

Aspen/Pitkin County Housing Authority
Aspen, Colorado
Financial Report

December 31, 2025

Prepared by the Finance Department of the City of Aspen

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Aspen/Pitkin County Housing Authority, Colorado
Financial Report
December 31, 2025

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Aspen Pitkin County Housing Authority

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FINANCIAL SECTION

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McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Aspen/Pitkin County Housing Authority, CO
Aspen, CO

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Aspen/Pitkin County Housing Authority, Colorado (the "Authority"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Aspen/Pitkin County Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Aspen/Pitkin County Housing Authority as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

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

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

Required Supplementary Information

U.S. GAAP require the Management's Discussion and Analysis in section B 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 U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
September 30, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Aspen/Pitkin County Housing Authority, Colorado
Aspen, Colorado

Management's Discussion and Analysis

December 31, 2025

As management of the Aspen/Pitkin County Housing Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected rents).

The government-wide financial statements presented on pages C1 and C2 distinguish functions of the Authority that are principally supported by intergovernmental revenues (governmental activities) and business-type activities. All business-type activities of the Authority represent operations that are intended to be self supporting, and thereby requiring no subsidy from intergovernmental revenues. The governmental activities of the Authority represent the Authority's general operations, which consist largely of administration and compliance enforcement. The business-type activities of the Authority include specific property management relating to the Smuggler Mountain Apartments and Truscott Place Phase II, L.L.L.P. projects.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The Authority's governmental funds include the General Fund which provides for the housing authority's general operations and the APCHA Development Fund, a special revenue fund, that accounts for resources dedicated to capital costs of future housing projects.

Proprietary funds: The Authority maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type properties that the Authority operates. The Authority uses enterprise funds to account for the operations of its Smuggler Mountain Apartments and Truscott Place Phase II, L.L.L.P. projects.

The proprietary fund financial statements can be found on pages C5, C6, and C7.

Overview of the Financial Statements (continued)

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D15 of this report.

Other Information: The Authority adopts annual appropriated budgets for all its funds in accordance with the Colorado State Statues. The budgetary comparison schedules have been provided for its funds to demonstrate compliance with the budget law (Colorado Revised Statutes 29-1) and are found in sections E and F.

Government-wide Financial Analysis

Aspen/Pitkin County Housing Authority's Net Position:

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Assets:						
Current and other assets	$3,379,432	$2,860,889	$ 2,570,779	$ 2,486,599	$5,950,211	$5,347,488
Capital assets, net	1,644,218	1,657,787	6,406,464	6,113,373	8,050,682	7,771,160
Total Assets	5,023,650	4,518,676	8,977,243	8,599,972	14,000,893	13,118,648
Liabilities:						
Long-term liabilities	301,576	260,384	6,114,754	6,238,220	6,398,251	6,498,604
Other liabilities	283,497	122,634	3,889,177	3,391,878	4,190,753	3,514,512
Total Liabilities	585,073	383,018	10,003,931	9,630,098	10,589,004	10,013,116
Net Position:						
Net investment in capital assets	1,644,218	1,657,787	291,710	(124,847)	1,935,928	1,532,940
Restricted - partners' capital (deficit)	-	-	(1,868,062)	(1,440,764)	(1,868,062)	(1,440,764)
Unrestricted	2,794,359	2,477,871	549,664	535,485	3,344,023	3,013,356
Total Net Position	$4,438,577	$4,135,658	$(1,026,688)	$(1,030,126)	$3,411,889	$3,105,532

Items of interest relating to the Authority's government-wide Statement of Net Position are:

At the end of 2025, the Authority had a total of $3,411,889 in net position between governmental and business-type activities. This represents a 9.86% increase, or $306,357 in total net position. The increase in net position can be attributed to an increase in subsidies from the city and county.

Governmental Activities:

- The Authority's General Fund utilizes the Authority's share of the pooled cash fund managed by the City of Aspen (the "City") to provide operating resources until budgeted operating subsidies are collected from the City and Pitkin County, Colorado (the "County") in order to fund annual operating expenses.
- Both the General Fund and APCHA Development Fund report housing units held for sale as inventory to reduce fund balance fluctuation from one year to the next.

Business-type Activities:

- The authority maintains two business type activity funds that provide for the operation of its two rental housing projects. These funds are the Smuggler Mountain Apartments Fund and the Truscott Place Phase II, L.L.L.P. Fund.

- The Smuggler Mountain Apartments Fund had 2025 operating income in excess of operating expenses of $6,856 and ended 2025 with available cash of $578,294. No major repairs or maintenance were required in 2025.

Government-wide Financial Analysis (continued)

Business-type Activities (continued):

- Truscott Place Phase II, L.L.L.P., which accounts for the financial activity associated with operating and maintaining the Truscott Place II affordable rental housing project – a tax credit financed property, ended 2025 with net operating income of $346,520 and an end of year cash balance of $1,712,846. Rent rates are increased annually to cover increasing operating costs.

The following chart provides summary information regarding the Authority's changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues:						
Program revenues:						
Charges for services:						
Sales and other fees	$1,538,370	$1,362,255	$ -	$ -	$1,538,370	$1,362,255
Rental income	20,701	16,398	1,172,781	1,154,825	1,193,482	1,171,223
Contributions (distributions):						
Grants	-	-	214,126	300,000	214,126	300,000
Intergovernmental	2,789,570	1,601,300	-	-	2,789,570	1,601,300
General revenues:						
Interest	46,187	61,586	35,837	36,717	82,024	98,303
Miscellaneous	-	-	25,891	22,817	25,891	22,817
Total Revenues	4,394,828	3,041,539	1,448,635	1,514,359	5,843,463	4,555,898
Expenses:						
Housing operations	2,805,142	2,426,728	-	-	2,805,142	2,426,728
Sales department	392,177	444,930	-	-	392,177	444,930
Housing qualifications	129,617	120,747	-	-	129,617	120,747
Maintenance	650,827	514,647	-	-	650,827	514,647
Capital Outlay	114,147	-	-	-	114,147	-
Smuggler Mountain Apartments	-	-	82,599	62,672	82,599	62,672
Truscott Place Phase II, L.L.L.P.	-	-	1,362,598	1,305,935	1,362,598	1,305,935
Total Expenses	4,091,910	3,507,052	1,445,197	1,368,607	5,537,107	4,875,659
Change in Net Position	302,919	(465,513)	3,438	145,752	306,357	(319,761)
Net Position - Beginning of Year	4,135,658	4,601,171	(1,030,126)	(1,175,878)	3,105,532	3,425,293
Net Position - End of Year	$4,438,577	$4,135,658	$(1,026,688)	$(1,030,126)	$3,411,889	$3,105,532

The primary differences noted above include more sales and partner contributions.

Budget Variances in the General Fund (Housing Administration): The Authority presents a budget to actual comparison for the General Fund on page E1. In 2025, actual revenues were $69,197 more than budgeted. Actual expenditures came in $496,707 under budget primarily due to less capital outlay expenditures.

Capital Assets: The Authority's net capital assets increased government-wide from $7,771,160 to $8,050,682, a 1.3% increase and had $369,065 in depreciation of capital assets. Additional information, as well as a detailed classification of the Authority's net capital assets can be found in the Notes to the Financial Statements on pages D9 and D10 of this report.

Government-wide Financial Analysis: (continued)

Long-term Liabilities: As of the end of the current fiscal year, the Authority's long-term liabilities increased by $26,178 from 2024, due to principal pay downs of $15,014 and $41,192 of additional compensated absences liability, due to increases in salaries in 2025. Additional information as well as a detailed classification of the Authority's total long-term liabilities can be found in the Notes to the Financial Statements on pages D10 through D12.

Next Year's Budget and Rates: The Authority's 2026 General Fund budget anticipates covering all costs relating to operations through the joint City and County subsidy, tax credits, sales revenue, and other miscellaneous revenue sources.

The properties Smuggler Mountain Apartments and Truscott Place Phase II, L.L.L.P. anticipate covering all costs relating to operations with rental payments and other miscellaneous revenues.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Aspen/Pitkin County Housing Authority, Executive Director, 427 Rio Grande Pl, Aspen, CO 81611, or email damian.gucwa@aspengov.com.

Aspen Pitkin County Housing Authority

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Aspen/Pitkin County Housing Authority, Colorado
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Totals
Assets:			
Cash unrestricted	$ 854,293	$ 1,254,284	$ 2,108,577
Cash restricted	-	1,036,856	1,036,856
Accounts receivable	538,024	28,077	566,101
Inventories	1,987,115	-	1,987,115
Other receivables	-	214,126	214,126
Other assets		37,436	37,436
Capital assets, not being depreciated	-	500,000	500,000
Capital assets, net of accumulated depreciation/amortization	1,644,218	5,906,464	7,550,682
Total Assets	5,023,650	8,977,243	14,000,893
Liabilities:			
Accounts payable	32,148	588,664	620,812
Accrued liabilities	55,249	2,944,228	2,999,477
Deposits	196,100	208,870	404,970
Prepaid rent	-	10,689	10,689
Due to partners	-	136,726	136,726
Non-current liabilities:			
Due within one year	120,630	131,734	252,364
Due in more than one year	180,946	5,983,020	6,163,966
Total Liabilities	585,073	10,003,931	10,589,004
Net Position:			
Net investment in capital assets	1,644,218	291,710	1,935,928
Restricted - partners' capital (deficit)	-	(1,868,062)	(1,868,062)
Unrestricted	2,794,359	549,664	3,344,023
Total Net Position	$ 4,438,577	$(1,026,688)	$ 3,411,889

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

Aspen/Pitkin County Housing Authority, Colorado
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net Revenue (Expenses) and Changes in Net Position: Governmental Activities	Net Revenue (Expenses) and Changes in Net Position: Business-type Activities	Net Revenue (Expenses) and Changes in Net Position: Totals
Governmental Activities:						
Affordable housing	$ 4,091,910	$ 1,559,071	$ 2,789,570	$ 256,732	$ -	$ 256,732
Total Governmental Activities	4,091,910	1,559,071	2,789,570	256,732	-	256,732
Business-type Activities:						
Smuggler Mountain Apartments	82,599	89,423	-	-	6,824	6,824
Truscott Place Phase II, L.L.L.P.	1,362,598	1,083,358	214,126	-	(65,114)	(65,114)
Total Business-type Activities	1,445,197	1,172,781	214,126	-	(58,290)	(58,290)
Total	$ 5,537,107	$ 2,731,852	$ 3,003,696	256,732	(58,290)	198,442
General Revenues:						
Investment earnings				46,187	35,837	82,024
Miscellaneous				-	25,891	25,891
Total				46,187	61,728	107,915
Change in Net Position				302,919	3,438	306,357
Net Position - Beginning of Year				4,135,658	(1,030,126)	3,105,532
Net Position - End of Year				$ 4,438,577	$(1,026,688)	$ 3,411,889

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

FUND FINANCIAL STATEMENTS

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Aspen/Pitkin County Housing Authority, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	APCHA Development Fund	Total
Assets:			
Cash unrestricted	$ 854,293	$ -	$ 854,293
Accounts receivable	537,912	112	538,024
Inventories	-	1,987,115	1,987,115
Total Assets	1,392,205	1,987,227	3,379,432
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	28,910	3,237	32,147
Accrued liabilities	55,249	-	55,249
Deposits	-	196,100	196,100
Total Liabilities	84,159	199,337	283,496
Fund Balance:			
Nonspendable	-	1,987,115	1,987,115
Committed	526,803	-	526,803
Unassigned	781,243	(199,226)	582,018
Total Fund Balance	1,308,046	1,787,890	3,095,936
Total Liabilities and Fund Balance	$ 1,392,205	$ 1,987,227	$ 3,379,432

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund Balance - Total Governmental Funds	$ 3,095,936
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,644,218
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This represents accrued compensated absences, and retirement.	(301,577)
Net Position of Governmental Activities	$ 4,438,577

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

Aspen/Pitkin County Housing Authority, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	APCHA Development Fund	Total
Revenues:			
Intergovernmental	$ 2,789,570	$ -	$ 2,789,570
Sales and development fees	1,060,681	-	1,060,681
Sales of housing units	-	302,016	302,016
Refund of expenditures	173,943	-	173,943
Other revenues	1,675	55	1,730
Rental income	-	20,701	20,701
Investment earnings	32,578	13,609	46,187
Total Revenues	4,058,447	336,381	4,394,828
Expenditures:			
Housing operations department	2,700,105	50,275	2,750,380
Sales department	142,860	-	142,860
Housing qualification department	129,617	-	129,617
Maintenance department	650,827	-	650,827
Capital outlay	94,305	19,842	114,147
Cost of units sold	-	249,317	249,317
Total Expenditures	3,717,714	319,434	4,037,148
Excess (Deficiency) of Revenues Over Expenditures	340,733	16,948	357,681
Fund Balance - Beginning of Year	967,313	1,770,942	2,738,255
Fund Balance - End of Year	$ 1,308,046	$ 1,787,890	$ 3,095,936

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net Change in Fund Balance of Governmental Funds	$ 357,681
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded/(were exceeded by) depreciation in the current period.	(13,570)
Changes in the employees' accrued compensated absences and retirement are considered changes in long-term liabilities. This is the amount that accrued compensated absences and retirement increased.	(41,192)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.	
Change in Net Position of Governmental Activities	$ 302,919

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

Aspen/Pitkin County Housing Authority, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025

	Smuggler Mountain Apartments	Truscott Place Phase II, L.L.L.P.	Total
Assets:			
Cash unrestricted	$ 578,294	$ 675,990	$ 1,254,284
Cash restricted	-	1,036,856	1,036,856
Accounts receivable, net of allowance for uncollectibles	2,400	25,677	28,077
Other receivables	-	214,126	214,126
Other assets	-	37,436	37,436
Capital assets, net	34,142	6,372,322	6,406,464
Total Assets	614,836	8,362,407	8,977,243
Liabilities:			
Accounts payable	10,953	577,711	588,664
Accrued liabilities	3,057	2,941,171	2,944,228
Tenant security deposit	14,932	193,938	208,870
Prepaid rent	2,088	8,601	10,689
Due to partners	-	136,726	136,726
Notes payable	-	6,114,754	6,114,754
Total Liabilities	31,030	9,972,901	10,003,931
Net Position:			
Net investment in capital assets	34,142	257,568	291,710
Restricted - partners' capital (deficit)	-	(1,868,062)	(1,868,062)
Unrestricted	549,664	-	549,664
Total Net Position	$ 583,806	$(1,610,494)	$(1,026,688)

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

Aspen/Pitkin County Housing Authority, Colorado
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Smuggler Mountain Apartments	Truscott Place Phase II, L.L.L.P.	Total
Operating Revenues:			
Rents and royalties	$ 89,423	$ 1,083,358	$ 1,172,781
Nongovernmental grants	-	214,126	214,126
Other revenue and reimbursements	32	25,859	25,891
Total Operating Revenues	89,455	1,323,343	1,412,798
Operating Expenses:			
General and administrative	45,089	408,728	453,817
Repairs and maintenance	19,412	158,643	178,055
Utilities	17,595	110,458	128,053
Depreciation and amortization	503	298,994	299,497
Total Operating Expenses	82,599	976,823	1,059,422
Operating Income (Loss)	6,856	346,520	353,376
Non-Operating Revenues (Expenses):			
Interest expense and financing fees	-	(385,775)	(385,775)
Interest income	31,945	3,892	35,837
Total Non-Operating Revenues (Expenses)	31,945	(381,883)	(349,938)
Change in Net Position	38,801	(35,363)	3,438
Net Position - Beginning of Year	545,005	(1,575,131)	(1,030,126)
Net Position - End of Year	$ 583,806	$(1,610,494)	$(1,026,688)

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

Aspen/Pitkin County Housing Authority, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Smuggler Mountain Apartments	Truscott Place Phase II, L.L.L.P.	Total
Cash Flows From Operating Activities:			
Cash received from customers and others	$ 89,938	$ 1,117,068	$ 1,207,006
Cash paid for goods and services	(53,581)	(322,222)	(375,803)
Cash paid to employees	(21,336)	-	(21,336)
Net Cash Provided (Used) by Operating Activities	15,021	794,846	809,867
Cash Flows From Capital Financing Activities:			
Principal payment on debt	-	(123,466)	(123,466)
Interest payment and financing fees	-	(273,473)	(273,473)
Acquisition of capital assets	(25,125)	(562,147)	(587,272)
Grants and contributions	-	300,000	300,000
Net Cash Used by Capital Financing Activities	(25,125)	(659,086)	(684,211)
Cash Flows From Investing Activities:			
Interest received	31,945	3,892	35,837
Net Cash Provided by Investing Activities	31,945	3,892	35,837
Increase (Decrease) in Cash and Cash Equivalents	21,841	139,652	161,493
Cash and Cash Equivalents - Beginning of Year	556,453	1,573,194	2,129,647
Cash unrestricted	578,294	675,990	1,254,284
Cash restricted	-	1,036,856	1,036,856
Cash and Cash Equivalents - End of Year	578,294	1,712,846	2,291,140
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	6,856	346,520	353,376
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and amortization	503	298,994	299,497
(Increase) decrease in accounts receivable	199	(14,076)	(13,877)
(Increase) decrease in other receivables	-	(214,126)	(214,126)
Increase (decrease) in due to related parties	-	10,290	10,290
Increase (decrease) in prepaid rent	(36)	(10,149)	(10,185)
Increase (decrease) in security deposits	320	21,786	22,106
Increase (decrease) in accounts payable and accrued liabilities	7,179	355,607	362,786
Total Adjustments	8,165	448,326	456,491
Net Cash Provided (Used) by Operating Activities	$ 15,021	$ 794,846	$ 809,867

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

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Aspen Pitkin County Housing Authority

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NOTES TO THE FINANCIAL STATEMENTS

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I. Summary of Significant Accounting Policies

A. Formation

The Aspen/Pitkin County Housing Authority, ("Authority"), was formed in 1984 by an intergovernmental agreement among the City of Aspen (the "City"), Pitkin County (the "County"), Pitkin County Housing Authority, and the Housing Authority of Aspen to establish a multi-jurisdictional housing authority. The original intergovernmental agreement has been amended by the City and the County. The Authority is governed by a seven member Board of Directors and one alternate director. The Board of County Commissioners and Aspen City Council each appoint three directors and two jointly (one a full voting member and one an alternate). The City and County provide equally the net operating subsidy for the Authority's General Fund. Because the City provides management and accounting services, the Authority's employees are subject to the City's personnel policies and guidelines.

The Authority provides a program and a system to assist with a supply of desirable and affordable housing for permanent residents, persons employed in the City or the County, senior citizens, disabled persons, and other population segments residing or needing to reside in the Roaring Fork Valley.

The Authority is a political subdivision and a public corporation of the State of Colorado, separate from the City and the County.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Reporting Entity

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

1. Blended Component Units

The Truscott Place Phase II, L.L.L.P. is an entity legally separate from the Authority, and is presented as if it were part of the Authority's operations because the Authority is the general managing partner of the entity and therefore, is financially responsible for its operations. The audited financial statements of this entity is available at the City of Aspen Finance Department.

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements

The Authority's basic financial statements include both government-wide (reporting the Authority as a whole) and fund financial statements (reporting the Authority's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Authority's operation of the sale and resale of the units to qualified purchasers and the administration of the Authority are classified as governmental funds. The Authority's rental operations and its interests in the limited partnerships are classified as business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Authority's functions and business-type activities. The functions are also supported by general government revenues (investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary operating grants.

The government-wide focus is on the sustainability of the Authority as an entity and the change in the Authority's net position resulting from the current year's activities.

D. Fund Financial Statements

The financial transactions of the Authority are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The Authority reports the following governmental funds:

The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority used for its administrative and regulatory operations.

The *APCHA Development Fund* accounts for resources dedicated to the capital costs of future housing projects.

The Authority reports the following proprietary or business-type funds:

The *Smuggler Mountain Apartment Fund* accounts for the rental and maintenance of the rental units in this facility.

Truscott Place Phase II, L.L.L.P. accounts for the operations of the tax credit rental project for which the Authority is the general partner.

I. Summary of Significant Accounting Policies (continued)

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

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

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenditures/expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include: 1) charges to customers and applicants for rentals, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Authority’s enterprise funds are charges for rentals and services. Operating expenses for these funds include the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

F. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

I. Summary of Significant Accounting Policies (continued)

F. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. At December 31, 2025, Truscott Place Phase II, L.L.L.P. had an allowance of $14,765.

3. Inventory

Inventory in the APCHA Development Fund consists of housing units held for resale, valued at cost.

4. Other Assets

Other assets include permanent loan fees. Permanent loan fees are amortized using the straight-line method over the life of the mortgage.

5. Capital Assets

Capital assets, which include land, land improvements, buildings, and equipment, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Such assets are recorded at historical cost.

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

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40
Equipment	3 - 10
Lease/SBITA assets	varies*

*The shorter of the lease/SBITA term or useful life of the underlying asset.

6. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance classifications including nonspendable resources, committed amounts, and assigned amounts. Only the General Fund reports unassigned amounts that have not been assigned to specific purposes within the General Fund. Since the City manages the Authority's governmental funds, the City Manager has the authority to establish, modify, or rescind assigned fund balance to a specific department or project within a fund, as stated in the City's adopted financial policies.

I. Summary of Significant Accounting Policies (continued)

F. Financial Statement Accounts (continued)

6. Fund Balance Classifications (continued)

Fund balance classifications with the highest level of constraint are spent first; such that restricted fund balance is spent before unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted balances are available. Likewise, committed and assigned fund balances are spent before unassigned fund balance when an expenditure is incurred for which any such unrestricted fund balances are available.

The Authority has adopted a minimum fund balance policy, which establishes a required reserve in the General Fund of no less than twelve and a half percent (12.5%) of annual appropriated expenditures, including recurring transfers.

Fund balance classifications are reported in the aggregate on the face of the balance sheet. The components of each classification are displayed below:

	General Fund	APCHA Development Fund
Nonspendable:		
Inventory	-	1,987,115
Total Nonspendable	-	1,987,115
Committed:		
Operating reserve	526,803	-
Total Committed	526,803	-
Assigned:		
Affordable housing	-	
Total Assigned	-	-
Unassigned	781,243	(199,226)
Total Unassigned	781,243	(199,226)

G. Estimates

The preparation of financial statements in conformity with GAAP requires the Authority's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures/expenses. Actual results could differ from those estimates. The Authority believes that the techniques and assumptions used in establishing these estimates are appropriate.

H. Legal Provisions and Authorization for Deposits

The Authority is governed by State Statutes as to the type of institutions and investments with which it may deposit funds and transact business in the governmental and business-type activities.

I. Summary of Significant Accounting Policies (continued)

I. Subscriptions

The Authority is party to non-cancellable agreements for subscription-based information technology software arrangements ("SBITAs"). In such arrangements, the Authority recognizes right-to-use subscription assets (and corresponding subscription liabilities) with an initial, individual value of $10,000 or more. Right to use-subscription assets and subscription liabilities are reported on the Statement of Net Position.

At the commencement of a subscription, the Authority initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

Key estimates and judgments related to subscriptions include how the Authority determines the following:

Discount Rate: The Authority uses the interest rate charged by the subscription service provider as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the subscription service provider is not provided, the Authority uses a combination of an applicable market rate and a credit spread based on market data points as of the most recent quarter-end at subscription initiation.

Subscription Term: The subscription term includes the non-cancellable period of the subscription and extended term(s) that the Authority is reasonably certain to exercise.

Subscription Payments: Subscription payments included in the measurement of the subscription liability are composed of fixed payments. The subscription payments are subject to annual CPI adjustments, and such variable payments are recognized as an expense when the estimated CPI adjustment differs from fixed payments initially used to measure the liability.

The Authority monitors changes in circumstances that would require a re-measurement of its subscriptions and will re-measure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund Balance Sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide Statement of Net Position. That reconciliation explains long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This difference relates to accumulated compensated absences and retirement of $301,577 and net capital assets of $1,644,218, which are not current financing sources or uses.

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net change in fund balances of governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains, governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. As with depreciation, the acquisition of assets is not counted towards the change in net position of the funds. This $13,570 difference is comprised of depreciation expense of $74,883 and capitalized assets of $61,314. Another element of that reconciliation explains changes in the employees' accrued compensated absences and retirement are considered changes in long-term liabilities, which are not due and payable in the current period and, therefore, are not reported in the funds. Accrued compensated absences increased by $41,192.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with GAAP, except for the proprietary funds. In accordance with Colorado State Statutes, annual appropriations are adopted for all funds, except the limited partnership and limited liability limited partnership. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

The Authority adheres to Colorado statutes and the following procedures in establishing the budgetary data reflected in the financial statements:

(1) Budgets are required by state law. The Authority's Board of Directors approves formal budget resolutions for all operations of the Authority. The City Council and Pitkin County Commissioners also approve the Authority's General Fund budget.

(2) Supplementary budgets are approved by the Authority's Board of Directors.

(3) The original 2025 budget was adopted in December of 2024, and was revised through (a) supplemental resolution(s).

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

(4) The budget for the enterprise funds is adopted on a basis that is not consistent with GAAP, but instead adopts the spending measurement focus of a governmental fund.

The proprietary fund budgets were adopted on a non-GAAP budgetary basis and are reconciled below:

	Smuggler Mountain Apartments	Truscott Place Phase II, L.L.L.P.
Excess (Deficiency) of Revenues Over Expenses - (Budget Basis)	14,179	(299,390)
Housing units held for sale	-	-
Capitalized expenses/ transfer of assets	25,125	562,147
Debt issuance costs	-	-
Debt principal payments	-	123,466
Debt accrued interest	-	(112,302)
Depreciation and amortization	(503)	(298,994)
Asset/partnership management fee	-	(10,290)
Change in Net Position - (GAAP basis)	$ 38,801	$ (35,363)

B. Housing Projects

1. Truscott Place Phase II, L.L.L.P.

The Truscott Place Phase II, L.L.L.P. (the "Partnership") project is a sale of Buildings 200 and 300 and lot 3 of the Truscott rental unit project by the City of Aspen. The Truscott Place Phase II, L.L.L.P. acquired the property and has remodeled the project from proceeds of federal tax credits, a loan from the City of Aspen, and other loans. The Authority is a 50.005% partner in the Truscott Place Phase II, L.L.L.P. and is the general managing partner. The Authority has an option to purchase the assets of the Partnership at December 31, 2050, for a purchase price of the lesser of a price equal to the outstanding debt and taxes due or the fair market value of the property.

IV. Detailed Notes on all Funds

A. Cash and Investments

In order to facilitate the recording of cash transactions and maximize investment earnings, the Authority has combined cash and investments with the City of Aspen (the "City"), except for its component unit, Truscott Place Phase II, L.L.L.P., and maintains accountability for each fund's equity in the pooled cash and investments. Investment earnings are prorated among the contributing funds monthly, based on each fund's respective percentage of equity to the total amount of pooled cash and investments. All funds of the City of Aspen are eligible for investment and may be combined in an investment instrument to maximize earnings.

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of 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. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal or exceed 102% of the uninsured deposits.

At December 31, 2025, the carry value of the City's and the Authority's pooled deposits was $28,977,032 . The bank balance of these accounts was $34,857,953, of which $250,000 was covered by Federal Deposit Insurance Corporation and $34,607,953 was collateralized in institution pools as described above. The difference between carrying and bank balances represents items that had not cleared the bank at year end. The Authority also had cash on hand of $300. The Authority has chosen not to show fair value disclosures due to its cash being pooled with the City.

Truscott Place Phase II, L.L.L.P., a component unit of the Authority, had restricted cash of $1,036,856 for tenant security deposits, mortgage escrow as well as operating, carpet, and replacement reserves.

B. Receivables

Receivables as of year-end for the Authority's funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	APCHA Development Fund	Smuggler Mountain Apartments	Truscott Place Phase II, L.L.L.P.	Total
Other receivables	$ -	$ -	$ -	$ 214,126	$ 214,126
Trade accounts	537,912	112	2,400	40,442	580,866
Allowance for uncollectible accounts	-	-	-	(14,765)	(14,765)
Net Receivables	$ 537,912	$ 112	$ 2,400	$ 239,803	$ 780,227

IV. Detailed Notes on all Funds (continued)

C. Other Assets

The following are the other asset balances at December 31, 2025:

	Truscott Place Phase II, L.L.L.P.	Total
Deferred financing costs	$ 188,122	$ 188,122
Less: accumulated amortization	(150,686)	(150,686)
	$ 37,436	$ 37,436

D. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets being depreciated/amortized:				
Buildings	22,222	-	-	22,222
Equipment	148,388	-	-	148,388
Infrastructure and improvements other than buildings	1,845,275	61,315	-	1,906,590
Total capital assets, being depreciated/amortized	2,015,885	61,315	-	2,077,200
Less accumulated depreciation/amortization for:				
Buildings	(4,444)	(2,223)	-	(6,667)
Equipment	(66,247)	(7,064)	-	(73,311)
Infrastructure and improvements other than buildings	(287,406)	(65,597)	-	(353,003)
Total accumulated depreciation/amortization	(358,097)	(74,884)	-	(432,981)
Total capital assets, being depreciated/amortized, net	1,657,788	(13,569)	-	1,644,218
Governmental Activities Capital Assets, Net	$ 1,657,788	$ (13,569)	$ -	$ 1,644,218
Business-Type Activities:				
Capital assets, not being depreciated:				
Land and land rights	500,000	-	-	500,000
Construction in progress	45,864	760,299	(806,163)	-
Total capital assets, not being depreciated	545,864	760,299	(806,163)	500,000
Capital assets, being depreciated:				
Buildings	10,303,687	166,865	-	10,470,552
Infrastructure and improvements other than buildings	1,044,681	464,990	-	1,509,671
Machinery and equipment	252,740	1,281	(1,281)	252,740
Total capital assets, being depreciated	11,601,108	633,136	(1,281)	12,232,963
Less accumulated depreciation for:				
Buildings	(5,625,288)	(259,802)	-	(5,885,090)
Infrastructure and improvements other than buildings	(195,333)	(31,624)	-	(226,957)
Machinery and equipment	(212,978)	(2,755)	1,281	(214,452)
Total accumulated depreciation	(6,033,599)	(294,181)	1,281	(6,326,499)
Total capital assets, being depreciated, net	5,567,509	338,955	-	5,906,464
Business-Type Activities Capital Assets, Net	$ 6,113,373	$ 1,099,254	$ (806,163)	$ 6,406,464

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Depreciation and amortization expense was charged to functions of the primary government as follows:

Governmental Activities:	
Housing operations	$ 74,884
Total Depreciation/Amortization Expense - Governmental Activities	$ 74,884
Business-Type Activities:	
Smuggler Mountain Apartments	$ 503
Truscott Place Phase II, L.L.L.P.	293,678
Total Depreciation Expense - Business-Type Activities	$ 294,181

E. Long-term Liabilities – Governmental Activities

1. Compensated Absences

All regular employees are granted paid time off and extended sick leave. Employees accrue paid time off and extended sick leave according to the following schedule:

Years of Service	Paid Time Off	Extended Sick Leave
0 to 5 years	176 hours per year	40 hours per year
After 5 years	224 hours per year	40 hours per year
Maximum Accrual	328 hours	Unlimited

Upon termination, an employee is paid 100% of the accrued paid time off up to the maximum accrual from the fund that paid the employee's salary. Accrued extended sick leave is paid at the ratio of one hour paid for three hours accrued, with a maximum payout of 240 hours. In accordance with GAAP, the Authority's approximate liability for paid time off and extended sick leave earned by employees at December 31, 2025 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements.

2. Retirement Bonus

An employee that meets the rule of 80, attaining any combination of age and years of service totaling 80, and reaches age 55, and completes at least 15 years of continuous service is eligible for retirement. Eligible employees are entitled to a certain number of months of pay, depending on the year in which they become eligible. The retirement bonus liability for all eligible employees is recorded in the government-wide financial statements under non-current liabilities.

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities – Business-type Activities

1. Truscott Place Phase II, L.L.L.P.

(a) **Colorado Housing and Finance Authority (CHFA)** – The Partnership entered into a mortgage note agreement with CHFA on May 1, 2003 in the amount of $5,650,000. The loan is secured by the first deed of trust on the project. Pursuant to the note, interest shall accrue at a rate of 6.5% per annum. Commencing on July 1, 2003, the Partnership is required to make monthly payments of principal and interest in the amount of $33,078. Any remaining principal and interest shall be due and payable on June 1, 2043. As of December 31, 2025, the principal balance was $4,139,754.

(b) **City of Aspen, Colorado** – The Partnership entered into a loan agreement with the City of Aspen on September 6, 2001 in the amount of $2,900,000. The note is secured by a deed of trust on the project. Interest shall accrue at a fixed rate of 5.72% per annum. As of December 31, 2025, the principal balance was $1,975,000 and the accrued interest was $2,918,747.

Principal and any unpaid accrued interest is payable on October 22, 2047.

(c) **Consolidated annual debt service requirements:**

Year Ending December 31	Principal
2026	$ 131,734
2027	140,557
2028	149,970
2029	160,014
2030	170,730
2031-2035	1,041,269
2036-2040	1,439,885
2041-2045	905,595
2046-2047	1,975,000
	$ 6,114,754

IV. Detailed Notes on all Funds (continued)

G. Long-term Liabilities – Activity

Long-term liability activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	$ 191,117	$ 37,878	-	$ 228,995	$ 91,598
Retirement bonus	69,267	3,314	-	72,581	29,032
Total Governmental Activities Long-Term Liabilities	260,384	41,192	-	301,576	120,630
Business-Type Activities:					
Truscott Place Phase II, L.L.L.P.:					
Colorado Housing and Finance Authority	4,154,768	-	(15,014)	4,139,754	131,734
City of Aspen	1,975,000	-	-	1,975,000	-
Total Business-Type Activities Long-Term Liabilities	6,129,768	-	(15,014)	6,114,754	131,734
Total Government-Wide Long-Term Liabilities	$ 6,390,152	$ 41,192	$ (15,014)	$ 6,416,330	$ 252,364

V. Other Information

A. Deferred Compensation Plans

The Authority participates in four deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Plan assets are invested with the Equitable Life Assurance Company of the United States (PEDC), Great West Life, International City Management Association Retirement Corporation (ICMARC), and Nationwide Retirement Services. The PEDC, Great West Life, and Nationwide plans have been closed to new employees.

The Authority also participates in two pension plans in accordance with Internal Revenue Code 401(a) plan. The plan assets are invested with Nationwide Retirement Services and ICMARC. The Nationwide plan has been closed to new employees.

V. Other Information (continued)

A. Deferred Compensation Plans (continued)

Contributions to these plans are accounted for in the respective fund where the employee's salary is recorded. The Authority has a mandatory contribution to the regular employee pension plan, irrespective of a regular employee's participation, equal to 6.0% of the regular employee's salary for the first five years of employment, 7.0% for the next five years and 8.0% per year thereafter. Vesting occurs at the rate of 20% per year of service. Upon an employee's separation of employment, all unvested Authority contributions and interest allocations are forfeited and are required to be used to reduce future Authority contributions to the plan. The total amount of forfeitures for the Authority for 2025 was $0. Regular employees can elect to contribute their own deductions to the deferred compensation plan with a limit of $23,500 for 2025. The assets of the plans are not available to general creditors of the Authority. The City of Aspen's City Council has the authority to change the contributions of the Authority.

The employees' funds in deferred compensation and pension plans are not available to employees until termination, retirement, death, or unforeseeable emergency. As of December 31, 2025, there were no unfunded deferred compensation or pension fund liabilities due to any deferred compensation or pension plans.

B. Contingent Liabilities

1. Legal

The Authority is a party to litigation under which it may suffer uninsured losses upon the decision of the courts. However, it is the opinion of the Authority's management and legal counsel that the results of this litigation will not have a material adverse effect on the Authority's financial position. No provision has been made in the financial statements for these contingent liabilities.

C. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and general liability. The Authority carries commercial coverage for these risks and does not expect claims to exceed their coverage.

1. Colorado Intergovernmental Risk Sharing Agency (CIRSA)

The Colorado Intergovernmental Risk Sharing Agency ("CIRSA") was formed by an intergovernmental agreement by member public entities pursuant to state statutes.

The purpose of CIRSA is to provide members defined liability and property coverages and to assist members in the prevention and reduction of losses and injuries to municipal property and employees, or to other persons or property, which might result in claims being made against members of CIRSA, their employees or officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The bylaws shall constitute the substance of the intergovernmental contract among the members.

V. Other Information (continued)

C. Risk Management (continued)

1. Colorado Intergovernmental Risk Sharing Agency (CIRSA) (continued)

CIRSA is governed by a Board of Directors, who are elected by the membership for two-year terms. All actions of the membership require a 2/3 majority vote of all the members present at a meeting. The scope, terms, conditions, and limitations of the coverages are governed by the applicable coverage policies and/or excess coverage policies, the CIRSA bylaws, and other applicable documents; the types and monetary limits of the coverages are generally described below.

The types of coverages include property, general liability, auto liability, law enforcement liability, public officials' errors and omissions liability, excess liability, crime coverage, and supplemental defense coverage. The 2025 CIRSA self-insured retentions are $500,000 per claim for property, $500,000 per claim for liability, and $150,000 per claim for crime. There were no settled claims that exceeded insurance coverage in the year ended December 31, 2025.

CIRSA carries excess insurance with limits of $500,500,000 per claim for property, $10,000,000 per claim for liability (except auto liability which is $5,000,000 per claim), and $5,000,000 per claim for crime. The City's deductible for all coverages is $10,000 per claim except auto liability which is $5,000 per claim.

The City of Aspen's City Council approves the Authority's continued membership in CIRSA via their annual review of the City's budget for the various departments and funds.

Aspen Pitkin County Housing Authority

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REQUIRED SUPPLEMENTARY INFORMATION

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Aspen/Pitkin County Housing Authority, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental	$ 2,817,740	$ 2,817,740	$ 2,789,570	$ (28,170)	$ 1,601,300
Sales and development fees	978,600	978,600	1,060,681	82,081	1,038,730
Refund of expenditures	177,910	177,910	173,943	(3,967)	150,396
Earnings on investments	5,000	5,000	32,578	27,578	33,921
Other revenue	10,000	10,000	1,675	(8,325)	6,202
Total Revenues	3,989,250	3,989,250	4,058,447	69,197	2,830,549
Expenditures:					
Housing operations department	2,734,880	2,766,610	2,700,105	66,505	2,306,711
Sales department	164,890	164,890	142,860	22,030	138,519
Housing qualification department	155,370	155,370	129,617	25,753	120,747
Maintenance department	677,910	791,426	650,827	140,599	514,647
Debt service					
Interest	-	-	-	-	411
Principal retirement	-	-	-	-	17,402
Capital outlay	100,000	336,125	94,305	241,820	-
Total Expenditures	3,833,050	4,214,421	3,717,714	496,707	3,098,437
Excess (Deficiency) of Revenues Over Expenditures			340,733		(267,888)
Fund Balance - Beginning			967,313		1,235,201
Fund Balance - Ending			$ 1,308,046		$ 967,313

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

Aspen/Pitkin County Housing Authority, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Special Revenue Fund
APCHA Development Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive	Actual
Revenues:					
Sale of housing units	$ -	$ 1,347,970	$ 302,016	$ (1,045,954)	$ 200
Rental income	13,200	13,200	20,701	7,501	16,398
Earnings on investments	3,000	3,000	13,609	10,609	27,665
Other	-	-	55	55	16
Total Revenues	16,200	1,364,170	336,381	(1,027,789)	44,279
Expenditures:					
Purchased services	24,220	24,220	50,275	(26,055)	9,290
Cost of units sold	-	953,922	249,317	704,605	-
Capital outlay	-	443,628	19,842	423,787	306,411
Total Expenditures	24,220	1,421,770	319,434	1,102,337	315,701
Changes in Fund Balance	$ (8,020)	$ (57,600)	16,948	$ 74,548	(271,422)
Reconciliation to GAAP Basis:					
Housing units held for sale			-		166,711
Excess (Deficiency) of Revenues Over Expenditures			16,948		(104,711)
Fund Balance - Beginning			1,770,942		1,875,653
Fund Balance - Ending			$ 1,787,890		$ 1,770,942

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

Aspen Pitkin County Housing Authority

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SUPPLEMENTARY INFORMATION

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Aspen/Pitkin County Housing Authority, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Proprietary Funds
Smuggler Mountain Apartment Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Rental income	$ 83,500	$ 83,500	$ 89,423	$ 5,923	$ 86,944
Earnings on investments	7,000	7,000	31,945	24,945	20,385
Other revenues	-	-	32	32	57
Total Revenues	90,500	90,500	121,400	30,900	107,386
Expenses:					
Operating expenses	81,450	81,450	82,096	(646)	62,274
Property, plant, and equipment	89,000	96,000	25,125	70,875	
Total Expenses	170,450	177,450	107,221	70,229	62,274
Change in Net Position - Budget Basis	$ (79,950)	$ (86,950)	14,179	$ 101,129	45,112
Reconciliation to GAAP Basis:					
Capitalized expenses			25,125		-
Depreciation			(503)		(398)
Change in Net Position - GAAP Basis			38,801		44,714
Net Position - Beginning			545,005		500,291
Net Position - Ending			$ 583,806		$ 545,005

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

Aspen/Pitkin County Housing Authority, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Proprietary Funds
Truscott Place Phase II, L.L.L.P.
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget*	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Rents and royalties	$ 1,089,000	$ 1,083,358	$ (5,642)	$ 1,067,881
Nongovernmental grants	-	214,126	214,126	300,000
Other income	13,000	25,859	12,859	22,760
Investment earnings	3,800	3,892	92	16,332
Total Revenues	1,105,800	1,327,235	221,435	1,406,973
Expenses:				
Operating expenses	1,041,401	667,539	373,862	629,638
Property, plant, and equipment	1,305,687	562,147	743,540	178,728
Debt service:				
Principal	123,466	123,466	-	115,716
Interest	273,474	273,473	1	281,224
Total Expenses	2,744,028	1,626,625	1,117,403	1,205,306
Change in Net Position - Budget Basis	$(1,638,228)	(299,390)	$ 1,338,838	201,667
Reconciliation to GAAP Basis:				
Capitalized expenses		562,147		178,728
Debt principal payments		123,466		115,716
Debt accrued interest		(112,302)		(112,343)
Depreciation		(293,678)		(267,123)
Amortization		(5,316)		(5,317)
Asset/partnership management fee		(10,290)		(10,290)
Change in Net Position - GAAP Basis		(35,363)		101,038
Net Position - Beginning		(1,575,131)		(1,676,169)
Net Position - Ending		$(1,610,494)		$(1,575,131)

* Legally adopted appropriations are not required for Truscott Place Phase II, L.L.L.P. Planning budgets have been presented.