

CHAFFEE HOUSING AUTHORITY

CHAFFEE COUNTY, COLORADO

ANNUAL FINANCIAL REPORT

FOR THE

YEAR ENDED DECEMBER 31, 2024

CHAFFEE HOUSING AUTHORITY

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

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**CHAFFEE HOUSING AUTHORITY
APPOINTED OFFICIALS
December 31, 2024**

BOARD OF DIRECTORS

APPOINTED BOARD MEMBERS

Joseph Teipel, Chairman
Salty Riggs, Vice Chairman
Eric Warner, Treasurer
Libby Fay
Monica Haskell
Eric Lee
Craig Nelson
Dan Shore

ALTERNATE BOARD MEMBERS

Brian Berger, Town of Buena Vista
Christy Doon, City of Salida
Beth Helmke, Chaffee County
Chris Ledger

MANAGEMENT

Marjo Curgus, Interim Executive Director
Jen-ai Stokesbary, Real Estate Projects Manager
Becky Longberg, Housing Program Manager
Dawn Heigele, Bookkeeper

SCOTT C. WRIGHT
CERTIFIED PUBLIC ACCOUNTANT

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Chaffee Housing Authority
Salida, Colorado

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Chaffee Housing Authority as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Chaffee Housing Authority as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chaffee Housing Authority's ability to continue as a going concern for twelve months beyond the

financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

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

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Scott Wright

Salida, Colorado
April 28, 2025

CHAFFEE HOUSING AUTHORITY

STATEMENT OF NET POSITION DECEMBER 31, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,439,681	\$ 62,500	\$ 2,502,181
Prepaid Items	1,800	-	1,800
Receivables	246,281	-	246,281
Deposits	1,000	-	1,000
Restricted Cash and Cash Equivalents	1,767,704	-	1,767,704
Capital Assets, net of accumulated depreciation:			
Nondepreciable	698,964	1,270,000	1,968,964
Depreciable	-	2,842,986	2,842,986
Total Assets	5,155,430	4,175,486	9,330,916
LIABILITIES			
Accounts Payable	20,806	-	20,806
Accrued Liabilities	11,758	-	11,758
Compensated Absences Payable	1,677	-	1,677
Accrued Interest Payable	3,411	4,214	7,625
Deposits	-	50,250	50,250
Noncurrent Liabilities:			
Due Within One Year	-	98,430	98,430
Due in More Than One Year	1,880,000	3,807,173	5,687,173
Total Liabilities	1,917,652	3,960,067	5,877,719
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenues - Grant Revenue	134,692	-	134,692
NET POSITION			
Net Investment (Deficit) in Capital Assets	(1,181,036)	207,383	(973,653)
Restricted For:			
Emergencies	29,615	-	29,615
Capital Improvements	4,050,084	-	4,050,084
Unrestricted	204,423	8,036	212,459
Total Net Position	\$ 3,103,086	\$ 215,419	\$ 3,318,505

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

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CHAFFEE HOUSING AUTHORITY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Affordable Housing	\$ 590,980	\$ 13,180	\$ 572,129	\$ 310,000
Interest and Fiscal Charges on Long-term Debt	115,961	-	-	-
Total Governmental Activities	706,941	13,180	572,129	310,000
Business-type Activities				
Affordable Housing	8,102	9,619	20,000	210,000
Interest and Fiscal Charges on Long-term Debt	37,724	-	-	-
Total Business-type Activities	45,826	9,619	20,000	210,000
Total Primary Government	\$ 752,767	\$ 22,799	\$ 592,129	\$ 520,000

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

CHAFFEE HOUSING AUTHORITY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental Activities:			
Affordable Housing	\$ 304,329	\$ -	\$ 304,329
Interest and Fiscal Charges on Long-term Debt	(115,961)	-	(115,961)
Total Governmental Activities	188,368	-	188,368
Business-type Activities			
Affordable Housing	-	231,517	231,517
Debt Service	-	(37,724)	(37,724)
Total Business-type Activities	-	193,793	193,793
Total Primary Government	188,368	193,793	382,161
General Revenues:			
Unrestricted Investment Earnings	60,393	329	60,722
Other Revenue	32,575	-	32,575
Contributions and Transfers	(21,297)	21,297	-
Total General Revenues	71,671	21,626	93,297
Increase in Net Position	260,039	215,419	475,458
Net Position - Beginning of Year	2,843,047	-	2,843,047
Net Position - End of Year	\$ 3,103,086	\$ 215,419	\$ 3,318,505

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

CHAFFEE HOUSING AUTHORITY

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2024

	General Fund	Capital Fund	Rental Deposit Guarantee Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 329,032	\$ 2,107,468	\$ 3,181	\$ 2,439,681
Prepaid Items	1,800	-	-	1,800
Receivables:				
- Accounts	61,549	180,000	4,732	246,281
Security Deposits	1,000	-	-	1,000
Restricted Cash and Cash Equivalents	-	1,767,704	-	1,767,704
Total Assets	\$ 393,381	\$ 4,055,172	\$ 7,913	\$ 4,456,466
LIABILITIES				
Accounts Payable	\$ 13,230	\$ -	\$ 7,576	\$ 20,806
Accrued Liabilities	11,758	-	-	11,758
Total Liabilities	24,988	-	7,576	32,564
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenues - Grant Revenue	134,692	-	-	134,692
FUND BALANCES				
Restricted For:				
TABOR Emergency Reserve	29,615	-	-	29,615
Capital Improvements	-	4,055,172	-	4,055,172
Assigned For:				
Rental Deposit Guarantee Program	-	-	337	337
Unassigned	204,086	-	-	204,086
Total Fund Balances	233,701	4,055,172	337	4,289,210
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 393,381	\$ 4,055,172	\$ 7,913	\$ 4,456,466

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

CHAFFEE HOUSING AUTHORITY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2024

Total Governmental Fund Balances	<u>\$ 4,289,210</u>
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	
Capital Assets	<u>698,964</u>
Proceeds from debt issuances provide current financial resources to governmental funds but has no effect on net position	
Financed Purchases	<u>(1,880,000)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in Accrued Interest Payable on Outstanding Debt	(3,411)
Change in Compensated Absences Payable	<u>(1,677)</u>
	<u>(5,088)</u>
Net Position of Governmental Activities	<u><u>\$ 3,103,086</u></u>

CHAFFEE HOUSING AUTHORITY

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Capital Fund	Rental Deposit Guarantee Fund	Total
Revenues				
Intergovernmental	\$ 572,129	\$ 310,000	\$ -	\$ 882,129
Charges for Services	13,180	-	-	13,180
Investment Earnings	6,293	54,100	-	60,393
Other Revenues	30,575	2,000	-	32,575
Total Revenues	622,177	366,100	-	988,277
Expenditures				
Current:				
Personnel Services	316,174	-	-	316,174
Operating Costs	272,885	244	-	273,129
Capital Improvements	-	3,780	-	3,780
Debt Service:				
Debt Issuance Costs	-	112,550	-	112,550
Total Expenditures	589,059	116,574	-	705,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,118	249,526	-	282,644
Other Financing Sources (Uses)				
Debt Issuance Proceeds	-	1,880,000	-	1,880,000
Transfers In	-	1,925,646	337	1,925,983
Transfers Out	(1,947,280)	-	-	(1,947,280)
Total Other Financing Sources (Uses)	(1,947,280)	3,805,646	337	1,858,703
Net Change in Fund Balances	(1,914,162)	4,055,172	337	2,141,347
Fund Balances, Beginning of Year	2,147,863	-	-	2,147,863
Fund Balances, End of Year	\$ 233,701	\$ 4,055,172	\$ 337	\$ 4,289,210

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

CHAFFEE HOUSING AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - Total Governmental Funds \$ 2,141,347

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

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

Capital outlay 3,780

Some liabilities, including long-term debt, are not due and payable in the current
period and therefore are not reported as liabilities in the governmental funds.

Compensated Absences Payable (1,677)

Financed Purchases Payable (1,880,000)

(1,881,677)

Accrued interest payable is recognized for governmental activities
but is not due and payable in the current period and therefore is
not reported as a liability in the governmental funds.

(3,411)

Change in Net Position of Governmental Activities

\$ 260,039

CHAFFEE HOUSING AUTHORITY

STATEMENT OF NET POSITION PROPRIETARY FUND DECEMBER 31, 2024

	Real Estate Enterprise Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 62,500
Total Current Assets	<u>62,500</u>
Noncurrent Assets:	
Capital Assets:	
- Land	1,270,000
- Land Improvements	460,000
- Buildings	2,361,338
- Machinery and Equipment	28,124
- Accumulated Depreciation	<u>(6,476)</u>
Total Noncurrent Assets	<u>4,112,986</u>
Total Assets	<u>4,175,486</u>
LIABILITIES	
Current Liabilities:	
Accrued Interest Payable	4,214
Security Deposits Payable	50,250
Direct Borrowings Payable - Current	<u>98,430</u>
Total Current Liabilities	<u>152,894</u>
Noncurrent Liabilities:	
Direct Borrowings Payable - Current	<u>3,807,173</u>
Total Noncurrent Liabilities	<u>3,807,173</u>
Total Liabilities	<u>3,960,067</u>
NET POSITION	
Net Investment in Capital Assets	207,383
Unrestricted	<u>8,036</u>
Total Net Position	<u>\$ 215,419</u>

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

CHAFFEE HOUSING AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2024

	Real Estate Enterprise Fund
Operating Revenues:	
Charges for Services	\$ 9,619
Total Operating Revenues	<u>9,619</u>
Operating Expenses:	
Cost of Operations	1,626
Depreciation	<u>6,476</u>
Total Operating Expenses	<u>8,102</u>
Operating Income	<u>1,517</u>
Nonoperating Revenues (Expenses):	
Operating Grants	20,000
Charitable Contributions	210,000
Investment Earnings	329
Costs of Issuance	(33,510)
Interest Expense	<u>(4,214)</u>
Total Nonoperating Revenues (Expenses)	<u>192,605</u>
Income Before Contributions and Transfers	194,122
Capital Contributions and Transfers	
Transfers In (Out)	<u>21,297</u>
Change in Net Position	215,419
Net Position, Beginning of Year	<u>-</u>
Net Position, End of Year	<u><u>\$ 215,419</u></u>

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

CHAFFEE HOUSING AUTHORITY

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2024

	Real Estate Enterprise Fund
Cash Flows From Operating Activities	
Cash Received from Customers and Users	\$ 9,619
Cash Payments to Suppliers	(1,626)
Net Cash Provided by Operating Activities	<u>7,993</u>
Cash Flows From Noncapital Financing Activities	
Grants Received	20,000
Security Deposits Received	50,250
Transfers In (Out) from Other Funds	21,297
Net Cash Provided by Noncapital Financing Activities	<u>91,547</u>
Cash Flows From Capital Financing Activities	
Issuance of Long-term Debt	3,905,603
Charitable Contributions Received	210,000
Acquisition and Construction of Capital Assets	(4,119,462)
Issuance Costs on Long-term Debt	(33,510)
Net Cash Used in Capital Financing Activities	<u>(37,369)</u>
Cash Flows From Investing Activities	
Investment Earnings	329
Net Cash Provided by Investing Activities	<u>329</u>
Net Increase in Cash and Cash Equivalents	62,500
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ 62,500</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	<u>\$ 1,517</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	6,476
Total Adjustments	6,476
Net Cash Provided by Operating Activities	<u>\$ 7,993</u>

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

CHAFFEE HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

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

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

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

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

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

CHAFFEE HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

B. Blended Component Unit

Chaffee Housing Development, LLC, a Colorado limited liability company (Development Company) is a legally separate entity established to promote the long-term preservation of decent, safe and affordable housing for low and moderate income persons and families, and to foster low income housing within Chaffee County, Colorado.

The Development Company was formed as a member managed company with the Authority being the sole member of the Development Company. Although it is legally separate, it is reported as a blended component unit of the Authority. The Development Company is blended because its services are provided entirely or almost entirely to the Authority, or otherwise exclusively benefits the Authority, and the Authority can impose its will on the Development Company, including budget approval and control over debt issuance.

In accordance with GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61, for financial reporting purposes the financial activity of the Development Company is blended into the Authority's financial statements and reported in the Real Estate Enterprise Fund as a blended component unit. All significant interfund transactions and balances between the Authority and the Development Company have been eliminated. Separate budgets and financial statements of the Development Company are not adopted or issued.

C. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Authority (the primary government) and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for services. Interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the Authority. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the Authority with the focus on major funds rather than on reporting funds by type. Separate

CHAFFEE HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The Authority reports the following major governmental funds:

- *General Fund.* This is the Authority’s primary operating fund. It is used to account for all activities of the Authority not required to be accounted for in another fund.
- *Capital Fund.* This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.
- *Rental Deposit Guarantee Program Fund.* This program is used to account for security deposit guarantees made by the Authority to landlords and to collect payments from tenants to pay such security deposits.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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.

CHAFFEE HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

The principal operating revenues of the Authority's Real Estate Enterprise Fund are tenant lease revenues. Operating expenses include repairs and maintenance, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Authority's major proprietary fund is:

- *Real Estate Enterprise Fund*. This fund is used to account for the activities involved in the acquisition and rental of affordable housing units and collection of tenant lease revenues.

E. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Governmental accounting standards require a budgetary comparison schedule for the General Fund and for each major fund that has a legally adopted budget.

F. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools. Colorado State Statutes authorize the Authority to invest its excess funds in direct U.S. Government treasury and agency securities, bonds and other obligations of states and political subdivisions, corporate bonds, and local government investment pools. Investments are stated at fair value.

G. Capital Assets.

The Authority's capital assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

It is the Authority's policy to capitalize expenditures with a cost greater than \$5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available.

The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Land Improvements	7-22 years
Buildings	19.5 years
Machinery and Equipment	5 years

CHAFFEE HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Authority does not have any items that qualify.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has only one type of item that qualifies for reporting in this category *unearned revenues – grant revenues*. These amounts are deferred and recognized as an inflow of resources in the period that the eligibility requirements are met.

I. Compensated Absences

The Authority provides vacation, sick leave, and compensatory time to its employees, in accordance with employment policies. Under GASB Statement No. 101, liabilities for compensated absences are recognized when the leave is attributable to services already rendered, and it is probable that the employee will be compensated through cash payments when the leave is taken or upon termination of employment.

The liability is measured using the employee's pay rate in effect as of the financial reporting date. The Authority applies a probability factor based on historical usage patterns and termination rates to estimate the amount expected to be paid. As of December 31, 2024, the total liability for compensated absences was \$1,677.

J. Long-term Obligations.

In the government-wide statement of net position long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts are deferred and amortized over the life of the debt using the straight-line method, which approximates the interest method. Long-term debt payable is reported net of the applicable premium or discount.

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

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

K. Use of Estimates

The preparation of financial statements in conformity with GAAP involves the use of management's estimates that affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based upon management's best judgment, after considering past events and assumptions about future events. Actual results could differ from those estimates. Authority management has estimated the useful lives of the Authority's capital assets as reflected in the Statement of Net Position.

L. Fund Balances

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

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

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

When fund balance resources are available for a specific purpose in more than one classification, it is the Authority's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Authority considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

M. Net Position

Net position represents the residual of all other elements presented in the statement of net position which equals assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, including accounts, contract and retainage payables. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Note 2. Legal Compliance – Budgets

No later than October 15th, the Executive Director submits to the Board of Directors a proposed budget for the calendar year commencing the following January 1st. The budget presents a complete financial plan by fund and by spending agency. The budget must be described with explanatory schedules or statements classifying expenditures by object and revenues by source. Estimated beginning and ending fund balances must be shown along with three years of comparable data: the prior year's actuals, current year estimates, and appropriations and estimated revenues for the next calendar year.

The Board of Directors holds public hearings and must adopt the budget by resolution prior to December 15th. Once adopted, the Board may at any time, by resolution, amend the budget. The Authority had one supplemental amendment during the year ended December 31, 2024.

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements are presented with a higher level of detail than legally required in order to facilitate closer financial analysis. Capital Fund, Real Estate Enterprise Fund, and the Rental Deposit Guarantee Program Fund expenditures exceeded budgeted appropriations during 2024 which may be a violation of Colorado budget law.

Note 3. Cash and Investments

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	\$ 2,502,181
Cash and Cash Equivalents - Restricted	<u>1,767,704</u>
Total	<u>\$ 4,269,885</u>

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Cash and investments as of December 31, 2024, consist of the following:

Deposits With Financial Institutions	\$ 1,883,562
Deposits With Local Government Investment Pools	<u>2,386,323</u>
Total	<u>\$ 4,269,885</u>

Custodial Credit Risk

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

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

Local Government Investment Pool

The Colorado Local Government Liquid Asset Trust (COLOTRUST or the Trust) was organized in 1985 in accordance with the Investment Funds - Local Government Pooling Act, (Part 7, Article 75, Title 24, C.R.S.) to allow Colorado governmental entities to pool their funds to take advantage of short-term investments and maximize net interest earnings. The Trust is a professionally managed local government investment pool trust fund available only to governmental entities in Colorado. The Trust operates under the custodianship and oversight of a Board of Trustees comprised of participating local government officials and is not registered with the Securities and Exchange Commission (SEC). However, COLOTRUST operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. COLOTRUST is registered with the Securities Commissioner of the State of Colorado in accordance with the Local Government Investment Pool Trust Fund Administration and Enforcement Act (Part 9, Article 51, Title 11, C.R.S.).

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

The Authority participates in the COLOTRUST PLUS+ (PLUS+) portfolio, which may invest in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements, tri-party repurchase agreements, collateralized bank deposits, commercial paper that, at the time of purchase, is rated in its highest rating category by at least two nationally recognized organizations which regularly rate such obligations, corporate bonds, and government money market funds rated ‘AAAm.’

PLUS+ maintains a stable net asset value (NAV) of \$1.00 per share using fair value as defined by the Financial Accounting Standards Board (FASB) ASC 820 “Fair Value Measurement and Disclosure”. PLUS+ is rated AAAM by S&P Global Ratings.

At December 31, 2024, the Authority had \$2,386,323 invested in PLUS+. These funds are available for withdrawal upon demand and are not subject to withdrawal restrictions or notice periods.

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 194,157	\$ -	\$ -	\$ 194,157
Construction in Progress	<u>501,027</u>	<u>3,780</u>	<u>-</u>	<u>504,807</u>
Total Capital Assets, Not Being Depreciated	<u>695,184</u>	<u>3,780</u>	<u>-</u>	<u>698,964</u>
Governmental Activities Capital Assets, Net	<u>\$ 695,184</u>	<u>\$ 3,780</u>	<u>\$ -</u>	<u>\$ 698,964</u>
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ -	\$ 1,270,000	\$ -	\$ 1,270,000
Total Capital Assets, Not Being Depreciated	<u>-</u>	<u>1,270,000</u>	<u>-</u>	<u>1,270,000</u>
Capital Assets, Being Depreciated				
Land Improvements	-	460,000	-	460,000
Buildings	-	2,361,338	-	2,261,338
Machinery and Equipment	<u>-</u>	<u>28,124</u>	<u>-</u>	<u>28,124</u>
Total Capital Assets Being Depreciated	<u>-</u>	<u>2,849,462</u>	<u>-</u>	<u>2,849,462</u>
Less: Accumulated Depreciation				
Land Improvements	-	(1,196)	-	(1,196)
Buildings	-	(5,046)	-	(5,046)
Machinery and Equipment	<u>-</u>	<u>(234)</u>	<u>-</u>	<u>(234)</u>
Total Accumulated Depreciation	<u>-</u>	<u>(6,476)</u>	<u>-</u>	<u>(6,476)</u>
Total Capital Assets Being Depreciated, Net	<u>-</u>	<u>2,842,986</u>	<u>-</u>	<u>2,849,462</u>
Business-type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ 4,112,986</u>	<u>\$ -</u>	<u>\$ 4,112,986</u>

Depreciation expense of \$6,476 was charged to the real estate enterprise fund for the year ended December 31, 2024.

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 5. Financed Purchases.

The Authority entered into a financing arrangement with High Country Bank during fiscal year 2024 to assist with the financing of the construction of Jane’s Place, a 17-unit affordable housing project in Salida, Colorado, through a lease-purchase agreement. The transaction involved a site lease and a lease purchase component:

Under the site lease, the Authority leased a parcel of land to the Bank entity for a nominal amount for the purpose of constructing Jane’s Place. This site lease is for a term of 12 years and is considered to be incidental to the financing arrangement and not accounted for as a lease under GASB Statement No. 87. Concurrently, the Authority entered into a lease-purchase agreement to lease the newly constructed Jane’s Place from the Bank over a term of 12 years, with title to transfer to the Authority upon completion of all payments. Based on the substance of the agreement, this arrangement is accounted for as a financed purchase in accordance with GASB Statement No. 94.

Financed purchases outstanding at December 31, 2024 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
General Government - Affordable Housing Project	4.75%	<u>\$ 1,880,000</u>

Annual debt service requirements to maturity for Financed Purchases outstanding at December 31, 2024, are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ -	\$ 85,579
2026	-	89,300
2027	40,000	89,300
2028	45,000	87,400
2029	45,000	85,262
2030-2034	255,000	392,588
2035-2036	<u>1,495,000</u>	<u>139,175</u>
Total	<u>\$ 1,880,000</u>	<u>\$ 968,604</u>

Note 6. Direct Borrowings

On November 12, 2024, the Authority entered into a direct borrowing agreement with the State of Colorado, through the Department of Local Affairs, for the benefit of the Division of Housing for a loan in the amount of \$1,900,000. The proceeds of the loan are being used to assist with the acquisition costs of the 505 Apartments (the “Project”) in Salida, Colorado. The Project includes 19 multifamily rental units with affordability ranges of 80% and 140% Area Median Income (“AMI”). The Project is fully leased with voluntarily restricted, below market rents. Existing tenants will be allowed to renew their leases as desired. New tenants will be required to be income qualified. The Project is also being supported by two First

CHAFFEE HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Southwest Bank loans (discussed below) and owner investment. The loan is a fixed rate loan bearing interest at a fixed rate of 1% and matures on December 1, 2065.

On December 20, 2024, the Authority entered into a direct borrowing agreement with First Southwest Bank for a loan in the amount of \$1,468,140. The proceeds of the loan, along with other direct borrowings, were used to finance the acquisition of the Project discussed above. The loan is a fixed rate loan bearing interest at a fixed rate of 3%. The loan matures on December 20, 2044. The loan is secured by an assignment of the rents generated from the Project. The Authority covenants to maintain a Debt Service Coverage Ratio of not less than 1.05:1.00 based on the net operating income of the Project.

On December 20, 2024, the Authority entered into a second direct borrowing agreement with First Southwest Bank for a loan in the amount of \$537,443. The proceeds of this loan were also used to finance the acquisition of the Project. The loan is an adjustable rate loan bearing interest at a fixed rate of 7% for the first seven years and then adjusts every seven years to an index based on the Federal Home Loan Bank of Des Moines regular 7-year rate plus a margin of 3.500 percentage points and rounded up to the nearest 0.125%. The loan matures on December 20, 2044. The loan is secured by an assignment of the rents generated from the Project. The Authority covenants to maintain a Debt Service Coverage Ratio of not less than 1.05:1.00 based on the net operating income of the Project. The Authority also covenants to establish and maintain a Maintenance Reserve totaling the greater of 3% of gross income of the Project or \$10,000 annually.

Direct borrowings outstanding at December 31, 2024 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Business-type - Affordable Housing Project	1.00%	\$ 1,900,000
Business-type - Affordable Housing Project	3.00%	1,468,160
Business-type - Affordable Housing Project	7.00%	<u>537,443</u>
		<u>\$ 3,905,603</u>

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Annual debt service requirements to maturity for direct borrowings outstanding at December 31, 2024, are as follows:

Year Ending December 31	Business-type Activities	
	Principal	Interest
2025	\$ 98,430	\$ 100,873
2026	100,884	98,418
2027	103,423	95,880
2028	105,833	93,469
2029	108,757	90,545
2030-2034	584,777	421,715
2035-2039	667,487	345,658
2040-2044	1,091,793	242,097
2045-2049	241,907	47,421
2050-2054	254,247	35,081
2055-2059	267,216	22,112
2060-2064	<u>280,847</u>	<u>8,481</u>
Total	<u>\$ 3,905,603</u>	<u>\$ 1,601,750</u>

Note 7. Changes in Long-term Obligations

Changes in long-term obligations for the year ended December 31, 2024, are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Financed Purchases Payable	\$ -	\$ 1,880,000	\$ -	\$ -	\$ -
Total Governmental Activity Long-term Liabilities	<u>\$ -</u>	<u>\$ 1,880,000</u>	<u>\$ -</u>	<u>\$ 1,880,000</u>	<u>\$ -</u>
Business-type Activities:					
Direct Borrowings Payable	\$ -	\$ 3,905,603	\$ -	\$ 3,905,603	\$ 98,430
Total Business-type Activity Long-term Liabilities	<u>\$ -</u>	<u>\$ 3,905,603</u>	<u>\$ -</u>	<u>\$ 3,905,603</u>	<u>\$ 98,430</u>

Note 8. Employee Retirement Plan

On January 8, 2024, the Authority adopted the Chaffee Housing Authority 401(a) Plan (Plan), a single employer defined contribution retirement plan, of which there were 3 Authority participants as of December 31, 2024. A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account. The nine-

CHAFFEE HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

member Board of Directors of the Authority is responsible for the administration of the funds in the Retirement Plan.

Employees are eligible to participate in the Plan after 6 months of employment and must work at least 20 hours per week. Eligible employees and the Authority each contribute an amount equal to 6% of the employee's base salary each month. During the year there were no differences between contribution requirements and contributions actually made by plan participants or the Authority.

Employees are fully vested after one year of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Contributions made by employees and the Authority for the three years ended December 31, 2024, are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Employee Contributions	\$ 13,193	\$ 10,208	\$ 10,208
Authority Contributions	\$ 13,193	\$ 10,208	\$ 10,208

Both the Authority and the covered employees each made the required 6% contributions to the plans. There are no liabilities for benefits beyond the Authority's matching payments. No changes in the various plan's provisions occurred in 2024.

Note 9. 457 Deferred Compensation Plan

The Authority offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the Authority through Empower and allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2024, there was 1 participant in the 457 plan.

Note 10. Commitments, Contingencies and Agreements

Construction Contract Commitments. The Authority has active construction projects as of December 31, 2024.

<u>Project</u>	<u>Remaining Commitment</u>
Jane's Place Affordable Housing project	\$4,873,550

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Tax, Spending and Debt Limitations. Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. TABOR also generally requires voter approval prior to imposing new taxes, increasing taxes or spending above the limits prescribed above, increasing a mill levy, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Multiple-fiscal year debt requires voter approval except for bond refinancing at lower interest rates or adding employees to existing pension plans.

On November 5, 2024, the Authority passed a ballot measure allowing them to retain and collect revenue from state and local grants notwithstanding the limits set forth in TABOR.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Authority's management believes the Real Estate Enterprise Fund qualifies for this exclusion. The Authority's management believes it is in compliance with the provisions of TABOR. However, TABOR is extremely complex and subject to interpretation. The ultimate impact and implementation of TABOR may depend upon litigation and legislative guidance. The tax and spending limitations contained in TABOR may impact future financial activity.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The emergency reserve balance at December 31, 2024, totaled \$29,615.

Note 11. Risk Management

The Authority is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of municipalities and special districts to provide property, general and automobile liability and public officials coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts.

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year

CHAFFEE HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

such excess occurs, although it is not legally required to do so. The Authority's annual contribution to CIRSA amounted to \$24,907 for 2024. The Authority has not been informed of any excess losses that may have been incurred by the pool.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CHAFFEE HOUSING AUTHORITY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
<i>Intergovernmental:</i>				
- Federal and State Grants	\$ 1,517,000	\$ 1,320,000	\$ -	\$ (1,320,000)
- County, Local and Private Grants	-	-	296,649	296,649
- Chaffee County Lodging Tax Reallocation	-	-	90,000	90,000
- IGA Contributions - County and Municipality	578,445	578,445	185,480	(392,965)
Charges for Services	-	-	13,180	13,180
Investment Earnings	-	-	6,293	6,293
Other Revenues	-	-	30,575	30,575
Total Revenues	2,095,445	1,898,445	622,177	(1,276,268)
Expenditures				
<i>Current:</i>				
<i>Personnel Services:</i>				
Salaries and Wages	321,400	321,400	242,023	79,377
Payroll Taxes and Benefits	86,636	86,636	74,151	12,485
<i>Operating Costs:</i>				
Legal Services	60,000	60,000	33,035	26,965
Professional Services	75,000	75,000	83,825	(8,825)
Client Services	-	85,000	78,588	6,412
Commodities	47,489	47,489	54,891	(7,402)
Other Operating Costs	31,600	31,600	22,546	9,054
<i>Capital Outlay:</i>				
Jane's Place	4,785,141	4,785,141	-	4,785,141
<i>Debt Service:</i>				
Lease Purchase	107,972	107,972	-	107,972
Total Expenditures	5,515,238	5,600,238	589,059	4,903,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,419,793)	(3,701,793)	33,118	3,626,939
Other Financing Sources (Uses)				
Transfers Out	-	-	(1,947,280)	1,947,280
Net Change in Fund Balances	(3,419,793)	(3,701,793)	(1,914,162)	5,574,219
Fund Balances, Beginning of Year	2,269,797	2,228,892	2,147,863	(81,029)
Fund Balances, End of year	\$ (1,149,996)	\$ (1,472,901)	\$ 233,701	\$ 5,493,190

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CAPITAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
<i>Intergovernmental:</i>				
- County, Local and Private Grants	\$ -	\$ -	\$ 50,000	\$ 50,000
- Chaffee County Lodging Tax Reallocation	-	-	260,000	260,000
Investment Earnings	-	-	54,100	54,100
Other Revenues	-	-	2,000	2,000
Total Revenues	-	-	366,100	366,100
Expenditures				
Current:				
Other Operating Costs	-	-	244	(244)
Capital Outlay:				
Jane's Place	-	-	3,780	(3,780)
Debt Service:				
Debt Issuance Costs	-	-	112,550	(112,550)
Total Expenditures	-	-	116,574	(116,574)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	249,526	249,526
Other Financing Sources (Uses)				
Debt Issuance Proceeds	-	-	1,880,000	1,880,000
Transfers In	-	-	1,925,646	1,925,646
Total Other Financing Sources (Uses)	-	-	3,805,646	3,805,646
Net Change in Fund Balances	-	-	4,055,172	4,055,172
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of year	\$ -	\$ -	\$ 4,055,172	\$ 4,055,172

CHAFFEE HOUSING AUTHORITY

REAL ESTATE ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Budget		
Revenues				
<i>Intergovernmental:</i>				
Nestle Blue Triton Grant			\$ 20,000	\$ 20,000
<i>Charges for Service:</i>				
Rental Revenues	-	-	9,619	9,619
Interest Earnings	-	-	329	329
<i>Other Revenue:</i>				
Charitable Contributions	-	-	210,000	210,000
Total Revenues	-	-	239,948	239,948
Expenditures				
<i>General and Administrative Costs:</i>				
Utilities	-	-	1,297	(1,297)
Legal	-	-	75	(75)
Bank Fees	-	-	20	(20)
Miscellaneous	-	-	234	(234)
Capital Improvements	-	-	4,119,462	(4,119,462)
<i>Debt Service:</i>				
Interest	-	-	4,214	(4,214)
Debt Issuance Costs	-	-	33,510	(33,510)
Total Expenditures	-	-	4,158,812	(4,158,812)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(3,918,864)	(3,918,864)
Other Financing Sources (Uses)				
Debt Issuance Proceeds	-	-	3,905,603	3,905,603
Transfers In	-	-	21,297	21,297
Total Other Financing Sources (Uses)	-	-	3,926,900	3,926,900
Net Change in Fund Balances	\$ -	\$ -	\$ 8,036	\$ 8,036
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ 8,036	\$ 8,036

CHAFFEE HOUSING AUTHORITY

REAL ESTATE ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024

RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS) TO CHANGE IN NET POSITION (GAAP BASIS)

Net Change in Fund Balances (Budgetary Basis)	<u>\$ 8,036</u>
Adjustments to Reconcile Budgetary Basis to GAAP Basis	
Debt Issuance	(3,905,603)
Capitalization of Fixed Assets	4,119,462
Depreciation	<u>(6,476)</u>
Total Adjustments	<u>207,383</u>
Change in Net Position (GAAP Basis)	<u><u>\$ 215,419</u></u>