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**GRAND JUNCTION CITY COUNCIL
MONDAY, FEBRUARY 13, 2023
WORKSHOP, 5:30 PM
FIRE DEPARTMENT TRAINING ROOM AND [VIRTUAL](#)
625 UTE AVENUE**

1. Discussion Topics

- a. ARPA
- b. Discussion on Regulations for Cannabis Product Manufacturers

2. City Council Communication

An unstructured time for Councilmembers to discuss current matters, share ideas for possible future consideration by Council, and provide information from board & commission participation.

3. Next Workshop Topics

4. Other Business

What is the purpose of a Workshop?

The purpose of the Workshop is to facilitate City Council discussion through analyzing information, studying issues, and clarifying problems. The less formal setting of the Workshop promotes conversation regarding items and topics that may be considered at a future City Council meeting.

How can I provide my input about a topic on tonight's Workshop agenda?

Individuals wishing to provide input about Workshop topics can:

1. Send an email (addresses found here <https://www.gjcity.org/313/City-Council>) or call one or more members of City Council (970-244-1504);
2. Provide information to the City Manager (citymanager@gjcity.org) for dissemination to the City Council. If your information is submitted prior to 3 p.m. on the date of the Workshop, copies will be provided to Council that evening. Information provided after 3 p.m. will be disseminated the next business day.

3. Attend a Regular Council Meeting (generally held the 1st and 3rd Wednesdays of each month at 6 p.m. at City Hall) and provide comments during “Citizen Comments.”
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Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: February 13, 2023

Presented By:

Department: City Manager's Office

Submitted By: Johnny McFarland, Asst. to the City Manager

Information

SUBJECT:

ARPA

EXECUTIVE SUMMARY:

The purpose of this item is to continue Council consideration of the ARPA Committee's project recommendations. At the December 20 workshop, Council heard from six applicants, one of whom withdrew themselves from consideration. Of the remaining five applicants, Council members requested additional information from three applicants, which were subsequently received by staff and provided to Council in a memorandum.

BACKGROUND OR DETAILED INFORMATION:

The purpose of this item is to continue Council consideration of the ARPA Committee's project recommendations. At the December 20 workshop, Council heard from six applicants, one of whom withdrew themselves from consideration. Of the remaining five applicants, Council members requested additional information from three applicants, which were subsequently received by staff and provided to Council in a memorandum. The three applicants that were asked to provide additional documents were Altitude Pediatrics, Housing Resources, and Counseling and Education Center.

FISCAL IMPACT:

The City has approximately \$9 million in available ARPA funding which would be used to fund projects approved by City Council.

SUGGESTED ACTION:

This item is for discussion purposes only.

Attachments

1. Council Requested ARPA Documents Memo 02.03.2022

Memorandum

TO: Members of City Council
FROM: Greg Caton, City Manager
DATE: February 3, 2023
SUBJECT: Council Requested ARPA Applicant Documents

During the City Council workshop on December 20, Council heard presentations from the applicants recommended for funding by the ARPA Committee. Councilmembers requested additional financial documents from three of the applicant agencies. As of today, we have received documents from all three agencies.

Housing Resources was asked for additional financials and an explanation of how expenses will be handled with regard to their proposed revolving loan fund. Attached is a financials packet they provided.

The Counseling and Education Center was asked for various items pertaining to their behavioral health services expansion project including a balance sheet, fundraising plan, breakdown of grant funders, and budget. Attached are the documents they provided.

Altitude Pediatrics was asked for budget vs actuals in 2022, revised budget projections with an explanation of the assumptions made and year-end financials and balance sheet. Attached is the updated financial overview they provided.

*C: John Shaver, City Attorney
Department Directors*

Attachment:

- Housing Resources of Western Colorado Financial Packet
- Counseling and Education Center Financial Packet
- Altitude Pediatrics Financial packet

Housing Resources Financial Packet



Housing Resources

Empowering independence one home at a time.

To: Johnny McFarland, City of Grand Junction
From: Emilee Powell
Re: Organizational Financials
Date: December 23, 2022

Attached are financial reports as requested by City Council during the workshop on December 20.

Housing Resources financials are somewhat complex because of the number of programs we operate, the funding sources we receive, and the affiliate relationships we maintain. I hope this packet will provide the information requested by City Council Members, and I will be happy to field any additional questions.

Background information

Housing Resources is a 501(c)(3) organization. We have four affiliate entities, all of which we own 100%. Three of the affiliates (GVAH, Garden Village, and Phoenix LLP) were formed to hold rental real estate. The fourth, Com Act Housing Corporation, had been a separate non-profit organization until we merged in July 2021. That merger was requested by Com Act Housing Corporation when their only staff person was retiring. More background on Com Act is provided in this packet (this is an excerpt from our upcoming Strategic Plan). Com Act has no staff of its own. Housing Resources provides all the necessary staffing for Com Act. For all intents and purposes, Com Act and Housing Resources are one and the same. But we chose to maintain Com Act as a separate legal entity upon the merger because it will serve us in our goal to become a Community Development Financial Institution, certified by the US Department of Treasury.

Attachments

1. Our Audit from FY 2021-22 reflecting the time period July 1 2021 through June 30 2022. This is a clean audit showing solid financial position and strong organizational controls.
2. Interim financials through November 2022. This includes Current Year to Date statement of revenue and expenses (actual to budget) and the Balance Sheet.

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It is the policy of HRWC to provide equal opportunities without regard to race, color, religion, national origin, gender, gender identity, sexual preference, age, or disability. People of color and people of all national origins, genders, gender identities, sexual preferences, ages, disabilities and other diverse groups are encouraged to apply.



Hearing Impaired call 711

If you require accommodation for impairment, disability, language barrier, etc., please contact Housing Resources at (970) 241-2871 or email: frontdesk@hrwco.org

3. Our Board Approved 2022-23 Organizational Budget. I have provided the version that breaks out our operating budget by Line of Business per Councilmember Simpon's request. The Lines of Business that will be involved in implementing the Purchase Assistance Program will be Lending/Rehab, Housing Counseling and Education, and Com Act. These are highlighted. The requested grant is not reflected in this budget since it has not been approved yet.

We are requesting that the grant funds go to Com Act, which will hold them on the balance sheet as restricted funds. A flat origination fee will be charged on each loan made (we are requesting to charge this fee to grant funds, but if that is not authorized, we would charge the borrower and roll it into their loan amount). The fee revenue would be split between the Lending Department and the Housing Counseling and Education department to help offset both of those team's costs in preparing borrowers and originating/servicing loans.

CONTINUING THE LEGACY OF COM ACT HOUSING

In 1968, Com Act Housing Corporation was created by a group of determined Grand Junction residents to address the shortage of affordable housing in their community. Spurred by what they saw as a lack of attention to the problem, they formed Com Act Housing Corporation and officially incorporated in 1971.

Agustin (Augie) Reyes served as the first director and dedicated much of his life to the organization's efforts. Patty Arguello later took on the role of director and staffed the organization for several decades. Many of the volunteer members of the Board of Directors have served since 1968.

Com Act's organizational mission is to support homeownership for those who are not well served by the traditional home purchase market. In 2021, with Patty Arguello's retirement nearing, Com Act approached Housing Resources to take over its mission and assets. Com Act

became an affiliate of Housing Resources on July 1, 2021 by Board merger.

The Housing Resources Board and staff recognize the gift and responsibility of being entrusted with Com Act's mission and assets. During the Strategic Planning process, the planning team gave particular focus to how it could best continue the Com Act mission while guarding its assets, with special attention to how we could integrate the work of the two organizations. Being careful to honor the work of the Com Act founders, board members and staff. The goal is to create an outcome greater than the sum of each organization's parts.

The following principles and tactics have been established to guide the integration of the organizations' activities and demonstrate how this will serve the overarching goals set out in this Strategic Plan.



STRATEGIC ALIGNMENT

Use of Com Act Assets

The following principles will be used to guide the deployment of Com Act assets, to ensure continued alignment with Com Acts original mission and that of Housing Resources:



Com Act assets should remain focused on homeownership promotion.



Assets should be deployed in service of the mission rather than sitting in the bank.



Com Act and Housing Resources programming should be integrated so they leverage each other fully.



Com Act assets should be preserved and increased through smart investment.

Integration of Goals & Tactics

The joint Housing Resources and Com Act team collaborated in the formulation of this Strategic Plan, aware of the great opportunity provided by this merger. **We will capitalize on the established benefits in these specific ways as we strive to attain our overarching strategic goals (in particular goals 1 and 3):**

CDFI Certification

Com Act's affiliation with HRWC allows the organizations to jointly pursue one of our major strategic planning goals of becoming a Certified Community Development Financial Institution (CDFI), and to do so on a faster timeline than if either acted alone. Housing Resources will pursue certification with Com Act serving as the financing entity.

Increase homeownership activity

Another major Strategic Planning goal is to increase our homeownership impact beyond the Self-Help program. Com Act capital will be deployed as seed capital to expand homeownership, real estate development and lending projects. The availability of ready capital will be an important asset in this effort, allowing Housing Resources/Com Act to address two of the most challenging aspects of development: being able to move quickly when opportunities arise, and being able to fund the start-up costs necessary to launch a new program or project.



Consolidated Financial Statements
June 30, 2022

Housing Resources of Western Colorado

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Independent Auditor's Report

Board of Directors
Housing Resources of Western Colorado
Grand Junction, Colorado

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Housing Resources of Western Colorado, which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Housing Resources of Western Colorado as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and our 2022 audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Housing Resources of Western Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities of the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Housing Resources of Western Colorado'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Resources of Western Colorado'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022 on our consideration of Housing Resources of Western Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Housing Resources of Western Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Resources of Western Colorado's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Grand Junction, Colorado
November 3, 2022

Housing Resources of Western Colorado

Consolidated Statement of Financial Position

June 30, 2022

Assets

Cash and cash equivalents	\$ 2,027,874
Certificate of deposit	361,390
Accounts receivable, net	104,013
Grants receivable, net	593,070
Inventory	141,665
Prepaid expenses and other assets	151,645
Property held for development, rehabilitation and sale	1,458,698
Restricted cash	1,344,431
Loans receivable	
Amortizing loans receivable, net	816,419
Programmatic loans receivable, net	1,009,584
Property and equipment, net	<u>6,115,871</u>

Total assets	<u><u>\$ 14,124,660</u></u>
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Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 570,159
Tenant deposits	75,512
Prepaid rent	2,108
Notes payable, net of issuance costs	<u>3,306,671</u>

Total liabilities	<u>3,954,450</u>
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Net assets

Without donor restrictions	
Undesignated	6,351,717
Noncontrolling interest	<u>169,745</u>

6,521,462

With donor restrictions	
Purpose restrictions	<u>3,648,748</u>

3,648,748

Total net assets	<u>10,170,210</u>
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Total liabilities and net assets	<u><u>\$ 14,124,660</u></u>
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Housing Resources of Western Colorado

Consolidated Statement of Activities

Year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Grant revenue			
Federal	\$ 2,512,044	\$ 196,778	\$ 2,708,822
State	1,096,634	-	1,096,634
Foundations	126,040	28,960	155,000
Contributions	25,860	-	25,860
Rental income	1,690,688	-	1,690,688
Interest income	32,974	-	32,974
Other income	351,864	-	351,864
Inherent contribution	2,042,625	-	2,042,625
Net assets released from restrictions	15,859	(15,859)	-
	7,894,588	209,879	8,104,467
Expenses			
Program services expense	5,409,406	-	5,409,406
Supporting services expense			
Management and general	573,738	-	573,738
Resource development	113,352	-	113,352
	687,090	-	687,090
	6,096,496	-	6,096,496
Change in net assets	1,798,092	209,879	2,007,971
Net Assets, Beginning of Year	4,723,370	3,438,869	8,162,239
Net Assets, End of Year	\$ 6,521,462	\$ 3,648,748	\$ 10,170,210

Housing Resources of Western Colorado
Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services					Total	Management and General	Resource Development	Total
	Housing Preservation	Real Estate Development	Property Management	Housing Counseling and Education	Community Building and Engagement				
Salaries and wages	\$ 859,696	\$ 150,651	\$ 331,778	\$ 158,648	\$ 114,542	\$ 1,615,315	\$ 205,795	\$ 45,380	\$ 1,866,490
Contract labor	753,124	4,680	196,517	-	-	954,321	4,296	2,100	960,717
Payroll taxes and employee benefits	269,377	57,537	91,644	41,216	28,485	488,259	72,853	13,454	574,566
Program materials and supplies	545,722	10,447	5,388	9	1,389	562,955	1,461	-	564,416
Depreciation and amortization	45,309	-	364,912	-	-	410,221	5,509	-	415,730
Occupancy	20,930	24,792	245,950	-	-	291,672	153	-	291,825
Client assistance payments	-	-	-	229,443	54,195	283,638	-	-	283,638
Professional services	69,115	13,833	46,871	1,605	1,235	132,659	91,699	18,254	242,612
Insurance	24,636	2,083	85,470	-	1,700	113,889	62,218	-	176,107
Office expenses and information technology	27,963	4,321	15,136	6,601	6,459	60,480	87,604	9,475	157,559
Repairs and maintenance	21,359	444	114,707	1,028	299	137,837	13,819	330	151,986
Interest	-	15,974	121,161	-	-	137,135	-	-	137,135
Travel and meals	75,392	367	4,957	1,374	858	82,948	691	-	83,639
Training and development	46,359	1,816	125	6,533	2,537	57,370	5,690	4,797	67,857
Equipment rental	22,930	5,110	2,520	2,400	4,860	37,820	18,840	1,080	57,740
Advertising and marketing	6,544	691	367	8,089	615	16,306	130	18,482	34,918
Miscellaneous	11,461	-	2,396	-	-	13,857	2,980	-	16,837
Bad debt expense	9,842	-	2,882	-	-	12,724	-	-	12,724
Total expenses	\$ 2,809,759	\$ 292,746	\$ 1,632,781	\$ 456,946	\$ 217,174	\$ 5,409,406	\$ 573,738	\$ 113,352	\$ 6,096,496

Housing Resources of Western Colorado

Consolidated Statement of Cash Flows

Year Ended June 30, 2022

Operating Activities	
Receipts from contracts, grants, and contributions	\$ 3,812,704
Program rental payments received	1,662,623
Employee Retention Credit payments received	160,146
Other cash receipts	354,265
Interest received	32,974
Payments for salaries, contract labor, benefits and taxes	(3,387,612)
Payments to vendors	(1,952,940)
Interest paid	(137,135)
Property taxes paid	(107,496)
	<u>437,529</u>
Net Cash from Operating Activities	
Investing Activities	
Purchase of certificate of deposit	361,390
Maturity of certificate of deposit	(361,427)
Purchases of property and equipment	(9,312)
Proceeds from sales of land investments held for sale	186,730
Loans receivable issued	(832,598)
Loans receivable payments received	212,736
Acquisition of ComAct cash	975,410
	<u>532,929</u>
Net Cash from Investing Activities	
Financing Activities	
Principal payments on notes payable	(267,164)
	<u>(267,164)</u>
Net Cash used for Financing Activities	
	<u>703,294</u>
Net Change in Cash, Cash Equivalents, and Restricted Cash	
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	2,669,011
	<u>703,294</u>
Cash, Cash Equivalents, and Restricted Cash, End of Year	
	<u>\$ 3,372,305</u>
Supplemental Disclosure of Non-Cash Investing and Financing Activity	
Acquisition of ComAct	
Certificate of deposit	\$ 361,353
Prepaid expenses and other assets	1,481
Loan receivable	8,841
Property held for development, rehabilitation and sale	697,057
Accrued expenses	(1,517)
	<u>1,067,215</u>
	<u>\$ 1,067,215</u>
Cash and cash equivalents	\$ 2,027,874
Restricted cash	1,344,431
	<u>3,372,305</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 3,372,305</u>

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Housing Resources of Western Colorado (the Organization, we, us, our), is a private nonprofit organization that was formed for the purpose of promoting the wise and sustainable use of the earth's resources. The Organization has expanded its mission and scope to include more affordable housing related activities, such as low- and moderate-income housing rehabilitations, rental housing, homeownership promotion, low-income energy conservation programs and the purchase and management of multifamily units.

Housing Preservation

Housing Preservation combines both the Weatherization Program and Housing Rehabilitation Loan Program. Since 1988, the Weatherization Program has provided cost-effective, energy-efficient home improvements to homeowners and renters. Weatherization services are free to income qualified residents in 12 Western Colorado counties. Since 1991, the Housing Rehabilitation Loan Program has provided income qualifying homeowners in Mesa, Garfield, and Rio Blanco counties access to low interest-rate loans to repair and maintain their homes. The program is designed to finance essential repairs to improve health, safety, energy conservation, major and/or minor deficiencies, and accessibility modifications.

Real Estate Development

In the last 4 years, we have primarily focused our development resources for single-family development through the Self-Help Housing Program including the development of the Butner Neighborhood 40 home community. Started in 1997, the Self-Help Housing Program is a homeownership sweat equity program that gives income qualified families the means to construct their own homes. Participating families perform approximately 65% of the construction labor, under qualified supervision, on each other's homes. The USDA Rural Development provides a subsidized interest rate on the participants' construction financing and their permanent financing. The combination of the subsidized interest rate and the contribution of labor substantially reduces the cost of each home and provides the owners with an equity boost from the outset of their ownership tenure.

Asset and Property Management

Our assets include 180 rental units with a variety of bedroom types and units, 16 lots intended for Self Help development (8 in Mesa County and 8 in Montrose County), 4 lots intended for affordable rental units in Mesa County, and land in Mesa County of approximately 14 acres intended for future affordable housing development. Our rental properties have healthy debt ratios, allowing us to keep our rents low. The Asset Management Plan outlines housing preservation projects funded through grants and replacement reserves through a watch list of repairs to ensure safe and healthy properties. The Property Management Program provides rental housing to qualified residents. Our property rental rates vary depending upon the market and the Board Asset Management Committee evaluation.

Housing Counseling and Education

The services provided through the Housing Counseling and Education Program include financial coaching, financial capability workshops, homebuyer education classes, pre-purchase counseling, post-purchase coaching, rental counseling, rental and mortgage assistance, and foreclosure prevention. We are a HUD-approved counseling agency.

Community Building and Engagement

Our Community Building and Engagement Program builds local vital communities that provide equitable opportunities for people to thrive. We strive to reach our vision by connecting people, places, and local community systems. The program provides community organizing activities that help residents and other area stakeholders come together to develop and provide leadership to build a strong community. The Community Building and Engagement Program facilitates the Montrose Housing Network.

Business Combination

Effective July 1, 2021 (acquisition date), the Organization entered into an agreement with ComAct Housing Corporation (ComAct) in which the Organization will have control, management, and operations of ComAct through a change in the Board of Directors. ComAct's organizational mission is to support homeownership for those who are not well served by the traditional home purchase market. This mission aligns well with our affordable housing related initiatives, and combining our organizations will allow us to leverage and integrate each other's strengths, assets, and programming in order to more effectively provide housing opportunities and resources to low and moderate income individuals and families. The assets of ComAct at the time of acquisition date consist primarily of various checking, savings, and CD accounts, three properties which it has leased to its clients, and a mortgage loan (loan receivable) to one of its clients secured by the home owned by the client.

As a result of this agreement, ComAct's activities are included in the Organization's operations beginning on July 1, 2021. The consolidated statement of cash flows summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date. As there was no cash consideration paid for ComAct, an inherent contribution of \$2,042,625 is recognized for the fair value of the assets and liabilities assumed at the acquisition date within the consolidated statement of activities.

Principles of Consolidation

The consolidated financial statements include the accounts of Housing Resources of Western Colorado, GVAH Limited Partnership, Grand Valley Apartments Limited Partnership (dba Grand Valley Apartments), Phoenix, LLP, and ComAct because Housing Resources of Western Colorado has both control and an economic interest in those organizations. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as "Housing Resources, the Organization, we, us or our".

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, to be cash and cash equivalents. Cash received for tenant security deposits and cash held in escrow reserves are excluded from this definition.

Restricted Cash

Amounts classified as restricted represent cash held in escrow for tax, lots, insurance, and other fees and expenses related to operating our properties, cash held for the revolving loan fund, as well as cash held for tenant security deposits.

Certificate of Deposit

We hold a certificate of deposit (the CD) in a local financial institution that is initially recorded at cost. Thereafter, the CD is reported at its fair value in the consolidated statement of financial position. Net investment return/(loss) is reported in the consolidated statement of activities and consists of interest income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for rent. We determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. The allowance totaled \$10,105 at June 30, 2022.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying consolidated statement of financial position. Receivables from contracts consist of \$104,013 and \$84,366 at June 30, 2022 and July 1, 2021, respectively. Contract liabilities are reported as prepaid rent in the accompanying consolidated statement of financial position. Contract liabilities consist of \$0 and \$10,526 at June 30, 2022 and July 1, 2021, respectively.

Grants Receivable

Grants receivable consist primarily of noninterest-bearing amounts due from federal, state, and local granting agencies in accordance with grant terms. We determine the allowance for uncollectable grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants receivable are written off when deemed uncollectable. At June 30, 2022, no allowance was deemed necessary.

Amortizing Loans Receivable

Amortizing loans receivable consist of amounts outstanding to low- and moderate-income families for purposes of home rehabilitation. Interest rates range from 0% to 3% with monthly payment terms of principal and/or interest. The loans are secured by real property. Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balances adjusted for the allowance for loan losses.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses and reported as bad debt within the consolidated statement of functional expenses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to other income.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows of the impaired loan is lower than the carrying value of that loan. The general component covers non classified loans and is based on historical charge-off experience and expected loss given default derived from management's research and judgement. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

A loan is considered impaired when, based on current information and events, it is probable that we will be unable to collect the scheduled payments of principal and interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed.

Groups of loans with similar risk characteristics are collectively evaluated for impairment based on the group's historical loss experience adjusted for changes in trends, conditions and other relevant factors that affect repayment of the loans. Generally, management considers loans with past due payments exceeding 6 months to be impaired.

Programmatic Loans Receivable

Programmatic loans receivable are loans that bear 0% interest, require no monthly payments, and either have no maturity date or greater than 30 years from the initial loan closing date. They include loans which are due upon sale, transfer, vacating of, or refinance of the related home. The loans are secured by real property. Programmatic loans are measured at fair value at inception to determine if a contribution element exists. Programmatic loans are recorded net of the discount (if a contribution element exists) and/or a reasonable allowance for loan losses. The discount represents the inherent contribution made by us from issuing programmatic loans at below market rate interest. The discount is amortized over the life the loan using the effective interest method and is included in contribution revenue in the consolidated statement of activities. At June 30, 2022, no allowance for loan losses for programmatic loans receivable was deemed necessary.

Property Held for Development, Rehabilitation, and Sale

We currently hold various plots of land that we intend to sell in the near future or are held for development for our Self-Help Housing Program and other programs. Lots held for sale are classified as such when the land is not planned to be held for use and is expected to qualify for recognition as completed sale within one year.

Inventory

Inventory is comprised of materials for the Weatherization program and is stated at the lower of cost or net realizable value. Cost is determined on an average cost basis. At June 30, 2022, no allowance for inventory obsolescence was deemed necessary.

Property and Equipment

We record property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to forty years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the consolidated statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2022.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor (or certain grantor) imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report conditional and unconditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restrictions when the assets are placed in service.

Revenue and Revenue Recognition

We recognize contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. A portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Consequently, at June 30, 2022, conditional contributions approximating \$2,797,000, for which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. We received no advanced payments of grants at June 30, 2022.

Housing units are rented under operating lease agreements with terms of one year or less. Rent income from tenants is recognized in the month in which it is earned rather than received. Any rent received prior to the month of occupancy is reported as a liability and is allocated to income when earned. Contractually due but unpaid rents are included in accounts receivable.

In-Kind Contributions

In-kind contributions include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. We do not sell donated gifts-in-kind. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the year ended June 30, 2022.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the effective interest method. Debt issuance costs are included within long-term debt in the consolidated statement of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

Advertising Costs

Advertising costs are expensed as incurred, and approximated \$17,183 during the year ended June 30, 2022.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages and payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort.

Income Taxes

Housing Resources of Western Colorado is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. Housing Resources of Western Colorado ownership in two partnerships, treated as disregarded entities for tax purposes, is incorporated into our tax filings. Phoenix, LLP activities are directly related to the organization's charitable purposes and therefore, is not considered to be taxable. Housing Resources of Western Colorado is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. Housing Resources of Western Colorado files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.

ComAct is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. ComAct is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, ComAct is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. ComAct has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

We believe that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. We would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. Our Forms 990, 990-T and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to tax examination for years before 2019.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash and a certificate of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable, grants receivable, and loans receivable is considered to be limited due to high historical collection rates.

Subsequent Events

We have evaluated subsequent events through November 3, 2022, the date the consolidated financial statements were available to be issued.

Note 2 - Liquidity and Availability

We operate on a balanced budget and regularly monitor liquidity to meet our operating needs and other contractual commitments while also striving to maximize our available funds.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of June 30, 2022:

Cash and cash equivalents	\$ 1,936,644
Certificate of deposit	361,390
Accounts receivable, net	104,013
Grants receivable, net	593,070
Loans receivable, net, within one year	271,132
	<u>3,266,249</u>
	<u>\$ 3,266,249</u>

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

We invest in a certificate of deposit traded in the financial markets which is valued by the custodian of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and is classified within Level 2. We held \$361,390 in a certificate of deposit at June 30, 2022.

Note 4 - Loans Receivable

Amortizing Loans Receivable

Amortizing loans receivable consist of loans bearing 0-3% interest made from funding pools to low-to-moderate income individuals for purposes of home rehabilitation. After a loan is executed, funds are expended for each homeowner according to an approved scope of work. Terms of the contract require funds from repayment of these loans are to be used for further rehabilitation loans. The loans receivable to low- and moderate-income families are considered residential loans and a concentration of credit risk.

Amortizing loans receivable consist of the following at June 30, 2022:

Principal balance	\$ 978,491
Less allowance for individually evaluated for impairment	(116,842)
Less general allowance on remaining loans	<u>(45,230)</u>
	<u><u>\$ 816,419</u></u>

As discussed in Note 1, the allowance consists of allocated and general components. Loans past due by 6 months or more and considered to be impaired and are specifically allowed for. We estimate the allowance of the remaining amortizing loans receivable balance to be 5% of the respective balances. We believe this is reasonable based on our security interests in the properties and the minimal historical write offs.

We had the following aging of past due amortizing loans as of June 30, 2022:

	30-59 Days Past Due	60-89 Days Past Due	Over 90 Days Past Due	Total Past Due	Current	Total Loans
Principal balance	<u>\$ 11,370</u>	<u>\$ 12,430</u>	<u>\$ 135,874</u>	<u>\$ 159,674</u>	<u>\$ 818,817</u>	<u>\$ 978,491</u>

Of the past due loans, a balance of \$116,842 was past due by 6 months or more and considered to be impaired and are specifically allowed for. All loans past due over 90 days are still accruing.

As of June 30, 2022, we had \$260,301 in unfunded commitments to low- and moderate-income families.

Programmatic Loans Receivable

Programmatic loans receivable consist of the following at June 30, 2022:

Principal balance	\$ 1,216,399
Less discount	<u>(206,815)</u>
	<u><u>\$ 1,009,584</u></u>

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2022:

Land and improvements	\$ 1,292,865
Buildings and improvements	11,807,702
Equipment, furniture and fixtures	563,983
Vehicles	975,599
	14,640,149
Less accumulated depreciation	(8,524,278)
	\$ 6,115,871

Note 6 - Notes Payable

Notes payable consist of the following at June 30, 2022:

4.75% note payable, due in monthly installments of \$2,403 including interest to December 30, 2022, secured by real estate	\$ 249,561
6.75% note payable, due in monthly installments of \$1,135 including interest to October 1, 2030, secured by property	86,477
1.00% note payable, due in monthly installments of \$434 including interest to October 1, 2030, secured by property	41,794
4.65% promissory note, due in monthly installments of \$11,315 including interest to April 2039, effective interest rate over the life of the note is 5.45%, secured by property	1,579,825
3.50% promissory note, due in monthly installments of \$10,947 including interest to June 2032, effective interest rate of the life of the note is 6.46%, secured by property	1,114,713
5.00% construction loan payable due in monthly installments of interest only payments, which are drawn from the loan not to exceed \$130,622, to July 1, 2022, secured by property	296,474
	3,368,844
Less unamortized debt issuance costs	(62,173)
	\$ 3,306,671

Future maturities of notes payable, and future amortization of deferred issuance costs, are as follows:

Years Ending June 30,	Total
2023	\$ 420,024
2024	176,943
2025	184,192
2026	191,754
2027	199,646
Thereafter	1,899,811
Less unamortized issuance costs	(62,173)
	\$ 3,010,197

Subsequent to June 30, 2022, we repaid our 5.00% construction loan payable. As a result, future payments on the loan have been excluded above.

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2022:

Time restricted with affordability requirement	\$ 800,000
Subject to expenditure for specified purpose	
Montrose housing operations	71,420
Pollution and air quality enhancement	16,854
Rehabilitation projects	2,956
	91,230
Perpetual in nature	
Community Development Block Grants	2,757,518
	\$ 3,648,748

Time restricted with affordability requirement above reflects funding we received to hold properties for their respective restricted purposes. The agreements placed a restriction that the property is to remain for affordable housing for 50 years, or the amounts are to be repaid.

Community Development Block Grants (CDBG) are used to make home improvement loans to low-to-moderate income individuals, and for development and rehabilitation in target areas. Capital grants received in prior years developed this fund and the interest earned on the CDBG portion of loans is restricted for this purpose along with the return of loan principal and return of principal from property sales.

Perpetually restricted CDBG funds are reduced for losses incurred on loans made with CDBG funds and for losses on property sold, where CDBG funds were used for acquisition, development, and/or rehabilitation of the property.

Housing Resources of Western Colorado

Notes to Consolidated Financial Statements

Year Ended June 30, 2022

Net assets were released from restrictions as follows during the year ended June 30, 2022:

Satisfaction of purpose restrictions	
Housing counseling	\$ 10,000
Executive director search - leadership transition	3,000
Eviction prevention and mortgage assistance	2,497
Rehabilitation projects	362
	<hr/>
	\$ 15,859
	<hr/> <hr/>

Note 8 - Employee Benefits

We sponsor a defined contribution plan under which eligible employees may elect to defer a portion of their salaries subject to current limits established by the Internal Revenue Code. The percentage matched by us is determined by the Board of Directors and is subject to change. For the year ended June 30, 2022, we contributed \$36,275.



Supplementary Information
June 30, 2022

Housing Resources of Western Colorado



Independent Auditor's Report on Supplementary Information

Board of Directors
Housing Resources of Western Colorado
Grand Junction, Colorado

We have audited the consolidated financial statements of Housing Resources of Western Colorado as of and for the year ended June 30, 2022, and our report thereon dated November 3, 2022, expressed an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The following supplementary information is presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Grand Junction, Colorado
November 3, 2022

Housing Resources of Western Colorado
Consolidating Statement of Financial Position Information
Year Ended June 30, 2022

	Housing Resources of Western Colorado	GVAH Limited Partnership	Grand Valley Apartments L.P.	Phoenix, LLP	ComAct Housing Corporation	Eliminations	Total
Assets							
Cash and cash equivalents	\$ 862,268	\$ 240,227	\$ 36,035	\$ 39,411	\$ 849,933	\$ -	\$ 2,027,874
Certificate of deposit	-	-	-	-	361,390	-	361,390
Accounts receivable, net	173,493	38,915	20,968	2,336	17	(131,716)	104,013
Grants receivable, net	593,070	-	-	-	-	-	593,070
Inventory	141,665	-	-	-	-	-	141,665
Due from affiliates	212,331	19,513	34,281	131	200,000	(466,256)	-
Prepaid expenses and other assets	91,874	36,622	19,597	1,598	1,954	-	151,645
Property held for development, rehabilitation and sale	948,371	-	-	-	510,327	-	1,458,698
Restricted cash	920,457	203,700	84,922	5,893	129,459	-	1,344,431
Investment deficit in partnerships	(152,930)	-	-	-	-	152,930	-
Loans receivable							
Amortizing loans receivable, net	2,931,896	-	-	-	8,841	(2,124,318)	816,419
Programmatic loans receivable, net	1,009,584	-	-	-	-	-	1,009,584
Accrued interest	418,548	-	-	-	1,742	(420,290)	-
Property and equipment, net	1,389,558	3,443,159	966,773	316,381	-	-	6,115,871
Total assets	\$ 9,540,185	\$ 3,982,136	\$ 1,162,576	\$ 365,750	\$ 2,063,663	\$ (2,989,650)	\$ 14,124,660

Housing Resources of Western Colorado
Consolidating Statement of Financial Position Information (Continued)
Year Ended June 30, 2022

	Housing Resources of Western Colorado	GVAH Limited Partnership	Grand Valley Apartments L.P.	Phoenix, LLP	ComAct Housing Corporation	Eliminations	Total
Liabilities and Net Assets							
Accounts payable and accrued expenses	\$ 499,059	\$ 534,296	\$ 70,628	\$ 13,238	\$ 4,944	\$ (552,006)	\$ 570,159
Tenant deposits	23,414	10,905	35,300	5,893	-	-	75,512
Prepaid rent	-	2,108	-	-	-	-	2,108
Due to affiliates	401,661	63,880	515	200	-	(466,256)	-
Notes payable, net of issuance costs	674,305	3,034,548	1,722,136	-	-	(2,124,318)	3,306,671
Total liabilities	1,598,439	3,645,737	1,828,579	19,331	4,944	(3,142,580)	3,954,450
Net assets							
Without donor restrictions							
Undesignated	4,292,998	-	-	-	2,058,719	-	6,351,717
Non-controlling interest	-	-	-	-	-	169,745	169,745
Partners' capital	4,292,998	-	-	-	2,058,719	169,745	6,521,462
	-	336,399	(666,003)	346,419	-	(16,815)	-
With donor restrictions	4,292,998	336,399	(666,003)	346,419	2,058,719	152,930	6,521,462
	3,648,748	-	-	-	-	-	3,648,748
Total net assets	7,941,746	336,399	(666,003)	346,419	2,058,719	152,930	10,170,210
Total liabilities and net assets	\$ 9,540,185	\$ 3,982,136	\$ 1,162,576	\$ 365,750	\$ 2,063,663	\$ (2,989,650)	\$ 14,124,660

Housing Resources of Western Colorado
Consolidating Statement of Activities Information
Year Ended June 30, 2022

	Housing Resources of Western Colorado	GVAH Limited Partnership	Grand Valley Apartments L.P.	Phoenix, LLP	ComAct Housing Corporation	Eliminations	Total
Revenue, Support, and Gains							
Grant revenue							
Federal	\$ 2,708,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,708,822
State	1,096,634	-	-	-	-	-	1,096,634
Foundations	155,000	-	-	-	-	-	155,000
Contributions	25,860	-	-	-	-	-	25,860
Rental income	287,201	962,248	414,571	50,595	31,813	(55,740)	1,690,688
Management fees	144,653	-	-	-	-	(144,653)	-
Interest income	60,578	364	65	-	9,250	(37,283)	32,974
Loss on investments in partnership	(114,894)	-	-	-	-	114,894	-
Other income	348,345	1,699	1,630	173	17	-	351,864
Inherent contribution	-	-	-	-	2,042,625	-	2,042,625
Total revenue, support, and gains	4,712,199	964,311	416,266	50,768	2,083,705	(122,782)	8,104,467
Expenses and Losses							
Program services expense	4,064,960	1,009,424	474,706	73,006	24,986	(237,676)	5,409,406
Supporting services expense							
Management and general	573,738	-	-	-	-	-	573,738
Resource development	113,352	-	-	-	-	-	113,352
Total supporting services expense	687,090	-	-	-	-	-	687,090
Total expenses	4,752,050	1,009,424	474,706	73,006	24,986	(237,676)	6,096,496
Change in net assets before partnership distributions and contributions	(39,851)	(45,113)	(58,440)	(22,238)	2,058,719	114,894	2,007,971
Distributions	-	(30,174)	-	-	-	30,174	-
Contributions	-	6,115	4,360	-	-	(10,475)	-
Change in net assets	(39,851)	(69,172)	(54,080)	(22,238)	2,058,719	134,593	2,007,971
Net Assets, Beginning of Year	7,981,597	405,571	(611,923)	368,657	-	18,337	8,162,239
Net Assets, End of Year	\$ 7,941,746	\$ 336,399	\$ (666,003)	\$ 346,419	\$ 2,058,719	\$ 152,930	\$ 10,170,210

Housing Resources of Western Colorado, Inc.
Statement of Revenues and Expenditures
From 11/1/2022 Through 11/30/2022

	Current Period Actual	Current Period Budget - Revised	Current Period Budget Variance - Revised	Current Year Actual	YTD Budget - Revised	YTD Budget Variance - Revised
Revenue						
Federal / State Grants & Contracts						
Enterprise Community Partners - Project Moxie	0.00	380,029.12	(380,029.12)	0.00	1,900,145.60	(1,900,145.60)
Neighbor Works America	17,475.03	0.00	17,475.03	17,475.03	0.00	17,475.03
Grant 11 (Rural Development Self Help Grant)	0.00	0.00	0.00	50,383.00	0.00	50,383.00
WX DOE BIL	0.00	0.00	0.00	45,993.00	0.00	45,993.00
State of Colo - LEAP	37,532.88	0.00	37,532.88	37,532.88	0.00	37,532.88
CEO WX	150,725.63	0.00	150,725.63	594,180.57	0.00	594,180.57
WX DOE Standard	2,953.56	0.00	2,953.56	108,420.00	0.00	108,420.00
LEAP FY PRIOR TO CURRENT	78,732.67	0.00	78,732.67	405,799.28	0.00	405,799.28
State of CO - Div of Housing - RLF HOME	13,014.90	0.00	13,014.90	37,558.47	0.00	37,558.47
State of CO - Div of Housing - RLF CDBG	15,000.00	0.00	15,000.00	22,500.00	0.00	22,500.00
State of CO - Div of Housing CHDO	82,614.74	0.00	82,614.74	262,325.30	0.00	262,325.30
WX STX - Capital Equipment	0.00	0.00	0.00	13,042.20	0.00	13,042.20
State of Colorado WX	0.00	0.00	0.00	36,799.00	0.00	36,799.00
CEO WX-SOLAR	0.00	0.00	0.00	8,599.50	0.00	8,599.50
HUD	11,611.05	0.00	11,611.05	114,803.45	0.00	114,803.45
Emergency Solutions Grant (ESG-CV2) - CARES Act	0.00	0.00	0.00	2,409.85	0.00	2,409.85
CSBG Grant	0.00	0.00	0.00	10,032.70	0.00	10,032.70
City of GJ CDBG - CHR	0.00	0.00	0.00	(500.00)	0.00	(500.00)
City of GJ - CDBG - CV3	2,526.85	0.00	2,526.85	9,076.85	0.00	9,076.85
No Funding Source	0.00	0.00	0.00	7,875.37	0.00	7,875.37
Total Federal / State Grants & Contracts	1,603.20	0.00	1,603.20	12,411.20	0.00	12,411.20
Other Contract Revenue	413,790.51	380,029.12	33,761.39	1,796,717.65	1,900,145.60	(103,427.95)
Housing Solutions - CIP	0.00	25,941.67	(25,941.67)	0.00	129,708.35	(129,708.35)
Energy Outreach Colorado - CIP	207.50	0.00	207.50	207.40	0.00	207.40
Energy Outreach Colorado CARE	11,950.57	0.00	11,950.57	67,735.73	0.00	67,735.73
ENERGY RESOURCE CENTER - FEE FOR SERVICE PROGRAM	0.00	0.00	0.00	62,069.52	0.00	62,069.52
No Funding Source	335.75	0.00	335.75	2,535.75	0.00	2,535.75
Total Other Contract Revenue	1,500.00	0.00	1,500.00	1,500.00	0.00	1,500.00
Foundation Grants	13,993.82	25,941.67	(11,947.85)	134,048.40	129,708.35	4,340.05

Housing Resources of Western Colorado, Inc.
Statement of Revenues and Expenditures
From 11/1/2022 Through 11/30/2022

	Current Period Actual	Current Period Budget - Revised	Current Period Budget Variance - Revised	Current Year Actual	YTD Budget - Revised	YTD Budget Variance - Revised
Western Colo Community Foundation						
Total Foundation Grants	20,000.00	27,083.34	(27,083.34)	45,000.00	135,416.70	(135,416.70)
Client & Program Fees	4,776.00	0.00	(7,083.34)	20,490.00	0.00	(90,416.70)
Rental Income	162,177.28	143,243.59	18,933.69	825,551.50	716,217.95	109,333.55
Management Fees	12,542.04	11,006.42	1,535.62	63,558.85	55,032.10	8,526.75
Donations	855.15	2,500.00	(1,644.85)	1,284.41	12,500.00	(11,215.59)
RLE Interest	845.95	0.00	845.95	3,545.67	0.00	3,545.67
Interest on Loans / Misc Int	3,847.63	4,819.08	(971.45)	20,012.66	24,095.40	(4,082.74)
Gain (Loss) on the sale of assets	(25,861.00)	13,333.33	(39,194.33)	(42,254.67)	66,666.65	(108,921.32)
Miscellaneous Income	5,675.00	1,744.44	3,930.56	6,411.03	8,722.20	(2,311.17)
Total Revenue	612,642.38	609,700.99	2,941.39	2,874,365.50	3,048,504.95	(174,139.45)
Expenses						
Salaries & Wages	248,905.88	194,902.53	(54,003.35)	872,694.43	974,512.65	101,818.22
Payroll taxes & employee benefits	53,248.34	64,202.95	10,954.61	293,038.98	321,014.75	27,975.77
Materials & supplies	62,064.49	57,425.00	(4,639.49)	287,269.67	287,125.00	(144.67)
Lot Development / Costs	0.00	8,333.33	8,333.33	0.00	41,666.65	41,666.65
Subcontractors	76,414.36	66,029.38	(10,384.98)	352,558.19	330,146.90	(22,411.29)
Occupancy costs	37,366.57	30,241.90	(7,124.67)	165,862.75	151,209.50	(14,653.25)
Rental Fees	17,325.00	6,290.00	(11,035.00)	36,145.00	31,450.00	(4,695.00)
Advertising & marketing	655.13	2,541.67	1,886.54	2,308.69	12,708.35	10,399.66
Operating Expenses	12,625.34	17,314.94	4,689.60	90,788.09	86,574.70	(4,213.39)
Client Assistance Payments	7,399.00	833.33	(6,565.67)	23,136.87	4,166.65	(18,970.22)
Trainings & meetings	369.64	10,943.33	10,573.69	39,289.58	54,716.65	15,427.07
Local & program travel	11,570.95	9,971.10	(1,599.85)	57,712.19	49,855.50	(7,856.69)
Professional services	58,800.63	31,787.60	(27,013.03)	177,811.79	158,938.00	(18,873.79)
Management, Maintenance & Admin Fees	13,142.04	11,706.42	(1,435.62)	66,902.35	58,532.10	(8,370.25)
Development Fees & Expenses	0.00	1,416.67	1,416.67	0.00	7,083.35	7,083.35
Insurance	15,862.48	18,114.80	2,252.32	83,997.47	90,574.00	6,576.53
Repair & maintenance	22,110.26	13,139.30	(8,970.96)	93,660.68	65,696.50	(27,964.18)
Interest	13,059.82	14,319.33	1,259.51	83,688.99	71,596.65	(12,092.34)
Bad Debt Expense	7,170.79	1,335.41	(5,835.38)	8,393.79	6,677.05	(1,716.74)
Miscellaneous	5,650.00	704.26	(4,945.74)	6,062.07	3,521.30	(2,540.77)
Indirect Costs	0.00	0.01	0.01	0.00	0.05	0.05

Housing Resources of Western Colorado, Inc.
Statement of Revenues and Expenditures
From 11/1/2022 Through 11/30/2022

	Current Period Actual	Current Period Budget - Revised	Current Period Budget Variance - Revised	Current Year Actual	YTD Budget - Revised	YTD Budget Variance - Revised
Total Expenses	663,740.72	561,553.26	(102,187.46)	2,741,321.58	2,807,766.30	66,444.72
Profit (Loss) Before Depreciation	(51,098.34)	48,147.73	(99,246.07)	133,043.92	240,738.65	(107,694.73)
Depreciation	34,689.70	36,875.84	2,186.14	173,505.38	184,379.20	10,873.82
Total Depreciation	34,689.70	36,875.84	2,186.14	173,505.38	184,379.20	10,873.82
Profit (Loss) After Depreciation	(85,788.04)	11,271.89	(97,059.93)	(40,461.46)	56,359.45	(96,820.91)

Housing Resources of Western Colorado, Inc.

Balance Sheet
As of 11/30/2022

	Housing Resources of Western Colorado	Grand Valley dba Jaylee	Phoenix Apartments	Garden Village	ComAct	Elimination Funds - Inter-Departmental / Company	Total
Assets							
Current Assets							
Cash - Unrestricted							
Petty Cash	7,300.00	0.00	0.00	0.00	0.00	0.00	7,300.00
ANB Operating Acct Jaylee #0949	(462.00)	40,777.61	0.00	0.00	0.00	0.00	40,315.61
BOW - Operating Phoenix 494-025521	0.00	0.00	6,249.77	0.00	0.00	0.00	6,249.77
BOW OP Reserves Phoenix 494-025505	0.00	0.00	9,178.03	0.00	0.00	0.00	9,178.03
Wells Fargo - Savings 408499416	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wells Fargo - SH 6347599844	(5.98)	0.00	0.00	0.00	0.00	0.00	(5.98)
Wells Fargo - Cafeteria 850468042	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Alpine Bank GVAH 7717020961	0.00	0.00	0.00	277,012.95	0.00	0.00	277,012.95
Alpine GVAH Operating Rsrvs 7717721560	0.00	0.00	0.00	72,967.05	0.00	0.00	72,967.05
Wells Fargo - Operating #5077600152	23,573.31	0.00	0.00	0.00	0.00	0.00	23,573.31
Grand Valley Bank HRWC - Flex 0446	16,451.67	0.00	0.00	0.00	0.00	0.00	16,451.67
Grand Valley Bank - HRWC Operating 0438	179,747.31	0.00	0.00	0.00	0.00	0.00	179,747.31
Grand Valley Bank- HRWC Savings 0009	205,879.41	0.00	0.00	0.00	0.00	0.00	205,879.41
Wells Fargo - ComAct Operating - 9828	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wells Fargo - ComAct Savings - 5173	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wells Fargo - Comact CD - 1001	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Valley Bank - ComAct Operating 0470	0.00	0.00	0.00	0.00	471,295.44	0.00	471,295.44
Grand Valley Bank - ComAct Savings	0.00	0.00	0.00	0.00	791,096.36	0.00	791,096.36
Grand Valley Bank - ComAct CD	0.00	0.00	0.00	0.00	361,389.63	0.00	361,389.63
Timberline: Real Est Dev/Asset Mngt #7744	5,335.80	0.00	0.00	0.00	0.00	0.00	5,335.80
NWA Capital Account - offset	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	(117.10)	13.31	0.00	0.00	0.00	0.00	(103.79)
Total Cash - Unrestricted	437,702.42	40,790.92	15,427.80	349,980.00	1,623,781.43	0.00	2,467,682.57
Earmarked Offsets	(152,354.36)	0.00	0.00	0.00	0.00	0.00	(152,354.36)
Cash - Tax & Ins. Escrows	10,794.43	38,200.57	0.00	53,952.64	0.00	0.00	102,947.64
Cash - Security Deposits	0.57	39,258.19	5,789.71	23,896.68	0.00	0.00	68,945.15
Accounts Receivable - Grants & Contracts	631,112.28	0.00	0.00	0.00	0.00	0.00	631,112.28
Accounts Receivable - Related Parties	128,007.19	0.00	0.00	0.00	0.00	(101,687.00)	26,320.19
Tenant Receivables	60,187.12	13,232.68	2,207.19	22,884.75	17.38	(30,028.56)	68,500.56
Accounts Receivable - other	17,258.78	0.00	0.00	0.00	300.00	0.00	17,558.78
SH Custodial - Escrow	29,716.98	0.00	0.00	0.00	0.00	0.00	29,716.98
Prepaid expenses	126,549.01	10,470.37	710.38	22,816.40	1,017.35	0.00	161,563.51

Housing Resources of Western Colorado, Inc.

Balance Sheet
As of 11/30/2022

Total Cash - Unrestricted

	Housing Resources of Western Colorado	Grand Valley dba Jaylee	Phoenix Apartments	Garden Village	ComAct	Elimination Funds - Inter-Departmental / Company	Total
Inventory - Lots for Resale	730,508.71	0.00	0.00	0.00	0.00	0.00	730,508.71
Property for Resale	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Current Assets	2,019,483.13	141,952.73	24,135.08	473,530.47	1,625,116.16	(131,715.56)	4,152,502.01
Fixed Assets							
Furniture & Equipment (net)	28,109.38	0.00	5,360.00	100,226.52	0.00	0.00	133,695.90
Vehicles (net)	135,632.73	0.00	0.00	0.00	0.00	0.00	135,632.73
Land & Land Improvements	103,025.45	64,566.90	0.00	710,881.05	0.00	0.00	878,473.40
Building & Improvements (net)	879,548.83	858,658.31	306,615.32	2,565,287.14	0.00	0.00	4,610,109.60
Total Fixed Assets	1,146,316.39	923,225.21	311,975.32	3,376,394.71	0.00	0.00	5,757,911.63
Other Assets							
Restricted Cash							
Vectra Bank - Rehab #479003961 MISC	71,208.26	0.00	0.00	0.00	0.00	0.00	71,208.26
Vectra Bank - Rehab #4971104890 HOME	413,697.19	0.00	0.00	0.00	0.00	0.00	413,697.19
Vectra Bank - Rehab #7271 CDBG	53,944.03	0.00	0.00	0.00	0.00	0.00	53,944.03
Bank of the West (Rehab) 010-5744178	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NWA Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Restricted Cash	538,849.48	0.00	0.00	0.00	0.00	0.00	538,849.48
Earmarked Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHFA Property Reserves	63,315.47	20,061.02	0.00	203,403.96	0.00	0.00	286,780.45
RCAC Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Property Reserves	152,354.36	0.00	25,815.58	0.00	0.00	0.00	178,169.94
Investments in Related Parties	(142,189.83)	0.00	0.00	0.00	0.00	0.00	(142,189.83)
Amortized Loan Costs (net)	0.00	18,321.35	0.00	41,547.54	0.00	0.00	59,868.89
Loans Receivable							
DPA loans	8,882.73	0.00	0.00	0.00	0.00	0.00	8,882.73
Loan receivable - Probert	12,147.00	0.00	0.00	0.00	0.00	0.00	12,147.00
Allowance for Uncollectible Loans	(366,626.99)	0.00	0.00	0.00	0.00	0.00	(366,626.99)
Notes Receivable - Rehab Misc. 1991	9,897.11	0.00	0.00	0.00	0.00	0.00	9,897.11
Notes Receivable - Rehab CDBG 1994	1,048,321.28	0.00	0.00	0.00	0.00	0.00	1,048,321.28
Notes Receivable - Rehab HOME	1,300,758.13	0.00	0.00	0.00	0.00	0.00	1,300,758.13
Other	70,687.70	0.00	0.00	0.00	136,907.01	0.00	207,594.71
Total Loans Receivable	2,084,066.96	0.00	0.00	0.00	136,907.01	0.00	2,220,973.97
Notes receivable	2,557,355.88	0.00	0.00	0.00	0.00	(2,544,608.27)	12,747.61
Pre-development & vacant land	439,957.84	0.00	0.00	0.00	0.00	0.00	439,957.84
ComAct Properties	0.00	0.00	0.00	0.00	242,233.00	0.00	242,233.00

Housing Resources of Western Colorado, Inc.
Balance Sheet
As of 11/30/2022

Total Cash - Unrestricted

	Housing Resources of Western Colorado	Grand Valley dba Jaylee	Phoenix Apartments	Garden Village	ComAct	Elimination Funds - Inter-Departmental / Company	Total
Rehab / Work in Process	181,355.32	0.00	0.00	13,287.00	0.00	0.00	194,642.32
Total Other Assets	5,875,065.48	38,382.37	25,815.58	258,238.50	379,140.01	(2,544,608.27)	4,032,033.67
Total Assets	9,040,865.00	1,103,560.31	361,925.98	4,108,163.68	2,004,256.17	(2,676,323.83)	13,942,447.31
Liabilities & Net Assets							
Current Liabilities							
Accounts payable	274,758.45	105,554.83	6,592.30	153,031.62	8,107.94	(103,724.56)	444,320.58
Taxes & Benefits payable	(5,686.18)	0.00	0.00	0.00	0.00	0.00	(5,686.18)
Accrued payroll & PTO	248,927.37	0.00	0.00	27,991.00	0.00	(27,991.00)	248,927.37
SH Custodial - Holding	29,716.98	0.00	0.00	0.00	0.00	0.00	29,716.98
Other current liabilities	178,859.62	23,557.45	6,301.23	26,819.29	1,100.68	0.00	236,638.27
Total Current Liabilities	726,576.24	129,112.28	12,893.53	207,841.91	9,208.62	(131,715.56)	953,917.02
Long-Term Liabilities							
Notes payable - CHFA	122,994.23	1,548,479.18	0.00	1,072,646.22	0.00	0.00	2,744,119.63
Notes payable - Wells Fargo	242,555.80	0.00	0.00	0.00	0.00	0.00	242,555.80
Mortgage & Loans Payable	0.00	161,117.94	0.00	1,963,200.64	0.00	(2,124,318.58)	0.00
Accrued Interest Notes Payable	0.00	0.00	0.00	433,037.30	0.00	(420,289.69)	12,747.61
Rehab DOH Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Long-Term Liabilities	365,550.03	1,709,597.12	0.00	3,468,884.16	0.00	(2,544,608.27)	2,999,423.04
Net Assets							
Current Year Profit (Loss)	81,908.28	(127,595.71)	(19,622.28)	36,635.34	1,995,299.17	0.00	1,966,624.80
Prior Year Net Assets	7,866,830.45	(607,553.38)	368,654.73	394,802.27	(251.62)	0.00	8,022,482.45
Total Net Assets	7,948,738.73	(735,149.09)	349,032.45	431,437.61	1,995,047.55	0.00	9,989,107.25
Total Liabilities & Net Assets	9,040,865.00	1,103,560.31	361,925.98	4,108,163.68	2,004,256.17	(2,676,323.83)	13,942,447.31

Housing Resources of Western Colorado and Affiliates Board Approved Budget, 2022-2023

	Weatherization	Lending/ Rehab	Com Act	Self Help Homeownership	Property Management	Real Estate Development	Housing Counseling and Education	Fundraising/ Development	Community Building and Engagement	Management and General	Total
Revenue											
Federal Grant Income	3,480,941	124,500	125,000	277,500	-	149,000	70,625	1,000	25,000	230,000	4,483,566
State/Local Grant Income	-	72,500	-	-	-	-	4,283	-	-	-	76,783
Contract Revenue	205,000	20,000	-	-	11,600	-	67,500	-	-	7,200	311,300
Foundation Grants	-	80,000	-	40,000	-	-	100,000	5,000	100,000	-	325,000
Rental Income	-	-	4,800	-	1,714,123	-	-	-	-	-	1,718,923
Miscellaneous Income	7,000	-	-	-	4,820	-	-	-	-	9,112	20,932
Interest on Loans	-	12,000	15,700	-	-	-	-	30,000	-	129	57,829
Gain (Loss) on the sale of assets	-	-	-	-	-	160,000	-	-	-	-	160,000
Management Fees	-	-	-	-	132,077	-	-	-	-	-	132,077
Other	-	-	-	-	-	-	-	20,000	-	-	20,000
Donations	-	-	-	-	-	-	-	-	10,000	-	10,000
Allocated revenue	93,958	8,542	-	12,813	38,438	4,271	12,813	4,271	4,271	(179,375)	-
Total Revenue	3,786,899	317,542	145,500	330,313	1,901,058	313,271	255,221	60,271	139,271	67,066	7,316,410
Expenses											
Wages & Salaries	1,178,472	79,865	75,000	152,711	322,120	81,000	146,492	50,652	70,900	181,619	2,338,831
Payroll taxes and employee benefits	370,107	27,396	22,500	60,219	89,600	20,377	39,308	15,195	16,412	109,321	770,435
Advertising & Marketing	5,000	5,000	-	250	2,000	250	5,000	12,000	1,000	-	30,500
Bad Debt Expense	-	10,000	-	-	6,025	-	-	-	-	-	16,025
Client Assistance Payments	-	-	-	-	-	-	10,000	-	-	-	10,000
Development Fees & Expenses	-	-	-	-	-	17,000	-	-	-	-	17,000
Insurance	28,750	-	738	2,532	96,660	2,000	-	-	1,699	85,000	217,378
Interest	-	-	-	-	161,832	10,000	-	-	-	-	171,832
Local & Program Travel	104,166	500	-	5,000	4,380	2,500	1,108	-	1,000	1,000	119,653
Lot Development/Costs	-	-	-	-	-	100,000	-	-	-	-	100,000
Management, Maintenance & Admin Fees	-	-	8,400	-	132,077	-	-	-	-	-	140,477
Material & Supplies	661,407	1,200	800	8,601	9,390	3,881	-	-	1,821	2,000	689,100

	Weatherization	Lending/ Rehab	Com Act	Self Help Homeownership	Property Management	Real Estate Development	Housing Counseling and Education	Fundraising/ Development	Community Building and Engagement	Management and General	Total
Miscellaneous	8,451	-	-	-	-	-	-	-	-	-	8,451
Occupancy Cost	30,000	-	2,700	150	314,851	15,000	-	-	-	202	362,903
Operating Expenses	49,500	7,630	-	4,129	17,807	1,200	7,578	18,735	8,344	92,856	207,779
Rental Fees	40,000	1,440	-	4,260	2,600	-	2,400	1,080	4,860	18,840	75,480
Partnership Fee and Distributions	-	-	-	-	-	-	-	-	-	-	-
Professional Services	68,579	12,736	15,000	14,317	45,000	54,000	2,119	19,526	1,630	148,544	381,451
Repair and Maintenance	21,246	142	500	391	118,198	-	1,229	436	500	15,030	157,672
Subcontractors	600,000	40,000	-	-	138,675	6,178	-	2,500	-	5,000	792,353
Trainings & Meetings	65,000	8,500	8,500	5,000	2,320	5,000	7,500	7,500	7,000	15,000	131,320
Indirect Allocation	293,567	26,688	-	40,032	120,096	13,344	40,032	13,344	13,344	(560,446)	-
Total Expenses	3,524,245	221,096	134,138	297,591	1,583,630	331,729	262,766	140,968	128,511	113,965	6,738,639

Profit (Loss) before capital grants and depreciation	262,655	96,445	11,362	32,721	317,427	(18,458)	(7,545)	(80,697)	10,760	(46,899)	577,771
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Capital Grants*

Total Capital Grants	132,960	1,660,000	-	-	-	-	-	-	-	-	1,792,960
Profit(Loss) after capital Grants but before depreciation	395,615	1,756,445	11,362	32,721	317,427	(18,458)	(7,545)	(80,697)	10,760	(46,899)	2,370,731
Depreciation Expense	47,000	-	-	-	389,210	-	-	-	-	6,300	442,510
Profit (Loss) After capital grants and depreciation	348,615	1,756,445	11,362	32,721	(71,783)	(18,458)	(7,545)	(80,697)	10,760	(53,199)	1,928,221

*Capital Grants are grants that can only be used for capital expenditures, such as making loans or purchasing assets. These funds are not available for operating costs (such as salaries, supplies), so we show them in our budget separately. In our board approved financials and audits, these grants are not separate, but rather, rolled into the revenue section along with operating revenue.

Counseling and Education Center Financial Packet

	Jan - Dec 22	2022 Revised Budget
43442.2 · First United Methodist	500.00	500.00
Total 43442 · Church/Synagogue Gifts	500.00	500.00
Total 43440 · Nonprofit Organization Gifts	500.00	500.00
Total 43400 · Direct Public GIFTS/DONATIONS	20,890.66	19,500.00
44500 · Government Grants		
44520 · Federal Govt Grants	20.00	
44540 · Local Govt Grants		
44541 · Grand Jnct. CDBG	10,000.00	10,000.00
44548 · VALE-VictimsAsst	25,000.00	25,000.00
44549.1 · Mesa Co. Early Child Learning	11,500.00	8,000.00
44549.7 · GJ City Nonprofit Grant	20,000.00	20,000.00
44549.8 · Other Local Govt Grant	0.00	10,000.00
Total 44540 · Local Govt Grants	66,500.00	73,000.00
Total 44500 · Government Grants	66,520.00	73,000.00
44800 · Indirect Public Support		
44820 · United Way of Mesa County	12,501.48	10,000.00
44825 · Colorado Combined Campaign	1,066.88	2,000.00
44830 · City Market-Kroger	99.62	150.00
Total 44800 · Indirect Public Support	14,167.98	12,150.00
46400 · Miscellaneous Revenue		
46410 · Bank Interest	107.64	50.00
46415 · Courtesy Discount	29.62	0.00
46420 · Dividends/Refunds/Reimbursement	317.77	200.00
46480 · Colorado National Collaborative	3,500.00	3,500.00
46400 · Miscellaneous Revenue - Other	256.43	
Total 46400 · Miscellaneous Revenue	4,211.46	3,750.00
47200 · Client-Related Program Revenue		
47201 · Invoice Discount ContraIncome	-30,924.77	-30,500.00
47202 · Insurance Discount ContraIncome	-10,669.17	-25,000.00
47211 · Insured Clients		
47211.1 · Initial Appt. 90791	18,991.55	
47211.2 · Individual 30 min 90832	15,060.00	
47211.3 · Individual 90834 45 min	96,816.76	
47211.4 · Individual 90837 60 min	126,152.33	
Total 47211 · Insured Clients	257,610.64	270,000.00
47212 · Direct Pay Clients		
47212.1 · Initial Appt. 90801	4,225.00	
47212.2 · Individual 90804 30 min	3,445.00	
47212.3 · Individual 90805 45 min	13,910.69	
47212.4 · Individual 90806 60 min	31,599.70	
Total 47212 · Direct Pay Clients	53,180.39	50,000.00

	Jan - Dec 22	2022 Revised Budget
47243 · Group Therapy 90853	160.00	250.00
47249 · AcuWellness - 97811 30 min	0.00	
47260 · Report Preparation Fee	144.00	150.00
47290 · Chart Closing Fee	25.00	50.00
47200 · Client-Related Program Revenue - Other	43,738.36	
Total 47200 · Client-Related Program Revenue	313,264.45	264,950.00
47500 · Rentals		
47505 · East Garage Rental	3,850.00	4,200.00
Total 47500 · Rentals	3,850.00	4,200.00
49000 · Special Events Income		
49001 · Resilience Regs & Contributions	14,147.30	10,000.00
49002 · Open House		
49002.1 · Sponsor	0.00	500.00
49002.2 · Non-Sponsor	0.00	500.00
Total 49002 · Open House	0.00	1,000.00
Total 49000 · Special Events Income	14,147.30	11,000.00
Total Income	610,390.21	564,550.00
Expense		
60900 · Business expenses		
60910 · Bad Client Debts	75.00	500.00
60914 · Taken Back by Medicaid	3,047.84	1,000.00
60920 · Business Registration Fees	95.00	200.00
60960 · Miscellaneous Expenses	528.41	500.00
60965 · Taken Back From Prior Payment	894.15	1,000.00
Total 60900 · Business expenses	4,640.40	3,200.00
62100 · Contract Services		
62110 · Accounting Fees	5,531.25	7,000.00
62120 · Legal Fees	758.00	1,000.00
62140 · Donated Professional Fees	-308.00	
62150 · Outside Contract Services		
62151 · Consultant Fees	17,250.00	20,250.00
62153 · Copy Machine Service	1,051.56	1,000.00
62154.5 · Translating Services	0.00	250.00
62157.5 · VRC Records Destruction	814.20	650.00
62158 · VIRTRU eMAIL Service	660.00	660.00
62158.5 · Afi Technologies Backup Scvs	132.44	
62159 · Neon One, LLC	772.20	800.00
62159.5 · Therapy Notes	3,197.87	4,500.00
Total 62150 · Outside Contract Services	23,878.27	28,110.00
Total 62100 · Contract Services	29,859.52	36,110.00
62800 · Facilities and Equipment		

	Jan - Dec 22	2022 Revised Budget
62830 · Maintenance		
62831 · Alarm	420.00	400.00
62832 · Grounds/Landscape	4,943.98	4,200.00
62833 · Computers/Server/Other	2,458.24	3,000.00
62834 · Janitorial/Bldg Maintenance	5,235.66	7,300.00
Total 62830 · Maintenance	13,057.88	14,900.00
62843 · Furniture/Furnishing Purchase	3,224.00	3,000.00
62844 · New Flooring	13,523.70	15,000.00
62845 · Equip Purchase	3,143.93	5,000.00
62860 · Mortgage Interest		
62861 · #1 Loan Cathy Frederick	639.79	1,000.00
Total 62860 · Mortgage Interest	639.79	1,000.00
62880 · Real Estate, Personal Prop Tax	1,397.20	3,000.00
62885 · Tax Exemption Fees	0.00	100.00
62890 · Utilities		
62891 · City of GJ (Water,Trash,Sewer)	1,131.80	1,300.00
62893 · Irrigation Water	0.00	250.00
62894 · Xcel (Gas,Electric)	3,478.00	4,000.00
Total 62890 · Utilities	4,609.80	5,550.00
62895 · Internet & Telephone	4,071.10	4,000.00
62800 · Facilities and Equipment - Other	0.00	0.00
Total 62800 · Facilities and Equipment	43,667.40	51,550.00
65000 · Operations		
65010 · Books, Subscriptions, Reference	242.34	350.00
65020 · Postage/Delivery Service	205.01	100.00
65040 · Supplies		
65041 · New Deposit Slips	136.83	200.00
65042 · New Checks	595.71	400.00
65043 · Office supplies	3,279.22	4,000.00
Total 65040 · Supplies	4,011.76	4,600.00
65050 · Computer Software		
65051 · QuickBooks/Intuit Programs	2,155.12	2,200.00
65051.5 · Microsoft Software	472.03	700.00
65052 · Protection Software	199.99	100.00
65055 · My Outcomes - FIT	1,719.00	1,250.00
65057 · Website	523.23	500.00
Total 65050 · Computer Software	5,069.37	4,750.00
65070 · Merchant Card Charges	1,289.17	1,000.00
65090 · Programs Expenses		
65091 · Play Therapy	1,025.47	2,000.00
65098 · Counseling	284.94	500.00

	Jan - Dec 22	2022 Revised Budget
Total 65090 · Programs Expenses	1,310.41	2,500.00
Total 65000 · Operations	12,128.06	13,300.00
65100 · Other Types of Expenses		
65110 · Marketing		
65110.1 · Advertising	0.00	1,000.00
65110.2 · Promotion & PR	311.30	500.00
65110.3 · Nancy Crowell	4,677.42	
65110.4 · Website Development-Design	2,519.40	
Total 65110 · Marketing	7,508.12	1,500.00
65115 · Grant Expenses ELV	0.00	0.00
65116 · Grant Expenses WCCF Resiliancy	9,536.92	10,000.00
65118 · Grant Expenses RMHF Interns	6,400.00	
65120 · Insurance		
65121 · Directors/Board Liability	1,033.29	1,000.00
65122 · General & Grounds Liability	2,195.71	2,000.00
65125 · Property Insurance	2,498.00	2,500.00
65126 · Cowbell Cyber Insurance	1,850.00	
Total 65120 · Insurance	7,577.00	5,500.00
65130 · CEC Membership & Dues	559.00	600.00
65140 · Staff Development	4,186.53	4,000.00
65141 · Board expenses	25.24	100.00
65150 · Employee Expenses		
65151 · Employee Appreciation	3,111.56	3,700.00
65154 · Employee Recruitment	1,229.89	1,500.00
Total 65150 · Employee Expenses	4,341.45	5,200.00
65160 · Fundraising Expenses		
65160.2 · Open House	0.00	500.00
65160.4 · Newsletter Appeal	703.81	800.00
65160.5 · Holiday Card	0.00	500.00
65168 · Other Fund-Raisers	125.00	
Total 65160 · Fundraising Expenses	828.81	1,800.00
Total 65100 · Other Types of Expenses	40,963.07	28,700.00
66000 · Payroll Expenses		
66100 · Officers & directors salaries	64,566.65	67,600.00
66200 · Salaries & wages - other		
66210 · Administration & Support	94,994.20	90,906.87
66240 · Hourly Counselors	55,998.76	71,886.01
66250 · Salary Counselors	165,559.35	151,194.00
66260 · Extra Payments to Counselors	6,521.25	5,000.00
Total 66200 · Salaries & wages - other	323,073.56	318,986.88
66500 · Payroll taxes		

	Jan - Dec 22	2022 Revised Budget
66510 · SSI	30,005.50	30,000.00
66520 · Colorado Unemployment	1,610.12	2,500.00
66530 · Workers Compensation	1,156.00	1,000.00
Total 66500 · Payroll taxes	32,771.62	33,500.00
66600 · Health Insurance Accounts		
66609 · Appleton Reg. & Monthly Fees	5,544.00	6,500.00
Total 66600 · Health Insurance Accounts	5,544.00	6,500.00
66700 · Employee benefits		
66703 · Leave & PTO Liability	0.00	2,000.00
66705 · EAP	425.00	500.00
Total 66700 · Employee benefits	425.00	2,500.00
Total 66000 · Payroll Expenses	426,380.83	429,086.88
Total Expense	558,263.78	561,946.88
Net Income	52,126.43	2,603.12



Income

41000 · Temp Use-Restricted Income	
41010 · Temp Use Rest. I Ed/Bldg	\$ 4,000.00
41020 · Temp Use Rest. II Children Fund	\$ -
New RMHF Workforce	\$ 6,600.00
41040 · Temp Use Rest. IV WCCF Resilian	\$ 10,000.00
Total 41000 · Temp Use-Restricted Income	\$ 20,600.00
43300 · Direct Public GRANTS	
43330 · Foundation and Trust Grants	
43334 · Goodwin Foundation	\$ -
43335 · Sisters of Charity Leavenworth	\$ 10,000.00
43337 · Sisters St. Joseph of Concordia	\$ -
43338 · A.V. Hunter Trust	\$ 30,000.00
43339.3 · Community First Foundation	\$ 1,000.00
43339.6 · Rocky Mountain Foundation	\$ 80,000.00
43339.7 · Western CO Community Foundation	\$ 15,000.00
43339.9 · Other Grant Target(s)	\$ 50,000.00
Total 43330 · Foundation and Trust Grants	\$ 186,000.00
43340 · Nonprofit Organization Grants	
43341 · Service Clubs Grants	
43341.F · Rotary - Fruita	
43341.P · Rotary - Palisade	
43341.2 · Kiwanis Club of GJ	\$ 3,000.00
43341.4 · Rotary - Grand Junction	
43341.5 · Rotary - Horizon	
43341 · Service Clubs Grants - Other	\$ 5,000.00
Total 43341 · Service Clubs Grants	\$ 8,000.00
Total 43340 · Nonprofit Organization Grants	\$ 8,000.00
Total 43300 · Direct Public GRANTS	\$ 194,000.00
43400 · Direct Public GIFTS/DONATIONS	
43430 · Individual/Family Gifts	
43433 · Direct Donations	
43433.1 · Spring Appeal	\$ 1,000.00
43433.2 · Fall Appeal	\$ 1,000.00
43433.3 · House Party	
43433.4 · Individual Donations	\$ 10,000.00
Total 43433 · Direct Donations	\$ 12,000.00
43434 · Colorado Gives	\$ 10,000.00
Total 43430 · Individual/Family Gifts	\$ 22,000.00
43440 · Nonprofit Organization Gifts	
43442 · ChurchSynagogue Gifts	
43442.2 · First United Methodist	\$ 500.00
Total 43442 · ChurchSynagogue Gifts	\$ 500.00

Total 43440 · Nonprofit Organization Gifts	\$	500.00
Total 43400 · Direct Public GIFTS/DONATIONS	\$	22,500.00
44500 · Government Grants		
44540 · Local Govt Grants		
New: Grand Jct. ARPA		
44541 · Grand Jct. CDBG	\$	10,000.00
44548 · VALE-VictimsAsst	\$	30,000.00
44549.1 · Mesa Co. Early Child Learning	\$	20,000.00
44549.7 · GJ City Nonprofit Grant	\$	20,000.00
44549.8 · Other Local Govt Grant		
Total 44540 · Local Govt Grants	\$	80,000.00
Total 44500 · Government Grants	\$	80,000.00
44800 · Indirect Public Support		
44820 · United Way of Mesa County	\$	10,800.00
44825 · Colorado Combined Campaign	\$	1,200.00
44830 · City Market-Kroger	\$	1,000.00
Total 44800 · Indirect Public Support	\$	13,000.00
46400 · Miscellaneous Revenue		
46410 · Bank Interest	\$	50.00
46415 · Courtesy Discount		
46420 · Dividends/Refunds/Reimbursement	\$	400.00
46440 · Presentations/Workshops		
46460 · Collected (Closed Client Accts)		
46480 · Colorado National Collaborative	\$	11,000.00
46490 · Other Miscellaneous Revenue		
46400 · Miscellaneous Revenue - Other		
Total 46400 · Miscellaneous Revenue	\$	11,450.00
47200 · Client-Related Program Revenue		
47201 · Invoice Discount ContraIncome	\$	(25,500.00)
47202 · Insurance Discount ContraIncome	\$	(28,150.00)
47211 · Insured Clients		
47211.1 · Initial Appt. 90791		
47211.2 · Individual 30 min 90832		
47211.3 · Individual 90834 45 min		
47211.4 · Individual 90837 60 min		
47211.9 · Ins Group Therapy		
47211 · Insured Clients - Other		
Total 47211 · Insured Clients	\$	367,450.00
47212 · Direct Pay Clients		
47212.1 · Initial Appt. 90801		
47212.2 · Individual 90804 30 min		
47212.3 · Individual 90805 45 min		

47212.4 · Individual 90806 60 min	
47212.6 · Couples Counseling	
47212.8 · Family Counseling	
47212 · Direct Pay Clients - Other	
Total 47212 · Direct Pay Clients	\$ 36,500.00
47260 · Report Preparation Fee	\$ 150.00
47243 · Group Therapy 90853	\$ 150.00
47290 · Chart Closing Fee	\$ 25.00
47200 · Client-Related Program Revenue - Other	
Total 47200 · Client-Related Program Revenue	\$ 350,625.00
47500 · Rentals	
47505 · East Garage Rental	\$ 4,200.00
Total 47500 · Rentals	\$ 4,200.00
49000 · Special Events Income	
49001 · Resilience Regs & Contributions	\$ 6,000.00
49002 · Open House	
49002.1 · Sponsor	
49002.2 · Non-Sponsor`	
Total 49002 · Open House	
49003 · Workshop	
49003.1 · Sponsor	
49003.2 · Registrations	
Total 49003 · Workshop	
Garden Opening	\$ 1,000.00
49004 · Major Donor	
49004.1 · Sponsor`	
49004.2 · Non-Sponsor`	
Total 49004 · Major Donor	
Total 49000 · Special Events Income	\$ 7,000.00
Total Income	\$ 703,375.00
Expense	
60900 · Business expenses	
60910 · Bad Client Debts	\$ 250.00
60914 · Taken Back by Medicaid	\$ 3,500.00
60920 · Business Registration Fees	\$ 200.00
60960 · Miscellaneous Expenses	\$ 500.00
60965 · Taken Back From Prior Payment	\$ 2,000.00
Total 60900 · Business expenses	\$ 6,450.00
62100 · Contract Services	
62110 · Accounting Fees	\$ 7,250.00
62120 · Legal Fees	\$ 1,000.00
62140 · Donated Professional Fees	

62150 · Outside Contract Services	
62151 · Consultant Fees	
62153 · Copy Machine Service	\$ 1,000.00
62154.5 · Translating Services	
62157.5 · VRC Records Destruction	\$ 1,000.00
62158 · VIRTRU eMAIL Service	\$ 660.00
62158.5 · Afi Technologies Backup Scvs	\$ 350.00
62159 · Neon One, LLC	\$ 800.00
62159.5 · Therapy Notes	\$ 4,500.00
Total 62150 · Outside Contract Services	\$ 8,310.00
Total 62100 · Contract Services	\$ 16,560.00
<hr/> 62800 · Facilities and Equipment <hr/>	
Down Payment	
Remodel	
Margin of Error	
62830 · Maintenance	
62831 · Alarm	\$ 500.00
62832 · Grounds/Landscape	\$ 6,500.00
62833 · Computers/Server/Other	\$ 2,500.00
62834 · Janitorial/Bldg Maintenance	\$ 10,500.00
Total 62830 · Maintenance	\$ 20,000.00
62843 · Furniture/Furnishing Purchase	\$ 5,000.00
62845 · Equip Purchase (Computers)	\$ 1,000.00
62860 · Mortgage Interest	
New Mortgage/Lease	
62861 · #1 Loan Cathy Frederick	\$ 1,000.00
Total 62860 · Mortgage Interest	\$ 1,000.00
62880 · Real Estate, Personal Prop Tax	\$ 3,000.00
62885 · Tax Exemption Fees	\$ 100.00
62890 · Utilities	
62891 · City of GJ (Water,Trash,Sewer)	\$ 1,300.00
62893 · Irrigation Water	\$ 250.00
62894 · Xcel (Gas,Electric)	\$ 4,000.00
Total 62890 · Utilities	\$ 5,550.00
62895 · Internet & Telephone	\$ 5,000.00
Total 62800 · Facilities and Equipment	\$ 40,650.00
<hr/> 65000 · Operations <hr/>	
65010 · Books, Subscriptions, Reference	\$ 350.00
65020 · Postage/Delivery Service	\$ 300.00
65040 · Supplies	
65041 · New Deposit Slips	\$ 200.00
65042 · New Checks	\$ 400.00

65043 · Office supplies	\$	5,000.00
Total 65040 · Supplies	\$	5,600.00
65050 · Computer Software		
65051 · QuickBooks/Intuit Programs	\$	2,200.00
65052 · Protection Software	\$	200.00
65055 · My Outcomes - FIT	\$	1,500.00
65056 · Computer Software - Other	\$	700.00
65057 · Website	\$	500.00
Total 65050 · Computer Software	\$	5,100.00
65070 · Merchant Card Charges	\$	1,500.00
65090 · Programs Expenses		
65091 · Play Therapy	\$	1,000.00
65098 · Counseling	\$	500.00
Total 65090 · Programs Expenses	\$	1,500.00
Total 65000 · Operations	\$	14,350.00
65100 · Other Types of Expenses		
65110 · Marketing		
65110.1 · Advertising	\$	500.00
65110.2 · Promotion & PR	\$	500.00
65110.3 · Nancy Crowell		
Total 65110 · Marketing	\$	1,000.00
65115 · Grant Expenses ELV		
65116 · Grant Expenses WCCF Resiliancy	\$	16,250.00
65118 · Grant Expenses RMHF Interns	\$	17,000.00
65120 · Insurance		
65121 · Directors/Board Liability	\$	1,000.00
65122 · General & Grounds Liability	\$	2,000.00
65125 · Property Insurance	\$	2,500.00
65126 · Cowbell Cyber Insurance	\$	1,850.00
Total 65120 · Insurance	\$	7,350.00
65130 · CEC Membership & Dues	\$	600.00
65140 · Staff Development	\$	5,000.00
65141 · Board expenses	\$	100.00
65150 · Employee Expenses		
65151 · Employee Appreciation	\$	4,000.00
65154 · Employee Recruitment	\$	1,500.00
Total 65150 · Employee Expenses	\$	5,500.00
65160 · Fundraising Expenses		
65160.1 · Workshop		
65160.2 · Open House		
65160.3 · Major Donor		
65160.4 · Newsletter Appeal	\$	2,000.00

65160.5 · Holiday Card	\$	500.00
Total 65160 · Fundraising Expenses	\$	2,500.00
Total 65100 · Other Types of Expenses	\$	55,300.00
66000 · Payroll Expenses		
66100 · Officers & directors salaries	\$	72,800.00
66200 · Salaries & wages - other		
66210 · Administration & Support	\$	119,745.00
66240 · Hourly Counselors	\$	20,176.00
66250 · Salary Counselors	\$	291,200.00
66260 · Extra Payments to Counselors	\$	4,500.00
Total 66200 · Salaries & wages - other	\$	435,621.00
66500 · Payroll taxes		
66510 · SSI	\$	30,000.00
66520 · Colorado Unemployment	\$	2,500.00
66530 · Workers Compensation	\$	1,000.00
Total 66500 · Payroll taxes	\$	33,500.00
66600 · Benefits		
66609 · Appleton Reg. & Monthly Fees	\$	7,500.00
Total 66600 · Health Insurance Accounts	\$	7,500.00
66700 · Employee benefits		
66703 · Leave & PTO Liability	\$	2,000.00
66705 · EAP	\$	500.00
FAMLI	\$	4,550.00
Retirement	\$	5,075.00
Total 66700 · Employee benefits	\$	12,125.00
Total 66000 · Payroll Expenses	\$	561,546.00
84000 · Depreciation & amortization exp		
84500 · Deprec & amort - allowable		
Total 84000 · Depreciation & amortization exp	\$	1,000.00
Total Expense	\$	695,856.00
Net Income	\$	7,519.00

Income	
41000 · Temp Use-Restricted Income	
41010 · Temp Use Rest. I Ed/Bldg	\$ 4,000.00
New: RMHF Workforce	\$ 6,600.00
41040 · Temp Use Rest. IV WCCF Resilian	\$ 10,000.00
Total 41000 · Temp Use-Restricted Income	\$ 20,600.00
43300 · Direct Public GRANTS	
43330 · Foundation and Trust Grants	
43335 · Sisters of Charity Leavenworth	\$ 10,000.00
43338 · A.V. Hunter Trust	\$ 25,000.00
43339.3 · Community First Foundation	\$ 1,000.00
43339.6 · Rocky Mountain Foundation	\$ 80,000.00
43339.7 · Western CO Community Foundation	\$ 15,000.00
43339.9 · Other Grant Target(s)	\$ 50,000.00
Total 43330 · Foundation and Trust Grants	\$ 181,000.00
43340 · Nonprofit Organization Grants	
43341 · Service Clubs Grants	
Total 43341 · Service Clubs Grants	\$ 8,000.00
Total 43340 · Nonprofit Organization Grants	\$ 8,000.00
Total 43300 · Direct Public GRANTS	\$ 189,000.00
43400 · Direct Public GIFTS/DONATIONS	
43430 · Individual/Family Gifts	
43433 · Direct Donations	
43433.1 · Spring Appeal	\$ 1,000.00
43433.2 · Fall Appeal	\$ 1,000.00
43433.3 · House Party	
43433.4 · Individual Donations	\$ 8,000.00
Total 43433 · Direct Donations	\$ 10,000.00
43434 · Colorado Gives	\$ 10,000.00
Total 43430 · Individual/Family Gifts	\$ 20,000.00
43440 · Nonprofit Organization Gifts	
43442 · ChurchSynagogue Gifts	
43442.2 · First United Methodist	\$ 500.00
43442.9 · Other	\$ 500.00
Total 43442 · ChurchSynagogue Gifts	\$ 1,000.00
Total 43440 · Nonprofit Organization Gifts	\$ 1,000.00
Total 43400 · Direct Public GIFTS/DONATIONS	\$ 21,000.00
44500 · Government Grants	
44540 · Local Govt Grants	
New: GJ ARPA*	\$ 311,124.55
New: BHA*	\$ 701,922.00
44541 · Grand Jnct. CDBG	\$ 10,000.00
44548 · VALE-VictimsAsst	\$ 25,000.00
44549.1 · Mesa Co. Early Child Learning	\$ 18,000.00

44549.7 · GJ City Nonprofit Grant	\$ 20,000.00
44549.8 · Other Local Govt Grant	
Total 44540 · Local Govt Grants	\$1,086,046.55
Total 44500 · Government Grants	\$1,086,046.55
44800 · Indirect Public Support	
44820 · United Way of Mesa County	\$ 10,800.00
44825 · Colorado Combined Campaign	\$ 1,200.00
44830 · City Market-Kroger	\$ 1,000.00
Total 44800 · Indirect Public Support	\$ 13,000.00
46400 · Miscellaneous Revenue	
46410 · Bank Interest	\$ 50.00
46415 · Courtesy Discount	
46420 · Dividends/Refunds/Reimbursement	\$ 400.00
46440 · Presentations/Workshops	
46460 · Collected (Closed Client Accts)	
46480 · Colorado National Collaborative	\$ 11,000.00
46490 · Other Miscellaneous Revenue	
46400 · Miscellaneous Revenue - Other	
Total 46400 · Miscellaneous Revenue	\$ 11,450.00
47200 · Client-Related Program Revenue	
47201 · Invoice Discount ContraIncome	\$ (25,500.00)
47202 · Insurance Discount ContraIncome	\$ (28,150.00)
Total 47211 · Insured Clients	\$ 367,450.00
Total 47212 · Direct Pay Clients	\$ 36,500.00
47260 · Report Preparation Fee	\$ 150.00
47243 · Group Therapy 90853	\$ 150.00
47290 · Chart Closing Fee	\$ 25.00
47200 · Client-Related Program Revenue - Other	
Total 47200 · Client-Related Program Revenue	\$ 350,625.00
47500 · Rentals	
47505 · East Garage Rental	\$ 4,200.00
Total 47500 · Rentals	\$ 4,200.00
49000 · Special Events Income	
49001 · Resilience Regs & Contributions	\$ 6,000.00
Garden Opening	\$ 1,000.00
Total 49000 · Special Events Income	\$ 7,000.00
Total Income	\$1,702,921.55
Expense	
60900 · Business expenses	
60910 · Bad Client Debts	\$ 250.00
60914 · Taken Back by Medicaid	\$ 3,500.00
60920 · Business Registration Fees	\$ 200.00
60960 · Miscellaneous Expenses	\$ 500.00

60965 · Taken Back From Prior Payment	\$	2,000.00
Total 60900 · Business expenses	\$	6,450.00
<hr/>		
62100 · Contract Services		
<hr/>		
62110 · Accounting Fees	\$	10,000.00
62120 · Legal Fees	\$	1,000.00
62150 · Outside Contract Services		
62153 · Copy Machine Service	\$	1,000.00
62157.5 · VRC Records Destruction	\$	1,000.00
62158 · VIRTRU eMAIL Service	\$	660.00
62158.5 · Afi Technologies Backup Scvs	\$	350.00
62159 · Neon One, LLC	\$	800.00
62159.5 · Therapy Notes	\$	4,500.00
Total 62150 · Outside Contract Services	\$	8,310.00
Total 62100 · Contract Services	\$	19,310.00
<hr/>		
62800 · Facilities and Equipment		
<hr/>		
Purchase	\$	899,900.00
Remodel	\$	21,750.00
62830 · Maintenance		
62831 · Alarm	\$	500.00
62832 · Grounds/Landscape	\$	6,500.00
62833 · Computers/Server/Other	\$	2,500.00
62834 · Janitorial/Bldg Maintenance	\$	10,500.00
Total 62830 · Maintenance	\$	20,000.00
62843 · Furniture/Furnishing Purchase	\$	5,000.00
62845 · Equip Purchase (Computers)	\$	1,000.00
62860 · Mortgage Interest		
62861 · #1 Loan Cathy Frederick	\$	1,000.00
Total 62860 · Mortgage Interest	\$	1,000.00
62880 · Real Estate, Personal Prop Tax	\$	4,750.00
62885 · Tax Exemption Fees	\$	100.00
62890 · Utilities		
62891 · City of GJ (Water,Trash,Sewer)	\$	2,058.33
62893 · Irrigation Water	\$	395.83
62894 · Xcel (Gas,Electric)	\$	6,333.33
Total 62890 · Utilities	\$	8,787.49
62895 · Internet & Telephone	\$	5,000.00
Total 62800 · Facilities and Equipment	\$	967,287.49
<hr/>		
65000 · Operations		
<hr/>		
65010 · Books, Subscriptions, Reference	\$	350.00
65020 · Postage/Delivery Service	\$	300.00
65040 · Supplies		
65041 · New Deposit Slips	\$	200.00
65042 · New Checks	\$	400.00

65043 · Office supplies	\$	5,000.00
Total 65040 · Supplies	\$	5,600.00
65050 · Computer Software		
65051 · QuickBooks/Intuit Programs	\$	2,200.00
65052 · Protection Software	\$	200.00
65055 · My Outcomes - FIT	\$	1,500.00
65056 · Computer Software - Other	\$	700.00
65057 · Website	\$	500.00
Total 65050 · Computer Software	\$	5,100.00
65070 · Merchant Card Charges	\$	2,375.00
65090 · Programs Expenses		
65091 · Play Therapy	\$	1,000.00
65098 · Counseling	\$	500.00
65090 · Programs Expenses - Other		
Total 65090 · Programs Expenses	\$	1,500.00
Total 65000 · Operations	\$	15,225.00
65100 · Other Types of Expenses		
65110 · Marketing		
65110.1 · Advertising	\$	500.00
65110.2 · Promotion & PR	\$	500.00
Total 65110 · Marketing	\$	1,000.00
65116 · Grant Expenses WCCF Resiliancy	\$	16,250.00
65118 · Grant Expenses RMHF Interns	\$	17,000.00
65120 · Insurance		
65121 · Directors/Board Liability	\$	1,000.00
65122 · General & Grounds Liability	\$	3,166.67
65125 · Property Insurance	\$	3,958.33
65126 · Cowbell Cyber Insurance	\$	1,850.00
Total 65120 · Insurance	\$	9,975.00
65130 · CEC Membership & Dues	\$	600.00
65140 · Staff Development	\$	5,000.00
65141 · Board expenses	\$	100.00
65150 · Employee Expenses		
65151 · Employee Appreciation	\$	5,000.00
65154 · Employee Recruitment	\$	1,500.00
Total 65150 · Employee Expenses	\$	6,500.00
65160 · Fundraising Expenses		
Events		
65160.4 · Newsletter Appeal	\$	2,000.00
65160.5 · Holiday Card	\$	500.00
Total 65160 · Fundraising Expenses	\$	2,500.00
Total 65100 · Other Types of Expenses	\$	58,925.00
66000 · Payroll Expenses		

66100 · Officers & directors salaries	\$ 72,800.00
66200 · Salaries & wages - other	
66210 · Administration & Support	\$ 172,745.00
66240 · Hourly Counselors	\$ 20,176.00
66250 · Salary Counselors	\$ 291,200.00
66260 · Extra Payments to Counselors	\$ 4,500.00
Total 66200 · Salaries & wages - other	\$ 488,621.00
66500 · Payroll taxes	
66510 · SSI	\$ 30,000.00
66520 · Colorado Unemployment	\$ 2,500.00
66530 · Workers Compensation	\$ 1,000.00
Total 66500 · Payroll taxes	\$ 33,500.00
66600 · Benefits	
66609 · Appleton Reg. & Monthly Fees	\$ 7,500.00
66703 · Leave & PTO Liability	\$ 2,000.00
66705 · EAP	\$ 500.00
FAMLI	\$ 4,550.00
Retirement	\$ 5,075.00
Total 66700 · Employee benefits	\$ 22,125.00
Total 66000 · Payroll Expenses	\$ 617,046.00
Total 84000 · Depreciation & amortization exp	
Total Expense	\$1,684,243.49
Net Income	\$ 18,678.06

**only amount allocated to be expended in 2023 is listed here, the remaining amount will be listed are restricted revenue for future expense.*

FUNDRAISING PLAN

Orchard Mesa Expansion

prepared for Grand Junction City Council

Counseling & Education Center

Hali Nurnberg, LPC | Executive Director

hali@cecwecare.org
970-243-9539

2708 Patterson Rd.
Grand Junction, CO 81506



Counseling & Education Center

INTRODUCTION

The Counseling & Education Center (CEC) is grateful for the opportunity to provide additional information for consideration by the Grand Junction City Council regarding the funding request to support our expansion to the Orchard Mesa neighborhood. In planning for long-term solvency after the expenditure of ARPA funds, we modeled out five years of budgeting and developed an incremental fundraising plan that gives us time to build toward our goals. This fundraising plan is reflective of CEC’s most recent strategic plan, in which our Board of Directors recognized CEC’s potential for growth and committed to increasing the resources needed to achieve our fundraising and service goals. Expanding our services to a second location will come with an increase in client revenues—not reflected in this fundraising plan—to further support long-term sustainability. CEC will continue to pursue opportunities to diversify and increase this type of revenue, such as through expanded insurance credentialing and provider incentive programs.

Since CEC last presented to the City Council, we have applied for additional project funding in the amount of \$973,566 from the Colorado Behavioral Health Administration's Behavioral Healthcare Continuum Gap Grant Program. This program seeks to help community organizations expand access to behavioral health services across Colorado. Funding from the BHA would allow us to purchase the identified building, saving approximately \$60,000 in mortgage payments annually, and leading to a greater long-term commitment to the Orchard Mesa neighborhood. Additionally, BHA funding would allow us to complete the remodel, estimated at \$480,250, which will bring the building up to code and maximize the potential of the space. With your support, we hope to bring needed mental health services to an additional 300 individuals (3,000 hours of counseling services) by 2026.

FINANCIAL OVERVIEW

Project Cost Estimate

	ARPA Funds	BHA Funds	Additional Income (client revenue & increased fundraising)	Total
2023	\$311,125	\$701,992		\$1,013,117
2024	\$414,736	\$271,574	\$123,056	\$809,365
2025	\$190,145		\$262,679	\$452,824
2026	\$80,000		\$494,269	\$574,269
2027			\$634,769	\$634,769
Total	\$996,006	\$973,566		

Projected Additional Income by Type (compared to 2023)

	Additional Client Revenue*	Grants	Events	Donations & Indirect Giving	Total
2024	\$79,056	\$10,000	\$11,500	\$22,500	\$123,056
2025	\$155,679	\$35,000	\$33,500	\$38,500	\$262,679
2026	\$287,269	\$75,000	\$68,000	\$64,000	\$494,269
2027	\$287,269	\$175,000	\$93,000	\$79,500	\$634,769

*not included in Fundraising Plan

ORGANIZATIONAL ASSETS

- CEC counts on a supportive Board of Directors and a Board committee dedicated to this project. The committee is composed of board members with vast experience in finance, building, and project management, including a local realtor, affordable housing expert, and the Mesa County Treasurer.
- We have over 41 years of organizational experience and have remained committed to our mission through a variety of economic and political climates.
- We have recently demonstrated our capacity to take on new projects by becoming the fiscal agent for the Colorado National Collaborative for Suicide Prevention, a CDC pilot program administered by CDPHE.
- CEC finished FY 2022 in a strong position, at eight percent, or \$50,000, above targets, and we currently have 4.8 months of operating costs in reserves.
- CEC counts on a fully staffed team of dedicated caring professionals, including 13 licensed therapists and six administrative staff, several of whom have been with CEC for more than 15 years. We have recently brought on new Development & Communications staff, with the goal of increasing our capacity for long-term fundraising.

CURRENT FUNDERS

Foundation & Trust Grants

A.V. Hunter Trust	\$40,000
Rocky Mountain Health Found.	\$80,800
Sisters of Charity of Leavenworth	\$10,000
Western Colo. Community Found.	\$13,000

Government Grants

City of GJ CDBG	\$10,000
City of GJ Nonprofit Grant	\$20,000
VALE Victims Assistance	\$25,000

Service Club Grants

Kiwanis Club of GJ	\$7,000
Area Rotary clubs	\$2,500
Junior Eagles	\$3,700

FUNDRAISING GOALS

By 2027:

1. Increase individual giving by \$79,500
2. Increase event-related revenue by \$93,000
3. Increase grant-related revenue by \$175,000

	Individual Donations	Event-Related Revenue	Grant-Related Revenue
2023	<p>\$33,500 goal</p> <p>Add 100 new contacts to database</p> <p>Leverage Board Development Committee</p> <p>Serenity Garden naming rights</p> <p>Focus on outreach to longtime donors (insight & stewardship)</p> <p>Develop major donor program</p> <p>Indirect fundraising via business partners (City Market Community Rewards, local nonprofit-of-the-month opportunities)</p> <p>Increase Colorado Gives Day donations by \$3,000</p> <p>Develop monthly reporting process</p>	<p>\$7,000 goal</p> <p>Leverage Board Development Committee</p> <p>Resilience workshops</p> <p>Serenity Garden Opening</p> <p>Small major donor event (May-June)</p> <p>Renew Open House event (October)</p>	<p>\$50,000 in new funding</p> <p>Receive 1-2 new awards</p> <p>Research new prospects; potentials include:</p> <p>Anschutz Family Foundation</p> <p>Bacon Family Foundation</p> <p>Colorado Health Foundation</p> <ul style="list-style-type: none"> • Supporting Healthy Minds & Youth Resiliency <p>Caring for Colorado Foundation</p> <ul style="list-style-type: none"> • Youth & families <p>Goodwin Foundation</p>
2024	<p>\$50,000 goal</p> <p>Identify and implement 3 distinct campaigns with targets for each</p> <p>Add 30 first-time donors (\$3,000)</p> <p>Increase average donation amount by 10% (\$1,200)</p> <p>Develop recurring gift program (\$1,500)</p> <p>New building campaign (\$5,000)</p> <p>Increase Colorado Gives Day donations by \$5,000</p> <p>Increase indirect donations by \$1,000</p>	<p>\$18,500 goal</p> <p>Launch major donor event with goal of increasing contacts (\$2,500)</p> <p>Open House event (\$2,500)</p> <p>Renew May workshop (\$2,500)</p> <p>Launch new annual event (\$5,000)</p> <p>Double Development & Event staff</p> <p>Start building corporate partners</p>	<p>\$60,000 in new funding</p> <p>Receive 2-3 new awards</p> <p>Ittleson Foundation</p> <ul style="list-style-type: none"> • 3-year grant cycle <p>Schramm Foundation</p> <ul style="list-style-type: none"> • Capital improvement <p>MDR Resources Foundation</p> <p>Work with WCCF to identify donor-advised funds for new building</p> <p>Behavioral Health Administration funding & partnership opportunities</p>

<p>2025</p>	<p>\$68,000 goal</p> <p>Continue building major donor and recurring gift programs (\$10,000)</p> <p>Lay groundwork for planned giving program</p> <p>Increase Colorado Gives Day donations by \$5,000</p>	<p>\$40,000 goal</p> <p>Double revenue from Open House and Annual Workshop (\$5,000)</p> <p>Develop Major Donor event (\$10,000)</p> <p>Increase corporate sponsorship giving program (\$10,000)</p> <p>Build special event volunteer program</p>	<p>\$80,000 in new funding</p> <p>Receive 2-3 new awards</p> <p>Increase ask amounts for current funders</p> <ul style="list-style-type: none"> • address increase in need due to 2nd location
<p>2026</p>	<p>\$92,500 goal</p> <p>Expand major and recurring gift programs</p> <p>Focus on planned giving</p> <p>Increase Colorado Gives Day donations by \$5,000</p>	<p>\$75,000 goal</p> <p>Double revenue from Annual Workshop (\$10,000)</p> <p>Develop Major Donor event (\$25,000)</p> <p>Increase corporate sponsorship giving program (\$15,000)</p> <p>Increase revenue from annual event (\$20,000)</p>	<p>\$125,000 in new funding</p> <p>Increase average ask amount by at least double from 2023 numbers</p> <ul style="list-style-type: none"> • average ask between \$50,000-\$100,000 <p>Receive 2-3 new awards</p>
<p>2027</p>	<p>\$107,000 goal</p> <p>Expand major and recurring gift programs</p> <p>Focus on planned giving</p> <p>Increase Colorado Gives Day donations by \$5,000</p>	<p>\$100,000 goal</p> <p>Increase Major Donor event (\$35,000)</p> <p>Increase corporate sponsorship giving program (\$20,000)</p> <p>Increase revenue from annual event (\$30,000)</p>	<p>\$225,000 in new funding</p> <p>Continue prospect research & relationship building</p> <p>Receive 2-4 new awards</p>

<div style="border: 1px solid black; width: 100px; height: 15px; display: inline-block;"></div>	<u>Dec 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 · CASH	
10100 · Grand Valley Operating Account	
10111 · Oper Acct Rest. I - Ed/Bldg	47,963.86
10112 · Oper Acct Rest. II - Children	90,522.53
10114 · Oper Acct Rest. IV - WCCF Resil	14,690.03
10120 · Operating Account Unrestricted	<u>4,285.33</u>
Total 10100 · Grand Valley Operating Account	157,461.75
10150 · CNC Admin Checking Account	50.00
10200 · Grand Valley Bank Savings Acct.	47,868.25
10300 · Petty cash	25.00
10350 · Cash Change Box	<u>125.00</u>
Total 10000 · CASH	<u>205,530.00</u>
Total Checking/Savings	205,530.00
Accounts Receivable	
11000 · Accounts Receivable	
11100 · Client Accounts receivable	<u>19,133.19</u>
Total 11000 · Accounts Receivable	<u>19,133.19</u>
Total Accounts Receivable	<u>19,133.19</u>
Total Current Assets	224,663.19
Fixed Assets	
15000 · Fixed Assets	
15100 · Furniture and Equipment	26,897.00
15200 · Buildings - operating	174,972.00
15300 · Building Improvements	66,731.00
15500 · Land - Operating	100,000.00
15550 · Land improvements	<u>33,069.00</u>
Total 15000 · Fixed Assets	401,669.00
16100 · Remodel WIP	12,584.98
17000 · Accumulated Depreciation	
17100 · Accum Depr- Furn & Equip	-23,103.38
17200 · Accum Depr - Buildings	-91,860.30
17300 · Accum Depr - Bldg Improv	-61,337.49
17550 · Accum Depr - Land improv	<u>-13,471.29</u>
Total 17000 · Accumulated Depreciation	<u>-189,772.46</u>
Total Fixed Assets	<u>224,481.52</u>
TOTAL ASSETS	<u><u>449,144.71</u></u>

	<u>Dec 31, 22</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
24000 · Payroll Liabilities	
24100 · Accrued Leave and Payroll	10,603.50
24600 · Deduction for Over Payment	708.00
24000 · Payroll Liabilities - Other	<u>49.48</u>
Total 24000 · Payroll Liabilities	<u>11,360.98</u>
Total Other Current Liabilities	<u>11,360.98</u>
Total Current Liabilities	11,360.98
Long Term Liabilities	
27100 · Notes, Mortgages, and Leases	
27120 · Cathleen Frederick Loan #1	<u>8,825.17</u>
Total 27100 · Notes, Mortgages, and Leases	<u>8,825.17</u>
Total Long Term Liabilities	<u>8,825.17</u>
Total Liabilities	20,186.15
Equity	
31500 · Temp Restricted Net Assets	
31510 · Temp Use Rest. I Ed/Bldg	
31511 · Long Range Planning	-1,875.00
31512 · Counselor Education Grants	7,422.82
31514 · Equipment/Publication Purchases	-25,181.66
31516 · Grounds Improvements	4,154.00
31518 · Building Improvements	9,043.70
31510 · Temp Use Rest. I Ed/Bldg - Other	<u>54,400.00</u>
Total 31510 · Temp Use Rest. I Ed/Bldg	47,963.86
31520 · Temp Use Rest. II Children Fund	
31521 · Children Subsidized	-286,439.10
31522 · Child Counselor Payroll	-83,038.37
31520 · Temp Use Rest. II Children Fund - Other	<u>460,000.00</u>
Total 31520 · Temp Use Rest. II Children Fund	90,522.53
31540 · Temp Use Rest.IV Resiliancy	
31541 · WCCF Grant Staff Payments	-51,797.00
31542 · WCCF Other Grant Expenses	562.57
31540 · Temp Use Rest.IV Resiliancy - Other	<u>65,924.46</u>
Total 31540 · Temp Use Rest.IV Resiliancy	<u>14,690.03</u>
Total 31500 · Temp Restricted Net Assets	153,176.42
32000 · Unrestrict Net Assets (R E)	223,655.71
Net Income	<u>52,126.43</u>
Total Equity	<u>428,958.56</u>
TOTAL LIABILITIES & EQUITY	<u><u>449,144.71</u></u>

Altitude Pediatrics Financial Packet



ACTUALS BUDGET BUDGET

	2022	2023	2024	Total
Expenses				
Program Coordinator	\$45,623.40	\$88,724.20	\$91,385.93	\$225,733.53
Clinical Fellows	\$-	\$83,767.84	\$86,280.88	\$251,376.72
Interns (2 per year) Stipends	\$-	\$8,240.00	\$8,487.20	\$24,727.20
Physician Huddles	\$7,400.00	\$18,292.80	\$18,841.58	\$54,894.38
Physician IC Training	\$-	\$3,000.00	\$-	\$10,500.00
BHC Office Space 150 Sq Feet	\$7,587.76	\$7,876.09	\$8,175.39	\$23,639.24
Front Office Support	\$4,900.15	\$15,789.00	\$16,388.98	\$37,078.13
Credentialing and Malpractice	\$9,845.62	\$11,814.58	\$12,263.33	\$33,923.53
Training & Cert (EMDR, etc.)	\$1,500.00	\$4,000.00	\$-	\$5,500.00
Screenings	\$-	\$4,830.00	\$5,013.54	\$9,843.54
Analysis and Consult for PBS-15	\$-	\$4,635.00	\$4,811.13	\$9,446.13
Billing Costs	\$4,444.81	\$11,641.92	\$14,522.13	\$30,608.87
EHR	\$1,103.36	\$6,451.34	\$6,696.49	\$14,251.19
FFE: Therapeutic toys, etc.	\$682.47	\$300.00	\$300.00	\$1,282.47
Laptops	\$2,627.17	\$1,578.00	\$-	\$4,205.17
Network and IT Fees	\$435.62	\$998.55	\$1,036.49	\$2,470.66
Miscellaneous	\$-	\$7,333.00	\$7,334.00	\$14,667.00
Total Expenses	\$86,150.36	\$279,272.32	\$281,537.07	\$754,147.76
Revenues				
Billing Revenue – BH IBH	\$20,440.00	\$58,238.20	\$74,785.64	\$153,463.84
Billing Revenue – Case Management	\$1,291.24	\$8,868.78	\$13,296.61	\$23,456.63
Billing Revenue – BH Outpatient	\$52,349.00	\$126,925.00	\$153,953.29	\$333,227.29
Total Revenue	\$74,080.24	\$194,031.98	\$242,035.54	\$510,147.76
Revenue Less Expenses	\$(12,070.12)	\$(77,281.58)	\$(125,319.03)	\$(244,000.00)

You will notice some distinct changes:

1. For 2022, our Behavioral Health provider started in March. She was in the office for only 2 days a week for the first 8 months. The last 3 months of the year she was in office for 3 days a week. For 2023 and 2024, we are budgeting for 5 days a week in office.
2. Revenues are now broken down by type of visit.
3. An increase in the number of behavioral health providers accounts for the increase in Front Office Staff Support.



Grand Junction City Council

Workshop Session

Item #1.b.

Meeting Date: February 13, 2023

Presented By: Tamra Allen, Community Development Director, Nicole Galehouse, Principal Planner

Department: Community Development

Submitted By: Nicole Galehouse, Principal Planner

Information

SUBJECT:

Discussion on Regulations for Cannabis Product Manufacturers

EXECUTIVE SUMMARY:

Referred measures 2A and 2B were passed on April 6, 2021, in the municipal election, providing the Council with an opportunity to consider establishing tax rates and regulations for cannabis businesses. Since that time, City Council and staff have focused on regulation and licensing of retail and co-located retail and medical cannabis businesses. As that process comes to a close, the City is shifting gears to evaluate the regulation of extraction, processing, and cultivation of cannabis. This memo and workshop will specifically target the extraction and processing portion.

BACKGROUND OR DETAILED INFORMATION:

Background Information

The City has engaged in the topic of regulating retail cannabis businesses since September 2020; this effort included an in-depth issue identification exercise with a working group of approximately 20 community and industry members in November and December of 2020. At the City Council's public hearing of January 20, 2021, Council referred measures 2A and 2B to the ballot. Subsequently, the Planning Commission discussed zoning and other land use concerns at a series of five workshops from January 21, 2021 to February 18, 2021.

A staff update to City Council on March 1, 2021, included an overview of research and the outreach processes, as well as a summary of policy tools and a draft timeline for regulatory processes, pending the result of the April 6, 2021 election. Subsequently, the results of the election lifted the moratorium on cannabis businesses and established the City's authority to tax those businesses. City Council approved regulations for retail cannabis businesses, including zoning, licensing, and taxation in April and May 2022. A

selection process for retail cannabis licenses is currently underway.

Cannabis Product Manufacturers – These businesses manufacture cannabis products intended for consumption in concentrated form for smoking, or for consumption other than by smoking, such as edible products, ointments, and tinctures and are required to have both a state license and a local license to be a “Product Manufacturer”. These businesses may vary widely in terms of their products and processes and may include hazardous uses which in Grand Junction currently requires a Conditional Use Permit. Medical product manufacturers may transact only with medical cannabis cultivation and sales licenses, and likewise for retail. These businesses may generate jobs for their processing and packaging activities, depending on the type of product manufactured, scale of operation, and the degree of automation. There is no sales or excise tax on manufactured products (excise tax is to be collected on the first sale or transfer of unprocessed retail marijuana by a retail cultivation facility within the City).

Regulation Examples

In evaluating reasonable guidelines for the operation of businesses which extract, process, and infuse cannabis products, the first step was to review approaches taken by other jurisdictions.

Palisade

- “Retail Marijuana Free Zone” – no establishments permitted in this area, which is the core downtown.
- Distance requirement (1,000 feet from school or preschool).
- Hours of Operation – shipping and receiving of products and supplies must take place between 4 a.m and 10 p.m.

Mesa County

- Cannot locate in a building with a residential occupancy (all or in-part).
- Distance requirement (1,000 feet from schools serving 6th grade level and up).

Carbondale

- Distance requirements (500 feet for school or daycare; 500 feet for alcohol/treatment facility).
- Zone Districts – Commercial/Retail/Wholesale or General Industrial.
- Local residency – agent who is a point of contact with primary home in the town.

Denver

- No medical or retail marijuana products manufacturer license shall be issued within any zone district where, at the time of application, "food preparation and

sales, commercial," "manufacturing, fabrication and assembly, general," or "manufacturing, fabrication and assembly, heavy" is not permitted.

Boulder

- May only locate where “manufacturing ≤ 15,000 square feet” is a permitted use. Use is limited to 15,000 square feet.
- Not allowed in a building with residential units or in residential zones.
- Does not allow retail sales in the same building.
- Distance requirement (1,000 feet from any public or private elementary, vocational, or secondary school, or a college, university, or a state licensed day care center, or an addiction recovery facility).
- Separation requirement (500 feet from 3 other cannabis businesses).
- No use of pesticides.
- Ventilation required.
- Required to offset 100% of energy consumption through renewable energy.
- Cultivation and manufacturing not permitted on the same premises, except for cold-water extraction facilities.
- Minimum of one-hour fire wall separation between any other business.

Land Use

As a component of licensure, as well as a process pertinent to any business operation in the City, land use and its related impacts (eg. noise, odor, traffic, etc) is a primary consideration related to cannabis Product Manufacturer businesses. Unlike retail cannabis businesses, cannabis Product Manufacturers are primarily industrial in function. When discussed with Planning Commission at a series of five workshops from January 21, 2021 to February 18, 2021, recommendations for regulating this land use reflect that distinction. Previous workshops led the Planning Commission to recommend such businesses be limited to areas where general manufacturing and food products manufacturing are allowed, depending on the nature of the specific business, to include I-O (Industrial – Office), I-1 (Light Industrial), I-2 (General Industrial), and C-2 (General Commercial) zone districts. Though the current code requires hazardous uses (H Occupancy) per Fire Code to seek a Conditional Use Permit (CUP) to operate in I-O, I-1, and I-2 zone districts, this requirement has been removed in the current draft of the Zoning and Development Code.

After further consideration and research, staff recommends further refinement to the areas in which cannabis Product Manufacturers are allowed. Within the broad Product Manufacturer category, there are two distinct types of operation – those who extract and process raw material and those who produce a cannabis-infused product. The extraction and processing of raw material presents greater risk factors due largely to the use of volatile materials as well as nuisance issues such as odor. Because of the difference in potential risk and impact, staff recommends that Product Manufacturers be split into two uses as follows:

Cannabis product manufacturing facility shall mean a business licensed as a Product Manufacturer to purchase cannabis; manufacture, prepare and package cannabis products; and wholesale cannabis and cannabis products to other licensed cannabis businesses for wholesale.

Cannabis-infused product manufacturer means a business licensed as a Product Manufacturer that utilizes cannabis previously extracted and/or manufactured off-site to infuse into products, prepare and package products intended for wholesale.

The zone districts originally recommended by Planning Commission remain consistent with zone districts contemplated to allow Products Manufacturing Facilities, however, staff recommends that certain areas of the City that have these zone districts are removed from allowing this use due to potential safety and nuisance issues. The general areas proposed to be removed include the Greater Downtown area (Rail District), areas in the vicinity of the Dos Rios and Las Colonias Improvement Districts, and specific areas that are nearby or adjacent to residential development and/or residential land use areas., which are proposed by staff to be excluded as allowable parts of the City for the Cannabis Product Manufacturing Facility uses. This will be accomplished with a zoning overlay; the proposed zoning overlay boundaries are shown in Exhibit A.

This approach would streamline verification of allowable sites for the use.

The Cannabis-Infused Product Manufacturer, as defined above, does not have the same concerns regarding hazardous materials. As such, staff recommends defining a separate Use Category for businesses that exclusively infuse instead of extract. The use is proposed to be allowed in all zone districts previously recommended by the Planning Commission and include the C-1 (Light Commercial), B-1 (Neighborhood Business), B-2 (Downtown Business), M-U (Mixed-Use), and BP (Business Park Mixed Use) zone districts.

Use Category	Principal Use	R R	R E	R 1	R 2	R 4	R 5	R 8	R 1 2	R 1 6	R 2 4	R O	B 1	B 2	C 1	C 2	C S R	M U	B P	I O	I 1	I 2
Manufacturing and Production – firms involved in the manufacturing, processing, fabrication, packaging, or assembly of goods	<i>Cannabis products manufacturing facility</i>															<u>A</u> * -				<u>A</u> * -	<u>A</u> * -	<u>A</u> * -
	<i>Cannabis-infused product manufacturer</i>													<u>A</u>	<u>A</u>	<u>A</u>		<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>

* Subject to the zone district being located within the adopted zoning overlay.

Operational Requirements

In addition to land use regulations, it is also important that aspects of the operation of cannabis product manufacturers be managed to mitigate potential impacts and ensure quality operators. The following are components of operations frequently regulated in other jurisdictions and/or are recommended by staff:

- Retail sales are not permitted from a cannabis product manufacturer unless the premises is already licensed as a regulated cannabis store. Only the 10 licensees under GJMC Chapter 5.13 may be permitted to co-locate with a cannabis Product Manufacturer.
- Cannabis Product Manufacturer Facilities must be located in standalone buildings. While the risks of many extraction methods can be mitigated through building design and requirements of the fire code in multi-tenant buildings, a standalone building requirement will further reduce risks to nearby businesses and buildings. Additionally, standalone facilities will help reduce the potential nuisance of odors coming from the use that may negatively impact neighboring tenants/owners. This would not apply to Cannabis-Infused Product Manufacturers.
- A Compliance Report detailing all means to be used for extraction, heating, washing, or otherwise changing the form of the marijuana plant, or testing any marijuana, accompanied by a third-party report, prepared by a Certified Industrial Hygienist, certifying that the plan adequately protects the business and adjacent properties and persons and comply with all applicable laws must be provided for each business location.
- Odor management controls, similar to retail cannabis stores, will be required to ensure that compatibility with neighbors is kept high.
- There are several local amendments to the International Fire Code (IFC) that are being contemplated by the Fire Department. These amendments are intended to clarify regulations, including but not limited to how equipment used in extraction and processing of cannabis can be modified and what inspections may be required.
- Subject to annual, and as needed, inspections.

Licensing Process

It is anticipated that the licensing process will be similar to that of liquor licensing. There is no cap proposed for cannabis product manufacturers, so the licensing process and application review would occur on an as needed basis once an application is submitted to the City Clerk's office. A brief outline of the proposed licensing process is as follows:

1. Zoning Verification completed by Community Development
2. Application submitted to State Marijuana Enforcement Division

3. Pre-Application meeting with City Clerk's office: Hand-deliver and review State application and additional local licensing requirements, such as fingerprints, an operation plan, and a compliance report prepared by an industrial hygienist.
4. Application submitted and distributed to City departments for review of local requirements
5. Recommendation, based on review, for licensing (not licensing) provided to Cannabis Licensing Authority
6. Public hearing scheduled with 14-day notice and held with the Cannabis Licensing Authority

FISCAL IMPACT:

This item is for discussion purposes only.

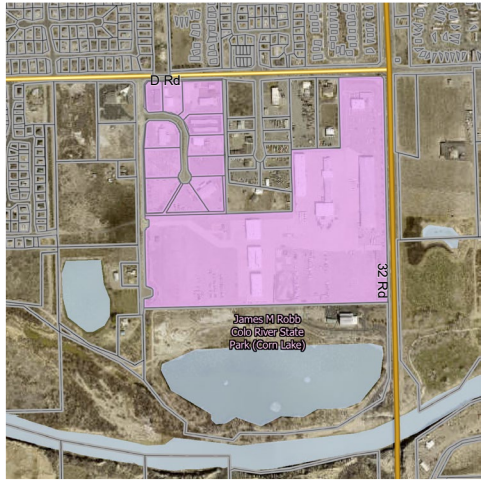
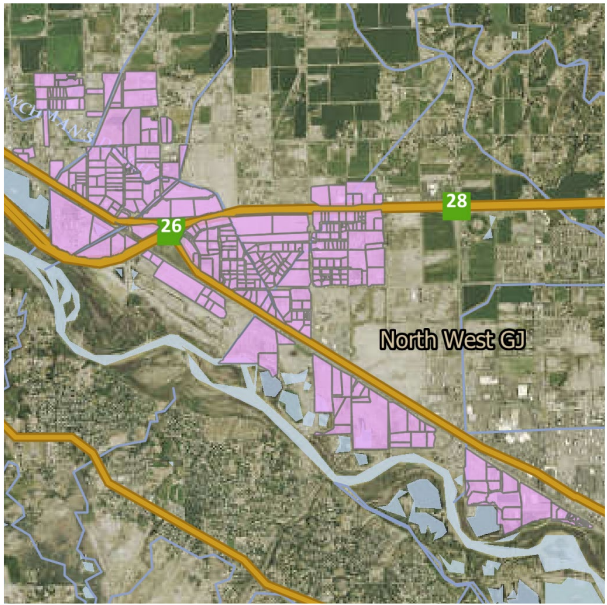
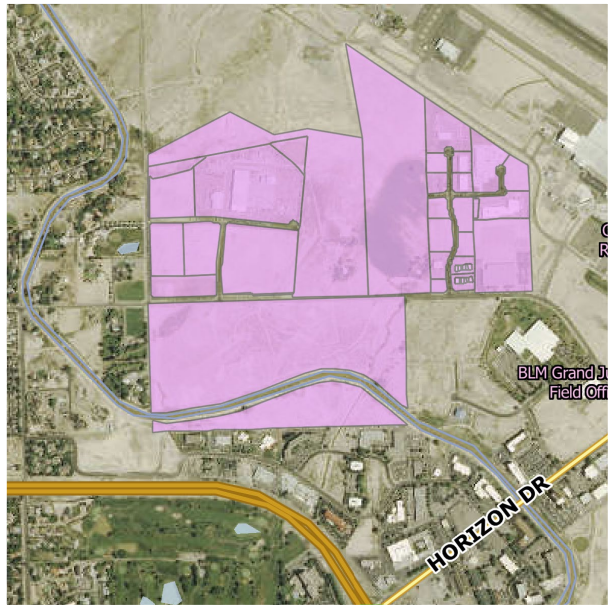
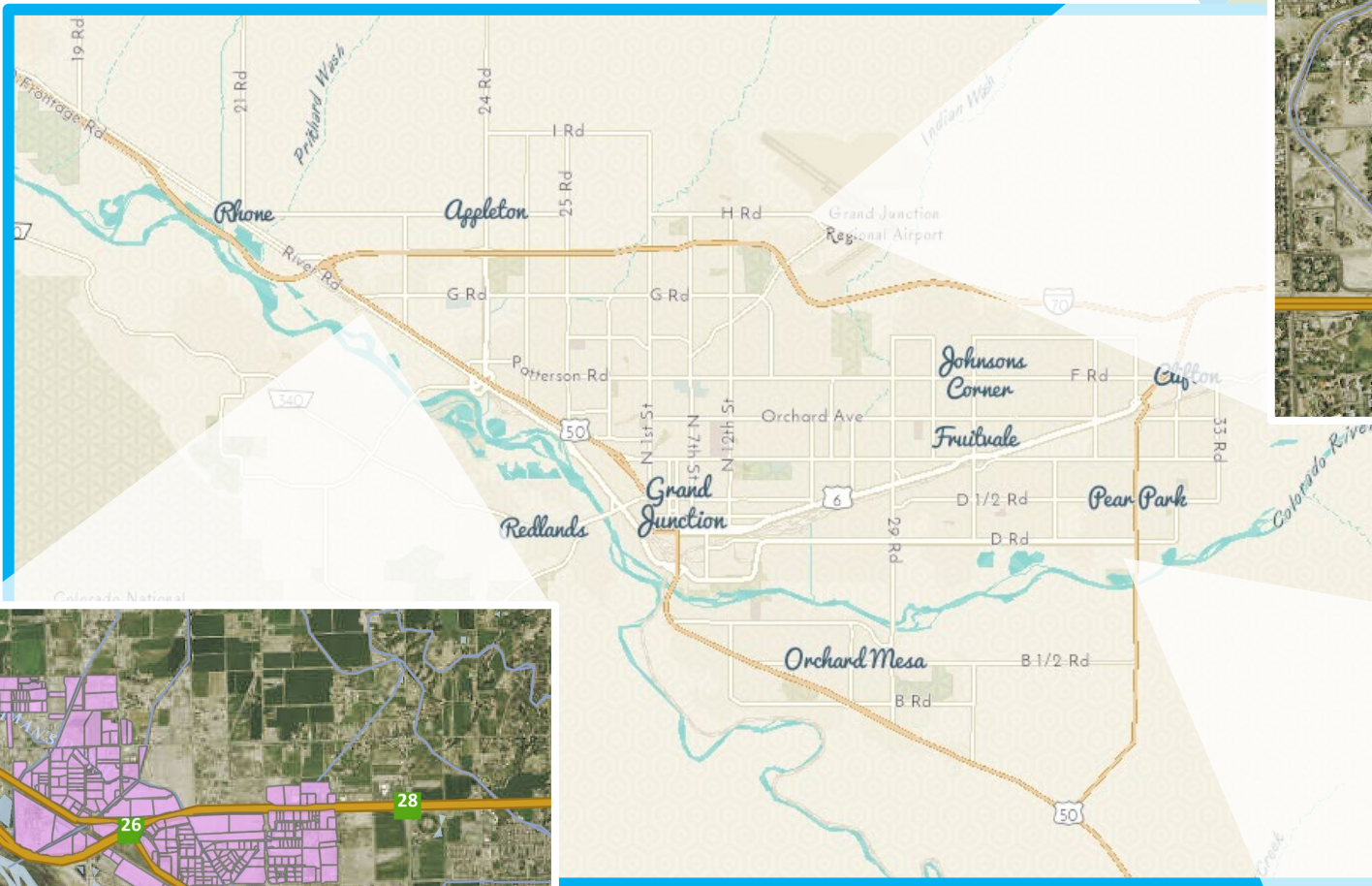
SUGGESTED ACTION:

Staff recommends City Council review the information and related recommendations, discuss and provide direction to staff.

Attachments

1. Exhibit A - Draft Cannabis Product Manufacturer Maps

Proposed Cannabis Product Manufacturing Facility Overlay



Proposed Cannabis-Infused Product Manufacturer Zone Districts

