CHAFFEE HOUSING AUTHORITY
Chaffee County, Colorado

FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

DECEMBER 31, 2025

CHAFFEE HOUSING AUTHORITY

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
FOR THE YEAR ENDED DECEMBER 31, 2025

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CHAFFEE HOUSING AUTHORITY
APPOINTED OFFICIALS
December 31, 2025

BOARD OF DIRECTORS

Monica Haskell, Chair
Eric Warner, Vice Chair
Dominique Naccarato, Secretary
Libby Fay, Treasurer
Eric Lee
Brett Landin
Alisa Pappenfort
Carley Smith
Lauren Ostrom

MANAGEMENT AND STAFF

Marjo Curgus, Executive Director
Daniel Flanders, Housing Cash Manager
Laura Thompson, Housing Navigator
Jen-ai Stokesbary, Real Estate Projects Manager
Dawn Heigele, Bookkeeper

SCOTT C. WRIGHT
CERTIFIED PUBLIC ACCOUNTANT
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Chaffee Housing Authority
Salida, Colorado

Report on the Audit of the Financial Statements

Opinion

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, 2025, 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, 2025, 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 the 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 the Authority's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 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 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 my 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.

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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has omitted management's 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. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary budget comparisons identified in the table of contents is presented to supplement the basic financial statements and is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Scott Wright

Salida, Colorado
May 13, 2026

CHAFFEE HOUSING AUTHORITY

STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 427,728	$ 94,632	$ 522,360
Receivables	17,996	1,480	19,476
Prepaid Items	1,800	-	1,800
Deposits	1,000	-	1,000
Restricted Cash and Cash Equivalents	2,627,547	10,792	2,638,339
Capital Assets, net of accumulated depreciation:			
Nondepreciable	5,326,764	1,270,000	6,596,764
Depreciable	-	2,687,566	2,687,566
Total Assets	8,402,835	4,064,470	12,467,305
LIABILITIES			
Accounts Payable	496,660	2,840	499,500
Retainages Payable	158,391	-	158,391
Accrued Liabilities	13,921	-	13,921
Compensated Absences Payable	7,049	-	7,049
Accrued Interest Payable	7,442	4,066	11,508
Security Deposits Payable	-	44,100	44,100
Unearned Revenue	-	6,650	6,650
Noncurrent Liabilities:			
Due Within One Year	-	100,884	100,884
Due in More Than One Year	1,880,000	3,706,289	5,586,289
Total Liabilities	2,563,463	3,864,829	6,428,292
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenues - Grant Revenue	55,670	-	55,670
NET POSITION			
Net Investment in Capital Assets	3,288,373	150,393	3,438,766
Restricted For:			
Emergencies	102,138	-	102,138
Capital Improvements	2,181,726	-	2,181,726
Unrestricted	211,465	49,248	260,713
Total Net Position	$ 5,783,702	$ 199,641	$ 5,983,343

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

CHAFFEE HOUSING AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Affordable Housing	$ 659,060	$ 33,743	$ 702,221	$ 2,542,650
Interest and Fiscal Charges on Long-term Debt	89,661	-	-	-
Total Governmental Activities	748,721	33,743	702,221	2,542,650
Business-type Activities				
Affordable Housing	225,778	303,361	-	-
Interest and Fiscal Charges on Long-term Debt	100,724	-	-	-
Total Business-type Activities	326,502	303,361	-	-
Total Primary Government	$ 1,075,223	$ 337,104	$ 702,221	$ 2,542,650

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

CHAFFEE HOUSING AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Governmental Activities	Business-type Activities	Total
Governmental Activities:			
Affordable Housing	$ 2,619,554	$ -	$ 2,619,554
Interest and Fiscal Charges on Long-term Debt	(89,661)	-	(89,661)
Total Governmental Activities	2,529,893	-	2,529,893
Business-type Activities			
Affordable Housing	-	77,583	77,583
Debt Service	-	(100,724)	(100,724)
Total Business-type Activities	-	(23,141)	(23,141)
Total Primary Government	2,529,893	(23,141)	2,506,752
General Revenues:			
Unrestricted Investment Earnings	122,014	3,261	125,275
Other Revenue	32,811	-	32,811
Contributions and Transfers	(4,102)	4,102	-
Total General Revenues	150,723	7,363	158,086
Increase (Decrease) in Net Position	2,680,616	(15,778)	2,664,838
Net Position - Beginning of Year	3,103,086	215,419	3,318,505
Net Position - End of Year	$ 5,783,702	$ 199,641	$ 5,983,343

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

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Capital Fund	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 380,497	$ 43,180	$ 4,051	$ 427,728
Receivables:				
- Accounts	17,996	-	-	17,996
Prepaid Items	1,800	-	-	1,800
Security Deposits	1,000	-	-	1,000
Restricted Cash and Cash Equivalents	-	2,627,547	-	2,627,547
Total Assets	$ 401,293	$ 2,670,727	$ 4,051	$ 3,076,071
LIABILITIES				
Accounts Payable	$ 7,659	$ 489,001	$ -	$ 496,660
Retainages Payable	-	158,391	-	158,391
Accrued Liabilities	13,921	-	-	13,921
Total Liabilities	21,580	647,392	-	668,972
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenues - Grant Revenue	55,670	-		55,670
FUND BALANCES				
Restricted For:				
TABOR Emergency Reserve	102,138	-	-	102,138
Capital Improvements	-	2,023,335	-	2,023,335
Assigned For:				
Rental Deposit Guarantee Program	-	-	4,051	4,051
Unassigned	221,905	-	-	221,905
Total Fund Balances	324,043	2,023,335	4,051	2,351,429
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 401,293	$ 2,670,727	$ 4,051	$ 3,076,071

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2025

Total Governmental Fund Balances	$ 2,351,429
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	
Capital Assets	5,326,764
Proceeds from debt issuances provide current financial resources to governmental funds but has no effect on net position	
Financed Purchases Payable	(1,880,000)
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	(7,442)
Change in Compensated Absences Payable	(7,049)
	(14,491)
Net Position of Governmental Activities	$ 5,783,702

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Capital Fund	Nonmajor Governmental Fund	Total Governmental Funds
Revenues				
Intergovernmental	$ 702,221	$ 2,542,650	$ -	$ 3,244,871
Charges for Services	33,743	-	-	33,743
Investment Earnings	11,419	110,586	9	122,014
Other Revenues	31,661	-	1,150	32,811
Total Revenues	779,044	2,653,236	1,159	3,433,439
Expenditures				
Current:				
Personnel Services	359,703	-	-	359,703
Operating Costs	293,165	-	820	293,985
Capital Outlay	-	4,627,800	-	4,627,800
Debt Service:				
Interest	-	85,630	-	85,630
Total Expenditures	652,868	4,713,430	820	5,367,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	126,176	(2,060,194)	339	(1,933,679)
Other Financing Sources (Uses)				
Transfers In	-	28,357	3,375	31,732
Transfers Out	(35,834)	-	-	(35,834)
Total Other Financing Sources (Uses)	(35,834)	28,357	3,375	(4,102)
Net Change in Fund Balances	90,342	(2,031,837)	3,714	(1,937,781)
Fund Balances, Beginning of Year	233,701	4,055,172	337	4,289,210
Fund Balances, End of Year	$ 324,043	$ 2,023,335	$ 4,051	$ 2,351,429

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

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, 2025

Net Change In Fund Balances - Total Governmental Funds	$ (1,937,781)
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	4,627,800
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	(5,372)
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.	(4,031)
Change in Net Position of Governmental Activities	$ 2,680,616

CHAFFEE HOUSING AUTHORITY

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2025

	Real Estate Enterprise Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 94,632
Receivables:	
- Accounts	1,480
Restricted Cash and Cash Equivalents	10,792
Total Current Assets	106,904
Noncurrent Assets:	
Capital Assets:	
- Land	1,270,000
- Land Improvements	460,000
- Buildings	2,361,338
- Machinery and Equipment	28,124
- Accumulated Depreciation	(161,896)
Total Noncurrent Assets	3,957,566
Total Assets	4,064,470
LIABILITIES	
Current Liabilities:	
Accounts Payable	2,840
Accrued Interest Payable	4,066
Security Deposits Payable	44,100
Unearned Revenues - Prepaid Rents	6,650
Direct Borrowings Payable - Current	100,884
Total Current Liabilities	158,540
Noncurrent Liabilities:	
Direct Borrowings Payable - Current	3,706,289
Total Noncurrent Liabilities	3,706,289
Total Liabilities	3,864,829
NET POSITION	
Net Investment in Capital Assets	150,393
Unrestricted	49,248
Total Net Position	$ 199,641

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, 2025

	Real Estate Enterprise Fund
Operating Revenues:	
Charges for Services:	
Rental Revenues - 505 Apartments	$ 292,961
Laundromat Revenues	10,400
Total Operating Revenues	303,361
Operating Expenses:	
Administrative Costs	11,352
Utilities	17,585
Maintenance	30,979
Insurance	10,442
Depreciation	155,420
Total Operating Expenses	225,778
Operating Income	77,583
Noncapital Subsidies	
Transfers In	4,102
Total Noncapital Subsidies	4,102
Operating Income and Noncapital Subsidies	81,685
Other Nonoperating Revenues (Expenses):	
Investment Earnings	3,261
Interest Expense	(100,724)
Total Other Nonoperating Revenues (Expenses)	(97,463)
Change in Net Position	(15,778)
Net Position, Beginning of Year	215,419
Net Position, End of Year	$ 199,641

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, 2025

	Real Estate Enterprise Fund
Cash Flows From Operating Activities	
Cash Received from Customers and Users	$ 308,531
Cash Payments to Suppliers	(67,518)
Net Cash Provided by Operating Activities	241,013
Cash Flows From Noncapital Financing Activities	
Net Security Deposits Returned	(6,150)
Transfers In from Other Funds	4,102
Net Cash Used by Noncapital Financing Activities	(2,048)
Cash Flows From Capital Financing Activities	
Interest Paid on Long-term Debt	(100,872)
Principal Paid on Long-term Debt	(98,430)
Net Cash Used in Capital Financing Activities	(199,302)
Cash Flows From Investing Activities	
Earnings on Investments	3,261
Net Cash Provided by Investing Activities	3,261
Net Increase in Cash and Cash Equivalents	42,924
Cash and Cash Equivalents, Beginning of Year	62,500
Cash and Cash Equivalents, End of Year	$ 105,424

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

CHAFFEE HOUSING AUTHORITY

STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	Real Estate Enterprise Fund
Operating Income	$ 77,583
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	155,420
Change in Assets and Liabilities:	
Increase in Accounts Receivable	(1,480)
Increase in Accounts Payable	2,840
Increase in Unearned Revenues	6,650
Total Adjustments	163,430
Net Cash Provided by Operating Activities	$ 241,013

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.

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 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.

The Authority's only nonmajor governmental fund is the *Rental Deposit Guarantee Program Fund*, a special revenue fund. This fund 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.

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 by the Authority on a modified accrual basis which is consistent with GAAP. Expenditures may not legally exceed budgeted appropriations at the fund level. All annual appropriations lapse at calendar year-end.

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

Capital assets, which include land, land improvements, construction-in-progress, buildings, and machinery and equipment are reported in the applicable governmental or business-type activities column in the government-wide financial statements. 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

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

In accordance with GASB Statement No. 101, *Compensated Absences*, the Authority recognizes a liability for leave benefits that employees earn and are entitled to be paid for. The Authority provides paid time-off benefits to its employees in accordance with personnel policies.

The Authority measures the compensated absences liability using the vesting method as prescribed in GASB 101, recognizing the liability as the benefits are earned and attributable to services already rendered. The liability for compensated absences is recorded as a long-term liability in the government-wide financial statements. As of December 31, 2025, the total liability for compensated absences was $7,049.

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.

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).

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 two supplemental amendments during the year ended December 31, 2025.

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.

Note 3. Cash and Investments

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	$ 522,360
Cash and Cash Equivalents - Restricted	2,638,339
Total	$ 3,160,699

Cash and investments as of December 31, 2025, consist of the following:

Petty Cash	$ 250
Deposits With Financial Institutions	142,272
Deposits With Local Government Investment Pools	3,018,177
Total	$ 3,160,699

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. The carrying amount of the Authority's demand deposits was $142,272 at year end.

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.).

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, 2025, the Authority had $3,018,177 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, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 194,157	$ 1,333,223	$ -	$ 1,527,380
Construction in Progress	504,807	3,294,577	-	3,799,384
Total Capital Assets, Not Being Depreciated	698,964	4,627,800	-	5,326,764
Governmental Activities Capital Assets, Net	$ 698,964	$ 4,627,800	$ -	$ 5,326,764
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 1,270,000	$ -	$ -	$ 1,270,000
Total Capital Assets, Not Being Depreciated	1,270,000	-	-	1,270,000
Capital Assets, Being Depreciated				
Land Improvements	460,000	-	-	460,000
Buildings	2,261,338	-	-	2,261,338
Machinery and Equipment	28,124	-	-	28,124
Total Capital Assets Being Depreciated	2,849,462	-	-	2,849,462
Less: Accumulated Depreciation				
Land Improvements	(1,196)	(28,701)	-	(29,897)
Buildings	(5,046)	(121,094)	-	(126,140)
Machinery and Equipment	(234)	(5,625)	-	(5,859)
Total Accumulated Depreciation	(6,476)	(155,420)	-	(161,896)
Total Capital Assets Being Depreciated, Net	2,849,462	(155,420)	-	2,687,566
Business-type Activities Capital Assets, Net	$ 4,112,986	$ (155,420)	$ -	$ 3,957,566

Depreciation expense of $155,420 was charged to the real estate enterprise fund for the year ended December 31, 2025.

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, 2025, are as follows:

Purpose	Interest Rates	Amounts
General Government - Affordable Housing Project	4.75%	$ 1,880,000

Annual debt service requirements to maturity for Financed Purchases outstanding at December 31, 2025, are as follows:

Year Ending	Governmental Activities	
December 31	Principal	Interest
2026	$ -	$ 89,300
2027	40,000	89,300
2028	45,000	87,400
2029	45,000	85,262
2030	45,000	83,125
2031-2035	270,000	380,475
2036	1,435,000	68,163
Total	$ 1,880,000	$ 883,025

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

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, 2025, are as follows:

Purpose	Interest Rates	Amounts
Business-type - Affordable Housing Project	1.00%	$ 1,861,134
Business-type - Affordable Housing Project	3.00%	1,413,973
Business-type - Affordable Housing Project	7.00%	532,066
		$ 3,807,173

Annual debt service requirements to maturity for direct borrowings outstanding at December 31, 2025, are as follows:

Year Ending December 31	Business-type Activities Principal	Interest
2026	$ 100,884	$ 98,418
2027	103,423	95,880
2028	105,833	93,469
2029	108,757	90,545
2030	111,572	87,731
2031-2035	599,429	410,390
2036-2040	686,401	326,744
2041-2045	994,080	195,048
2046-2050	244,326	45,002
2051-2055	256,790	32,539
2056-2060	269,888	19,440
2061-2064	225,790	5,672
Total	$ 3,807,173	$ 1,500,878

Note 7. Changes in Long-term Obligations

Changes in long-term obligations for the year ended December 31, 2025, are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Financed Purchases Payable	$ 1,880,000	$ -	$ -	$ 1,880,000	$ -
Total Governmental Activity Long-term Liabilities	$ 1,880,000	$ -	$ -	$ 1,880,000	$ -
Business-type Activities:					
Direct Borrowings Payable	$ 3,905,603	$ -	$ 98,430	$ 3,807,173	$ 100,884
Total Business-type Activity Long-term Liabilities	$ 3,905,603	$ -	$ 98,430	$ 3,807,173	$ 100,884

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 4 Authority participants as of December 31, 2025. 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-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, 2025, are as follows:

	2025	2024	2023
Employee Contributions	$ 19,516	$ 13,193	$ 10,208
Authority Contributions	$ 19,516	$ 13,193	$ 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 provisions occurred in 2025.

Note 9. 457 Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Section 457(b) of the Internal Revenue Code. The 457(b) Plan permits employees to defer a portion of their salary until future years. Participation in the Plan is optional.

Empower administers the deferred compensation plan. Deposits into the 457(b) plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts are held in trust for the exclusive benefit of Plan participants and their beneficiaries.

The Authority does not make employer contributions to the 457(b) Plan.

Note 10. Commitments, Contingencies and Agreements

Construction Contract Commitments. The Authority has active construction projects as of December 31, 2025.

Project	Remaining Commitment
Jane's Place Affordable Housing Project	$ 1,277,534

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's constituents passed a ballot measure allowing the Authority 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, 2025, totaled $102,138.

Intergovernmental Agreement. The Authority entered into a First Amended and Restated Intergovernmental Funding Agreement (the "Agreement") with Chaffee County, the City of Salida, and the Town of Buena Vista effective in 2024 for the purpose of providing operational funding and support for affordable and workforce housing initiatives within

Chaffee County. The Agreement expires on December 31, 2026, unless terminated earlier in accordance with its provisions.

Under the Agreement, the participating governments agreed to provide aggregate funding to the Authority of $400,000 for fiscal year 2025. Funding includes a $300,000 contribution from the County Lodging Tax Reallocation Fund and additional cost-sharing contributions of $50,000 from Chaffee County, $35,000 from the City of Salida, and $15,000 from the Town of Buena Vista.

In consideration for the funding provided, the Authority agreed to provide housing-related services to the participating governments, including planning, financing, acquisition, construction, and management of affordable housing projects; administration of deed restrictions; rental assistance and housing advocacy programs; housing needs assessments; and coordination with local governments regarding affordable housing initiatives.

The Agreement further provides that obligations of the participating governments are contingent upon annual appropriations and do not constitute a multiple-fiscal year debt or financial obligation under Colorado law.

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 such excess occurs, although it is not legally required to do so. The Authority has not been informed of any excess losses that may have been incurred by the pool.

Note 12. Subsequent Events

Subsequent to December 31, 2025, the Chaffee Housing Authority was awarded a State grant in the amount of $1,600,000 to support the development of an affordable housing project. In connection with this award, the Authority approved financing assistance to the project developer consisting of (1) a 0% interest loan in the amount of $1,600,000 and (2) a direct contribution of $200,000.

The loan terms, including repayment provisions and potential forgiveness, are defined in the project agreements and are contingent upon the developer meeting certain performance and compliance requirements. The Authority expects to disburse these funds during fiscal year 2026 and record the related loan receivable and contribution expense at that time. As of the date of the financial statements, no amounts have been disbursed. Management has evaluated subsequent events through May 13, 2026, and determined that this event represents a nonrecognized subsequent event in accordance with GASB Statement No. 105, Subsequent Events.

REQUIRED SUPPLEMENTARY INFORMATION

CHAFFEE HOUSING AUTHORITY

GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance With Final Budget - Over (Under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget - Over (Under)
	Original	Final	Original Budget	Basis	Actual Amounts
Budgetary Revenues					
Intergovernmental:					
Operating Grants	$ 198,000	$ 198,000	$ -	$ 302,221	$ 104,221
Lodging Tax Re-allocation	300,000	300,000	-	300,000	-
IGA Contributions	100,000	100,000	-	100,000	-
Charges for Services	70,580	70,580	-	33,743	(36,837)
Investment Earnings	2,500	2,500	-	11,419	8,919
Miscellaneous	40,000	40,000	-	31,661	(8,339)
Total Budgetary Revenues	711,080	711,080	-	779,044	67,964
Budgetary Expenditures					
Personnel Services:					
Salaries and Wages	357,500	357,500	-	291,890	(65,610)
Payroll Taxes and Benefits	94,882	94,882	-	67,813	(27,069)
Operating Costs:					
Office Expenses	100,600	100,600	-	53,962	(46,638)
Insurance	26,000	26,000	-	25,819	(181)
Legal Expenses	40,000	40,000	-	26,088	(13,912)
Professional Services	20,000	20,000	-	76,740	56,740
Travel and Meetings	15,500	15,500	-	10,208	(5,292)
Program Costs:					
Client Services	73,000	73,000	-	100,348	27,348
Jane's Place	58,100	58,100	-	-	(58,100)
Other Uses:					
Operating Transfers Out	13,000	13,000	-	35,834	22,834
Total Budgetary Expenditures and Reserves	798,582	798,582	-	688,702	(109,880)
Net Change in Fund Balances	(87,502)	(87,502)	-	90,342	177,844
Budgetary Fund Balances, Beginning of Year	194,050	194,050	-	233,701	39,651
Budgetary Fund Balances, End of year	$ 106,548	$ 106,548	$ -	$ 324,043	$ 217,495

Budgetary Information
The Authority follows the requirements of the Colorado Local Government Budget Law in establishing the budgetary data reflected in the financial statements. The Authority's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate funds for the ensuing year. The appropriation resolution is adopted at the fund level and lapses at year-end.

The budget is prepared on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America ("GAAP") for all governmental funds. The Authority reports the following governmental fund as major funds for budgetary presentation purposes:

- General Fund

Budget Amendments
In accordance with State law, the Authority may amend the budget during the year if anticipated expenditures are expected to exceed appropriations. During the year, there were no amendments to the General Fund budget.

Explanation of Variances – Original Budget to Final Budget
In the General Fund, there were no differences between the original and final budgets for the year ended December 31, 2025.

Explanation of Variances – Final Budget to Actual
In the General Fund, professional fees exceeded the budget due to unanticipated consulting costs. Program client services cost exceeded the budget due to unanticipated emergency housing costs. Operating transfers out exceeded the budget due to additional transfers to the Capital fund. Overall, total expenditures were $109,880 less than appropriations.

TABOR Emergency Reserve
Under the Colorado Taxpayer's Bill of Rights, the Authority is required to maintain an emergency reserve equal to 3% of fiscal year spending, excluding bonded debt service. The emergency reserve is included in the annual budget under Budgetary Fund Balances, but the reserve is not available for general spending.

SUPPLEMENTARY INFORMATION

CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental:				
- County, Local and Private Grants	$ 3,287,000	$ 3,297,000	$ 2,542,650	$ (754,350)
Investment Earnings	-	-	110,586	110,586
Total Revenues	3,287,000	3,297,000	2,653,236	(643,764)
Expenditures				
Capital Outlay:				
Jane's Place	5,162,021	5,162,021	3,294,577	1,867,444
Alpine West	1,330,000	1,330,000	1,333,223	(3,223)
Debt Service:				
Interest	73,268	73,268	85,630	(12,362)
Total Expenditures	6,565,289	6,565,289	4,713,430	1,851,859
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,278,289)	(3,268,289)	(2,060,194)	1,208,095
Other Financing Sources (Uses)				
Debt Issuance Proceeds	1,879,554	1,879,554	-	(1,879,554)
Transfers In	10,000	10,000	28,357	18,357
Total Other Financing Sources (Uses)	1,889,554	1,889,554	28,357	(1,861,197)
Net Change in Fund Balances	(1,388,735)	(1,378,735)	(2,031,837)	(653,102)
Fund Balances, Beginning of Year	3,413,080	3,413,080	4,055,172	642,092
Fund Balances, End of year	$ 2,024,345	$ 2,034,345	$ 2,023,335	$ (11,010)

RENTAL DEPOSIT GUARANTEE PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Investment Earnings	$ -	$ 9	$ 9
Other Revenues:			
Net Repayments	4,500	-	(4,500)
Miscellaneous	-	1,150	1,150
Total Revenues	4,500	1,159	(3,341)
Expenditures			
Current:			
Bad Debts	-	750	(750)
Miscellaneous	-	70	(70)
Loans	5,000	-	5,000
Total Expenditures	5,000	820	4,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	339	839
Other Financing Sources (Uses)			
Transfers In	3,000	3,375	375
Net Change in Fund Balances	2,500	3,714	1,214
Fund Balances, Beginning of Year	1,900	337	(1,563)
Fund Balances, End of year	$ 4,400	$ 4,051	$ (349)

REAL ESTATE ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for Service:				
Rental Revenues - 505 Apartments	335,924	335,924	292,961	(42,963)
Laundromat Revenues	-	6,500	10,400	3,900
Interest Earnings	-	-	3,261	3,261
Total Revenues	335,924	342,424	306,622	(35,802)
Expenditures				
General and Administrative Costs:				
Administrative Costs	43,588	43,588	11,352	32,236
Utilities	14,046	14,046	17,585	(3,539)
Maintenance	17,507	17,507	30,979	(13,472)
Insurance	12,988	12,988	10,442	2,546
Replacement Reserve	10,800	10,800	-	10,800
Debt Service:				
Principal	98,430	98,430	98,430	-
Interest	109,420	109,420	100,724	8,696
Total Expenditures	306,779	306,779	269,512	37,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,145	35,645	37,110	1,465
Other Financing Sources (Uses)				
Transfers In	-	-	4,102	4,102
Net Change in Fund Balances	29,145	35,645	41,212	5,567
Fund Balances, Beginning of Year	-	-	8,036	8,036
Fund Balances, End of Year	$ 29,145	$ 35,645	$ 49,248	$ 13,603

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, 2025

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

Net Change in Fund Balances (Budgetary Basis)	$ 41,212
Adjustments to Reconcile Budgetary Basis to GAAP Basis	
Principal Paid on Direct Borrowings	98,430
Depreciation	(155,420)
Total Adjustments	(56,990)
Change in Net Position (GAAP Basis)	$ (15,778)