



GRAND JUNCTION
HOUSING AUTHORITY

**Request for Statements of Qualifications (“SOQ”)
SOQ FIN-02-2025**

**Financial Consulting in the Areas of New Affordable
Housing Development and Long-Term Organizational
Financial Analysis and Planning**

**Submittal Due Date
April 18, 2025, prior to 4:00 p.m. MST**

**Electronic Responses Only
Submitted via Email to:
procurement@gjha.org**

**GJHA Representative
Michelle Mazur
Business Operations Supervisor
mmazur@gjha.org**

March 11, 2025

Respondents wishing to participate in this SOQ process should ensure they have all addenda prior to submission of documents. Failure to acknowledge receipt of any addenda applicable to this project could result in the rejection of Submittal.

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SECTION 1: BASIC INFORMATION AND SOLICITATION PURPOSE

- 1.1 Background:** In 2024 the Grand Junction Housing Authority celebrated 50 years of service providing affordable rental assistance and housing and supportive services in Grand Junction and Mesa County, Colorado. Our portfolio of properties exists at nine locations, with 765 units. We also manage a 20-unit affordable housing development owned by a separate local partner for a total portfolio of 785 units. The Grand Junction Housing Authority also manages roughly between 1400 and 1500 vouchers, or other forms of federal and state funded rental assistance.
- 1.2 Purpose:** Grand Junction Housing Authority (“GJHA”), by and through its Representative, is accepting Submittals from interested Respondents to provide financial consulting services in accordance with the terms, conditions, and scope of services contained in this Request.
- 1.3 Understanding of the Request:** All participating Firms/individuals (hereinafter referred to as “Respondent(s)”) are expected to examine all documents contained in this SOQ. Failure to do so shall in no way relieve a Respondent from any obligations related to its Submittal. Non-responsive or incomplete submittals may be deemed non-responsive. GJHA is not required to consider any claim of misunderstanding.
- 1.4 Questions:** Respondents, by submitting a proposal, agree to comply with all the conditions, requirements, and instructions contained or implied in this Request for Statements of Qualifications. Should GJHA omit anything from this SOQ package which is necessary for a clear understanding of the scope of work, or should it appear that various instructions are in conflict, the Respondent shall secure instructions from GJHA’s Representative. All questions or information relative to the interpretation of this SOQ shall be submitted via email, by the Questions Deadline noted in the SOQ Tentative Schedule.
- 1.5 Modifications:** Modifications to any of the terms, conditions, or specifications of this SOQ which are made by GJHA after the SOQ has been distributed to prospective Respondents, and prior to the due date and time, will be made by a written Addendum to the SOQ by GJHA. Sole authority to authorize addenda shall be vested in GJHA’s Representative. Addenda will be issued by GJHA and forwarded to all Respondents invited to submit a proposal. Respondents shall acknowledge receipt of all addenda in their submittal. Respondents are responsible for obtaining all Solicitation documents. GJHA is not bound by any oral representations, clarifications, or changes made in the written specifications by GJHA’s employees, unless such clarification or change is provided in written addendum from GJHA.
- 1.6 Pre-Submittal Conference:** A non-mandatory pre-submittal conference will be conducted for this SOQ on **Tuesday, March 25th, 2025, at 10:00 a.m. MST**. Downloading the app in advance of the conference is recommended.

The purpose of the pre-submittal conference is to clarify the SOQ if there are questions and to answer project-specific inquiries. Nothing stated during the briefing will modify the

solicitation. Any modifications to the SOQ will be communicated exclusively through addenda.

Zoom

[Join the meeting now](#)

Meeting ID: 939 2730 2590

Passcode: 960986

1.7 SOQ Tentative Schedule

SOQ Published	March 11, 2025
Pre-Submittal Conference	March 25, 2025, at 10:00 a.m. MST
Questions Deadline	March 28, 2025, at 4:00 p.m. MST
Addenda Issued (if needed)	April 4, 2025
Submittal Deadline	April 18, 2025, at 4:00 p.m. MST
Interviews (if needed)	April 28 – May 2, 2025
Final Selection and Notification	May 9, 2025

1.8 Electronic Signatures: Electronic signatures and copies of signatures are legally binding with the same force and effect as manually executed signatures.

1.9 Submission: See Section 5 for Submittal Checklist. Submittals must be formatted as directed in Section 5. Submittals that fail to follow this format may be deemed non-responsive.

1.10 Late Submittals: Submittals received after the Submittal Due Date, listed in the SOQ Tentative Schedule, may be considered non-responsive and not accepted. The responsibility for a timely submission rests with the Respondents. GJHA is not responsible for lost or misdirected submittals.

1.11 Discovery of Errors after Submittal Opening: Matters of form rather than substance evident from the face of the Submittal, such as minor errors and irregularities by Respondents, are waivable or correctable at GJHA's discretion, if:

- 1.11.1 There is no material variation from the original requirements definition, specifications, Scope of Work, or deliverable; and
- 1.11.2 The error or irregularity has no impact on quality, delivery, performance, or ability to comply with the fulfilment conditions; and
- 1.11.3 The error or irregularity would not restrict or impact the open, fair, and competitive nature of this SOQ; and
- 1.11.4 The waiver or correction is in the best interests of GJHA.

1.12 Withdrawal of Submittal: A Submittal must be firm and valid for award and shall not be withdrawn or canceled by Respondent for sixty (60) calendar days following the Submittal Due Date. After award, the Submittal may not be withdrawn except in exigent circumstances and only in the sole and absolute discretion of GJHA. Submission of clarifications and revised submittals after award automatically establishes a new thirty calendar day (30) period from receipt of clarification or revisions.

1.13 Award: GJHA reserves the right to make the award based on the submittal deemed most favorable, to waive any formalities or technicalities, and to reject any or all submittals for any reason.

1.14 Cancellation of SOQ: Any SOQ may be canceled by GJHA. Any SOQ response by a Respondent may be rejected in whole or in part when it is in the best interest of GJHA.

1.15 Examination of Specifications: Respondents shall thoroughly examine and be familiar with the Scope of Work. The failure of any Respondent to receive or examine the addendum, or other form or document will not relieve Respondent from any obligation with respect to its Submittal. The submission of a Submittal shall be taken as evidence of Respondent's compliance with this section.

1.16 Questions Regarding Scope of Work: All information or questions related to the interpretation of the Scope of Work or specifications shall be requested via email, by the Questions Deadline noted in the SOQ Tentative Schedule.

Addenda and Interpretations: Any interpretations, corrections or changes to this SOQ or extensions to the opening/receipt date shall be made by a written Addendum to the SOQ by GJHA. Sole authority to authorize addenda shall be vested in GJHA's Representative. Addenda will be issued in accordance with Section 1.5 above. Respondents are responsible for obtaining all SOQ documents.

1.17 Confidentiality: Materials submitted in response to this SOQ shall become public record and subject to inspection after contract award.

- 1.17.1** “Proprietary or Confidential Information” is defined as any information that is not generally known to competitors and which provides a competitive advantage. Unrestricted disclosure of proprietary information places it in the public domain. Only submittal information clearly identified with the words “**Confidential Disclosure**” and uploaded as a separate document may establish a confidential, proprietary relationship.
- 1.17.2** Any material to be treated as confidential or proprietary in nature must include a justification for the request. Consistent with the Colorado Open Records Act (“CORA”), the request will be reviewed and either approved or denied by GJHA. If denied, Respondent will have the opportunity to withdraw its entire Submittal or remove the confidential or proprietary information.
- 1.18 Open Records:** All non-confidential Submittals shall be open for public inspection after the Contract is awarded. Trade secrets and confidential information contained in a Submittal and designated as such by Respondent shall be treated as confidential by GJHA to the extent permitted by CORA.
- 1.19 Response Material Ownership:** Submittals become property of GJHA upon receipt. Selection or rejection of the Submittal shall not affect this right. GJHA shall have the right to use all ideas or adaptations of the ideas contained in any Submittal received in response to this SOQ, subject to limitations outlined in the above section entitled “Confidentiality”. Disqualification of a Submittal does not eliminate this right.
- 1.20 Protests:** Protests may only be filed by an actual or prospective Respondent whose direct economic interest would be affected by the award of a contract or by the failure to award a contract. The protest shall be submitted in writing to the Chief Executive Officer within seven (7) business days after such aggrieved person or entity knows or should have known of the facts giving rise to the protest, which generally occurs when a Notice of Intent to Award letter is received by Respondents, whichever occurs first. Any protest must be received by GJHA’s Chief Executive Officer prior to GJHA executing a contract with the selected Respondent.
- 1.21 Taxes:** GJHA is exempt from state, county and municipal sales and use taxes and Federal Excise tax. Therefore, unless otherwise specified, any fees must not include taxes. Colorado Tax Exempt No. 09800859.
- 1.22 Collusion Clause:** By submitting a Submittal, Respondent certifies that it is not party to any collusive action or any action that may be in violation of the Sherman Antitrust Act. Any and all Submittals shall be rejected if there is evidence or reason to believe that collusion exists among Respondents. GJHA will not accept future submittals from participants in such collusion.
- 1.23 Multiple Submittals:** If a Respondent submits more than one (1) offer, THE ALTERNATE OFFER must be clearly marked “Alternate Offer”. GJHA reserves the right to make award in the best interest of GJHA.

- 1.24 Public Disclosure Record:** If a Respondent has knowledge of its employee(s) or Subcontractors having an immediate family relationship with an employee or official of GJHA, the Respondent must provide GJHA's Representative with the name(s) of these individuals. These individuals are required to file an acceptable "Public Disclosure Record" and a statement of financial interest, before conducting business with GJHA.
- 1.25 Procurement Policy:** This SOQ is subject to GJHA's Procurement Policy that is in effect as of the date of this SOQ. However, if terms in this SOQ are different than or contradict GJHA's Procurement Policy, the terms within this SOQ will supersede the Procurement Policy.
- 1.26 Compliance:** All Respondents, by submitting a Submittal, agree to comply with all conditions, requirements, and instructions of this SOQ as stated or implied herein. Should GJHA omit anything from the SOQ that is necessary for a clear understanding of the requirements, or should it appear that various instructions are in conflict, Respondent shall secure instructions from GJHA's Representative prior to the Submittal Due Date listed in the SOQ Tentative Schedule.

SECTION 2: SCOPE OF WORK

- 2.1 General:** GJHA seeks qualified financial expertise to assist with strategic financial planning and execution, primarily focused in the areas of new affordable housing development and longer-term organizational financial analysis and planning as described in this SOQ.
- 2.2 Background:** GJHA is pursuing the possibility of contracting for these services in lieu of hiring a Chief Financial Officer, acknowledging the challenges that accompany attracting and retaining the right individual. GJHA has a strong Accounting and Finance Team, headed by its Controller, with three full-time staff. Organizational information about GJHA is provided in the form of its most recent annual report and resume both of which are attached to this SOQ. Additionally, copies of year-end financial summaries from 2022 through 2024 are included.
- 2.3 Project Overview:**
- 2.3.1 Purpose:** GJHA envisions this relationship with the selected respondent to be on a long-term basis that goes beyond the typical "Consultant-Client" relationship. GJHA expects the Respondent's Project Lead assigned to this engagement to be closely intertwined with GJHA's executive team with specifically delegated responsibilities and accountability. GJHA is willing to consider "hold harmless" provisions in the Contract for Services to govern this relationship so that GJHA's reasonable business objectives in the development and management of its real estate development portfolio and its other programs and services can be achieved. It is critical for GJHA that the Respondent's Project Lead assigned to this engagement can commit to these expected requirements - time, availability (physically at times, and virtually in others), qualifications, and commitment to the engagement. Any substitution of the Respondent's Project Lead is subject to GJHA's approval in its sole subjective discretion, and could lead to engagement termination if the Project Lead replacement is not satisfactory. The identified Project Lead should have access to the breadth and depth of knowledge for technical and administrative support from the Respondent in order for the Project Lead to effectively perform these functions. To achieve GJHA's solicitation objectives, proposers are expected to respond and be able to perform the scope of work in sections 2.4 and 2.5 below.
- 2.4 Scope of Work – General Development Consulting:**
- 2.4.1 New Development:** Assist GJHA's Executive Team and staff with preparing and reviewing financial models to analyze new development opportunities, which may include new construction or acquisition/rehabilitation opportunities. Funding for these services will most often be provided through GJHA's internal operating sources or sources associated with a particular development. While the final decisions on all development activity rests with

GJHA's staff and Board of Commissioners, the Respondent selected through this SOQ will be responsible for creating analyses, reviewing same with staff and the Board of Commissioners, and being present when called upon as decisions are discussed. This work may involve GJHA as a lead developer, a Special Limited Partner, or other roles as needed to further the availability of affordable housing in Mesa County. Specific tasks regarding detailed financial analysis and recommendations will include but are not limited to:

- Deal Structuring
- Development and construction budgets
- Operating pro-formas
- Feasibility of development with or without the use of tax credit instruments or programs
- Inclusion of grants and other funding sources
- Active participation in GJHA's overall business strategies as they relate to real estate development

2.4.2 Project Specific Consulting and Program Management: This part of the engagement occurs after a specific project has been deemed feasible and conceptual planning is completed and moving into detailed planning. Funding for these services will most often be provided from a project's funding sources. This will be negotiated on a per project basis and fees are expected to mirror reasonable industry standards. GJHA reserves the right to solicit or award this particular scope of work or a specific task(s) to another firm when it is deemed to be in the best interest of GJHA or the project owner. Specific tasks may include, but are not limited to:

- Assistance in deal structuring and negotiation with investors and lenders
- Assistance in applications for financing, including grants or loans
- Financial consulting to include financial modelling and identifying and securing possible sources of financing
- Review of gaps in funding and working to develop additional sources, if necessary
- Assistance in managing cost controls throughout the design, finance, and construction phases
- Assistance with all compliance requirements, monitoring, and reporting

- Assisting GJHA's Accounting and Finance Team, Development Director, and Executive Staff to assure seamless communication patterns
- Review of operating or partnership agreements and financing documents
- Other assistance necessary to bring the project to closing and project completion (e.g. tax credit development cost certifications)

2.5 Scope of Work – Broader Organizational Financial Strategies and Planning: Assist staff and the Board of Commissioners with developing long-term financial strategies and the associated tactics for responsible execution, including but not limited to:

- 2.5.1** Assessing the health of GJHA's properties portfolio and leveraging opportunities to assure strong asset management and, possibly, repositioning assets to further new development opportunities
- 2.5.2** Forecasting, across all funds and programs, operating revenue and expenditure patterns, helping GJHA identify cost-saving initiatives, revenue enhancement strategies, investment strategies and other strategic initiatives identified by GJHA's staff and the Board of Commissioners
- 2.5.3** Providing updates and other presentations to the Board of Commissioners as needed, which will often include monthly regular and special board and committee meetings
- 2.5.4** Help lead GJHA's efforts to stay up to date on local, state, federal and industry changes to laws, policies and practices, including but not limited to:
- Opportunities to diversify funding streams for new development and/or acquisition/rehab
 - Changes affecting GJHA's property portfolio, such as trends in investor behaviors as properties near "year-15"
- 2.5.5** Develop a strong partnership with GJHA's Controller, to focus on items including but not limited to:
- The interdependence between the Development and Finance Teams – helping create and evolve systems of information sharing to assure all development activity is appropriately recorded and presented in GJHA's financial statements
 - Compliance related items
 - Other assistance requested by the Controller

2.6 Knowledge and Experience Required: The types of assistance sought by GJHA will require Respondents to have working knowledge and/or experience in some or all of the following:

2.6.1 Specialized Financing and Methods of Development:

- Low-Income Housing Tax Credits (9% and 4%), including complex financial modeling and capital account monitoring
- Tax exempt bond strategies
- Opportunity Zone strategies
- Familiarity with, use, and application for soft source applications, such as, Federal Home Loan Bank (FHLB) AHP funds
- Familiarity with technical issues related to Year 15 properties, exit taxes, and calculation of taxable income, allocation of cash flow and income, and other issues that may arise
- State of Colorado Housing Tax Credits
- Use of Private Activity Bonds
- Maximizing development in Qualified Census Tracts (QCT)
- HUD Financing, including Multifamily products, such as 221(d)(4) financing and 811
- Energy Performance Contracting
- Green Bond Financing
- Use of Housing Choice (Section 8) vouchers, Tenant Based vouchers, and other rental assistance programs
- HOME funds
- CDBG funds
- Other funding sources or strategies which would benefit GJHA

2.6.2 Location Relationship: GJHA strongly prefers to work with an individual or firm familiar with affordable housing development and strategic partners currently operating in Western Colorado.

SECTION 3: GENERAL TERMS AND CONDITIONS

- 3.1 Independent Contractor:** Respondent shall be legally considered an Independent Contractor and neither Respondent nor its employees shall, under any circumstances, be considered servants or agents of GJHA. GJHA shall be at no time legally responsible for any negligence or other wrongdoing by Respondent, its employees, servants, or agents. As an Independent Contractor, Respondent shall be responsible for payment of all taxes including federal, state, and local taxes arising out of the activities under any Contract for Services, including by way of illustration but not limitation, federal and state income tax, Social Security tax, unemployment insurance taxes, and any other taxes or license fees required. Further, GJHA shall not provide to Respondent any insurance coverage or other benefits, including workers' compensation, normally provided by GJHA for its employees.
- 3.2 Nonconforming Terms and Conditions:** A Submittal that includes terms and conditions that do not conform to the terms and conditions of this SOQ is subject to rejection as non-responsive. GJHA reserves the right to permit Respondent to withdraw nonconforming terms and conditions from its Submittal prior to a determination by GJHA of non-responsiveness based on the submission of nonconforming terms and conditions.
- 3.3 Special Conditions/Provisions:** All fees will be considered by GJHA to be negotiable.

SECTION 4: INSURANCE REQUIREMENTS

- 4.1 Insurance Requirements:** The Respondent agrees to procure and maintain, at its own cost, policy(s) of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by the Respondent pursuant to this SOQ. The Respondent shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this SOQ by reason of its failure to procure or maintain insurance in sufficient amounts, durations, or types. The Respondent shall procure and maintain and, if applicable, shall cause any Subcontractor of the Respondent to procure and maintain insurance coverage listed below. Such coverage shall be procured and maintained with forms and insurers acceptable to GJHA. All coverage shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Respondent pursuant to this SOQ. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage. Minimum coverage limits shall be as indicated below unless specified otherwise in the Special Conditions:
- 4.1.1** Policy of general liability insurance Minimum Requirement will be \$1,000,000.00 (One million) per occurrence, \$2,000,000.00 (Two million) aggregate. This coverage will include fire damage of \$100,000.00 (One hundred thousand) and medical expenses of \$5,000.00 (Five thousand) per person and a deductible not greater than \$ 1,000.00. Grand Junction Housing Authority (“GJHA”) will be named upon each certificate issued as an “additional insured.”
- 4.1.2** Policy of professional liability insurance Minimum Requirement will be **\$1,000,000 (One million)** per occurrence, **\$2,000,000 (Two million)** aggregate. This policy shall provide coverage to protect GJHA against liability incurred arising out of the professional services performed as a result of responding to this SOQ.
- 4.1.3** Automobile liability coverage in a combined single limit of \$1,000,000.00 with a deductible not greater than \$ 500.00. With respect to each of Respondent’s owned, hired, or non-owned vehicles assigned to be used in performance of the services. The policy shall contain a severability of interest’s provision.
- 4.1.4** The Respondent will procure, maintain, and pay all premiums at Respondent’s expense, for Workers’ Compensation insurance on all employees and any persons performing any of Respondent’s obligations. “Employee(s)” will have the same meaning as set forth in Section 8-40-202, C.R.S., and “employer” will have the same meaning as in Section 8-40-203(1)(b), C.R.S. Before performing any Work under a Contract for Services, Respondent will provide GJHA with workers’ compensation proof of insurance certificate(s) demonstrating that the requirements of this subsection (c) are met, or documentation substantiating proper rejection of coverage under C.R.S. Section 8-41-202(1). Respondent will maintain its insured status for purposes of workers’ compensation throughout the term of any Contract arising out of this SOQ and will provide proof of such status when requested by GJHA.

4.1.5 Respondent will provide GJHA with current certificate(s) evidencing all insurance coverage required above, including confirmation that it has named GJHA as an additional insured. If an insurance policy renews during the effective term on the Contract, Respondent must provide an updated certificate to GJHA.

4.1.6 Every policy required above shall be primary insurance, and any insurance carried by GJHA, its officers, or its employees, or carried by or provided through any insurance pool of GJHA, shall be excess and not contributory insurance to that provided by Respondent. No additional insured endorsement to any required policy shall contain any exclusion for bodily injury or property damage arising from completed operations. Respondent shall be solely responsible for any deductible losses under any policy required above.

4.2 Additional Insured Endorsement: The policies required above shall be endorsed to include GJHA and GJHA's commissioners, officers, and employees as additional insureds with the exception of workers compensation. Every policy required above shall be primary insurance, and any insurance carried by GJHA, its officers, or its employees, or carried by or provided through any insurance pool of GJHA, shall be excess and not contributory insurance to that provided by Respondent.

SECTION 5: SUBMITTAL STATEMENT CHECKLIST

5.1 Submission: *The Submittal shall be submitted in electronic format only via email to procurement@gjha.org*. All responses must be submitted in the following format. Submittals must contain all of the items listed below. Each section corresponds to each evaluation criteria. Submittals should provide adequate information for reviewers to appropriately score each factor. Please be concise so that reviewers can find relevant information.

5.1.1 Cover Letter: A Cover Letter must be provided explaining the Respondent's interest in the project. The Cover Letter shall contain the name, address, phone number, and email of the person who will serve as the Respondent's principal contact person regarding completing a Contract for Services. Respondent shall also identify individual(s) who are authorized to make commitments on behalf of Respondent. The Cover Letter shall bear the signature of the person having proper authority to make formal commitments on behalf of Respondent.

The Cover Letter must briefly describe how the Respondent will work with GJHA to develop a collaborative working relationship and an affirmative statement agreeing to enter into a Contract for Services to provide the requested General Consulting and Program Management Services included in this SOQ. The letter must also include an affirmative statement that no subcontracting will be done unless included in the initial submittal. If subcontracting is included in the submittal, please provide qualifications of the sub-contractor. By submitting a Submittal, Respondent agrees to all requirements set forth in the SOQ.

5.1.2 Engagement Approach: Respondent shall provide a detailed statement of familiarity with the proposed scope of services, along with an overview of the Respondent's experience in providing consulting services in the development of affordable housing projects and broader strategic financial services. Please provide, in a draft form, an Engagement Proposal which will outline how Respondent intends to deliver the scope of services being requested. At a minimum the following should be addressed:

5.1.2.1 How will Project Lead work to gain an understanding of GJHA's vision, goals, and strategic objectives in a short period of time?

5.1.2.2 Describe how Project Lead and Respondent will collaborate with GJHA's development and finance teams.

5.1.2.3 How will Project Lead be supported by the Respondent's resources?

5.1.2.4 When specific projects are identified, how will Project Lead and Respondent assist GJHA in bringing the project to completion?

5.1.2.5 Indicate Respondent and Project Lead's expectations from GJHA's management to ensure effective delivery of services.

5.1.3 Project Lead Qualifications and Experience: The Project Lead will be an integral part of GJHA's executive team. GJHA's management team intends to conduct personal interviews with the person the Respondent identifies as the Project Lead. This person will be considered a key person by GJHA. Removal or replacement of this individual is subject to approval by GJHA. Replacement of the Project Lead after a contract is executed may be grounds for contract termination. Please provide the following:

5.1.3.1 Detailed resume of the Project Lead indicating, at a minimum, professional qualifications, industry knowledge, industry experience, and industry related affiliation.

5.1.3.2 List of projects where the Project Lead serves as the main consultant and project manager. Please describe the project, project amount, location, financing sources, and the Project Lead's role(s) in the project. List only projects that are relevant to the scope of this SOQ and have started or were completed within the last five years.

5.1.4 Project Team Qualification and Experience: Please list all Project Team members that are expected to provide direct support to the Project Lead in the delivery of the services required by GJHA. It is critical to list members that have the qualifications and experiences relevant to the services being sought by GJHA. Please provide the following:

5.1.4.1 Detailed resume of the Project Team members indicating, at a minimum, professional qualifications, industry knowledge, industry experience, and industry related affiliation.

5.1.4.2 The submission must provide an organization chart of the Respondent's team if proposed. Describe the structural relationship between the individuals responsible for various project management components (including construction, architecture, finance, development project management, legal, etc.) and management coordination between GJHA and Project Team.

5.1.5 Organizational Capacity: Provide organization and management profile for Respondent. Include the following:

5.1.5.1 Name of responding company, primary contact, main address, telephone and facsimile numbers, email address, and address and telephone/facsimile numbers of the office from which services will be provided if different from above.

5.1.5.2 A detailed listing of all prior and current DBAs, affiliates, fictitious names and prior names used by the Respondent and all team members (if any).

5.1.5.3 Description of the firm size in annual revenues, number of employees, and key employees. Resumes of key employees may be provided as appendices.

5.1.5.4 Indicate whether the Respondent or any team member, their successors, affiliates, or prior entities has ever: (1) been terminated from a contract, (2) been or is debarred, and (3) been sued or is currently in litigation with a client or governmental entity and if so, describe the circumstances, status, and outcomes.

5.1.6 Project Profile: Respondent should clearly demonstrate experience, capacity and expertise in assisting real estate developers. Include a minimum of five projects successfully assisted in the last five (5) years. Projects must include the following information:

5.1.6.1 Affordable and mixed-income rental housing projects successfully assisted within the past 5 years, identifying the states where they are located and the sources of financing, including public and private sources.

5.1.6.2 Mixed-use development projects successfully assisted within the past 5 years; note if any such transactions involved HFA financing.

5.1.6.3 Past experience working with Public Housing Authorities on their affordable and mixed-income rental housing projects.

Please provide the following specific information as applicable:

- Name of the project
- Date of completion or anticipated completion
- Location
- Size and type of project
- Rental units (unit mix and incomes served)
- Total cost of development, soft cost and hard costs
- Commercial development
- Sources of financing (e.g. tax credits, bonds, TIF, project-basing, CDBG/HOME, mortgages, etc.)
- Any unique challenges to the project that your firm or organization was instrumental in overcoming

5.1.7 Financial Development Experience: The SOQ requires that the Respondent demonstrate past experience and provide evidence of their proven ability to help secure, structure, and implement layered financing for projects of reasonable size, scope, and complexity. Respondent must demonstrate experience with each of the different types and uses that were required for this effort. This could include New Market Tax Credit, LIHTCs, Mortgage Revenue Bond financed projects, Affordable Housing Grants, Housing Trust Fund, CDBG/HOME funds, Tax Increment Financing, federally insured conventional or private and/or other public financing, etc. The Respondent must state the status of current, pending, or proposed funding assistance requests and past experience or history in securing funding from all sources.

5.1.8 References: A minimum of five (5) **references** with name, title, name of organization, address, telephone number, and email address that can attest to Respondent's experience in projects of similar scope and size, including:

- Low Income Housing Tax Credit
- New Market Tax Credit
- Public Housing Authority or Agency
- A community group or public housing resident group that worked with the Respondent on a specific project

5.1.9 Fee Submittal: Fee and pricing information should **not** be included in response to this SOQ. GJHA will undertake negotiations with the top-rated Respondent and will not negotiate with lower rated Respondents unless negotiations with higher rated Respondents have been unsuccessful and terminated.

5.1.10 Additional Data (optional): Provide any additional information that will aid in evaluation of Respondent's qualifications with respect to this project.

SECTION 6: EVALUATION CRITERIA AND FACTORS

- 6.1 Evaluation:** An evaluation team will review all Submittals and select the Submittal or Submittals that best demonstrate the capability in all aspects to perform the services and possess the integrity and reliability that will ensure good faith performance.
- 6.2 Intent:** Only Respondents who meet the qualification criteria will be considered. Therefore, it is imperative that the Submittal clearly indicates Respondent's ability to provide the services described in this SOQ.
- 6.2.1** Submittal evaluations will be done in accordance with the criteria and procedure defined in this SOQ. GJHA reserves the right to reject any and all portions of a Submittal and take into consideration past performance. The following parameters will be used to evaluate the submittals (in no particular order of priority): responsiveness, understanding of project and objectives, experience and required skills, and references.
- 6.2.2** GJHA reserves the right to take into consideration past performance of previous awards/contracts with GJHA of any Respondent, supplier, or service provider in determining final award(s).
- 6.2.3** GJHA reserves the right to award contracts to multiple Respondents or a single contract to one Respondent, supplier, or service provider for all engagements and/or type of Work.
- 6.2.4** GJHA will undertake negotiations with the top-rated Respondent and will not negotiate with lower rated Respondents unless negotiations with higher rated Respondents have been unsuccessful and terminated.
- 6.3 Oral Interviews:** GJHA may invite the most qualified rated Respondents to participate in oral interviews.
- 6.4 Award:** Respondents shall be ranked or disqualified based on the criteria listed in this SOQ. GJHA reserves the right to consider all information submitted and/or oral presentations, if required, in selecting the project Respondent.

SOLICITATION RESPONSE FORM

State number of Addenda received: _____.

It is the responsibility of Respondent to ensure all Addenda have been received and acknowledged.

The undersigned certifies and agrees that this Submittal is submitted in accordance with all applicable federal, state, county, and city laws.

By signing below, Respondent agrees to comply with all terms and conditions contained in this SOQ.

Company Name: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

ATTACHMENT A

Financial Report

Q4 2022



GRAND
JUNCTION
HOUSING
AUTHORITY

Helping People
When They Are
Most Vulnerable.

February 6, 2023

By Shelley Carpenter, Controller

Executive Summary

Financial Statements for the year ended December 31, 2022, are currently in unaudited Draft state. The year-end financial statement audits are in process with the returning audit team from Novogradac & Co working on all tax credit audits. Hawkins Ash is contracted for the GJHA audit. Grand Junction Housing Authority is reporting year to date consolidated net operating income for 2022 of \$958,602, favorable compared to budget by \$667,749. The variances are primarily due to increased rental revenues due to minimal vacancies and significant savings in repairs and maintenance and compensation throughout the year.

GJHA Consolidated Financial Overview

BALANCE SHEET OVERVIEW

Grand Junction Housing Authority ended the year with total assets of \$48,113,108. This is offset by total liabilities of \$17,528,208 with fund balance and surplus of \$30,584,900. This represented a decrease of total assets over the past quarter of \$420,900. The primary source of the decrease in assets was the recording of 4th quarter depreciation (\$356,910) and the decrease to tenant accounts receivable due to write offs (\$113,407).

Cash Position

Total GJHA, Doors 2 Success, and Little Bookcliff cash is \$11.2 million. This is comprised of Unrestricted, Restricted, and Assigned cash. (Please see detailed cash report included in this packet.) Total operating cash on the balance sheet was \$9.9M at the end of the year which represents an increase of \$97K from the previous quarter. While there was a significant increase to cash in 2022 due to the sale of Lincoln and Courtyard, normalized cash remained steady.

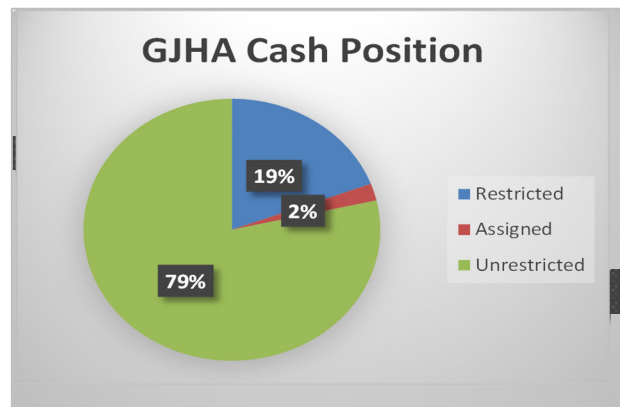


Table 1 - Restricted vs. Unrestricted Cash Position

Other Assets and Liabilities

DEVELOPER FEES RECEIVABLE

Developer Fees Receivable totaled \$609k which was a decrease of \$255K in the 4th quarter due to the receipt of a developer fee installment from 2814. Total developer fees received in 2022 were \$1,181,900. The majority of this was 2814 and Highlands 2.

NOTES PAYABLE

Notes Payable decreased by \$105K to \$15.1M due to the regular principal payment activities.

BUDGET COMPARATIVE OVERVIEW

Net Operating Income

Net operating income for the quarter is \$114K which is \$55K negative to budget. Although the 4th quarter was negative to budget, the year-to-date NOI is \$958K, which is \$668K positive to budget. HAP payments are excluded from the operating revenues and expenses sections below as HAP revenue and expense should offset each other with regular true-ups.

- Operating Revenues excluding HAP Income were negative to budget by \$232K.
 - The delay in the Walnut Park Capital Improvement Project caused an unfavorable variance in project management income of \$215K.
 - The decrease in expected receipts in Other Grant Income created an unfavorable variance to budget of \$148K.
 - Bad debt write-offs decreased total rental income causing an unfavorable variance in the 4th quarter.

Total Operating Expenses of \$15.4M, which includes \$8.1M of Housing Assistance Payments, had a favorable variance for the quarter and are \$1.6M below the budgeted amount of \$17.1M. The key items to note for the quarter are:

- Operating expenses excluding HAP were \$460K positive to budget.
 - Total compensation was positive to budget throughout 2022 and ended the year at \$3.7M, which was \$365K positive to budget. This was due to savings from vacancy, the usage of temporary employees, and employees utilizing different health insurance options.
 - Total repairs & maintenance remained consistently positive to budget throughout 2022.

Non-Operating Income (Expenses)

Non-operating income and expenses are substantially on track with budget for the quarter. However, they are positive to budget by \$2.6M year-to-date. Most of this variance is from the \$2.3M gain on the sale of Lincoln & Courtyard which was not budgeted.

Net Income

Net income for the quarter of -\$263K is positive to budget by \$124K. This brings their total year-to-date net income to \$2.5M, which is \$3.3M positive to budget.

VOUCHER PROGRAMS

Vouchers Managed

Grand Junction Housing Authority manages a total of 1,112 vouchers throughout 8 different voucher programs. These voucher programs had housing assistance payments totaling \$7.7M in 2022. This generated annual admin fees of \$1.2M.

TOTAL VOUCHERS MANAGED BY TYPE

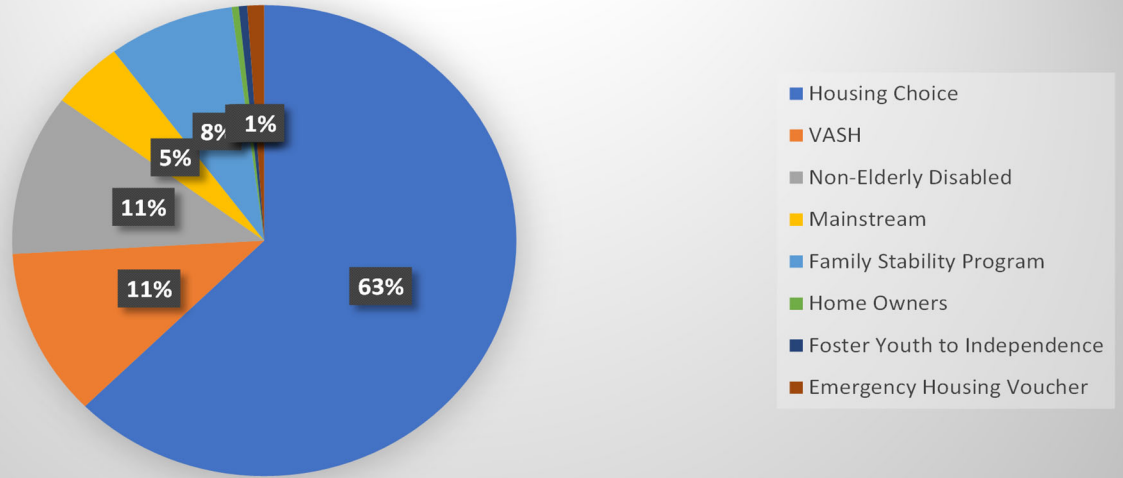


Table 2 - Vouchers Managed by Type

Vouchers are broken out into the following categories: Housing Choice, VASH, Non-Elderly Disabled, Mainstream, Family Stability, Homeowners, Foster Youth to Independence, and Emergency Housing vouchers. Table 2 provides an overview of how many vouchers GJHA manage for each type and the % that type represents of total vouchers managed.

Voucher Utilization Rates

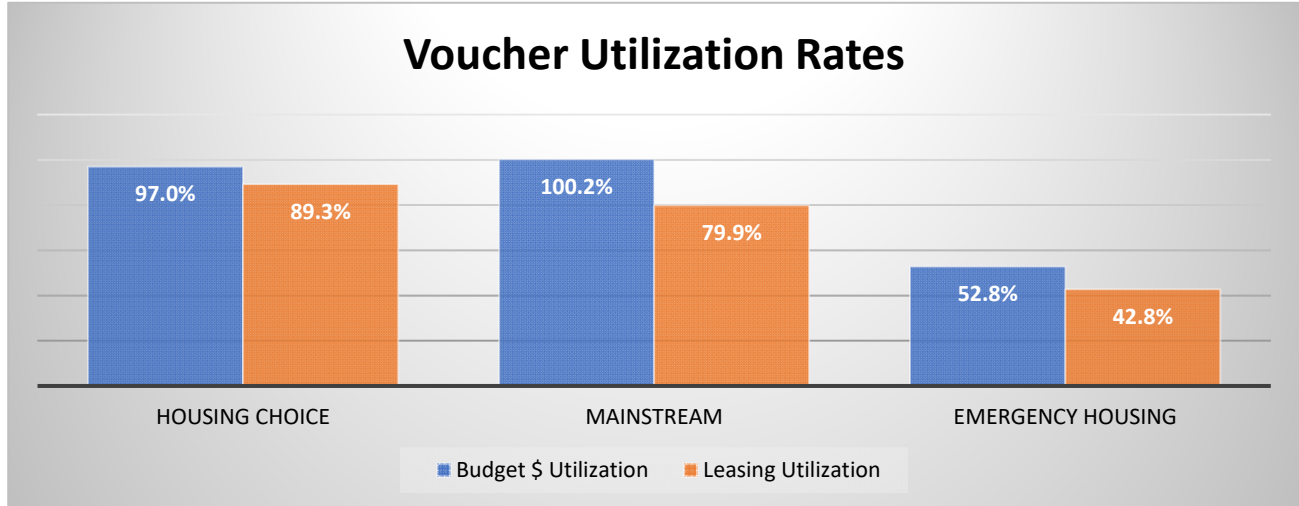


Table 3 - Voucher Utilization Rates

Housing Assistance Payment Reserves

The Housing Assistance Payment (HAP) reserves at the end of the reporting period, including the amounts held by HUD, totaled \$2,247,434 and can be used in future periods for spending in excess of the annual contracted awards.

APPENDIX A: CONSOLIDATED BALANCE SHEET

Grand Junction Housing Authority Combined Balance Sheet			
Period - Oct 2022-Dec 2022			
	Beginning Balance	Quarterly Activity	Ending Balance
ASSETS			
CURRENT ASSETS			
Total Cash	9,834,691	96,592	9,931,284
A/R Tenants	160,657	(143,602)	17,055
A/R GJHA Programs	577,783	(9,131)	568,652
A/R Online Rent	3,947	(10,143)	(6,196)
Allowance for Doubtful Accounts	(19,583)	144	(19,439)
A/R Security Dep. and Revolving Loans	105	-	105
A/R Section 8 Fraud Recovery	24,569	343	24,912
A/R HUD & Other	92,609	(24,836)	67,772
I/R Crystal Brook	19,312	-	19,312
I/R Linden Pointe	114,704	-	114,704
Prepaid Expenses	55,388	(54,980)	409
Prepaid Insurance	15,333	(15,333)	-
Inventory Holding	127,655	(16,608)	111,048
A/R Inventory	68,521	4,307	72,829
TOTAL CURRENT ASSETS	1,241,000	(269,838)	971,161
Net Property Plant & Equipment	18,531,597	(243,087)	18,288,509
Other Assets	-	-	-
Total accounts receivable	122,449	40,766	163,214
Developer Fees Receivable	864,615	(255,088)	609,527
Total Interest Receivable	5,301,856	176,340	5,478,196
Notes Receivable	11,291,127	-	11,291,127
Investment in Properties	292,092	-	292,092
TOTAL OTHER ASSETS	17,872,139	(37,983)	17,834,156
TOTAL RESTRICTED ASSETS	1,054,581	33,417	1,087,998
TOTAL ASSETS	48,534,008	(420,900)	48,113,108
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES			
Accounts Payable	169,770	78,334	248,104
Accrued Liabilities	373,232	(32,540)	340,692
Tenant Security Deposits Payable	248,560	(30,315)	218,245
FSS HAP Escrow Payable	53,835	(983)	52,852
Deferred Revenue	109,707	(37,663)	72,045
Current Portion Long-Term Debt	374,320	(14,560)	359,761
A/P Inventory	56,942	(7,811)	49,130
TOTAL CURRENT LIABILITIES	1,386,366	(45,538)	1,340,828

Grand Junction Housing Authority Combined Balance Sheet

Period - Oct 2022-Dec 2022

	Beginning Balance	Quarterly Activity	Ending Balance
LONG-TERM LIABILITIES	-		
A/P General Fund	85,475	-	85,475
Accrued Interest Payable	1,325,259	32,739	1,357,998
Mortgage/Notes Payable	15,251,576	(137,937)	15,113,640
Total Long-Term Liabilites	15,218,837	(105,197)	15,113,640
Less: Current Portion Long-Term Debt	(377,004)	7,271	(369,733)
NET LONG-TERM LIABILITES	16,299,849	(112,469)	16,187,380
	17,528,208		17,528,208
FUND BALANCE & SURPLUS	-		
Earned Surplus	4,917,802	(67,779)	4,850,023
Unreserved Surplus	16,563,912	-	16,563,912
Capital Terrace Fund Balance	1,443,744	-	1,443,744
Voucher Admin Operating Reserve	590,081	-	590,081
Contributed Capital	432,774	-	432,774
Donated Surplus	721,879	-	721,879
Donated Surplus - Ratekin Tow er	(2,079)	-	(2,079)
Contra Cap - Crystal Brook	776,103	-	776,103
Contra Cap - Linden Avenue	2,085,207	-	2,085,207
Investment in Foresight	859,955	-	859,955
Investment in Affordable Homes	100	-	100
Syndication costs - Crystal Brook	(25,600)	-	(25,600)
Excess Revenues over Expenditures	2,483,915	(195,114)	2,288,801
TOTAL FUND BALANCE & SURPLUS	30,847,793	(262,893)	30,584,900
	-		
TOTAL LIABILITIES & FUND BALANCE	48,534,008	(420,900)	48,113,108

APPENDIX B: CONSOLIDATED BUDGET COMPARATIVE

Grand Junction Housing Authority							
Combined Operating Statement							
Budget Comparison							
Period = Oct 2022-Dec 2022							
	Current Quarter	Quarter Budget	Variance	Last Year To Period	Current Year	Year To Date Budget	Variance
OPERATING REVENUES							
Total Rental Income	902,171	912,627	(10,456)	4,085,032	3,992,211	3,873,575	118,636
Total General Fund Income	534,681	593,603	(58,922)	1,892,790	2,138,591	2,353,245	(214,654)
Total Grant income	165,626	194,009	(28,383)	679,870	580,991	776,044	(195,053)
Total HAP income	2,362,393	2,557,441	(195,048)	8,970,394	9,339,033	10,170,564	(831,531)
Total Non Rental Income	115,080	51,573	63,507	283,357	354,932	208,417	146,515
TOTAL OPERATING REVENUE	4,079,950	4,309,253	(229,303)	15,911,442	16,405,758	17,381,845	(976,087)
OPERATING EXPENSES							
Total Management Fees	73,926	72,968	958	317,017	314,919	301,515	13,404
Total Compensation	1,123,886	1,129,299	(5,413)	3,713,486	3,846,218	4,209,982	(363,764)
Total Utilities	133,954	114,504	19,450	465,787	490,112	446,613	43,499
Total Repairs and Maintenance	306,676	271,050	35,626	929,410	977,456	1,211,648	(234,192)
Total Marketing Exps.	-	667	(667)	2,927	-	2,733	(2,733)
Total Professional fees	156,309	147,530	8,779	572,435	730,166	588,188	141,978
Total Administrative Expense	62,155	167,130	(104,975)	371,136	523,285	469,165	54,120
Total Occupancy costs	27,227	29,041	(1,814)	103,057	111,994	118,705	(6,711)
Total Housing Assistance Payments	2,015,529	2,313,259	(297,730)	8,018,643	8,102,908	9,253,049	(1,150,141)
Total Insurance and Taxes	65,328	119,069	(53,741)	348,851	350,098	489,394	(139,296)
TOTAL OPERATING EXPENSES	3,964,989	4,364,517	(399,528)	14,842,749	15,447,156	17,090,992	(1,643,836)
NET OPERATING INCOME	114,961	(55,264)	170,225	1,068,693	958,602	290,853	667,749

Grand Junction Housing Authority							
Combined Operating Statement							
Budget Comparison							
Period = Oct 2022-Dec 2022							
	Current Quarter	Quarter Budget	Variance	Last Year To Period	Current Year	Year To Date Budget	Variance
NON OPERATING INCOME/EXPENSE							
Investment Income - Restricted	179,129	177,862	1,267	728,331	738,121	711,401	26,720
Interest Income - Restricted	5,089	1,041	4,048	2,405	8,286	4,179	4,107
Interest Income - Unrestricted	26,677	2,325	24,352	5,703	38,747	9,878	28,869
Other NonOp Income	-	-	-	46,100	18,500	-	18,500
Other NonOp Expense	-	-	-	1,523	-	(7,301)	7,301
Developer Fee Income	-	-	-	1,000,000	-	-	-
Mortgage Interest Expense	(75,662)	(62,284)	(13,378)	(279,938)	(302,648)	(259,826)	(42,822)
Incentive Performance Fee	-	(7,825)	7,825	-	-	(30,949)	30,949
Other Interest Expense	(38,002)	(56,413)	18,411	(220,996)	(156,953)	(225,320)	68,367
Depreciation Expense	(356,910)	(234,932)	(121,978)	(1,070,291)	(1,133,745)	(988,705)	(145,040)
Amortization Expense	-	-	-	(3,875)	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	42,839	2,316,335	-	2,316,335
Prior Year Adjustments	(59,542)	-	(59,542)	-	(59,542)	-	(59,542)
Hazard Cleanup Income	-	-	-	89,981	355,301	-	355,301
Hazard Cleanup	(5,312)	(80,764)	75,453	(217,857)	(88,022)	(214,764)	126,742
Hazard Cleanup w rite offs	(89,037)	(88,540)	(497)	(119,156)	(188,884)	(98,265)	(90,619)
Transfers In	3,826,061	55,602	3,770,459	206,200	3,852,699	214,916	3,637,783
Transfers Out	(3,790,345)	(37,938)	(3,752,407)	(168,871)	(3,816,983)	(144,205)	(3,672,778)
TOTAL NON OPERATING INCOME/EXP.	(377,854)	(331,866)	(45,988)	42,098	1,581,211	(1,028,961)	2,610,172
NET INCOME (LOSS)	(262,893)	(387,130)	124,237	1,110,791	2,539,813	(738,108)	3,277,921

REAL ESTATE PORTFOLIOS

Grand Junction Housing Authority has two distinctive segments within its real estate portfolio. The two segments are the Low-Income-Housing-Tax-Credit (“LIHTC”) portfolio and GJHA owned properties.

Low Income Housing Tax Credit (LIHTC) Portfolio

PROPERTY PERFORMANCE

A summary of the property’s performance within the LIHTC portfolio is provided for your reference.

Dec 2022 Summary P & L							
	72 Units	72 Units	64 Units	72 Units	60 Units		
	Arbor Vista LLLP	Village Park LLLP	Highlands LLLP	Highlands II LLLP	2814 LLLP		Total
OPERATING REVENUES							
Dwelling Rental Tenants	699,603	730,662	570,496	572,831	551,211		3,124,802
Vacancy Loss	(11,355)	(33,100)	(3,765)	(11,566)	(17,103)		(76,889)
Other Revenue	20,080	42,935	37,693	47,468.07	29,800		177,976
TOTAL OPERATING REVENUES	708,328	740,497	604,424	608,733	563,907		3,225,889
							-
OPERATING EXPENSES							
Management Fees	42,500	44,423	42,310	42,611	36,654		208,498
Compensation	54,955	61,446	99,062	107,424	55,895		378,783
Utilities	55,888	54,940	73,912	75,843	93,569		354,152
Repairs & Maintenance	92,115	182,828	51,565	38,779	97,699		462,986
Marketing & Professional Fees	47,110	40,429	51,495	47,601	81,410		268,045
Admin & Occupancy	17,646	18,903	105,950	115,259	9,641		267,398
Bad Debt Expense	10,982	47,744	157	4,838	12,153		75,874
Insurance & Taxes	34,913	49,310	37,251	37,388	51,210		210,073
TOTAL OPERATING EXPENSES	356,110	500,024	461,702	469,743	438,230		2,225,809
NET OPERATING INCOME	352,218	240,474	142,722	138,990	125,677		1,000,080
Non-Operating Revenues (Expenses)							
Interest Income Restricted	313	977	658	493	413		2,855
Interest Expense	(336,195)	(194,241)	(129,825)	(198,051)	(137,110)		(995,423)
Other non-operating	-	(19,175)	(11,260)	(11,260)	(33,000)		(74,695)
Depreciation & Amortization	(518,286)	(390,129)	(473,601)	(466,301)	(515,377)		(2,363,694)
Hazard Cleanup Income	-	8,580	-	-	-		8,580
Hazard Cleanup Expense	(2,533)	(133,474)	(9,102)	-	-		(145,110)
Hazard Cleanup Write Offs	-	(25,643)	-	-	-		(25,643)
NET NON-OPERATING REVENUES (EXP.)	(856,701)	(753,105)	(623,130)	(675,120)	(685,074)		(3,593,130)
NET INCOME (LOSS)	(504,483)	(512,632)	(480,409)	(536,129)	(559,398)		(2,593,050)

Table 4 - Managed Tax Credit Properties

Property Highlights

- Apart from Highlands 2, all tax credit properties ended the year with net operating income positive to budget. Highlands 2 was just under budget by \$6K, this was due to the decreased number of project-based vouchers allocated to Highlands 2. This resulted in decreased rental income throughout 2022.
- All tax credit properties experienced increases in operating revenues due to minimal vacancy and authorized rent increases in 2022.
- Operating expenses also increased in 2022 throughout the portfolio. These increases were anticipated and budgeted. Therefore, the only properties exceeding budget were Village Park at \$5K and 2814 at \$4K over budget. These variances were minimal and were offset by additional revenues.
- Village Park did experience two hazard units in 2022. This increased the vacancy loss and created \$113K in hazard expense combined with \$26K in hazard write-offs. This increase to non-operating expenses resulted in decreases to cash as well as net income being \$43K negative to budget at -\$513K.
- All properties with the exception of Highlands and Village Park ended 2022 with strong cash balances. Both Highlands and Village Park no longer have deferred developer fees owed to the General Fund.

DEBT SERVICE COVERAGE RATIO

A key metric that is monitored on the LIHTC portfolio is Debt Service Coverage Ratio (“DSCR”). The DSCR is calculated by dividing the net operating income (NOI), reduced for any required replacement reserve funding, by the total required debt service. Debt service is the combined principal and interest payment required on the debt of the property.

$$\text{DSCR} = \frac{\text{Net Operating Income}}{\text{Total Debt Service}}$$

All LIHTC properties have external investor required target DSCR's that we must meet. The graph below depicts YTD results from the quarter on how each property performed related to their target.

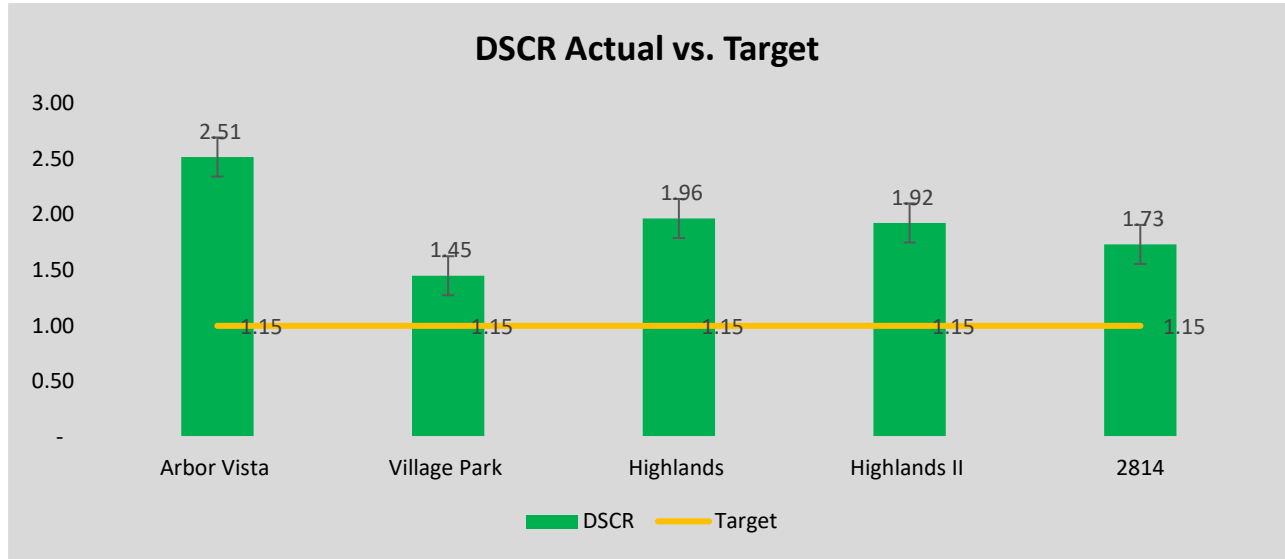


Table 5 - Percentage of Targeted DSCR

As illustrated in Table 5, all properties are hitting their DSCR targets for the quarter.

	Arbor Vista	Village Park	Highlands	Highlands II	2814
Annual Debt Service	140,148	165,960	72,732	72,288	72,674
Required NOI	161,170	190,854	83,642	83,131	83,575
Actual NOI	352,218	240,474	142,722	138,990	125,677
Excess NOI	191,047	49,620	59,080	55,859	42,102

Table 6 - Dollar Amount in Excess or Below Targeted DSCR

Occupancy

The five properties within the LIHTC portfolio have a combined total of 340 units. The average annual occupancy ratio for these units was 97.02%. The individual property occupancy ratios range from 94.32% at Village Park to 99.05% at The Highlands.

Grand Junction Housing Authority Owned Properties

This portfolio consists of Ratekin, Walnut Park, Nellie Bechtel, Crystal Brook, and Linden Pointe. Lastly, Monument Business Center, which is a commercial property with a 10-year lease maturing June 30, 2024.

The financial focus on managing these portfolios is the Net Operating Income and operating cash. The charts below depict a summary of each property's performance in 2022 compared to budget and the prior year.

RATEKIN	2022 Actual	2022 Budget	Budget Variance	2021 Actual	\$ Change	% Change
Operating Cash Balance	(187,273)		N/A	(188,801)	1,528	-0.8%
Net Operating Income	314,389	157,737	156,652	294,382	20,007	6.8%
Net Income	63,993	(143,508)	207,501	67,258	(3,265)	-4.9%
Non-Operating	(250,396)	(301,245)	50,849	(227,124)	(23,272)	10.2%
Operating Revenues	1,017,972	987,308	30,664	985,504	32,468	3.3%
Operating Expenses	703,583	829,571	(125,988)	691,122	12,461	1.8%

WALNUT	2022 Actual	2022 Budget	Budget Variance	2021 Actual	\$ Change	% Change
Operating Cash Balance	665,120		N/A	437,258	227,862	52.1%
Net Operating Income	302,252	183,264	118,988	270,130	32,122	11.9%
Net Income	269,102	47,439	221,663	3,141	265,961	8467.4%
Non-Operating	(33,150)	(135,825)	102,675	(266,989)	233,839	-87.6%
Operating Revenues	934,680	849,898	84,782	847,990	86,690	10.2%
Operating Expenses	632,428	666,634	(34,206)	577,860	54,568	9.4%

NELLIE	2022 Actual	2022 Budget	Budget Variance	2021 Actual	\$ Change	% Change
Operating Cash Balance	283,364		N/A	195,422	87,942	45.0%
Net Operating Income	369,099	174,584	194,515	304,514	64,585	21.2%
Net Income	(18,546)	(32,610)	14,064	(14,216)	(4,330)	30.5%
Non-Operating	(387,645)	(160,520)	(227,125)	(318,730)	(68,915)	21.6%
Operating Revenues	914,285	803,533	110,752	797,269	117,016	14.7%
Operating Expenses	545,187	609,018	(63,831)	492,755	52,432	10.6%

CRYSTAL	2022 Actual	2022 Budget	Budget Variance	2021 Actual	\$ Change	% Change
Operating Cash Balance	402,145		N/A	278,070	124,075	44.6%
Net Operating Income	143,603	53,432	90,171	159,352	(15,749)	-9.9%
Net Income	943	(140,559)	141,502	13,564	(12,621)	-93.0%
Non-Operating	(142,660)	(193,991)	51,331	(145,788)	3,128	-2.1%
Operating Revenues	381,317	354,640	26,677	353,591	27,726	7.8%
Operating Expenses	237,714	301,208	(63,494)	194,239	43,475	22.4%

LINDEN	2022 Actual	2022 Budget	Budget Variance	2021 Actual	\$ Change	% Change
Operating Cash Balance	396,121		N/A	128,829	267,292	207.5%
Net Operating Income	342,385	220,542	121,843	321,294	21,091	6.6%
Net Income	14,655	(338,915)	353,570	(68,187)	82,842	-121.5%
Non-Operating	(327,730)	(559,457)	231,727	(389,481)	61,751	-15.9%
Operating Revenues	880,464	787,321	93,143	833,129	47,335	5.7%
Operating Expenses	538,079	566,779	(28,700)	511,835	26,244	5.1%

MONUMENT BUS. CENTER	2022 Actual	2022 Budget	Budget Variance	2021 Actual	\$ Change	% Change
Operating Cash Balance	67,055		N/A	34,600	32,455	93.8%
Net Operating Income	118,486	104,925	13,561	114,821	3,665	3.2%
Net Income	41,658	11,414	30,244	38,210	3,448	9.0%
Non-Operating	(76,828)	(74,681)	(2,147)	(76,610)	(218)	0.3%
Operating Revenues	127,055	124,303	2,752	121,512	5,543	4.6%
Operating Expenses	8,568	19,378	(10,810)	6,691	1,877	28.1%

Occupancy

The five properties within the GJHA portfolio (excluding Monument Business Center) have a combined total of 425 units. The 2022 average annual occupancy ratio for these units was 97.91%. The individual property occupancy ratios range from 97.26% at Ratekin Tower to 99.03% at Nellie Bechtel.

Key Definitions

Net Income

Net income (“NI”), also called net earnings, is calculated as sales minus cost of goods sold, selling, general and administrative expenses, operating expenses, depreciation, interest, taxes, and other expenses. It is a useful number for investors to assess how much revenue exceeds the expenses of an organization. This number appears on a company’s income statement and is also an indicator of a company’s profitability. (Investopedia, 2021)

Net Operating Income

Net operating income (NOI) is a calculation used to analyze the profitability of real estate investments and organizations. NOI equals all revenue from the property, minus all reasonably necessary operating expenses.

NOI is a before-tax figure, appearing on a property’s income and cash flow statement, that excludes principal and interest payments on loans, capital expenditures, depreciation, and amortization. When this metric is used in other industries, it is referred to as “earnings before interest, taxes, depreciation and amortization” (EBITDA). In our presentations we utilize the NOI term exclusively.

Past Due Rent Summary as of 01.01.2023

Property	Rent Roll Expected YTD	Total Rent Outstanding	Rent 0-30 Days Past Due	Rent 31-60 Days Past Due	Rent 61-90 Days Past Due	Rent 90+ Days Past Due	90+ Past Due Active Tenants
2814	551,211	7,162	4,335	910	910	1,007	-
Arbor	699,603	14,619	14,619	9,070	2,288	953	2,308
Courtyard							
Crystal Brook	369,061	1,498	1,178	320	-	-	-
Lincoln							
Linden Pointe	865,691	17,631	10,200	4,041	1,386	2,004	-
Little Bookcliff	30,961	3,398	1,293	707	579	820	820
Nellie Bechtel	683,344	4,709	3,522	491	248	448	448
Ratekin	392,033	3,559	2,056	1,102	401	-	-
Highlands	570,496	526	394	132	-	-	-
Highlands 2	572,831	700	700	-	-	-	-
Village Park	730,662	8,417	4,574	2,342	1,352	149	149
Walnut	354,397	5,606	3,651	1,289	313	353	20
Total	5,820,290	67,824	46,522	20,404	7,477	5,734	3,744
Percentage of Rent Outstanding			68.59%	30.08%	11.02%	8.45%	5.52%
Percentage Rent Roll Expected		1.17%	0.80%	0.35%	0.13%	0.10%	0.06%
***We updated the YTD rent roll expected to be YTD rents as the past due amounts are YTD past due amounts							

2022 Bad Debt Write-Offs as of 12/31/2022

GJHA Properties	Q4 2022 Write Offs	Total 2022 Write Offs
Nellie Bechtel	895.50	6,062.54
Walnut Park Apartments	6,025.83	15,430.59
Ratekin Tower Apartments	3,730.45	23,966.70
Crystal Brook	-	\$28,657.00
Linden Pointe	7,868.00	22,722.76
Lincoln Apartments	-	\$18,204.13
Courtyard Apartments	-	(\$1,636.41)
Total	\$18,519.78	\$113,407.31

Tax Credit Properties	Q4 2022 Write Offs	Total written off
Arbor Vista	\$563.80	\$10,982.14
2814	\$2,964.51	\$12,152.67
Village Park	\$29,967.35	\$47,744.00
Highlands		\$157.00
Highlands II	\$964.00	\$4,838.00
Total	\$34,459.66	\$75,873.81

Totals for all GJHA & Tax Credits	
Total All Properties	\$189,281.12
Total Meth	\$219,800.85
Total Write Offs	\$409,081.97

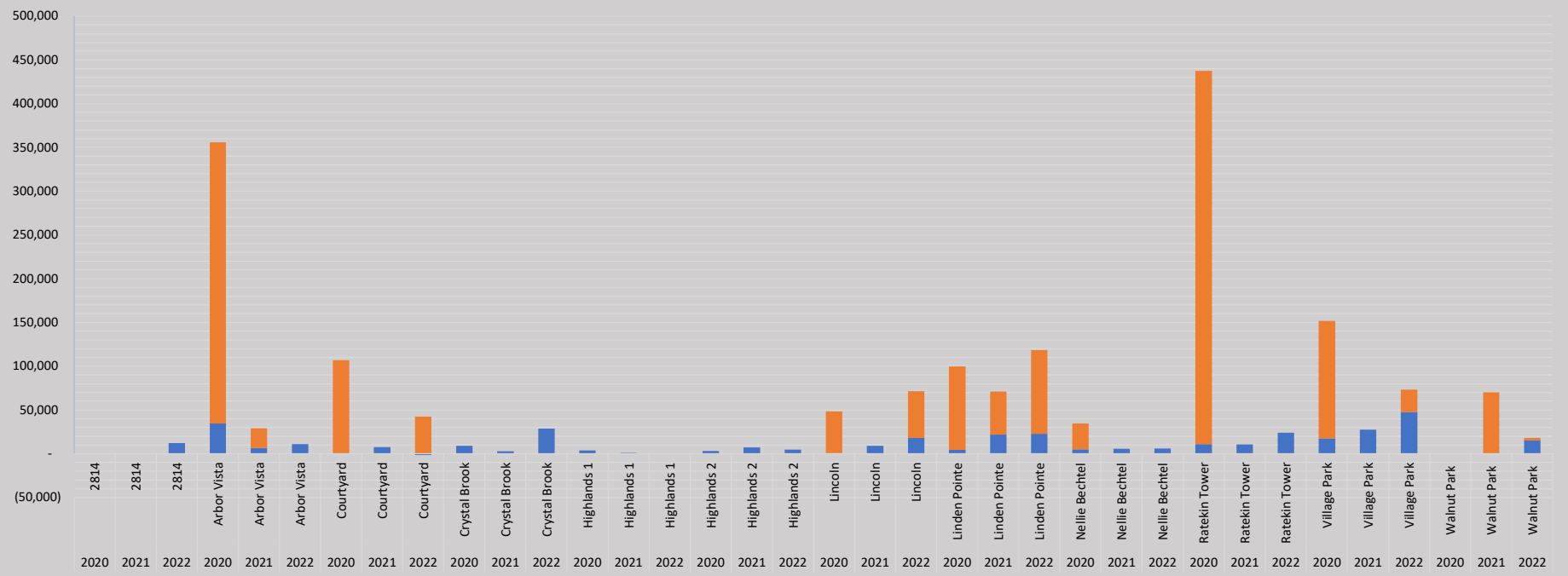
Additional Reasons for Write Offs	
Deceased	\$37,998.81
Evictions	\$92,803.20
30 day notices & assisted living	\$33,872.62
Total	\$164,674.63

Total Meth	Q4 2022 Write Offs	Total written off
Walnut		\$2,636.81
Lincoln		\$53,273.65
Linden		\$95,841.02
Village		\$19,968.58
Village		\$5,674.33
Courtyard		\$42,406.46
Total		\$219,800.85

*\$17,938.81 of this is debt that should have been written off in prior years.

Trending Write-Offs

Bad Debt Hazard Expense



Grand Junction Housing Authority
Cash Reserve Analysis
December 31, 2022

Fund or Property	Account Name	Amount	Per Unit	Source of Restriction
Ratekin Towers	G/L & Prop Insurance Reserve	98,612		HUD
Ratekin Towers	Laundry Account	9,393		HUD/GJHA
Ratekin Towers	Replacement Reserve	209,711	\$ 1,960	HUD
Next Step/TBRA	Allocated Cash	(51,436)		DHS/DOH/UW
Linden Pointe	Tenant Security Deposits	76,669		Pship Agmt
Monument Business Center	Tenant Security Deposits	5,776		GJHA
Crystal Brook	Tenant Security Deposits	30,184		GJHA
Ratekin Towers	Tenant Security Deposits	38,494		HUD
Walnut Park	Tenant Security Deposits	28,578		HUD
Walnut Park	Construction Cash	50,000		
Linden Pointe	Capital Improvements	573,010		
WP Service Coordinator	Allocated Cash	(5,330)		HUD
Nellie Bechtel	Tenant Security Deposits	43,725		HUD
Vouchers	Allocated Cash	857,505		HUD
Vouchers	FSS HAP Escrow Reserve	85,311		HUD
Housing Plus Health	Allocated Cash	(4,634)		
Voucher Client Support	Cash Reserved (Grants)	30,000		Various Grantors
Doors 2 Success	Security Deposit Guarantee	36,147		Benevolent Comm Pship
Doors 2 Success	Operating Cash & Reserved (Grants)	46,586		Various Grantors
	Total Restricted	2,158,300		
Little Bookcliff	Operating Cash	75,923		Management Contract
Ratekin Towers	Allocated Cash	(187,273)		HUD
Nellie Bechtel	Allocated Cash	283,364		GJHA
General Fund	Online Rent Payment	62,745		To be xferred to properties
	Total Assigned	234,759		
Ac & Dev	Allocated Cash	236,847		
General Fund	Allocated Cash	6,530,260		
Linden Pointe	Operating Cash	396,121		
Linden Pointe	Replacement Reserve	109,318		
Housing Initiatives	Allocated Cash	96		501c3
Walnut Park	Replacement Reserve	100,649	\$ 1,118	GJHA
Walnut Park	Allocated Cash	670,451		HUD
Walnut Park	Laundry Account	20,438		HUD/GJHA
Nellie Bechtel	Replacement Reserve	43,920		
Crystal Brook	Replacement Reserve	137,220	\$ 3,431	GJHA/DOH
General fund	Reserve for Market Properties	45,204	\$ 962	GJHA
Crystal Brook	Allocated Cash	402,146		
Monument Business Center	Allocated Cash	67,055		
Monument Business Center	Replacement Reserve	25,000		GJHA
	Total Unrestricted	8,784,724		

Grand Total 11,177,784

Definitions

- 1 Restricted - Externally imposed restrictions on how money can be spent. May require approval from outside entity and/or GJHA Board to spend.
- 2 Assigned - Can be used for operating and capital expenses, but only for that specific fund or program.
- 3 Unrestricted -Although a specific intent may be identified, can be used 100% at GJHA's discretion.

**Grand Junction Housing Authority
Cash Reserve Analysis- Tax Credits**

December 31, 2022

<u>Fund or Property</u>	<u>Account Name</u>	<u>Amount</u>	<u>Per Unit</u>	<u>Restriction</u>	<u>Source of Restriction</u>	<u>Notes</u>
Arbor Vista	Reserve for G/L & Prop Ins.	29,606		Restricted	Pship Agmt	
Arbor Vista	Operating Reserves (a)	284,723		Restricted	Pship Agmt	
Arbor Vista	Replacement Reserve	114,554	\$ 1,591	Restricted	Pship Agmt	Monthly deposit increases 3% annually
Village Park	Replacement Reserve	139,437	\$ 1,937	Restricted	Pship Agmt	Monthly deposit increases 3% annually
Village Park	Operating Reserves (a)	244,582		Restricted	Pship Agmt	
2814 LLLP	Replacement Reserve	19,500	\$ 325	Restricted	Pship Agmt	Monthly deposit increases 3% annually
2814 LLLP	Operating Reserves (a)	114,344		Restricted	Pship Agmt	
Arbor Vista	Tenant Security Deposits	58,705		Restricted	Pship Agmt	
Highlands	Tenant Security Deposits	45,005		Restricted	Pship Agmt	
Highlands 2	Tenant Security Deposits	52,235		Restricted	Pship Agmt	
Village Park	Tenant Security Deposits	63,594		Restricted	Pship Agmt	
2814 LLLP	Tenant Security Deposits	47,544		Restricted	Pship Agmt	
Highlands	Replacement Reserve	98,398	\$ 1,537	Restricted	Pship Agmt	
Highlands	Operating Reserves	130,303		Restricted	Pship Agmt	
Highlands 2	Replacement Reserve	69,031	\$ 959	Restricted	Pship Agmt	
Highlands 2	Operating Reserves	137,772		Restricted	Pship Agmt	
1 Total		1,649,333				
Arbor Vista	Operating Cash	142,374		Assigned	Pship Agmt	
Highlands	Operating Cash	42,700		Assigned	Pship Agmt	
Highlands 2	Operating Cash	180,102		Assigned	Pship Agmt	
McMahon Subdivision Owner's Assoc.	Operating Cash	118,884		Assigned		
2814 LLLP	Operating Cash	132,177		Assigned	Pship Agmt	
Village Park	Operating Cash	36,538		Assigned	Pship Agmt	
2 Total		652,774				
Grand Total		2,302,108				

Definitions

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- 2 Assigned - Can be used for operating and capital expenses, but only for that specific fund or program.
- 3 Unrestricted -Although a specific intent may be identified, can be used 100% at GJHA's discretion.

Financial Report

Q4 2023



GRAND
JUNCTION
HOUSING
AUTHORITY

Helping People
When They Are
Most Vulnerable.

Through December 31, 2023

By Sheila Brubacher, Controller

Executive Summary

Grand Junction Housing Authority is reporting year-end consolidated net operating income of \$687,179 favorable compared to budget by \$863,277. The variances are primarily due to increased rental revenues due to minimal vacancies, increased grant income, and significant savings in repairs and maintenance, professional fees, and compensation throughout the year.

GJHA Consolidated Financial Overview

BALANCE SHEET OVERVIEW

Grand Junction Housing Authority ended the year with total assets of \$52,420,819. This is offset by total liabilities of \$21,312,726 with fund balance and surplus of \$31,108,093. The balance sheet presents an increase in total assets over the past quarter of \$2.59M. The primary source of the increase in assets was the construction in progress expenses incurred for development of The Confluence and The Current, including land of \$3.4M.

Cash Position

Total GJHA and Doors 2 Success cash is \$11.28 million. This is comprised of Unrestricted, Restricted, and Assigned cash (Please see detailed cash report included in this packet). Total operating cash on the balance sheet was \$12.1M at the end of the third quarter, which represents a decrease of \$800k over the fourth quarter.

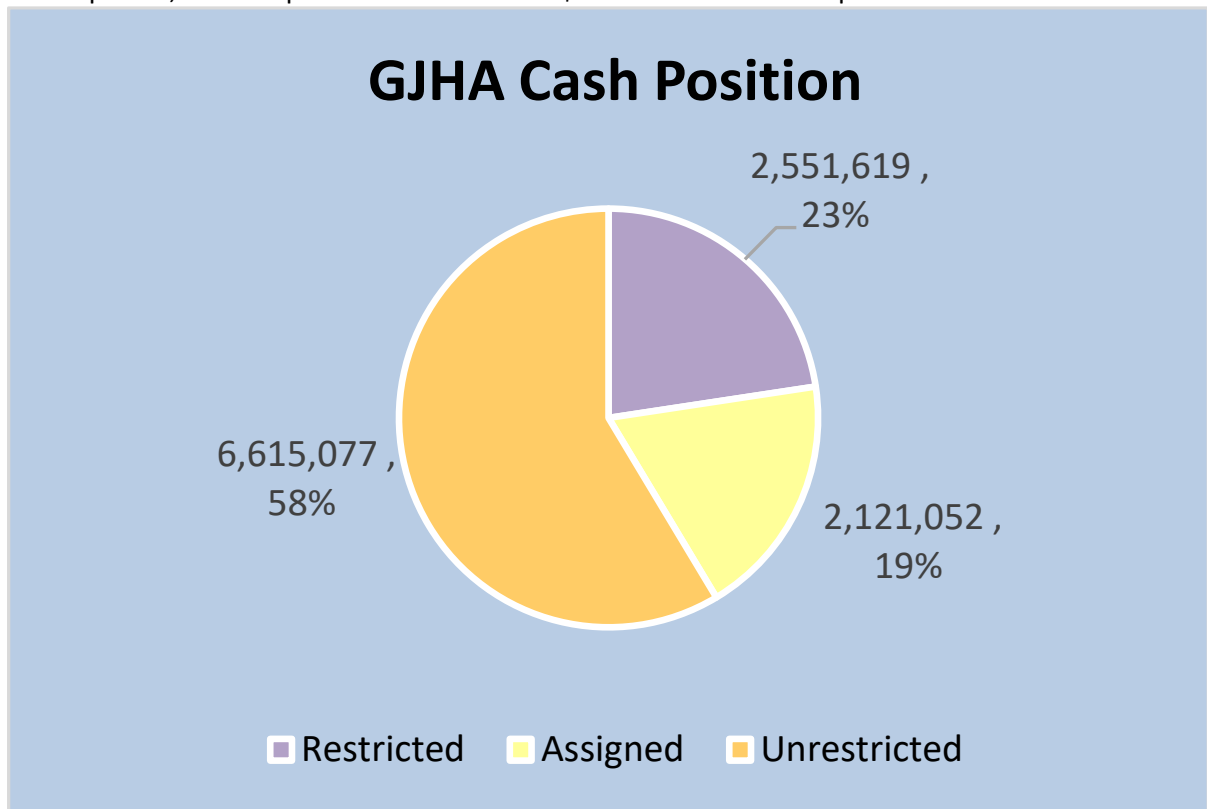


Table 1 - Cash Position

Other Assets and Liabilities

ACCOUNTS RECEIVABLE, DEVELOPER FEES RECEIVABLE, INTEREST RECEIVABLE

There were no material changes to these accounts in the fourth quarter of 2023. Interest receivable increased by \$210K due to regular monthly accrued interest on soft loans.

NOTES PAYABLE

Notes Payable decreased \$140k to \$15.6M due to regular principal payments. There were no significant changes in the fourth quarter.

BUDGET COMPARATIVE OVERVIEW

Net Operating Income

Net operating income for 2023 was \$687K which is \$863K favorable to budget. Housing Assistance Payments (HAP) expenditures are excluded from the operating revenues and expenses sections below as HAP revenue and expense should offset each other with regular true ups.

- Operating Revenues excluding HAP Income were favorable to budget by \$398K.
- 2023 authorized rent increases were higher than budgeted. Thus, this variance persisted throughout all of 2023.
- Legal fee income was extraordinarily high in the first quarter, creating a favorable variance. This was an extraordinary occurrence that was not budgeted.
- General Fund income ended the year negative to budget due to maintenance labor income. This is primarily due to staffing. GJHA continues to work diligently to increase staff in the maintenance department. We anticipate this variance will decrease in 2024.
- Other grant income increased \$460k during the third quarter due to recognition of the Energy Outreach Colorado grant which covered the purchase of boiler replacements at Walnut Park. This unbudgeted income created a \$354k variance as of the end of 2023.

Total Operating Expenses of \$16M, which includes \$8.6M of HAP expenditures, had a favorable variance as of the end of 2023 and are \$1.6M below the budgeted amount of \$17.6M. The key items to note are:

- Operating expenses excluding HAP were \$683K favorable to budget.
- Total compensation was \$4.1M at the end of the year, which was \$248K favorable to budget. This was due to vacancy savings, mainly in maintenance and vouchers. Additionally, staff budgeted for a Development Director and Asset Manager to start January 2023. The Asset Manager position was filled during the third quarter, leaving a vacancy in the Human Resources Director position. The Development Director and HR Director positions were filled during fourth quarter 2023.
- Total repairs & maintenance expenses were favorable to budget by \$275K for 2023. While a portion of this is due to fewer maintenance hours billed to the properties than budgeted, the savings are largely due to staffing shortages. Full staffing is anticipated for the majority of 2024 with temporary labor to be used as necessary.
- Total professional fees are favorable to budget by \$162K. We budgeted a large amount for professional fees for the preservation property, which we did not purchase. Therefore, this variance remained throughout the year. We also budgeted a significant amount for professional fees for Confluence Subdivision and The Current. The majority of these fees are sitting on the balance sheet as construction work in progress.

- Insurance expense was over budget \$5k at the end of the year. This is due to actual annual premiums over budgeted amounts, offset by approved budget revisions during 2023.

Non-Operating Income (Expenses)

Non-operating income and expenses are favorable to budget for 2023 by \$824k. This variance is due, in part, to interest income received from our investments in the CD (\$77k) and money market accounts (\$15.8k). The CDs roll over every 90 days. Over \$410k of the variance is due to the Energy Outreach Colorado weatherization grant received for Walnut Park.

Net Income

Net income of \$426K was favorable to budget by \$1.68M.

APPENDIX A: CONSOLIDATED BALANCE SHEET

Grand Junction Housing Authority Combined Balance Sheet

Period - October 2023-December 2023

	Beginning Balance	Quarterly Activity	Ending Balance
ASSETS			
CURRENT ASSETS			
Allocated Cash (BOC)	4,125,262	(966,475)	3,158,787
Cash (Online Rent)	89,485	2,146	91,631
Cash- GJHA Reserve for Market Properties	45,547	118	45,665
Certificate of Deposit	3,047,241	39,635	3,086,876
Money Market	1,009,848	7,274	1,017,122
Non-Interest Bearing Checking	1,000,000	-	1,000,000
Petty Cash	250	-	250
Other Cash Accounts Linden Point Cap Imp.	579,087	1,872	580,959
Total Cash	9,896,719	(915,429)	8,981,290
A/R Tenants	70,985	29,845	100,830
A/R GJHA Programs	443,791	(308,133)	135,658
A/R Online Rent	(31,446)	(1,985)	(33,431)
Allowance for Doubtful Accounts	(23,889)	(16,373)	(40,261)
A/R Security Dep. and Revolving Loans	105	-	105
A/R Section 8 Fraud Recovery	32,673	3,305	35,977
A/R HUD & Other	42,140	23,396	65,536
I/R Crystal Brook	19,312	-	19,312
I/R Linden Pointe	114,704	-	114,704
Prepaid Expenses	49,198	(52,771)	(3,573)
Prepaid Insurance	29,622	(29,622)	-
Inventory Holding	107,745	43,051	150,796
A/R Inventory	33,205	(3,777)	29,428
TOTAL CURRENT ASSETS	888,145	(313,063)	575,082

Grand Junction Housing Authority Combined Balance Sheet

Period - October 2023-December 2023

	Beginning Balance	Quarterly Activity	Ending Balance
Property Plant & Equipment			
Land	2,431,651	-	2,431,651
Land Improvements	3,801,820	-	3,801,820
Construction in Progress- 24 rd	156,491	3,756,522	3,913,012
Development in Progress	41,628	-	41,628
Buildings	28,834,900	-	28,834,900
Building Improvements	2,190,498	11,831	2,202,329
Furniture Equipment & Machinery	2,737,402	45,654	2,783,056
Total Property Plant and Equipment	40,194,391	3,814,007	44,008,397
Less: Accumulated Depreciation	(22,025,154)	(227,029)	(22,252,182)
Net Property Plant & Equipment	18,169,237	3,586,978	21,756,215
	-		
Other Assets	-		
Total accounts receivable	165,687	11,883	177,569
Developer Fees Receivable	434,527	-	434,527
Total Interest Receivable	6,064,910	210,862	6,275,772
Notes Receivable	11,291,127	-	11,645,957
Investment in Properties	292,092	-	292,092
TOTAL OTHER ASSETS	18,603,172	222,745	18,825,917
Restricted Assets			
Replacement Reserves	681,378	68,838	750,215
Insurance Reserves	65,695	16,775	82,470
Laundry Assets Reserves	36,032	2,497	38,528
Rehab Escrow/Construction Reserves	1,173,983	(49,478)	1,124,506
Tenant Security Deposits (Cash Account)	230,566	(1,867)	228,699
FSS HAP Escrow Reserves	86,300	(28,403)	57,897
TOTAL RESTRICTED ASSETS	2,273,953	8,362	2,282,315
	-		
TOTAL ASSETS	49,831,226	2,589,593	52,420,819

Grand Junction Housing Authority Combined Balance Sheet

Period - October 2023-December 2023

LIABILITIES AND FUND BALANCE			
CURRENT LIABILITES			
Accounts Payable	165,901	(256,973)	(91,072)
Accrued Liabilities	1,346,661	90,692	1,437,352
Tenant Security Deposits Payable	224,061	785	224,845
FSS HAP Escrow Payable	54,085	10,107	64,192
Deferred Revenue	49,128	3,029,142	3,078,271
Current Portion Long-Term Debt	359,761	(3,986)	355,775
A/P Inventory	7,006	4,520	11,527
TOTAL CURRENT LIABILITIES	2,206,603	2,874,287	5,080,890
LONG-TERM LIABILITIES			
A/P General Fund	440,305	-	440,305
Accrued Interest Payable	446,319	31,863	478,182
Mortgage/Notes Payable	15,764,152	(140,611)	15,623,542
Total Long-Term Liabilites	16,650,776	(108,748)	16,542,029
Less: Current Portion Long-Term Debt	(303,262)	(6,930)	(310,192)
NET LONG-TERM LIABILITES	16,347,514	(115,678)	16,231,836
FUND BALANCE & SURPLUS			
Earned Surplus	9,418,602	-	9,418,602
Unreserved Surplus	17,481,664	-	17,481,664
Voucher Admin Operating Reserve	590,081	-	590,081
Contributed Capital	2,343,587	-	2,343,587
Donated Surplus	721,879	-	721,879
Donated Surplus - Ratekin Tower	(2,079)	-	(2,079)
Contra Cap - Crystal Brook	776,103	-	776,103
Contra Cap - Linden Avenue	194,445	-	194,445
Investment in Foresight	859,955	-	859,955
Investment in Affordable Homes	100	-	100
Syndication costs	(45,652)	-	(45,652)
Excess Revenues over Expenditures	(1,061,578)	(169,016)	(1,230,594)
TOTAL FUND BALANCE & SURPLUS	31,277,109	(169,016)	31,108,093
-			
TOTAL LIABILITIES & FUND BALANCE	49,831,226	2,589,593	52,420,819

APPENDIX B: CONSOLIDATED BUDGET COMPARATIVE

Grand Junction Housing Authority							
Combined Operating Statement							
Budget Comparison							
Period = October 2023-December 2023							
	Current Quarter	Quarter Budget	Variance	Last Year To Period	Current Year	Year To Date Budget	Variance
OPERATING REVENUES							
Total Rental Income	1,011,993	958,287	53,706	3,991,808	3,946,276	3,807,201	139,075
Total General Fund Income	511,081	562,264	(51,183)	2,138,591	2,118,957	2,270,216	(151,259)
Total Grant income	70,465	104,155	(33,690)	593,406	719,534	416,629	302,905
Total HAP income	2,521,692	2,693,886	(172,194)	9,384,057	9,640,573	10,775,532	(1,134,959)
Total Non Rental Income	76,947	57,606	19,341	365,147	326,589	218,645	107,944
TOTAL OPERATING REVENUE	4,192,177	4,376,198	(184,021)	16,473,010	16,751,929	17,488,223	(736,294)
OPERATING EXPENSES							
Total Management Fees	79,567	75,465	4,102	314,919	312,897	299,610	13,287
Total Compensation	1,264,726	1,169,910	94,816	3,845,179	4,120,957	4,368,923	(247,966)
Total Utilities	113,849	132,304	(18,455)	490,112	490,033	510,156	(20,123)
Total Repairs and Maintenance	185,626	281,590	(95,964)	978,249	962,460	1,237,999	(275,539)
Total Marketing Exps.	-	379	(379)	-	98	1,692	(1,594)
Total Professional fees	183,966	152,052	31,914	731,205	594,588	757,225	(162,637)
Total Administrative Expense	121,961	100,855	21,106	521,551	425,657	423,824	1,833
Total Occupancy costs	27,372	26,427	945	112,935	111,381	107,924	3,457
Total Housing Assistance Payments	2,321,553	2,379,124	(57,571)	8,102,908	8,600,731	9,516,484	(915,753)
Total Insurance and Taxes	95,365	109,393	(14,028)	366,255	445,949	440,484	5,465
TOTAL OPERATING EXPENSES	4,393,986	4,427,499	(33,513)	15,463,314	16,064,750	17,664,321	(1,599,571)
NET OPERATING INCOME	(201,808)	(51,301)	(150,507)	1,009,697	687,179	(176,098)	863,277

Grand Junction Housing Authority							
Combined Operating Statement							
Budget Comparison							
Period = October 2023-December 2023							
	Current Quarter	Quarter Budget	Variance	Last Year To Period	Current Year	Year To Date Budget	Variance
NON OPERATING INCOME/EXPENSE							
Investment Income - Restricted	188,721	182,735	5,986	741,489	775,629	730,986	44,643
Interest Income - Restricted	52,835	913	51,922	5,029	121,219	3,661	117,558
Interest Income - Unrestricted	14,636	2,890	11,746	38,747	118,441	11,595	106,846
Other NonOp Income	-	-	-	18,500	-	-	-
Other NonOp Expense	-	-	-	-	-	(7,520)	7,520
Mortgage Interest Expense	(87,593)	(76,519)	(11,074)	(306,969)	(302,406)	(299,513)	(2,893)
Incentive Performance Fee	-	(8,046)	8,046	-	-	(31,820)	31,820
Other Interest Expense	(52,951)	(44,300)	(8,651)	(165,988)	(190,517)	(176,795)	(13,722)
Depreciation Expense	(227,029)	(257,670)	30,642	(1,047,253)	(1,004,504)	(1,030,691)	26,187
Gain (Loss) on Sale of Asset	-	-	-	2,324,465	-	-	-
Prior Year Adjustments	-	-	-	(95,820)	-	-	-
Hazard Cleanup Income	274,087	-	274,087	355,301	406,060	-	406,060
Hazard Cleanup	(136,660)	(63,799)	(72,861)	(88,022)	(240,961)	(255,211)	14,250
Hazard Cleanup write offs	-	-	-	(188,884)	-	-	-
Transfers In	140,022	42,308	97,714	3,883,958	268,747	194,837	73,910
Transfers Out	(133,222)	(60,350)	(72,872)	(3,848,242)	(212,239)	(224,456)	12,217
TOTAL NON OPERATING INCOME/EXP.	32,846	(281,838)	314,684	1,626,311	(260,530)	(1,084,927)	824,397
NET INCOME (LOSS)	(168,963)	(333,139)	164,176	2,636,008	426,649	(1,261,025)	1,687,674

REAL ESTATE PORTFOLIOS

Grand Junction Housing Authority has two distinctive segments within its real estate portfolio. The two segments are the Low-Income-Housing-Tax-Credit (“LIHTC”) portfolio and GJHA owned properties.

Low Income Housing Tax Credit (LIHTC) Portfolio

PROPERTY PERFORMANCE

A summary of the property’s performance within the LIHTC portfolio is provided for your reference.

December 2023 Summary P & L						
	72 Units	72 Units	64 Units	72 Units	60 Units	
	Arbor Vista LLLP	Village Park LLLP	Highlands LLLP	Highlands II LLLP	2814 LLLP	Total
OPERATING REVENUES						
Dwelling Rental Tenants	735,269	783,419	607,458	596,546	569,484	3,292,177
Vacancy Loss	(23,297)	(32,126)	(3,662)	(7,298)	(14,678)	(81,062)
Other Revenue	39,525	23,100	45,486	60,009.10	33,076	201,195
TOTAL OPERATING REVENUES	751,497	774,393	649,282	649,257	587,882	3,412,310
OPERATING EXPENSES						
Management Fees	45,090	46,464	45,450	45,448	38,212	220,663
Compensation	71,915	73,532	88,981	94,389	57,024	385,840
Utilities	62,524	60,202	56,790	77,393	94,524	351,432
Repairs & Maintenance	130,662	141,934	47,535	38,816	94,007	452,954
Marketing & Professional Fees	58,655	49,214	44,764	50,419	47,333	250,384
Admin & Occupancy	23,100	23,452	101,372	112,738	12,212	272,874
Bad Debt Expense	14,810	10,083	11,748	10,000	11,061	57,702
Insurance & Taxes	60,062	57,057	64,742	63,879	51,973	297,714
TOTAL OPERATING EXPENSES	466,818	461,937	461,380	493,082	406,346	2,289,563
NET OPERATING INCOME	284,679	312,456	187,902	156,174	181,535	1,122,747
Non-Operating Revenues (Expenses)						
Interest Income Restricted	5,662	6,350	5,467	4,012	3,395	24,886
Interest Expense	(340,797)	(200,979)	(131,874)	(201,892)	(101,784)	(977,326)
Other non-operating	(7,562)	(23,879)	(11,771)	(11,255)	(21,219)	(75,687)
Depreciation & Amortization	(515,312)	(390,129)	(473,601)	(466,301)	(482,101)	(2,327,444)
Hazard Cleanup Income	-	44,810	11,310	-	-	56,120
Hazard Cleanup Expense	(17,577)	(8,228)	-	-	-	(25,805)
Hazard Cleanup Write Offs	-	-	-	-	-	-
NET NON-OPERATING REVENUES (EXP.)	(875,585)	(572,056)	(600,469)	(675,437)	(601,708)	(3,325,255)
NET INCOME (LOSS)	(590,906)	(259,599)	(412,568)	(519,262)	(420,173)	(2,202,508)

Table 4 - Managed Tax Credit Properties

Property Highlights

- All tax credit properties ended the year with net operating income favorable to budget.
- All tax credit properties experienced increases in operating revenues due to minimal vacancy and authorized rent increases for 2023. Vacancy loss is slightly higher than budget at Village (\$2k) but all other tax credits maintained under budget vacancy loss.
- Operating expenses are also favorable to budget throughout the portfolio, mainly in

- repairs and maintenance.
- All properties currently maintain strong cash balances. During the second quarter, cash was moved from tax credit operating reserves to CDs to generate increased interest income.

DEBT SERVICE COVERAGE RATIO

A key metric that is monitored on the LIHTC portfolio is Debt Service Coverage Ratio (“DSCR”). The DSCR is calculated by dividing the net operating income (NOI), reduced for any required replacement reserve funding, by the total required debt service. Debt service is the combined principal and interest payment required on the debt of the property.

$$\text{DSCR} = \frac{\text{Net Operating Income}}{\text{Total Debt Service}}$$

All LIHTC properties have external investor required target DSCR’s that we must meet. The graph below depicts YTD results on how each property performed related to their target.

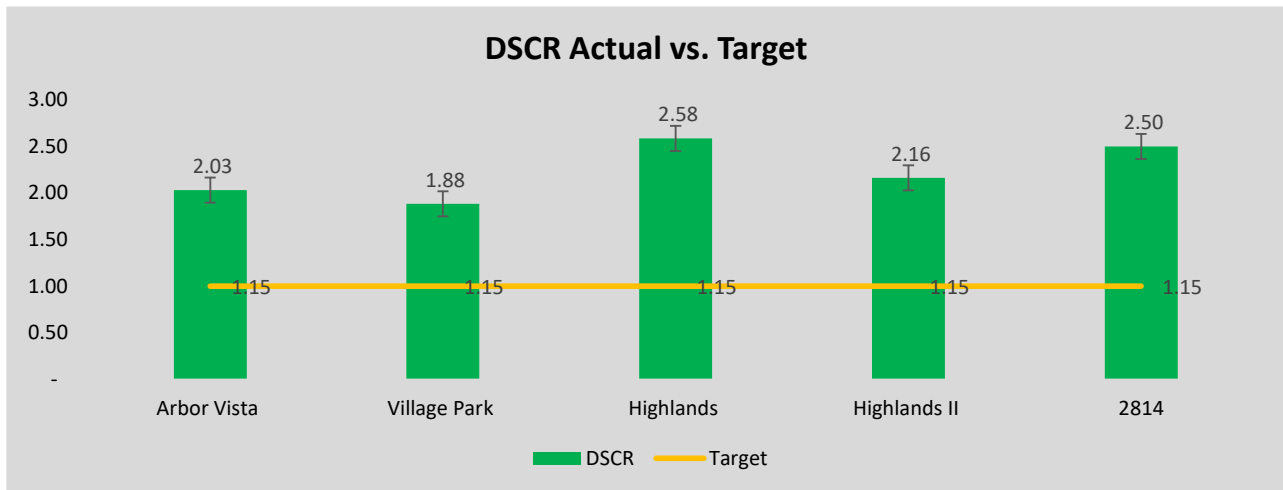


Table 5 - Percentage of Targeted DSCR

As illustrated in Table 5, all properties are hitting their DSCR targets for the quarter.

Dollar amount in excess or below Debt Service Coverage Ratio					
	Arbor Vista	Village Park	Highlands	Highlands II	2814
Annual Debt Service	140,148	165,960	72,732	72,288	72,674
Required NOI	161,170	190,854	83,642	83,131	83,575
Actual NOI	284,679	312,456	187,902	156,174	181,535
Excess NOI	123,509	121,602	104,260	73,043	97,960

Table 6 - Dollar Amount in Excess or Below Targeted DSCR

Occupancy

The five properties within the LIHTC portfolio have a combined total of 340 units. The average annual occupancy ratio for these units was 97.4%. The individual property occupancy ratios range from 95.73% at Village Park to 99.14% at The Highlands.

Grand Junction Housing Authority Owned Properties

This portfolio consists of Ratekin Towers, Walnut Park, Nellie Bechtel, Crystal Brook, and Linden Pointe. Lastly, Monument Business Center, which is a commercial property with a 10-year lease maturing June 30, 2024.

The financial focus on managing this portfolio is the Net Operating Income and operating cash. The charts below depict a summary of each property's performance through 2023 compared to budget and the prior year. Walnut Park's debt service coverage ratio below has been adjusted to remove Energy Outreach Colorado grant income and associated replacement reserve expenses to normalize the numbers.

All seemingly unfavorable (yellow) amounts in the \$ Change columns below are due to planned (budgeted) increases from 2022 to 2023 and not due to unexpected overages. This is confirmed by the Budget Variance columns as we performed better than expected in all properties with the exception of \$946 in over budget expenses at Crystal Brook for 2023.

RATEKIN TOWERS	2023 Actual	2023 Budget	Budget Variance	2022 Actual	\$ Change	% Change
Operating Cash Balance	12,761		N/A	(104,566)	117,327	112.2%
Operating Revenues	1,046,488	1,014,932	31,556	759,770	286,718	37.7%
Operating Expenses	767,598	887,532	(119,934)	502,738	264,860	52.7%
Net Operating Income	278,890	127,400	151,490	257,032	21,858	8.5%
Net Income	72,551	(117,340)	189,891	67,572	4,979	7.4%
Non-Operating	(206,339)	(244,740)	38,401	(189,460)	(16,879)	8.9%

WALNUT PARK	2023 Actual	2023 Budget	Budget Variance	2022 Actual	\$ Change	% Change
Operating Cash Balance	970,865		N/A	637,598	333,267	52.3%
Operating Revenues	1,254,600	822,433	432,167	660,982	593,617	89.8%
Operating Expenses	620,519	663,584	(43,065)	389,214	231,305	59.4%
Net Operating Income	634,081	158,849	475,232	271,769	362,312	133.3%
Net Income	524,922	42,982	481,940	263,224	261,698	99.4%
Non-Operating	(109,159)	(115,867)	6,708	(8,545)	(100,615)	1178%

NELLIE BECHTEL	2023 Actual	2023 Budget	Budget Variance	2022 Actual	\$ Change	% Change
Operating Cash Balance	303,881		N/A	273,002	30,879	11.3%
Operating Revenues	920,154	821,261	98,893	692,638	227,516	32.8%
Operating Expenses	559,989	634,015	(74,026)	386,665	173,324	44.8%
Net Operating Income	360,164	187,246	172,918	305,973	54,191	17.7%
Net Income	(1,561)	(178,134)	176,573	87,996	(89,556)	-101.8%
Non-Operating	(361,725)	(365,380)	3,655	(217,977)	(143,748)	65.9%

CRYSTAL BROOK	2023 Actual	2023 Budget	Budget Variance	2022 Actual	\$ Change	% Change
Operating Cash Balance	485,377		N/A	360,508	124,869	34.6%
Operating Revenues	396,512	370,125	26,387	289,367	107,145	37.0%
Operating Expenses	294,769	293,823	946	158,923	135,845	85.5%
Net Operating Income	101,743	76,302	25,441	130,443	(28,700)	-22.0%
Net Income	(22,494)	(68,809)	46,315	22,011	(44,505)	-202.2%
Non-Operating	(124,237)	(145,111)	20,874	(108,432)	(15,805)	14.6%

LINDEN POINTE	2023 Actual	2023 Budget	Budget Variance	2022 Actual	\$ Change	% Change
Operating Cash Balance	372,608		N/A	351,246	21,362	6.1%
Operating Revenues	881,052	826,072	54,980	659,836	221,216	33.5%
Operating Expenses	574,377	588,530	(14,153)	369,011	205,366	55.7%
Net Operating Income	306,675	237,542	69,133	290,825	15,850	5.5%
Net Income	159,646	(340,419)	500,065	144,523	15,124	10.5%
Non-Operating	(147,029)	(577,961)	430,932	(146,303)	(727)	0.5%

MONUMENT BUS. CENTER	2023 Actual	2023 Budget	Budget Variance	2022 Actual	\$ Change	% Change
Operating Cash Balance	110,456		N/A	59,486	50,970	85.7%
Operating Revenues	132,819	132,498	321	94,580	38,239	40.4%
Operating Expenses	5,086	18,670	(13,584)	4,952	134	2.7%
Net Operating Income	127,733	113,828	13,905	89,628	38,105	42.5%
Net Income	55,173	40,661	14,512	33,341	21,831	65.5%
Non-Operating	(72,560)	(73,167)	607	(56,286)	(16,274)	28.9%

GJHA Properties Debt Service Coverage Ratio as of 12.31.23

	Ratekin	Walnut Park	Nellie Bechtel	Crystal Brook	Linden
GJHA Properties					
NOI Annualized	278,890	293,389	360,164	101,743	306,675
Monthly pmt	8,026	12,369	18,670	2,541	13,113
Debt Service	96,309	148,433	224,040	30,489	157,353
DSCR	2.90	1.98	1.61	3.34	1.95

Occupancy

The five properties within the GJHA portfolio (excluding Monument Business Center) have a combined total of 425 units. The 2023 average annual occupancy ratio for these units was 96.4%. The individual property occupancy ratios ranged from 91.84% at Linden Pointe to 99.37% at Walnut Park.

Doors2Success

Doors2Success ended 2023 with \$32k in operating cash and \$47k in reserved cash, consisting of grants received from Colorado Realtor Foundation (\$10k), Western Colorado Community Foundation (\$25k), Center for Enriched Community (\$1k), and Rocky Mountain Health Foundation (\$11k). In-kind donation income was over budget \$14.5k for the year, but this was offset with over budget in-kind donation expense. Overall, Net Operating income was very close to budget for 2023. Doors transferred \$66,508 to the supportive services programs in 2023.

Key Definitions

Net Income

Net income (“NI”), also called net earnings, is calculated as sales minus cost of goods sold, selling, general and administrative expenses, operating expenses, depreciation, interest, taxes, and other expenses. It is a useful number for investors to assess how much revenue exceeds the expenses of an organization. This number appears on a company's income statement and is also an indicator of a company's profitability. (Investopedia, 2021)

Net Operating Income

Net operating income (NOI) is a calculation used to analyze the profitability of real estate investments and organizations. NOI equals all revenue from the property, minus all reasonably necessary operating expenses.

NOI is a before-tax figure, appearing on a property's income and cash flow statement, that excludes principal and interest payments on loans, capital expenditures, depreciation, and amortization. When this metric is used in other industries, it is referred to as “earnings before interest, taxes, depreciation and amortization” (EBITDA). In our presentations we utilize the NOI term exclusively.

**Grand Junction Housing Authority
Cash Reserve Analysis December 31, 2023**

Property/Program	Operating Cash	CD	Money Market	Non-interest Bearing	Tenant Security Deposit	Replacement Reserves	Laundry	Construction/ Capital Improvements	Reserved Cash	TOTAL
Ratekin Towers	1,714				38,954	267,911	14,816		82,470	405,865
Nellie Bechtel	80,884	134,783	44,523	43,691	47,148	73,584				424,613
Little Bookcliff	74,216				2,857					77,074
Walnut Park	456,091	313,060	100,857	100,857	28,798	112,142	23,712	1,124,506		2,260,023
Linden Pointe	372,608				77,401	141,776		581,139		1,172,924
Crystal Brook	213,467	164,348	54,288	53,274	30,577	154,803				670,757
Vouchers	399,514								57,897	457,411
EHV										
Voucher Client Support									-	0
Next Step/TBRA	(40,156)									(40,156)
Walnut Park Service Coordinator	(13,012)									(13,012)
Doors2Success	32,306				36,439				47,000	115,745
General Fund	2,559,425	2,437,177	805,065	790,020		45,665				6,637,352
Acquisition & Development	(945,149)									(945,149)
Monument Business Center	48,401	37,507	12,390	12,158	5,820	25,000				141,276
Housing Initiatives	98									98
	3,240,408	3,086,876	1,017,122	1,000,000	267,996	820,880	38,528	1,705,645	187,367	11,364,822

Definitions

Restricted - Externally imposed restrictions on how money can be spent. May require approval from outside entity and/or GJHA Board to spend.	\$ 2,554,476
Assigned - Can be used for operating and capital expenses, but only for that specific fund or program.	\$ 2,195,268
Unrestricted -Although a specific intent may be identified, can be used 100% at GJHA's discretion.	\$ 6,615,077

**Grand Junction Housing Authority
Cash Reserve Analysis- Tax Credits December 31, 2023**

Property/Program	Operating Cash	CD	Operating Reserves	Tenant Security Deposit	Replacement Reserves	GL & Prop Insurance Reserve	TOTAL
Arbor Vista*	126,487		289,487	61,360	147,226	36,805	661,366
The Highlands	131,103	127,522	6,238	45,462	118,372		428,698
The Highlands 2	117,038	132,623	8,774	52,622	89,241		400,299
McMahon Subdivision Owner's Assoc.	54,489	101,260					155,749
Village Park	112,525	239,741	9,958	64,830	156,904		583,958
2814 LLLP	129,915	112,219	5,165	48,718	38,086		334,104
	671,557	713,366	319,623	272,993	549,830	36,805	2,564,173

Definitions

Restricted - Externally imposed restrictions on how money can be spent. May require approval from outside entity and/or GJHA Board to spend.	\$ 1,892,616
Assigned - Can be used for operating and capital expenses, but only for that specific fund or program.	\$ 671,557
Unrestricted -Although a specific intent may be identified, can be used 100% at GJHA's discretion.	

Past Due Rent Summary as of 12.01.2023

Property	Rent Roll Expected YTD	Total Rent Outstanding	Rent 0-30 Days Past Due	Rent 31-60 Days Past Due	Rent 61-90 Days Past Due	Rent 90+ Days Past Due	90+ Past Due Active Tenants
2814	521,586	2,603	158	958	1,488	-	-
Arbor	673,340	9,778	2,433	2,051	2,314	2,980	2,026
Crystal Brook	350,153	1,858	(861)	-	232	2,487	-
Linden Pointe	797,185	22,542	4,628	4,225	2,745	10,944	3,104
Little Bookcliff	25,236	2,543	752	505	448	838	838
Nellie Bechtel	655,873	(1,160)	(5,278)	1,079	963	2,076	2,076
Ratekin	384,153	11,277	3,502	2,365	2,129	3,281	890
Highlands	557,160	(1,959)	(1,959)	-	-	-	-
Highlands 2	545,120	(2,392)	(2,392)	-	-	-	-
Village Park	717,712	24,996	9,856	8,094	5,030	2,016	2,016
Walnut	334,489	9,434	2,899	4,062	(209)	2,683	2,683
Total	5,562,008	79,520	13,738	23,338	15,139	27,304	13,631

Percentage of Rent Outstanding	9.78%	16.62%	10.78%	19.44%	9.71%
Percentage Rent Roll Expected	1.43%	0.25%	0.42%	0.27%	0.49%

***We updated the YTD rent roll expected to be YTD rents as the past due amounts are YTD past due amounts

Past Due Rent Summary as of 01.01.2024

Property	Rent Roll Expected YTD	Total Rent Outstanding	Rent 0-30 Days Past Due	Rent 31-60 Days Past Due	Rent 61-90 Days Past Due	Rent 90+ Days Past Due	90+ Past Due Active Tenants
2814	569,484	2,630	(424)	783	783	1,488	1,488
Arbor	735,269	12,919	3,913	2,282	1,430	5,294	2,784
Crystal Brook	382,511	2,645	(102)	47	-	2,700	-
Linden Pointe	871,111	23,920	5,056	4,698	2,911	11,254	2,191
Little Bookcliff	31,291	2,809	820	648	382	960	960
Nellie Bechtel	718,382	(6,536)	(7,194)	-	387	271	-
Ratekin	421,898	9,403	2,223	2,652	2,066	2,462	1,172
Highlands	607,458	(2,354)	(2,354)	-	-	-	-
Highlands 2	596,546	(4,209)	(4,209)	-	-	-	-
Village Park	783,419	27,596	13,951	7,976	4,266	1,403	1,403
Walnut	367,318	8,288	2,032	2,720	2,949	588	588
Total	6,084,686	77,110	13,711	21,806	15,174	26,419	10,584

Percentage of Rent Outstanding	9.76%	15.53%	10.81%	18.81%	7.54%
Percentage Rent Roll Expected	1.27%	0.23%	0.36%	0.25%	0.17%

***We updated the YTD rent roll expected to be YTD rents as the past due amounts are YTD past due amounts

Property	Rent Outstanding 08.01.23	Rent Outstanding 09.01.23	Rent Outstanding 10.01.23	Rent Outstanding 11.01.23	Rent Outstanding 12.01.23	Rent Outstanding 01.01.24
2814	1,741	775	3,253	793	2,603	2,630
Arbor	11,808	13,081	17,993	12,239	9,778	12,919
Crystal Brook	7,495	2,876	4,423	2,042	1,858	2,645
Linden Pointe	30,526	30,633	33,220	24,957	22,542	23,920
Little Bookcliff	4,040	3,658	4,032	2,746	2,543	2,809
Nellie Bechtel	4,979	6,028	6,983	(932)	(1,160)	(6,536)
Ratekin	7,228	9,154	11,250	11,250	11,277	9,403
Highlands	1,683	2,026	2,212	867	(1,959)	(2,354)
Highlands 2	581	718	1,837	(4,120)	(2,392)	(4,209)
Village Park	24,529	22,420	29,399	24,810	24,996	27,596
Walnut	10,990	12,662	14,288	15,343	9,434	8,288
Total	105,600	104,031	128,890	89,996	79,520	77,110

Bad Debt Write-offs as of 12/31/2023

GJHA Properties	Total Written Off				
		3/31/2023	9/30/2023	11/30/2023	12/31/2023
Nellie Bechtel	\$ 5,070.70	\$ 4,048.89	\$ 1,021.81	\$ 247.51	
Walnut Park	\$ 25,491.68	\$ 22,681.75	\$ 2,809.93		
Ratekin Tower	\$ 14,861.67	\$ 4,607.51	\$ 10,254.16		\$ 14,710.64
Crystal Brook	\$ 13,440.74	\$ -	\$ 13,440.74	\$ 7,762.88	
Linden Pointe	\$ 30,572.78	\$ 8,225.25	\$ 22,347.53	\$ 4,091.50	
Total	\$ 89,437.57	\$ 39,563.40	\$ 49,874.17	\$ 12,101.89	\$ 14,710.64

Tax Credit Properties	Total Written Off				
		3/31/2023	9/30/2023	11/30/2023	12/31/2023
Arbor Vista	\$ 14,347.78	\$ 3,201.92	\$ 11,145.86	\$ 462.56	
2814	\$ 11,061.08	\$ 2,334.78	\$ 8,726.30		
Village Park	\$ 8,308.07	\$ -	\$ 8,308.07	\$ 1,774.95	
Highlands I	\$ 11,747.52		\$ 11,747.52		
Highlands II	\$ 4,638.54		\$ 4,638.54	\$ 5,361.57	
Total	\$ 50,102.99	\$ 5,536.70	\$ 44,566.29	\$ 7,599.08	\$ -

Total Write-Offs as of 3/31/2023	\$ 45,100.10
Total Write-Offs as of 9/30/2023	\$ 94,440.46
Total Write-Offs as of 11/30/2023	\$ 19,700.97
Total Write-Offs as of 12/31/2023	\$ 14,710.64

Write Offs by Reason	Total	3/31/2023	9/30/2023	11/30/2023	12/31/2023
Deceased	\$ 49,112.56	\$ 17,481.00	\$ 12,890.51	\$ 13,371.96	\$ 5,369.09
Evictions	\$ 18,405.23	\$ -	\$ 18,405.23		
Maintenance Charges	\$ 61,323.67	\$ 9,750.43	\$ 45,090.36	\$ 4,072.51	\$ 2,410.37
Other	\$ 45,110.71	\$ 17,868.67	\$ 18,054.36	\$ 2,256.50	\$ 6,931.18
Total	\$ 173,952.17	\$ 45,100.10	\$ 94,440.46	\$ 19,700.97	\$ 14,710.64

Vacancy Report

December 2023 Occupancy

<u>Property</u>	<u># of Units</u>	<u># of Units Vacant</u>	<u>Percentage Vacant</u>	<u>December Actual Vacancy Loss</u>	<u>December Actual Budgeted Loss</u>	<u>YTD Actual Vacancy Loss</u>	<u>YTD Budgeted Loss</u>
Linden Pointe	92	9	9.78%	\$ 4,541	\$ 2,715	\$ 37,029	\$ 32,580
Crystal Brook	40	1	2.50%	\$ 392	\$ 1,077	\$ 14,028	\$ 12,931
Nellie Bechtel	96	2	2.08%	\$ 18,792	\$ 2,061	\$ 18,792	\$ 24,520
Ratekin Tower	107	5	4.67%	\$ 2,216	\$ 1,543	\$ 20,076	\$ 18,298
Walnut Park	90	2	2.22%	\$ 4,509	\$ 1,399	\$ 4,509	\$ 16,478
Arbor Vista	72	2	2.78%	\$ 1,661	\$ 2,637	\$ 23,297	\$ 28,318
Village Park	72	1	1.39%	\$ 1,735	\$ 2,529	\$ 32,126	\$ 30,128
Highlands I	64	0	0.00%	\$ (1,156)	\$ 1,456	\$ 3,662	\$ 17,338
Highlands II	72	1	1.39%	\$ 732	\$ 1,439	\$ 7,298	\$ 17,276
2814	60	1	1.67%	\$ 94	\$ 1,886	\$ 14,678	\$ 22,407
Sub -Total	765	24	3.14%	\$ 33,517	\$ 18,742	\$ 175,495	\$ 220,274

Financial Report

Q4 2024



GRAND
JUNCTION
HOUSING
AUTHORITY

Through December 31, 2024

By Sheila Brubacher, Controller

Executive Summary

Unless otherwise stated, the use of “consolidated” or “combined” includes all Grand Junction Housing Authority properties and programs, not including the Tax Credit properties. Grand Junction Housing Authority is reporting fourth quarter 2024 consolidated net operating income of \$763,251, favorable compared to budget by \$1,008,227. The variance is primarily related to under budget operating expenses due to savings in housing assistance payments (HAP), compensation, and repair and maintenance expenses.

GJHA Consolidated Financial Overview

BALANCE SHEET OVERVIEW

Grand Junction Housing Authority ended the fourth quarter with total assets of \$52,895,495. This is offset by total liabilities of \$21,362,865 with fund balance and surplus of \$31,532,630. The balance sheet presents an increase in total assets over the quarter of \$512k. Interest earned on investments in the CD and Money Market accounts totaled \$53k in the fourth quarter.

Cash Position

Total GJHA and Doors 2 Success cash is \$9.6 million, a decrease of \$346,176 from the third quarter 2024. Cash is comprised of Unrestricted, Restricted, and Assigned (Please see detailed cash report included in this packet).

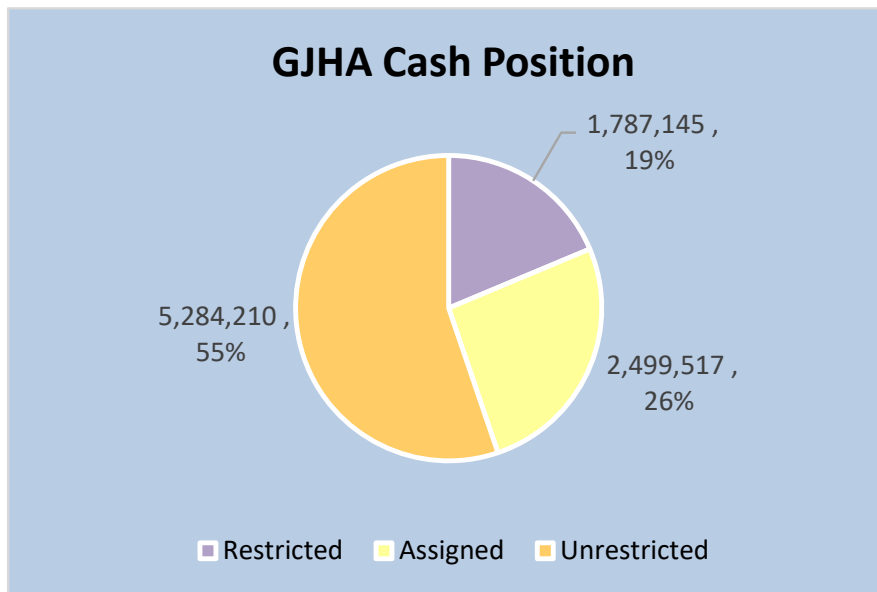


Table 1 - Cash Position

Other Assets and Liabilities

ACCOUNTS RECEIVABLE, DEVELOPER FEES RECEIVABLE, INTEREST RECEIVABLE

Interest receivable increased by \$202K (up from an increase of \$194k in 3rd quarter) due to regular monthly accrued interest on soft loans.

NOTES PAYABLE

Notes Payable decreased \$74k to \$14.6M due to regular principal payments.

BUDGET COMPARATIVE OVERVIEW

Net Operating Income

All-inclusive net operating income through December 2024 was \$763k which is \$1M favorable to budget.

Housing Assistance Payments (HAP) are excluded from the operating revenues and expenses sections below as HAP revenue and expense should offset each other with regular reconciliations.

- Operating Revenues excluding HAP Income are favorable to budget by \$358K.
- Bad debt write-offs are \$1.8k over budget for 2024, due to some significant turnover expenses that are not methamphetamine related. Additionally, we incurred \$67.7k in meth bad debt that appears in non-operating expense.
- Legal fee income, from GJHA properties and the Tax Credit properties, is under budget \$81.5k due to timing of needs for The Current and other activities for which internal billing can occur.
- Other income includes \$13k in unbudgeted revenue from a Pinnacol worker's compensation dividend as well as \$83k received from the City of Grand Junction for the retaining wall project at Crystal Brook.

Total Operating Expenses of \$7.8M had a favorable variance as of the end of fourth quarter 2024 and are \$619k below the budgeted amount of \$8.4M. The key items to note are:

- Total compensation was \$4.3M at the end of 4th quarter, which was \$251K favorable to budget. This was due to vacancy savings in maintenance and accounting as well as timing of discretionary award payments. The Chief Financial Officer position was budgeted for all of 2024 but potential alternatives are being researched for 2025.
- Total professional fees are favorable to budget by \$68K. External computer fees are under budget \$56k due to the timing of projects such as migration preparation for our software and an internal security audit. These are still planned but are likely to occur in 2025. Internal legal fees for the GJHA properties only are under budget \$26k. These favorable expenses are partially offset by over budget (\$23k) other professional fees including GJHA's financial contribution of \$15k to the City of Grand Junction's Unhoused Needs Assessment.
- Consolidated Administrative expenses are under budget \$32k for the year in large part due to savings in planned travel and training expenses and office supply purchases.

Non-Operating Income (Expenses) and Net Income

Non-operating income and expenses are unfavorable to budget at the end of 4th quarter by \$452k. This variance is due, in part, to hazard cleanup expenses of \$734k, \$41k in unrelated costs for the Walnut Park capital improvements project that were moved off the balance sheet in 1st quarter, and budgeted grant proceeds for the Walnut Park Capital Improvement Project that were, ultimately, not pursued. Non-operating income and expenses also include over budget interest income (\$170k) received mainly from our investments in the CD and money market account, which roll over every 90 days. The unfavorable variances are partially offset by \$450k in other non-operating income due to the debt forgiveness on the Bank of the West/FHLB loan discussed during 1st quarter. As a result of Board approved budget revisions as well as the accounting treatment of methamphetamine expenses and the Walnut Park Capital Improvement project, year-to-date net income of \$182k is favorable to budget by \$555k.

APPENDIX A: CONSOLIDATED BALANCE SHEET

Grand Junction Housing Authority Combined Balance Sheet

Period - January 2024- December 2024

	Beginning Balance	Quarterly Activity	Ending Balance
ASSETS			
CURRENT ASSETS			
Allocated Cash (BOC)	1,131,377	(108,810)	1,022,567
Cash (Online Rent)	95,007	4,760	99,767
Cash- GJHA Reserve for Market Properties	45,930	78	46,008
Certificate of Deposit	3,771,828	42,875	3,814,704
Money Market	1,231,829	10,118	1,241,948
Non-Interest Bearing Checking	1,000,000	-	1,000,000
Petty Cash	250	-	250
Other Cash Accounts Linden Point Cap Imp.	452,053	(134,264)	317,789
Total Cash	7,728,275	(185,242)	7,543,033
A/R Tenants	34,540	64,470	99,010
A/R GJHA Programs	347,138	123,927	471,065
A/R Online Rent	(36,496)	(4,567)	(41,063)
Allowance for Doubtful Accounts	(26,443)	(327)	(26,770)
A/R Security Dep. and Revolving Loans	105	-	105
A/R Section 8 Fraud Recovery	26,648	634	27,281
A/R HUD & Other	265,369	(173,785)	91,584
I/R Linden Pointe	114,704	-	114,704
A/R Ports-In	978	9,661	10,639
Prepaid Expenses	33,540	(12,733)	20,807
Prepaid Insurance	34,218	(34,218)	-
Inventory Holding	87,488	88,617	176,106
A/R Inventory	27,457	8,800	36,257
TOTAL CURRENT ASSETS	909,245	70,480	979,725

Grand Junction Housing Authority Combined Balance Sheet

Period - January 2024- December 2024

	Beginning Balance	Quarterly Activity	Ending Balance
Property Plant & Equipment			
Land	2,431,651	-	2,431,651
Land Improvements	3,801,820	189,945	3,991,765
Construction in Progress- Foresight	1,100	-	1,100
Construction in Progress- Linden	270,985	193,393	464,378
Construction in Progress- 24 rd	4,887,533	84,503	4,972,036
Development in Progress	63,784	247,241	311,025
Buildings	28,834,900	-	28,834,900
Building Improvements	2,250,314	47,985	2,298,298
Furniture Equipment & Machinery	2,789,046	25,528	2,814,574
Total Property Plant and Equipment	45,331,133	788,595	46,119,728
Less: Accumulated Depreciation	(22,999,841)	(182,238)	(23,182,079)
Net Property Plant & Equipment	22,331,292	606,357	22,937,649
	-		
Other Assets	-		
Total accounts receivable	150,610	12,322	162,932
Developer Fees Receivable	330,084	-	330,084
Total Interest Receivable	6,777,554	202,120	6,979,674
Notes Receivable	11,291,127	-	11,645,957
Investment in Properties	292,092	-	292,092
TOTAL OTHER ASSETS	19,196,298	214,442	19,410,740
Restricted Assets			
Replacement Reserves	758,244	45,298	803,542
Insurance Reserves	61,730	23,816	85,547
Laundry Assets Reserves	43,941	1,441	45,382
Rehab Escrow/Construction Reserves	1,036,109	(281,860)	754,249
Tenant Security Deposits (Cash Account)	235,544	964	236,508
FSS HAP Escrow Reserves	82,216	16,905	99,121
TOTAL RESTRICTED ASSETS	2,217,784	(193,435)	2,024,348
	-		
TOTAL ASSETS	52,382,894	512,601	52,895,495

Grand Junction Housing Authority Combined Balance Sheet

Period - January 2024- December 2024

	Beginning Balance	Quarterly Activity	Ending Balance
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITES			
Accounts Payable	368,880	56,816	425,697
Accrued Liabilities	1,475,741	77,254	1,552,995
Tenant Security Deposits Payable	231,737	(699)	231,037
FSS HAP Escrow Payable	73,419	19,301	92,719
Deferred Revenue	3,270,338	262,142	3,532,480
Current Portion Long-Term Debt	355,775	(52,503)	303,272
A/P Inventory	8,509	(470)	8,039
TOTAL CURRENT LIABILITIES	5,784,399	361,841	6,146,239
LONG-TERM LIABILITIES	-		
A/P General Fund	354,830	-	354,830
Accrued Interest Payable	499,563	7,127	506,690
Mortgage/Notes Payable	14,741,755	(74,479)	14,667,276
Total Long-Term Liabilites	15,596,147	(67,352)	15,528,795
Less: Current Portion Long-Term Debt	(310,192)	(1,978)	(312,170)
NET LONG-TERM LIABILITES	15,285,955	(69,330)	15,216,626
FUND BALANCE & SURPLUS			
Earned Surplus	10,069,291	-	10,069,291
Unreserved Surplus	17,494,737	-	17,494,737
Voucher Admin Operating Reserve	590,081	-	590,081
Contributed Capital	2,343,587	-	2,343,587
Donated Surplus	721,879	-	721,879
Donated Surplus - Ratekin Tower	(2,079)	-	(2,079)
Contra Cap - Crystal Brook	776,103	-	776,103
Contra Cap - Linden Avenue	194,445	-	194,445
Investment in Foresight	859,955	-	859,955
Investment in Affordable Homes	100	-	100
Syndication costs	(45,652)	-	(45,652)
Excess Revenues over Expenditures	(1,689,908)	220,090	(1,469,818)
TOTAL FUND BALANCE & SURPLUS	31,312,540	220,090	31,532,630
	-		
TOTAL LIABILITIES & FUND BALANCE	52,382,894	512,601	52,895,495

APPENDIX B: CONSOLIDATED BUDGET COMPARATIVE

Grand Junction Housing Authority							
Combined Operating Statement							
Budget Comparison							
Period = January 2024- December 2024							
	Current Quarter	Quarter Budget	Variance	Last Year To Period	Current Year	Year To Date Budget	Variance
OPERATING REVENUES							
Total Rental Income	1,076,849	945,282	131,567	3,946,223	4,100,456	3,945,122	155,334
Total General Fund Income	682,883	624,868	58,015	2,118,957	2,457,410	2,525,697	(68,287)
Total Grant income	14,778	53,117	(38,339)	722,234	180,555	212,460	(31,905)
Total HAP income	2,696,225	2,839,388	(143,163)	9,857,593	11,098,437	11,357,547	(259,110)
Total Non Rental Income	200,563	51,379	149,184	326,589	508,820	205,521	303,299
TOTAL OPERATING REVENUE	4,671,297	4,514,034	157,263	16,971,596	18,345,677	18,246,347	99,330
OPERATING EXPENSES							
Total Management Fees	91,863	78,542	13,321	312,897	326,357	311,476	14,881
Total Compensation	1,215,270	1,227,628	(12,358)	4,120,957	4,325,608	4,577,388	(251,780)
Total Utilities	120,961	143,113	(22,152)	490,033	494,942	539,300	(44,358)
Total Repairs and Maintenance	249,394	331,740	(82,346)	962,460	1,091,181	1,298,630	(207,449)
Total Marketing Exps.	492	29,371	(28,879)	98	33,788	30,701	3,087
Total Professional fees	112,968	162,684	(49,716)	594,588	545,644	614,104	(68,460)
Total Administrative Expense	94,257	118,114	(23,857)	425,657	401,185	433,109	(31,924)
Total Occupancy costs	35,569	45,393	(9,824)	111,381	126,486	125,920	566
Total Housing Assistance Payments	2,418,560	2,526,319	(107,759)	8,593,395	9,781,539	10,071,338	(289,799)
Total Insurance and Taxes	72,875	121,632	(48,757)	441,893	455,697	489,357	(33,660)
TOTAL OPERATING EXPENSES	4,412,210	4,784,536	(372,326)	16,053,358	17,582,426	18,491,323	(908,897)
NET OPERATING INCOME	259,087	(270,502)	529,589	918,238	763,251	(244,976)	1,008,227

Grand Junction Housing Authority							
Combined Operating Statement							
Budget Comparison							
Period = January 2024- December 2024							
	Current Quarter	Quarter Budget	Variance	Last Year To Period	Current Year	Year To Date Budget	Variance
NON OPERATING INCOME/EXPENSE							
Investment Income - Restricted	204,253	188,478	15,775	775,629	798,330	753,912	44,418
Interest Income - Restricted	56,520	794	55,726	121,219	173,852	3,178	170,674
Interest Income - Unrestricted	8,175	46,649	(38,474)	109,809	106,518	187,271	(80,753)
Other NonOp Income	-	-	-	-	535,475	1,170,000	(634,525)
Other NonOp Expense	-	(127,103)	127,103	-	(127,103)	(127,103)	-
Mortgage Interest Expense	(94,691)	(87,317)	(7,374)	(302,062)	(339,388)	(322,621)	(16,767)
Incentive Performance Fee	-	(8,597)	8,597	-	-	(33,897)	33,897
Other Interest Expense	(46,009)	(38,101)	(7,908)	(171,462)	(186,794)	(156,525)	(30,269)
Depreciation Expense	(182,238)	(259,859)	77,621	(1,004,584)	(929,817)	(939,803)	9,986
Gain (Loss) on Sale of Asset	-	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	-	-	-	-
Hazard Cleanup Income	16,876	-	16,876	406,060	89,473	-	89,473
Hazard Cleanup	(45,607)	(664,954)	619,347	(240,961)	(666,524)	(664,954)	(1,570)
Hazard Cleanup write offs	-	-	-	-	(67,773)	-	(67,773)
Transfers In	168,431	46,517	121,914	268,747	235,002	217,501	17,501
Transfers Out	(124,708)	(72,639)	(52,069)	(212,239)	(201,763)	(214,998)	13,235
TOTAL NON OPERATING INCOME/EXP.	(38,998)	(976,132)	937,134	(249,843)	(580,512)	(128,039)	(452,473)
NET INCOME (LOSS)	220,090	(1,246,634)	1,466,724	668,394	182,739	(373,015)	555,754

REAL ESTATE PORTFOLIOS

Grand Junction Housing Authority has two distinctive segments within its real estate portfolio. The two segments are the Low-Income-Housing-Tax-Credit (“LIHTC”) portfolio and GJHA owned properties.

Low Income Housing Tax Credit (LIHTC) Portfolio

PROPERTY PERFORMANCE

A summary of the property’s performance within the LIHTC portfolio is provided for your reference.

December 2024 Summary P & L							
		72 Units	72 Units	64 Units	72 Units	60 Units	
		Arbor Vista LLLP	Village Park LLLP	Highlands LLLP	Highlands II LLLP	2814 LLLP	Total
OPERATING REVENUES							
	Dwelling Rental Tenants	758,667	807,300	628,390	631,387	584,417	3,410,161
	Vacancy Loss	(39,237)	(18,207)	(31,168)	(9,522)	(14,504)	(112,638)
	Other Revenue	28,940	21,525	48,769	43,334.40	30,275	172,844
	TOTAL OPERATING REVENUES	748,370	810,618	645,992	665,200	600,188	3,470,367
OPERATING EXPENSES							
	Management Fees	44,902	48,637	45,219	46,564	39,012	224,335
	Compensation	72,384	72,386	88,937	97,804	59,864	391,375
	Utilities	70,860	63,767	71,072	80,423	97,256	383,378
	Repairs & Maintenance	197,056	177,725	83,118	59,824	116,617	634,340
	Marketing & Professional Fees	58,193	54,510	54,141	53,194	55,271	275,309
	Admin & Occupancy	22,513	16,115	83,650	94,792	13,154	230,224
	Bad Debt Expense	18,454	17,774	3,161	-	8,248	47,637
	Insurance & Taxes	55,198	61,271	70,204	69,752	56,744	313,169
	TOTAL OPERATING EXPENSES	539,562	512,184	499,501	502,354	446,166	2,499,767
	NET OPERATING INCOME	208,807	298,434	146,490	162,846	154,022	970,600
Non-Operating Revenues (Expenses)							
	Interest Income Restricted	4,874	12,109	8,691	6,866	5,893	38,433
	Interest Expense	(347,722)	(196,785)	(132,491)	(206,468)	(100,300)	(983,766)
	Other non-operating	-	(23,693)	(13,437)	(11,820)	(21,855)	(70,804)
	Depreciation & Amortization	(398,166)	(393,054)	(473,601)	(466,301)	(485,390)	(2,216,513)
	Hazard Cleanup Income	-	-	595	-	-	595
	Hazard Cleanup Expense	(19,362)	-	(33,979)	-	(59,032)	(112,373)
	Hazard Cleanup Write Offs	-	-	-	-	-	-
	NET NON-OPERATING REVENUES (EXP.)	(760,376)	(601,423)	(644,221)	(677,723)	(660,684)	(3,344,426)
	NET INCOME (LOSS)	(551,568)	(302,989)	(497,731)	(514,877)	(506,662)	(2,373,826)

Table 4 - Managed Tax Credit Properties

Property Highlights

- All tax credit properties ended the year with net operating income favorable to budget.
- All tax credit properties experienced greater than budgeted rental income and (aside from Arbor Vista and The Highlands) under budget vacancy loss.
- Not including Arbor Vista, Operating expenses are also favorable to budget throughout the portfolio, mainly in repairs and maintenance internal and outside labor expense.

- Arbor Vista had two costly evictions in September, causing over budget labor and replacement reserve expenses for flooring replacements.
- All properties currently maintain strong cash balances.

DEBT SERVICE COVERAGE RATIO

A key metric that is monitored on the LIHTC portfolio is Debt Service Coverage Ratio (“DSCR”). The DSCR is calculated by dividing the net operating income (NOI), reduced for any required replacement reserve funding, by the total required debt service. Debt service is the combined principal and interest payment required on the debt of the property.

$$\text{DSCR} = \frac{\text{Net Operating Income}}{\text{Total Debt Service}}$$

All LIHTC properties have external investor required target DSCR’s that we must meet. The graph below depicts YTD results on how each property performed related to their target.

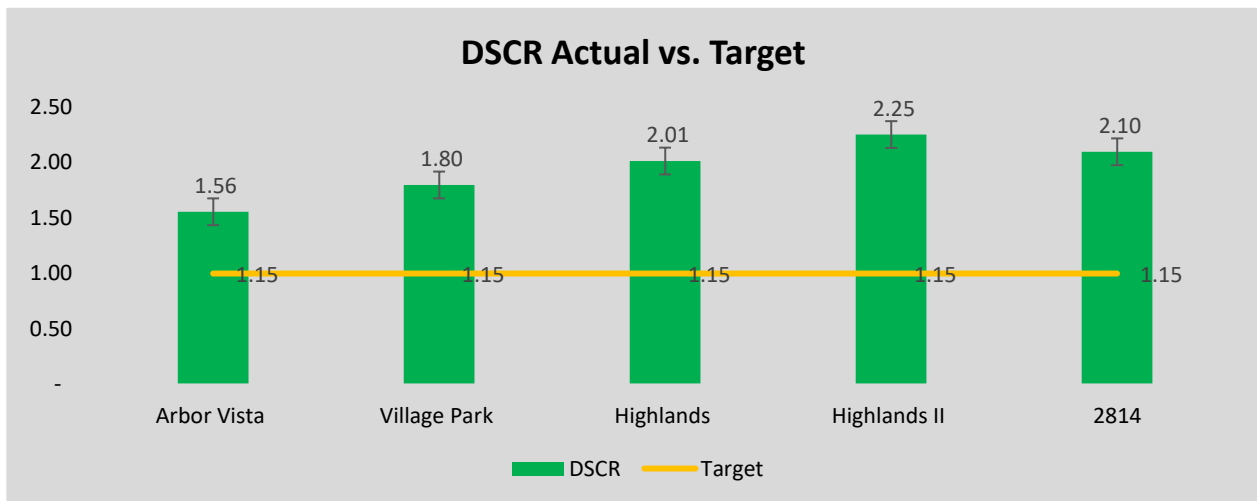


Table 5 - Percentage of Targeted DSCR

As illustrated in Table 5, all properties are hitting their DSCR targets for the quarter. Table 6 below presents the annualized excess NOI.

Dollar amount in excess or below Debt Service Coverage Ratio					
	Arbor Vista	Village Park	Highlands	Highlands II	2814
Annual Debt Service	134,118	165,955	72,734	72,293	73,460
Required NOI	154,236	190,848	83,644	83,137	84,479
Actual NOI	208,807	298,434	146,490	162,846	154,022
Excess NOI	54,572	107,586	62,846	79,709	69,543

Table 6 - Dollar Amount in Excess or Below Targeted DSCR

Occupancy

The five properties within the LIHTC portfolio have a combined total of 340 units. The average annual occupancy ratio for these units was 96.58%. The individual property occupancy ratios range from 94.67% at The Highlands to 98.43% at Highlands II.

Grand Junction Housing Authority Owned Properties

This portfolio consists of Ratekin Towers, Walnut Park, Nellie Bechtel, Crystal Brook, and Linden Pointe. Lastly, Monument Business Center, which is a commercial property with a 10-year lease which matured June 30, 2024. This lease has been amended and renewed for a period of five years.

The financial focus on managing this portfolio is the Net Operating Income and operating cash. The charts below depict a summary of each property's performance through the fourth quarter of 2024 compared to fourth quarter's budget and the prior year during the same period.

Ratekin Towers Non-Operating items include \$367k in expenses for hazard cleanup and hazard bad debt, therefore, the property ended the year with a negative cash balance despite strong normal operations. Staff is working with auditors and HUD to properly address the negative cash position, and it is likely an increase in the note payable to the General Fund will occur in the amount of the negative cash. Walnut Park is over budget in Non-Operating expenses which include \$35k for costs related to early planning for the Walnut rehabilitation project that will not ultimately become part of the project costs. Therefore, they have been reclassified out of construction work in progress on the balance sheet and recorded as a prior period adjustment. Nellie Bechtel Non-Operating items include \$19k for hazard cleanup. As mentioned previously, Crystal Brook received \$83k from The City of Grand Junction for the retaining wall project. This greatly improved Crystal's Net Income as well as its debt coverage ratio (.99 in third quarter to 5.29 at the end of 2024). Linden Pointe's hazard cleanup expense of \$328k was slightly offset by insurance reimbursement of \$30k.

RATEKIN TOWERS	2024 Actual	2024 Budget	Budget Variance	2023 Actual
Operating Cash Balance	(107,235)		N/A	12,761
Operating Revenues	1,210,441	1,059,778	150,663	1,046,488
Operating Expenses	772,455	908,426	(135,971)	763,542
Net Operating Income	437,986	151,352	286,634	282,946
Net Income	(7,811)	(319,426)	311,615	77,482
Non-Operating	(445,797)	(470,778)	24,981	(205,464)

WALNUT PARK	2024 Actual	2024 Budget	Budget Variance	2023 Actual
Operating Cash Balance	1,226,734		N/A	970,865
Operating Revenues	869,884	872,485	(2,601)	1,254,600
Operating Expenses	612,042	670,985	(58,943)	620,519
Net Operating Income	257,842	201,500	56,342	634,081
Net Income	61,550	1,131,073	(1,069,523)	535,344
Non-Operating	(196,292)	929,573	(1,125,865)	(98,737)

NELLIE BECHTEL	2024 Actual	2024 Budget	Budget Variance	2023 Actual
Operating Cash Balance	480,142		N/A	303,881
Operating Revenues	982,333	867,892	114,441	920,154
Operating Expenses	574,171	673,000	(98,829)	559,989
Net Operating Income	408,162	194,892	213,270	360,164
Net Income	100,275	(126,543)	226,818	(1,561)
Non-Operating	(307,887)	(321,435)	13,548	(361,725)

CRYSTAL BROOK	2024 Actual	2024 Budget	Budget Variance	2023 Actual
Operating Cash Balance	401,863		N/A	485,377
Operating Revenues	480,807	366,507	114,300	396,512
Operating Expenses	335,424	340,038	(4,614)	294,769
Net Operating Income	145,382	26,469	118,913	101,743
Net Income	74,807	(45,016)	119,823	(3,182)
Non-Operating	(70,575)	(71,485)	910	(104,925)

LINDEN POINTE	2024 Actual	2024 Budget	Budget Variance	2023 Actual
Operating Cash Balance	418,676		N/A	372,608
Operating Revenues	922,854	830,214	92,640	881,052
Operating Expenses	650,120	716,612	(66,492)	574,377
Net Operating Income	272,734	113,602	159,132	306,675
Net Income	(428,510)	(552,897)	124,387	159,940
Non-Operating	(701,244)	(666,499)	(34,745)	(146,735)

MONUMENT BUS. CENTER	2024 Actual	2024 Budget	Budget Variance	2023 Actual
Operating Cash Balance	132,160		N/A	110,456
Operating Revenues	129,355	133,726	(4,371)	132,819
Operating Expenses	14,325	33,285	(18,960)	5,086
Net Operating Income	115,031	100,441	14,590	127,733
Net Income	30,813	14,903	15,910	55,173
Non-Operating	(84,218)	(85,538)	1,320	(72,560)

GJHA Properties Debt Service Coverage Ratio as of 12.31.24

GJHA Properties	Ratekin	Walnut Park	Nellie Bechtel	Crystal Brook	Linden
NOI Annualized	391,529	257,842	408,162	145,382	272,734
Monthly pmt	8,026	12,369	18,975	2,289	13,113
Debt Service	96,309	81,704	227,700	27,468	157,353
DSCR	4.07	3.16	1.79	5.29	1.73

Occupancy

The five properties within the GJHA portfolio (excluding Monument Business Center) have a combined total of 425 units. The 2024 average occupancy ratio for these units was 96.51%. The individual property occupancy ratios ranged from 94.08% at Linden Pointe to 98.25% at Walnut Park.

Doors2Success

Doors2Success ended fourth quarter 2024 with \$5.6k in operating cash, \$27k in reserved cash, and \$25k in cash reserved for flexible funds. Reserved cash consists of grants received from Colorado Realtor Foundation (\$5k), Western Colorado Community Foundation (\$10k), Center for Enriched Community (\$1k), and the Rocky Mountain Health Foundation (\$11K). Flexible funds include cash from Next50 and the City of Grand Junction. Overall, Net Operating income is under budget \$33.7k for the year due to the timing of receipt of grant funds (\$92k received vs \$137k budgeted).

Key Definitions

Net Income

Net income ("NI"), also called net earnings, is calculated as sales minus cost of goods sold, selling, general and administrative expenses, operating expenses, depreciation, interest, taxes, and other expenses. It is a useful number for investors to assess how much revenue exceeds the expenses of an organization. This number appears on a company's income statement and is also an indicator of a company's profitability. (Investopedia, 2021)

Net Operating Income

Net operating income (NOI) is a calculation used to analyze the profitability of real estate investments and organizations. NOI equals all revenue from the property, minus all reasonably necessary operating expenses.

NOI is a before-tax figure, appearing on a property's income and cash flow statement, that excludes principal and interest payments on loans, capital expenditures, depreciation, and amortization. When this metric is used in other industries, it is referred to as "earnings before interest, taxes, depreciation and amortization" (EBITDA). In our presentations we utilize the NOI term exclusively.

**Grand Junction Housing Authority
Cash Reserve Analysis December 31, 2024**

Property/Program	Operating Cash	CD	Money Market	Non-interest Bearing	Tenant Security Deposit	Replacement Reserves	Laundry	Construction/ Capital Improvements	Reserved Cash	TOTAL
Ratekin Towers	(107,235)				39,247	245,444	20,055		85,547	283,057
Nellie Bechtel	240,740	141,448	54,263	43,691	48,839	73,584				602,565
Little Bookcliff	30,013				2,970					32,983
Walnut Park	516,859	483,943	125,075	100,857	29,014	141,998	25,326	754,249		2,177,322
Linden Pointe	418,676				81,009	172,820		317,936		990,440
Crystal Brook	109,947	172,475	66,168	53,274	32,535	169,696				604,094
Vouchers (EHV, FSS)	224,356								129,598	353,954
Voucher Client Support									8,928	8,928
Next Step/TBRA	(75,718)									(75,718)
Walnut Park Service Coordinator	(8,647)									(8,647)
Doors2Success	5,622				36,713				52,000	94,335
General Fund	1,487,440	2,977,476	981,345	790,020		46,008				6,282,289
Acquisition & Development	(1,904,870)									(1,904,870)
Monument Business Center	65,542	39,362	15,098	12,158	5,864	25,000				163,024
Housing Initiatives	100									100
	1,002,824	3,814,704	1,241,948	1,000,000	276,191	874,550	45,382	1,072,185	276,072	9,603,855

Definitions

Restricted - Externally imposed restrictions on how money can be spent. May require approval from outside entity and/or GJHA Board to spend.	\$ 1,790,116
Assigned - Can be used for operating and capital expenses, but only for that specific fund or program.	\$ 2,529,530
Unrestricted -Although a specific intent may be identified, can be used 100% at GJHA's discretion.	\$ 5,284,210

**Grand Junction Housing Authority
Cash Reserve Analysis- Tax Credits December 31, 2024**

Property/Program	Operating Cash	CD	Operating Reserves	Tenant Security Deposit	Replacement Reserves	GL & Prop Insurance Reserve	TOTAL
Arbor Vista	143,047		225,860	65,993	167,553	45,456	647,910
The Highlands	42,220	133,788	6,270	45,794	132,270		360,342
The Highlands 2	123,149	139,140	8,819	53,533	110,057		434,698
McMahon Subdivision Owner's Assoc.	21,433	106,504					127,937
Village Park	168,072	250,284	9,989	68,521	186,536		683,401
2814 LLLP	70,288	117,728	5,191	49,601	57,230		300,038
	568,209	747,443	256,129	283,442	653,646	45,456	2,554,326

Definitions

Restricted - Externally imposed restrictions on how money can be spent. May require approval from outside entity and/or GJHA Board to spend.	\$	1,986,117
Assigned - Can be used for operating and capital expenses, but only for that specific fund or program.	\$	568,209
Unrestricted -Although a specific intent may be identified, can be used 100% at GJHA's discretion.		

Past Due Rent Summary as of 11.30.24

Property	Rent Roll Expected YTD	Total Rent Outstanding	Rent 0-30 Days Past Due	Rent 31-60 Days Past Due	Rent 61-90 Days Past Due	Rent 90+ Days Past Due	90+ Past Due Active Tenants
2814	535,736	(2,230)	(2,230)	-	-	-	-
Arbor	694,540	8,551	5,164	1,946	1,061	380	380
Crystal Brook	357,978	1,315	(412)	882	845	-	-
Linden Pointe	843,119	4,213	2,462	1,581	170	-	-
Little Bookcliff	29,589	3,651	1,179	1,210	807	455	455
Nellie Bechtel	709,539	(1,056)	(1,391)	335	-	-	-
Ratekin	390,429	2,259	516	1,177	478	88	88
Highlands	575,197	167	167	-	-	-	-
Highlands 2	577,792	(1,927)	(3,151)	408	408	408	408
Village Park	740,061	6,921	2,987	2,830	1,105	-	-
Walnut	376,852	3,801	1,070	1,403	867	461	461
Total	5,830,830	25,665	6,361	11,772	5,741	1,792	1,792
Percentage of Rent Outstanding			24.78%	45.87%	22.37%	6.98%	6.98%
Percentage Rent Roll Expected			0.44%	0.11%	0.20%	0.10%	0.03%
***We updated the YTD rent roll expected to be YTD rents as the past due amounts are YTD past due amounts							

Past Due Rent Summary as of 12.31.24

Property	Rent Roll Expected YTD	Total Rent Outstanding	Rent 0-30 Days Past Due	Rent 31-60 Days Past Due	Rent 61-90 Days Past Due	Rent 90+ Days Past Due	90+ Past Due Active Tenants
2814	584,417	(1,391)	(2,345)	954	-	-	-
Arbor	758,667	10,929	6,004	2,422	1,061	1,441	1,441
Crystal Brook	390,036	1,000	191	809	-	-	-
Linden Pointe	921,659	(992)	2,814	1,018	634	170	170
Little Bookcliff	36,166	2,744	975	1,032	480	257	257
Nellie Bechtel	775,074	(1,686)	(2,084)	350	48	-	-
Ratekin	426,825	2,278	23	1,559	453	43	43
Highlands	628,390	(2,055)	(2,055)	-	-	-	-
Highlands 2	631,387	(4,389)	(4,389)	-	-	-	-
Village Park	807,300	9,985	3,977	2,902	2,001	1,105	1,105
Walnut	411,283	4,082	1,299	1,313	730	740	740
Total	6,371,203	20,505	4,411	12,360	5,407	3,756	3,756
Percentage of Rent Outstanding			21.51%	60.28%	26.37%	18.31%	18.32%
Percentage Rent Roll Expected			0.32%	0.07%	0.19%	0.08%	0.06%
***We updated the YTD rent roll expected to be YTD rents as the past due amounts are YTD past due amounts							

Property	Rent Outstanding 01.31.24	Rent Outstanding 02.29.24	Rent Outstanding 03.31.24	Rent Outstanding 04.30.24	Rent Outstanding 05.31.24	Rent Outstanding 06.30.24	Rent Outstanding 07.31.24	Rent Outstanding 08.31.24	Rent Outstanding 09.30.24	Rent Outstanding 10.31.24	Rent Outstanding 11.30.24	Rent Outstanding 12.31.24
2814	2,630	1,584	(37)	(1,447)	(4,120)	(4,936)	(2,808)	(4,184)	(4,851)	(2,162)	(2,230)	(1,391)
Arbor	12,919	10,383	10,025	9,337	11,949	10,653	12,114	15,702	20,944	4,034	8,551	10,929
Crystal Brook	2,645	(951)	(2,288)	(1,985)	(2,696)	1,172	(1,764)	(2,041)	(1,294)	(1,767)	1,315	1,000
Linden Pointe	23,920	16,537	13,950	10,140	4,767	11,859	12,313	12,419	9,827	5,029	4,213	(992)
Little Bookcliff	2,809	1,438	2,653	1,969	1,216	1,812	1,452	901	2,479	1,952	3,651	2,744
Nellie Bechtel	(6,536)	(9,755)	(3,225)	(2,580)	(3,504)	(1,893)	(1,214)	(3,797)	(2,522)	(2,145)	(1,056)	(1,686)
Ratekin	9,403	11,383	10,546	12,434	9,441	10,384	10,108	7,054	4,412	2,310	2,259	2,278
Highlands	(2,354)	(2,439)	(2,363)	(2,335)	(3,996)	(313)	(917)	(2,064)	(1,285)	(1,713)	167	(2,055)
Highlands 2	(4,209)	(2,903)	(3,023)	(4,240)	(2,933)	(2,248)	(1,479)	(1,479)	(3,014)	(4,138)	(1,927)	(4,389)
Village Park	27,596	17,097	14,108	11,735	9,804	16,579	16,849	17,525	16,787	9,903	6,921	9,985
Walnut	8,288	7,187	7,228	10,216	6,494	8,574	7,021	7,380	8,510	6,503	3,801	4,082
Total	77,110	49,563	47,574	43,246	26,420	51,642	51,677	47,416	49,995	17,806	25,665	20,505

Bad Debt Write-offs as of 12/31/24

GJHA Properties	Total Written				
	Off	3/31/2024	6/30/2024	9/30/2024	12/31/2024
Nellie Bechtel	\$ 17,799.75	\$ 13,515.03	\$ 1,671.52	\$ 2,613.20	\$ -
Walnut Park	\$ 26,104.60	\$ 8,009.90	\$ 102.00	\$ 9,016.93	\$ 8,975.77
Ratekin Tower	\$ 91,010.58	\$ 4,155.85	\$ 1,364.34	\$ 72,245.50	\$ 13,244.89
Crystal Brook	\$ 26,158.42	\$ 10,272.83	\$ 4,377.92	\$ 6,381.01	\$ 5,126.66
Linden Pointe	\$ 55,536.86	\$ 26,776.60	\$ 11,675.07	\$ 17,083.93	\$ 1.26
Total	\$ 216,610.21	\$ 62,730.21	\$ 19,190.85	\$ 107,340.57	\$ 27,348.58

Tax Credit Properties	Total Written				
	Off	3/31/2024	6/30/2024	9/30/2024	12/31/2024
Arbor Vista	\$ 37,816.03	\$ 22,256.19	\$ -		\$ 15,559.84
2814	\$ 8,248.44	\$ 43.02	\$ 7,363.72	\$ 841.70	\$ -
Village Park	\$ 17,773.75	\$ 1,252.41	\$ 3,173.05		\$ 13,348.29
Highlands I	\$ 3,160.55	\$ -	\$ 1,167.85		\$ 1,992.70
Highlands II	\$ -	\$ -	\$ -		\$ -
Total	\$ 66,998.77	\$ 23,551.62	\$ 11,704.62	\$ 841.70	\$ 30,900.83

Total Write-Offs as of 3/31/2024	\$ 86,281.83
Total Write-Offs as of 6/30/24	\$ 30,895.47
Total Write-Offs as of 9/30/24	\$ 108,182.27
Total Write-Offs as of 12/31/2024	\$ 58,249.41

Write Offs by Reason	Total	3/31/2024	6/30/2024	9/30/2024	12/31/2024
Deceased	\$ 37,784.34	\$ 12,166.40	\$ 2,633.27	\$ 4,824.09	\$ 18,160.58
Evictions	\$ 79,402.93	\$ 49,335.78	\$ 10,984.33	\$ 6,216.23	\$ 12,866.59
Other (Past due rent, meth write offs, etc)	\$ 166,421.71	\$ 24,779.65	\$ 17,277.87	\$ 97,141.95	\$ 27,222.24
Total	\$ 283,608.98	\$ 86,281.83	\$ 30,895.47	\$ 108,182.27	\$ 58,249.41

Vacancy Report

December 2024 Occupancy

<u>Property</u>	<u># of Units</u>	<u># of Units Vacant</u>	<u>Percentage Vacant</u>	<u>December Actual Vacancy Loss</u>	<u>December Actual Budgeted Loss</u>	<u>YTD Actual Vacancy Loss</u>	<u>YTD Budgeted Loss</u>	<u>YTD Variance</u>
Linden Pointe	92	1	1.09%	\$ 1,099	\$ 2,510	\$ 47,082	\$ 30,111	\$ 16,971
Crystal Brook	40	1	2.50%	\$ 1,019	\$ 1,107	\$ 15,843	\$ 13,293	\$ 2,550
Nellie Bechtel	96	2	2.08%	\$ 2,124	\$ 2,459	\$ 15,906	\$ 29,508	\$ (13,602)
Ratekin Tower	107	4	3.74%	\$ 2,082	\$ 2,331	\$ 17,155	\$ 27,559	\$ (10,404)
Walnut Park	90	0	0.00%	\$ 600	\$ 1,481	\$ 13,723	\$ 17,292	\$ (3,569)
Arbor Vista	72	0	0.00%	\$ 1,153	\$ 2,244	\$ 39,237	\$ 26,922	\$ 12,315
Village Park	72	3	4.17%	\$ 5,168	\$ 2,846	\$ 18,207	\$ 34,152	\$ (15,945)
Highlands I	64	4	6.25%	\$ 5,205	\$ 1,043	\$ 31,168	\$ 12,516	\$ 18,652
Highlands II	72	2	2.78%	\$ 1,322	\$ 1,072	\$ 9,522	\$ 12,875	\$ (3,353)
2814	60	3	5.00%	\$ 2,321	\$ 2,390	\$ 14,504	\$ 28,690	\$ (14,186)
Sub -Total	765	20	2.61%	\$ 22,093	\$ 19,483	\$ 222,347	\$ 232,918	\$ (10,571)

*Total number of units vacant decreased by 15 from 35 in 3rd Quarter to 20 by the end of the year

*Both Linden Pointe and Nellie Bechtel decreased by 3 vacancies between 3rd and 4th Quarter. Linden had 9 vacancies at the end of 1st Quarter

*Arbor decreased by 5 vacancies from the 3rd to 4th Quarter.