Income (Loss)	<u>56,771</u>	<u>132,443</u>	<u>(3,593)</u>	<u>(43,649)</u>	<u>141,972</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Inter-fund transfers	(188,588)	105,714	42,706	40,168	-
Interest income	3,144	1,571	799	-	5,514
Interest on notes payable	(5,817)	-	-	-	(5,817)
Principal paid on notes payable	(17,061)	-	(29,530)	(5,500)	(52,091)
Insurance proceeds	59,167	-	85,524	-	144,691
Total Nonoperating Revenues (Expenses)	<u>(149,155)</u>	<u>107,285</u>	<u>99,499</u>	<u>34,668</u>	<u>92,297</u>
Net Income (Loss)	<u>(92,384)</u>	<u>239,728</u>	<u>95,906</u>	<u>(8,981)</u>	<u>234,269</u>
<b>ADJUSTMENTS FOR GAAP BASIS</b>					
Depreciation	(20,064)	(9,800)	(6,157)	-	(36,021)
Principal paid on notes payable	17,061	-	29,530	5,500	52,091
Total GAAP Basis Adjustments	<u>(3,003)</u>	<u>(9,800)</u>	<u>23,373</u>	<u>5,500</u>	<u>16,070</u>
Change in Net Assets (GAAP Basis)	(95,387)	229,928	119,279	(3,481)	250,339
Total Net Assets (Deficit) - Beginning of Year	900,935	213,881	25,509	(210,453)	929,872
Total Net Assets (Deficit) - End of Year	<u>\$ 805,548</u>	<u>\$ 443,809</u>	<u>\$ 144,788</u>	<u>\$ (213,934)</u>	<u>\$ 1,180,211</u>

**BRUSH HOUSING AUTHORITY**  
**SUPPLEMENTAL STATEMENT OF CASH FLOWS - ALL PROJECT FUNDS**  
**December 31, 2024**

	CENTENNIAL MANOR EAST	CENTENNIAL MANOR WEST	CENTENNIAL MANOR SOUTH	GENERAL FUND	TOTAL
Cash flows from operating activities:					
Cash receipts from tenants	\$ 205,141	\$ 134,609	\$ 52,363	\$ 25,433	\$ 417,546
Customer deposits received (returned)	4,732	(2,819)	2,140	-	4,053
Cash payments for restricted assets	-	-	-	-	-
Cash payments to suppliers for goods and services	(267,879)	(216,044)	(145,079)	(66,613)	(695,615)
Cash payments for intercompany activity	(188,586)	105,713	42,705	40,168	-
Net cash provided (used) by operating activities	<u>(246,592)</u>	<u>21,459</u>	<u>(47,871)</u>	<u>(1,012)</u>	<u>(274,016)</u>
Cash flows from noncapital financing activities:					
Rental subsidy	117,117	-	92,414	-	209,531
Operating subsidy	-	217,963	-	-	217,963
Net cash provided (used) by noncapital financing activities	<u>117,117</u>	<u>217,963</u>	<u>92,414</u>	<u>-</u>	<u>427,494</u>
Cash flows used in capital and related financing activities:					
Insurance reimbursement	59,169	-	85,524	-	144,693
Acquisition of capital assets	(100,576)	(141,484)	(118,896)	-	(360,956)
Principal paid on debt	(17,061)	-	(29,529)	(5,500)	(52,090)
Interest on debt	(5,817)	-	-	-	(5,817)
Net cash provided (used) by capital and related financing activities	<u>(64,285)</u>	<u>(141,484)</u>	<u>(62,901)</u>	<u>(5,500)</u>	<u>(274,170)</u>
Cash flows from investing activities:					
Interest received on investments	3,144	1,571	799	-	5,514
Net cash provided (used) by investing activities	<u>3,144</u>	<u>1,571</u>	<u>799</u>	<u>-</u>	<u>5,514</u>
Net increase (decrease) in cash and cash equivalents	(190,616)	99,509	(17,559)	(6,512)	(115,178)
Cash and cash equivalents - beginning of year	307,419	102,357	128,462	35,255	573,493
Cash and cash equivalents - end of year	<u>\$ 116,803</u>	<u>\$ 201,866</u>	<u>\$ 110,903</u>	<u>\$ 28,743</u>	<u>\$ 458,315</u>
Operating Income (Loss)					
Operating Income (Loss)	\$ (95,387)	\$ 229,928	\$ 119,279	\$ (3,481)	\$ 250,339
Adjustment to reconcile net income (loss) to net cash provided (used) by operating					
Depreciation	20,064	9,800	6,157	-	36,021
Investment Earnings	(3,144)	(1,571)	(799)	-	(5,514)
Interest Expense	5,817	-	-	-	5,817
Insurance proceeds	(59,169)	-	(85,524)	-	(144,693)
Rent subsidy	(117,117)	-	(92,414)	-	(209,531)
Operating Subsidy	-	(217,963)	-	-	(217,963)
Changes in assets and liabilities:					
(Increase) decrease in rent receivables	4,913	1,986	4,220	-	11,119
Increase (decrease) in accounts payable	(2,687)	1,852	1,188	(5,185)	(4,832)
Increase (decrease) in accrued payroll taxes	-	-	-	50,940	50,940
Increase (decrease) in security deposits payable	118	(2,573)	22	-	(2,433)
Increase (decrease) in pension liabilities	-	-	-	(43,286)	(43,286)
Total Adjustments	<u>(151,205)</u>	<u>(208,469)</u>	<u>(167,150)</u>	<u>2,469</u>	<u>(524,355)</u>
Net cash provided (used) by operating activities	<u>\$ (246,592)</u>	<u>\$ 21,459</u>	<u>\$ (47,871)</u>	<u>\$ (1,012)</u>	<u>\$ (274,016)</u>