

Within this report we present an overview of structure, parameters, and key points of interest. The commentary, supplemental data, and exhibits are provided for your reference. It is our intent to provide sufficient information to communicate the efforts planned to further our strategic goals and ultimately our mission.

# Budget Report

FY | 2024



# Contents

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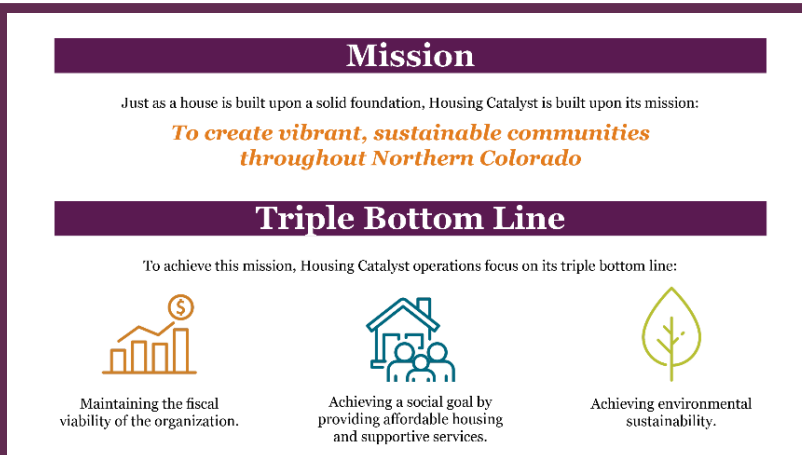
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# Overview

For more than 50 years, Housing Catalyst has been building community in Northern Colorado. The agency addresses the growing need for affordable homes through innovative, sustainable, community-focused solutions – developing and managing residential properties, administering rental assistance, coordinating community programs and services, and leading policy discussions and community dialog around affordable housing.

Housing Catalyst approaches the budget development process with one overarching goal in mind – to satisfy our mission. We honor our mission through a focus on a triple bottom line.



As Housing Catalyst has worked to accomplish its goals, the organization has taken oversight of various entities and created entity structures to expand opportunities for residents earning below the area median income. This oversight includes:

- Administering voucher programs for Larimer County Housing Authority,
- Managing Wellington Community Housing through a contractual agreement,
- Managing a 501(c)(3) entity that owns and operates affordable rental homes,
- Developing multiple affordable housing projects utilizing tax credit financing through partnership agreements with various external investors, and
- Administering vouchers for the Colorado Division of Housing in Larimer and Weld counties.

This year's fiscal budget data includes all agency-wide programs and departments. Additionally, data presented includes reports and information related to blended units and discretely presented units made up of managed entities and affiliates.

This budget report is the result of tireless hours by dedicated Housing Catalyst staff. Through their adherence to the agency's core values, they ensure the data presented is of the highest quality. The executive team extends their sincere appreciation to all staff for their commitment to this process and to the mission of the organization.



TEAMWORK



COMPASSION



HONESTY



ACCOUNTABILITY



FUN

## Economic Conditions and Outlook

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Funding instability continues to present challenges for Housing Catalyst staff managing goals and budgets. National economic conditions contribute to local housing challenges, Congressional appropriations are often uncertain when Housing Catalyst budgets are created, and staff must estimate annual subsidies based on Congressional actions and historic data. Increasing sources of revenue other than those dependent upon Congressional appropriations continues to be crucial to the sustainability of Housing Catalyst's current programs and future growth. About half of Housing Catalyst's revenues come from government sources, including HUD grants, Housing Assistance Payments (HAP), and other federal programs.

Fort Collins has an estimated population of 169,249 (2022) and a median household income of \$72,932. The median family income for Larimer County is \$80,664. The rental market in Fort Collins remains tight with rents continuing to increase and vacancy rates at around 4-5%.

Demand for affordable housing remains strong in the Fort Collins market. The rental market has tightened considerably in recent years and rents continue to increase. According to Colorado Housing and Finance Authority (CHFA), apartment rents increased by an average of 7% in Fort Collins during 2022. Additional funding through federal, state, and other emergency programs may keep rental collection rates at near normal levels in the near term. The longer-term outlook for rent collection and demand for rental housing will be driven by the economic outcome of the local economy.

Housing Catalyst remains focused on increasing the supply of affordable housing through new development, preservation, acquisitions, and partnerships.

In early 2022, Housing Catalyst was selected to join HUD's Moving to Work (MTW) program under the Landlord Incentives Cohort. The transition to MTW will allow flexibility in the utilization of funding received from HUD and the ability to initiate new programs and strategies within the community. The transition will not directly impact overall HUD funding received by Housing Catalyst.

## Long-Term Planning | Major Commitments | Initiatives

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Housing Catalyst supports the development and preservation of affordable housing throughout Northern Colorado, with funding from the City, Colorado Division of Housing, Colorado Housing and Finance Authority, equity investors, and lenders. Along with its partners, Housing Catalyst combines intentional design with sustainable development principles and sound planning to develop and maintain a vibrant, diverse affordable housing portfolio. Housing Catalyst employs many strategies to create and preserve its stock of affordable rental homes. These strategies include new construction, acquisition, rehabilitation, and preservation of existing housing to create and maintain high-quality, sustainable homes.

In 2019, after the disposition of 84 public housing units under the RAD program, the decision was made to pursue a Section 18 disposition for the remaining 70 public housing units. The first three projects resulted in the construction or preservation of 453 affordable housing units. The repositioning of the remaining 70 public housing units is now expected to be completed over the next year. Housing Catalyst plans to utilize proceeds from the Section 18 disposition for the renovation and redevelopment of the Village on Impala. This thoughtfully designed project includes the construction of four new apartment

buildings along with the renovation of 12 existing duplexes. The expanded community will provide a total of 86 homes with affordable rents and feature enhanced accessibility, efficiency, neighborhood connectivity, and community spaces. A separate renovation will preserve an additional 15 units located at 2155 W Plum.

# Organizational Structure

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## Blended Component Units

Several controlled entities are included within the financial reporting entity of Housing Catalyst as blended component units. These include the Larimer County Housing Authority (LCHA), all of the general partnership entities controlled by Housing Catalyst, various special purpose entities, development entities, and Villages, Ltd. According to the Governmental Accounting Standards Board (GASB), the balances and transactions of the component units are to be consolidated and reported within the proprietary funds of Housing Catalyst. However, for purposes of clarity in presentation of the agency’s budget, the Villages, Ltd. entity and all of its real estate holdings are presented separately within this report. The public housing portfolio is expected to be completely converted within 2023. Thus, no 2024 operating budgets have been prepared for this real estate portfolio.

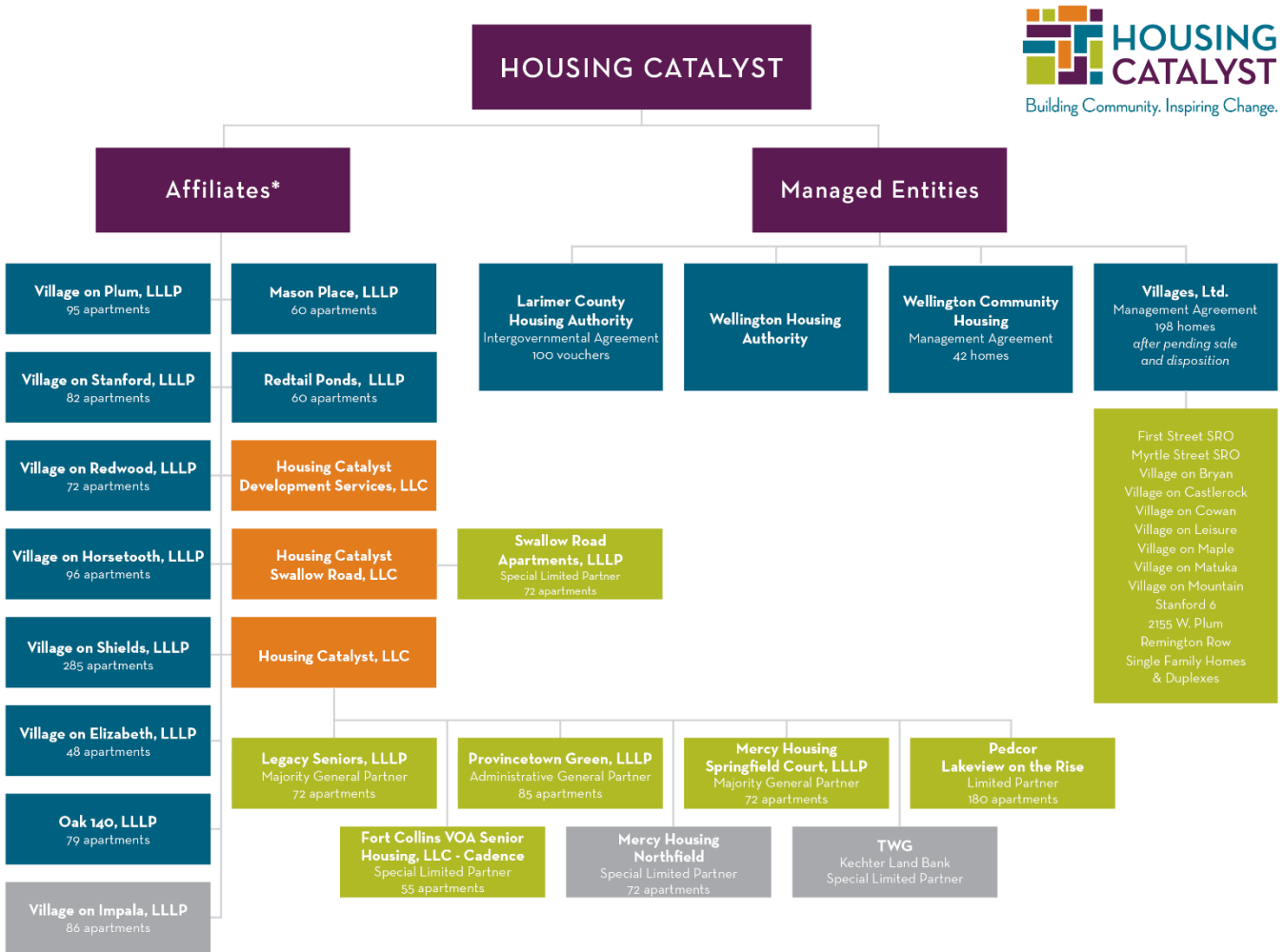
## Discretely Presented Component Units

Housing Catalyst manages nine discretely presented component units. These units are not consolidated with the agency under GASB rules. Since these are legally separate from Housing Catalyst, they are reported separately for budget presentation within this report. The activity for these units are found within the LIHTC (Low Income Housing Tax Credit) section of this report.

## Organizational Entity Chart

The figure below depicts the overall organizational entity structure and includes a list of affiliates and managed entities. This illustration is intended to facilitate understanding of overall structure and the major segments of business operations.

Figure 1 - Organizational Entity Structure



\*An "Affiliate" is an entity formed by Housing Catalyst in which it has a financial or ownership interest or has a governing role.

Revised May 2023

## CENTRAL OFFICE COST CENTERS

Housing Catalyst utilizes a Central Office Cost Center (COCC) model to allocate overhead to departments. A total of five COCCs are part of the budget and accounting structure utilized by the agency. Costs accumulated in each of the cost centers are then allocated to the individual departments of the agency. This methodology facilitates a more appropriate match of costs with related departments while also being easier to administer.

Figure 2 below outlines the structure and relationship of the COCCs to the individual departments, and then the departments with their associated customers.



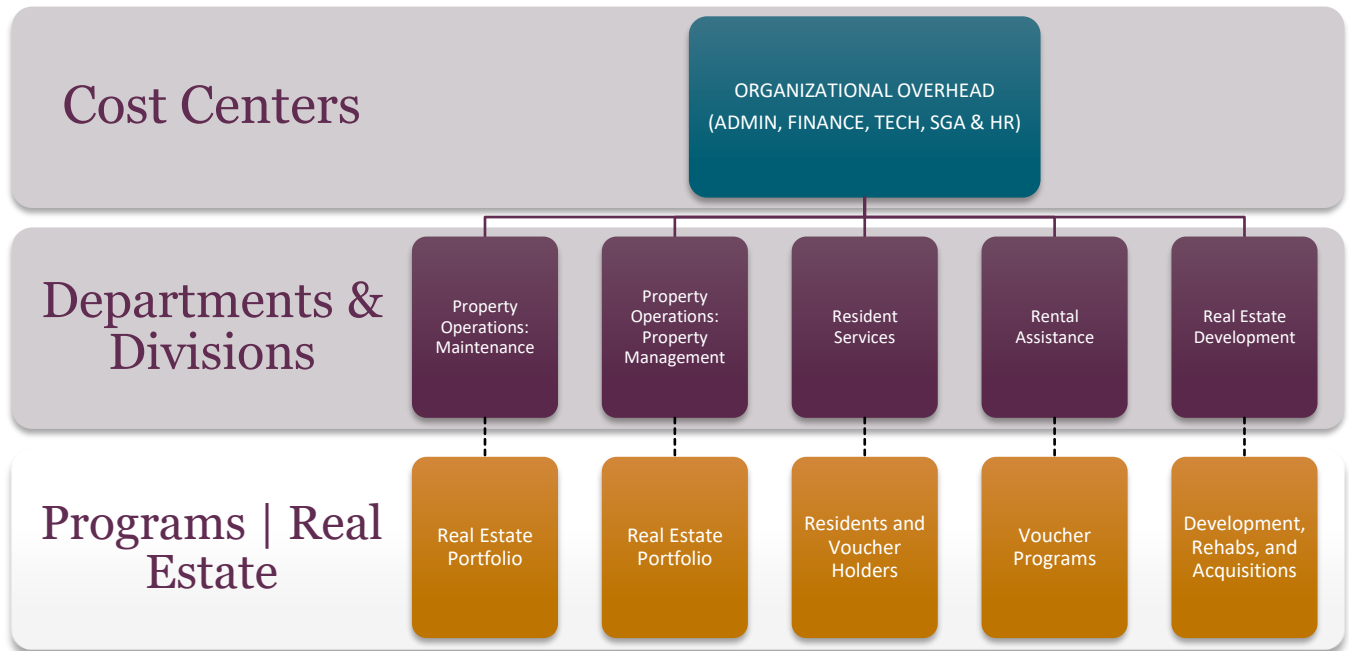


Figure 2 – Cost Center and Department Relationship Chart

## DEPARTMENTS & DIVISIONS

Housing Catalyst is made up of four distinct departments—Rental Assistance, Real Estate Development, Resident Services, and Property Operations, which includes the Property Management and Maintenance divisions. The costs associated with these departments are paid for by various billing arrangements between Housing Catalyst and its managed programs, development projects, real estate portfolios, and affiliates.

Each department and division is evaluated separately to determine if it is financially viable and performing to the expectations set by leadership. As such, each department and division maintains its own separate budget.

## Agency Parent Budget Assumptions

The following sections include key assumptions related to the agency's budget preparations. These assumptions represent concepts that are helpful to the reader and relevant to the understanding of the agency's operations. This is not an exhaustive list of all assumptions utilized.

Housing Catalyst reports annual audited financial results in the Annual Comprehensive Financial Report (ACFR.) The ACFR distinguishes agency results, known as Primary Government, which includes the Villages, Ltd entity and holdings, from the LIHTC properties, known as Discretely Presented Component Units. For this report, Primary Government will be referred to as agency and Discretely Presented Component Units will be referred to as LIHTC.



# OVERHEAD

As identified earlier, the ACFR presentation of Housing Catalyst as a governmental unit includes the Villages, Ltd. portfolio; however, for purposes of this budget we have elected to separately present Villages. The fully consolidated revenue for Housing Catalyst, including vouchers, is budgeted to be \$34,540,337. This is the amount used to calculate our overhead ratio.

Each of the cost centers are fully allocated to the departments of the agency. For FY 2024, the total overhead as a percentage of revenue has decreased by .68% to 12.54%. Additionally, the overall overhead ratio has remained stable with the growth of revenues over the past 5 years. The trailing 5-year trend is shown in Figure 3 and shows an average overhead rate of 11.4% over the timeframe depicted.

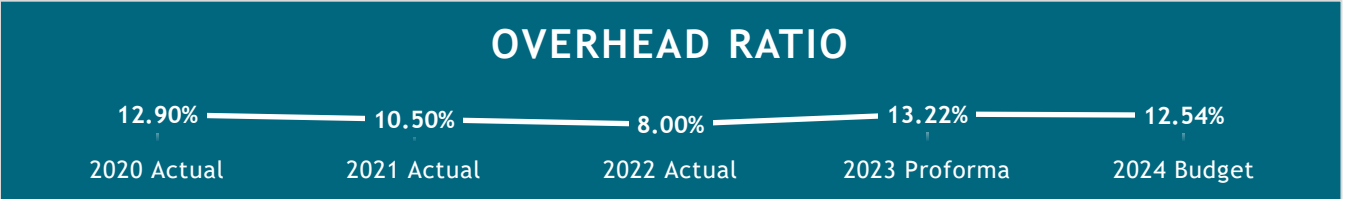


Figure 3 - T5YOY Overhead Ratio [Revenue is aggregated without inter-fund eliminations]

Overhead has leveled out after a period of additional investment in staffing in 2023. The dip in 2022 is due to a large revenue influx of earned developer fee related to the Oak 140 project.

The makeup of the overhead expenses amongst the five cost centers is illustrated in Figure 4. A summary cost center report can be found in Exhibit 1b. The method of allocation of cost centers to the departments are completed on two separate methods. The HR and IT cost centers are allocated based upon each departments pro-rata share of full-time equivalent staff (FTE). The allocation rates for HR and IT per FTE are budgeted at \$6,670 and \$10,042 respectively per annum.

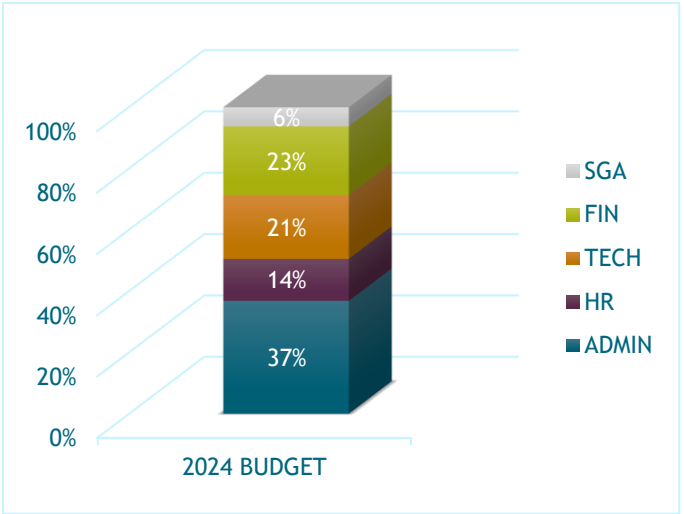


Figure 4 - Overhead by Type

The second method applies to admin, finance, and SGA (sales, general & administrative) cost centers. The methodology has changed slightly for the 2024 budget year to a fixed percentage based on estimated resources needed to support each department. Previously, the allocation was based on weighted labor with a surcharge added to Real Estate Development and Property Management. The allocation rates for this group of cost pools are outlined in Figure 5.

Figure 5 - Overhead Allocation Rates

Property Management	Rental Assistance	Resident Services	Maintenance	Real Estate Development
50%	10%	5%	5%	30%

# EMPLOYEE STAFFING

The agency is continually assessing its staffing needs and has determined that few net position changes will be required in 2024 to adequately perform duties, be sufficiently resourced to nimbly take advantage of opportunities, and succeed

in attaining the organization’s mission. Therefore, staffing levels will be mostly maintained with a budgeted decrease in full-time equivalent employees of 2.8. The goal is to continue to support the

2023 FTE COUNT	2024 FTE COUNT	YOY DECREASE
97.0	94.2	-2.8

advancement and growth of the organization through appropriate staffing levels. None of the changes reflected in the decrease will require employee termination but can be reached through natural attrition and restructuring in Property Management, Resident Services, and Maintenance.

In addition, the Permanent Supportive Housing program underwent a scheduling restructure which resulted in staffing changes. Furthermore, the budget includes an increase of 1 FTE in the IT team due to anticipated structural changes as a result of an IT assessment performed by an external consultant contracted by Housing Catalyst.

Resident Services, Property Management, and Maintenance have attained a level of training and commensurate efficiency among staff such that they are able to maintain high levels of performance with fewer positions. At the same time, elevating several existing positions will allow for the continuation of internal growth and retention of expertise. These changes represent a net 1% increase in budgeted compensation costs year over year.

Housing Catalyst is working with an external consultant on pay plan adaptations to retain and attract top talent, and to be responsive to market developments. In addition to anticipated structural changes, there is an allotment for market and performance increases included in the budget. The pool rate will allow Housing Catalyst to absorb changes in its pay structure over time, as well as respond to market conditions. As such, the blended pool rate has been set at 6.0%.

A thorough evaluation of benefit offerings is conducted annually. During this year’s evaluation there was no increase in rates for medical, dental, or vision insurance. The combined cost of benefits, referred to as the burden rate, is budgeted to be 36.1% with paid time off factored in. This places our burden rate below the mid-point for comparable industries according to the most recent BLS benchmark data, provided in Figure 6.

BLS Benchmark Data - (Includes Time Off)	Low	MID	High
Private Industry	26.6%	29.6%	32.6%
Local Government	35.1%	38.1%	41.1%
Civilian Workers	28.2%	31.2%	34.2%

Figure 6 – BLS Benchmark Data

*"Great things in business are never done by one person; they're done by a team of people." - Steve Jobs*

## MAINTENANCE DIVISION

The costs incurred in the Maintenance Division are charged directly to properties based on three billing methods. The first billing method is an hourly billing rate of \$75 for routine work orders. The hourly bill rate is determined by conducting a market study of hourly rates of maintenance companies in the area and other housing authorities in Colorado. Housing Catalyst then assesses all expenses associated with this division to determine an appropriate rate commensurate with market peers and sufficient to cover associated costs. After reviewing these two factors, the rate is further evaluated to minimize impact upon residents and properties to ensure affordability.

The second billing method is a graduated per-unit flat rate contract for preventative maintenance services. The scale is provided for reference in Figure 7. Preventative maintenance contracts will be issued to all properties managed by the agency and cover recurring maintenance such as cleanup of property grounds, bi-annual preventative maintenance inspection costs, and pool services. The preventative maintenance billing scale is evaluated annually and adjusted as needed to ensure costs are covered and pricing remains relevant.

The third billing method is a percentage markup applied to all managed capital projects that the Maintenance Division is hired to perform. In order to provide skilled project management and oversight to capital improvement projects, the team retains qualified managers with prior expertise in scheduling, coordinating, and managing capital projects. This is a valuable resource, especially in the current market where both maintenance technicians and skilled labor are difficult to find. This markup is evaluated by project and covers cost of staff within the Maintenance Division. This markup is in addition to any fees outlined in agreements with partners that covers efforts of the Property Management Division staff.

In addition to any labor costs, work orders include direct supply costs with an average purchasing markup rate of 20%. The markup supports the cost of staff necessary to handle and coordinate purchasing on behalf of all properties served.

The Maintenance Division is projected to generate net operating income of \$74,148 for the 2024 budget year.

PREVENTATIVE MAINTENANCE		
UNIT COUNT LOW	UNIT COUNT HIGH	PRICE PER UNIT
1	10	\$ 400
11	40	\$ 425
41	50	\$ 450
51	75	\$ 475
76	100	\$ 500
101	999	\$ 525

Figure 6 - Preventative Maintenance Graduated Scale

## REAL ESTATE DEVELOPMENT DEPARTMENT

The Real Estate Development Department is staffed by a skilled team with high technical ability in the field of affordable real estate development. The funding for the department comes primarily from fees earned when projects are acquired, constructed, or renovated. The department is projecting to generate a total of \$2,953,512 in earned development fees in 2024. The sources of the fees are depicted in Figure 8. The department is projecting to collect \$1,173,712 in development fees in 2024. This cash includes the last two developer fee installments for Oak 140 and one developer fee payment for 2155 W Plum. As of the date of penning this report, the department has a total of \$7.1MM in developer fees receivable. In addition to the fees to be earned, identified above, the department has the potential to receive payment

on deferred fees if the projects have sufficient cash flow to warrant payment. The analysis of cash flow available to distribute is performed annually at the time of audit preparation.

Lastly, the department continues to accrue interest income on pass-through mortgages attributed to past developments that is payable whenever the waterfall is triggered. For FY 2024, the budgeted interest income is expected to be \$664,811.

The Real Estate Development Department is projected to generate a combined \$1,680,330 in net income.

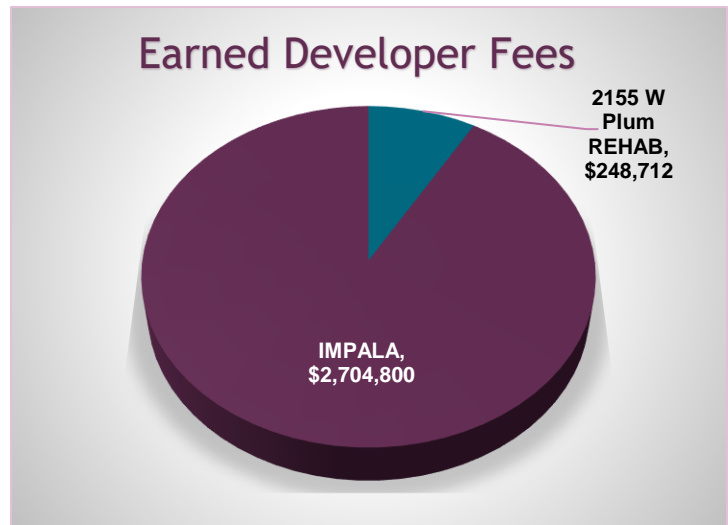


Figure 7 – Earned Developer Fees by Source

## RESIDENT SERVICES DEPARTMENT

The Resident Services Department includes the HUD-funded Family Self-Sufficiency (FSS) program for voucher holders (JumpStart), Permanent Supportive Housing (PSH), and supportive services for residents living in Housing Catalyst's affordable communities. The department's continued focus for 2024 is housing stability, education, health and well-being, and resident engagement.

Housing Catalyst will provide credits to cover resident services at four properties: Mason Place \$149k, Village on Redwood \$58k, and Village on Shields via Richmond \$10k. Including these credits, the Resident Services department is reporting a loss of \$194,856.

The primary revenue sources for the Resident Services Department include:

### Larimer County Behavioral Health Grant

The Larimer County Behavioral Health Grant was renewed for 2024 in the amount of \$84,319. This funding supports a behavioral health clinician for Permanent Supportive Housing.

### Family Self-Sufficiency Grant

The agency's JumpStart program is funded by a HUD-issued FSS grant in the amount of \$254,870. This grant funds three full time staff to provide services and administer the program for participants in the Housing Choice Voucher program.

### Continuum of Care Grant

The Continuum of Care grant awarded by HUD specifically covers the costs of Permanent Supportive Housing services at Redtail Ponds. The grant award for the fiscal year ending October 31, 2024, is \$384,420.

### Medicare/Medicaid Billing

In 2023 Housing Catalyst began billing Medicare/Medicaid for therapeutic services provided to Permanent Supportive Housing residents. Reimbursement rates are low, and the number of eligible

services is limited, therefore, this does not represent a large revenue stream. Regulatory changes which may expand eligible service reimbursements are anticipated.

### Property Billing

Each property within Housing Catalyst's portfolio purchases a service package from Resident Services. This rate is based on a per unit per annum model based on the service needs, income demographics and general needs of each property.

## PROPERTY MANAGEMENT DIVISION

The Property Management Division of the Property Operations Department is comprised of property managers of varying expertise levels, compliance specialists, and business support staff that all directly support Housing Catalyst's residents and oversee on-site operations at the properties. The Property Operations Department is responsible for asset management services such as capital improvement, investor relations, and debt compliance.

The department earns various fees based upon agreed terms and/or recaptures costs as outlined in management agreements. The department's income will fluctuate based upon the rental revenues of the real estate portfolio upon which a substantial portion of its fee income is dependent. Each real estate property has its own agreed upon fee structure; however, the average fee earned is between 7-9% of net rental income.

In 2024 the department will manage in excess of \$15 million in net rental income across the entire real estate portfolio. This will generate over \$2.3 million in management, accounting, and compliance fees income payable to the agency and should result in the department generating \$66,744 in net income during the 2024 budget period.

## RENTAL ASSISTANCE DEPARTMENT

The Rental Assistance Department administers Housing Choice Voucher programs for the U.S. Department of Housing and Urban Development. Voucher programs assist low-income families, the elderly, and people with disabilities.

Rental Assistance Coordinators in the department handle waitlist management, income verification, recertifications, inspections, and determination of rental subsidies. The skilled coordinators are required to keep informed of federal rules and regulations and manage caseloads of 200-250 households.

The department is funded through income earned in the form of an administrative fee calculated on total vouchers leased each month. The department is expected to generate a net loss of \$37,331 which will be subsidized by other agency income sources. This is typical of public housing agencies as voucher administration is underfunded by HUD (as will be discussed in the next section on Housing Assistance Payments).

### Housing Assistance Payments

Housing Assistance Payments (HAP) is the term used to identify the monies that pass-through Housing Catalyst for subsequent payment to landlords on behalf of qualifying residents participating in a qualifying program. The agency earns an administrative fee for administering HAP payments and managing various

voucher programs. However, the fee has historically not been fully funded by HUD. The anticipated prorated funding rate for administrative fees in 2024 is 97%.

Housing Catalyst is paid an administrative fee for units that are leased on the first of the month. The combined Housing Assistance Payments of \$19.9M generate a total \$1.8M in administrative fees for the rental assistance department.

### Housing Choice Vouchers<sup>1</sup>

It is assumed that this voucher program will continue to reach 98%-dollar utilization during FY 2024. The agency administers 1,302 vouchers under this program with an estimated \$16.4M in HAP payments resulting in projected administrative fees of \$1,443,065. There is an additional \$14,731 in administrative fee income expected to be earned on new voucher issuances.

### Mainstream Vouchers<sup>1</sup>

The Mainstream Voucher program estimates an average increase of 2% for 2024 and an average 240 vouchers per month. The estimated HAP funding within this program is \$3M which should result in administrative fee income of \$275,477 at the 97% proration rate.

### Emergency Housing Vouchers

The Emergency Housing Vouchers administered by Housing Catalyst consist of 23 vouchers with HAP funding in excess of \$430,039 resulting in \$26,400 in administrative fees.

### Division of Housing Vouchers

In 2023 Housing Catalyst increased the number of vouchers administered for the Colorado Division of Housing to a total of 159. These DOH vouchers contribute an additional \$82K in administrative fees. Most of this fee goes toward the cost of a full-time employee designated to administer the vouchers.

## CATALYST FUND

Housing Catalyst generates various other revenues that the agency has decided to earmark as Catalyst Funds. The sources of these revenue streams are mostly related to bond issuance and special limited partner fees, but occasionally funds are received from other sources. Because of the indeterminate nature of additional funds, no amounts are reflected in the budget.

Catalyst funds may be utilized by department heads for “catalyst events” that support the mission and strategic goals of the agency. Department heads may make formal proposals to the executive team for one-time monies funded for process improvements, short term staffing, or other expenses that are deemed critical to the success of the agency. The agency is projecting to generate \$134,451 in available Catalyst funds for 2024.

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<sup>1</sup> This includes both Housing Catalyst and Larimer County vouchers.

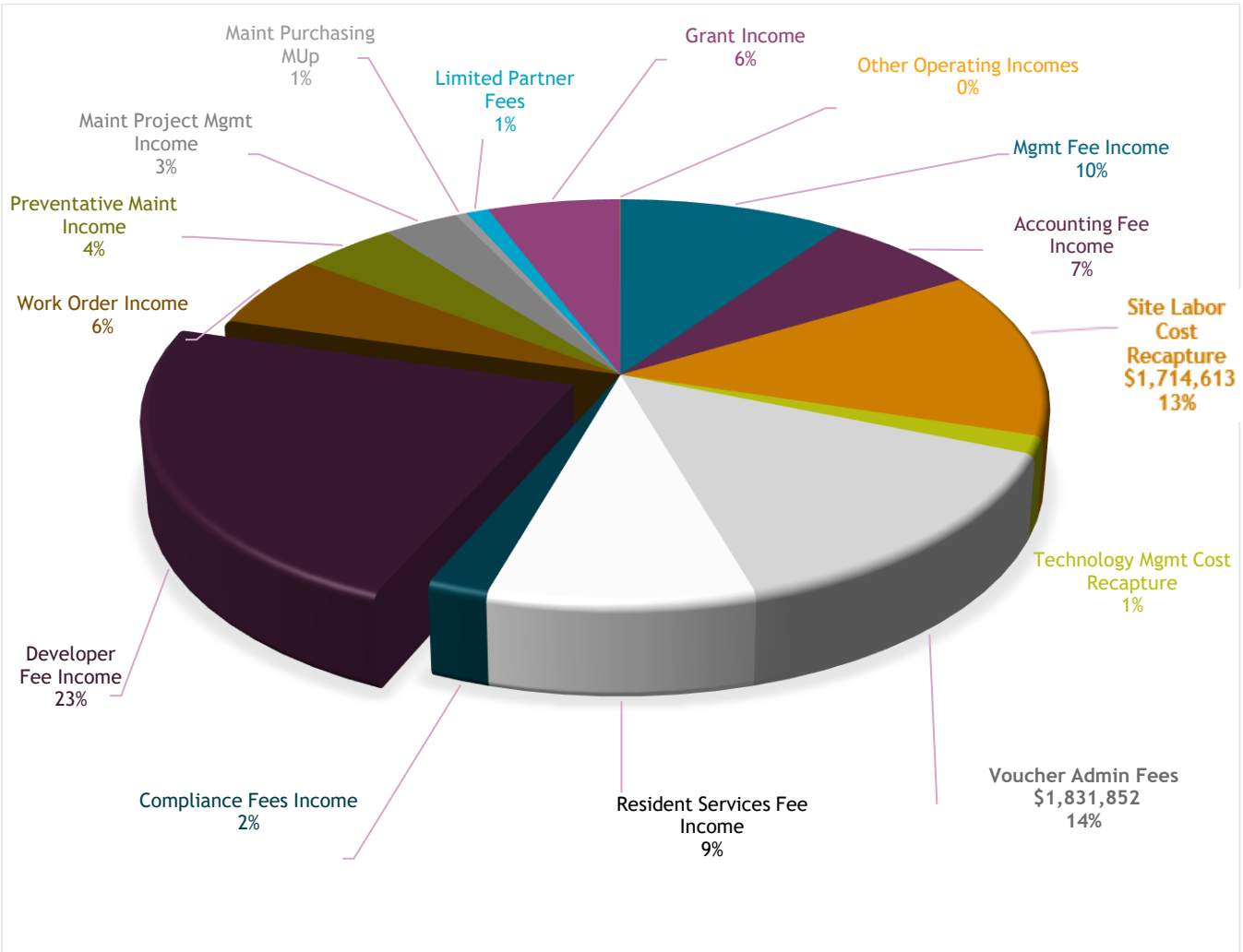
# Agency Budget

The agency budget is located in Exhibit 1a and 1c. Highlights are provided here. For presentation purposes there are blended component units that are omitted from the agency parent budget and reported separately. The separately stated blended component units in 2024 omits the public housing portfolio due to reasons mentioned earlier. Therefore, the only separately stated blended component unit will be Villages, Ltd.

## OPERATING INCOME

The 2024 operating income budget for the agency (including voucher program) is projected to be a total of \$34,540,337. Of this amount \$19,866,021 represents voucher revenue that passes through to recipients in the form of Housing Assistance Payments and \$1,831,852 represents unearned administrative fee income on the voucher programs. The remaining balance of \$12,831,581 in agency, grant, and miscellaneous revenue is broken out by type in Figure 9. The largest source of this revenue is developer fee income at 23%.

Figure 8 - Agency Parent Revenue by Type





The 2024 total projected operating revenue is expected to increase over 2023 proforma figures by 13.6%. A key factor causing this increase is an increase of \$1.7M in earned developer fees projected for 2024 over 2023 proforma. For illustrative purposes, the year-over-year (YOY) Operating Income is presented in Figure 9.

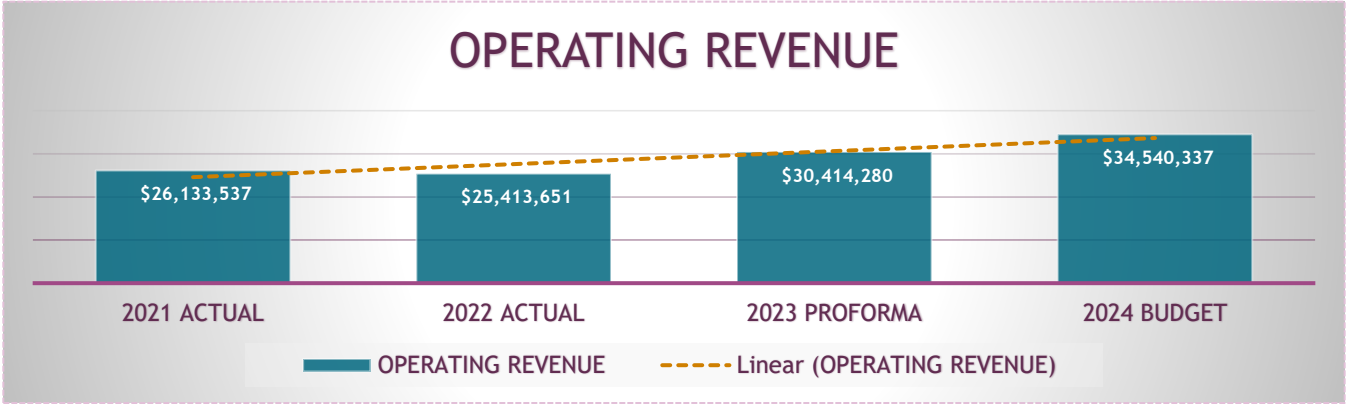


Figure 9 - YOY Operating Income [Revenue is aggregated without inter-fund eliminations]

OPERATING EXPENSES

Operating expenses for the agency plus vouchers are budgeted to be \$33,513,596 in 2024. This includes pass-through Housing Assistance Payments totaling \$19,866,021 and internal voucher administration expense of \$1,831,852. The balance of operating expenses represents agency operating expenses of \$11,815,723, a 7.9% increase YOY from the 2023 proforma forecast. Labor is a significant expenditure for service-oriented organizations like Housing Catalyst, representing 82% of the entire agency operating expenses budgeted for 2024 (omitting HAP and voucher admin expenses). The remaining 18% of agency operating expenses is comprised of training, conferences, consulting services, maintenance and facilities expenses, business insurance, management, technology, and other administrative expenses as shown in Figure 10.

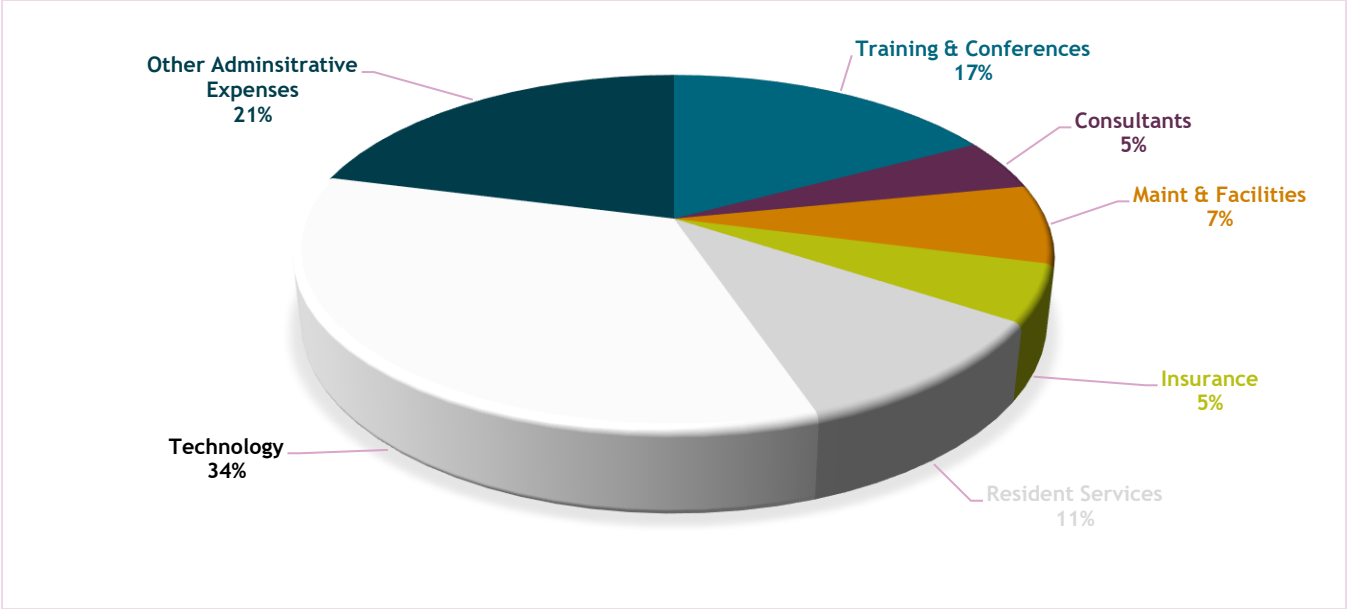


Figure 10 - Agency Parent Operating Expenses by Type (Omits HAP and voucher admin expenses)

## NET OPERATING INCOME

The 2024 net operating income (NOI) for Housing Catalyst is projected to be \$1,026,741. This represents a \$1.37M increase from the 2023 proforma. The primary reason for the increase is an increase in budgeted developer fees totaling \$1,724,908 offset by labor and other operating expense increases. The 2024 NOI as a percentage of revenues is 3.0% up from -1.1% in the 2023 proforma.

## OTHER NON-OPERATING INCOME (EXPENSES)

2024 non-operating income and expenses are made up of income and expense streams that are deemed not to be directly related to operating and are ancillary to operations. By separating out items that are not directly attributed to operations, it allows management to monitor the operations of the agency more closely. Interest income on soft debt is presented in this section of the income statement and represents earned interest on past real estate transactions where bond proceeds have been received and subsequently loaned to a recipient project entity. These amounts are payable when each deal's waterfall is triggered. There is a total of \$1.7MM of soft debt interest income budgeted, which is \$21,020 over what was budgeted in 2023.

Some of the non-operating expenses that are reflected in this section are depreciation, amortization, and interest expense. The 2024 budgeted amounts for these expenses are \$58,561; \$33,226; and \$318,162 respectively.

Housing Catalyst also shares in income for each real estate transaction where it retains minority ownership interest in the form of general partnerships. No amounts are currently budgeted for 2024.

## NET INCOME

The 2024 net income is budgeted to be \$2,370,503 which is a \$41,270 increase over the 2023 proforma. The primary factor impacting net income is the increase in developer fees offset by proceeds from sale of public housing which occurred in 2023. Net income as a percentage of revenue for 2024 is 6.9%.

# Blended Component Units – Consolidated

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## HOUSING CATALYST, LLC

Housing Catalyst, LLC was set up as a disregarded Limited Liability Corporation owned entirely by Housing Catalyst. The entity currently owns the Mason Parking Lot as well as ownership interest in various general partnership entities and special purpose entities.

There are no notable budget items for Housing Catalyst, LLC.

## Blended Component Units – Separately Stated

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### PUBLIC HOUSING

The 2024 public housing budget assumes the sale of the remaining public housing units at 2155 W Plum to Villages Ltd. This is anticipated to occur in 2023 and closes out the last of the public housing units owned and operated by the agency. Therefore, no operating budgets were prepared for this portfolio.

### VILLAGES, LTD.

Housing Catalyst manages Villages. Ltd., a 501(c) (3) corporation, and all of its real estate holdings. This entity owns and manages 174 affordable housing units. During 2021, Villages, Ltd. appointed the Housing Catalyst Board of Commissioners as its Board of Directors. As a result, Villages Ltd. is reported as a blended component unit of Housing Catalyst under GASB pronouncements. The operating budget for this entity consists of one general operating fund, the Taft office, and sixteen separate property budgets. The consolidated 2024 budget is presented in detail along with a summary of the individual budgets in Exhibit 2.

Villages, Ltd. is generating \$1.7M in net income during the 2024 budget period which includes \$1.4M of total grant income which is made up of \$800k for the renovation at 2155 W Plum and \$603k for the renovation at Village on Impala LLLP.

The properties owned by Villages, Ltd. do not require management of specific debt service coverage ratios or investor tax-loss requirements. Instead, the properties are managed against traditional real estate principles which include monitoring performance to ensure overall positive net operating income and surplus operational cash flow.

The 2024 Villages, Ltd. budget contains the following significant assumptions.

- The rehabilitation of 2155 W Plum with total project costs of \$2.5M funded by \$800K from a City of Fort Collins grant and \$1.7M from public housing disposition funds.
- 100% completion of the 2155 W Plum property rehabilitation in 2024.

## Discretely Presented Component Units

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Information in this section is presented to give additional insight into the factors and assumptions that have been used to develop the proposed 2024 budget for each of the discretely presented component units managed by Housing Catalyst.

### LOW INCOME HOUSING TAX CREDIT PROPERTIES (LIHTC)

The tax credit properties are budgeted to meet specific performance requirements outlined in the respective limited partnership agreements. The budgets ensure performance required to meet the Debt Service Coverage Ratio (DSCR), which measures the project's ability to pay debt obligations from operational cash flow.

Exhibit 3 contains the 2024 budgets for each of the LIHTC properties as well as the calculated debt service coverage ratio. In each of the projects we anticipate meeting our obligations; however, for four projects the agency is providing credit memos for services to ensure those projects meet their DSCR. The four projects are Village on Shields, Mason Place, Village on Redwood, and Village on Horsetooth.

Additionally, the limited partnership agreements project estimated tax losses for the investors. Although the budgets ensure that the required minimum debt service coverage ratios are met, managing performance to narrowly meet the required debt service coverage ratio provides the ability to meet the expected tax-loss for the investors. Housing Catalyst targets reviewing tax losses annually after completion of the partnership tax returns to evaluate project tax-losses for the investors.

### Village On Elizabeth, LLLP

Village on Elizabeth is a 48-unit apartment project that was renovated and is managed by Housing Catalyst. Financing for the project came through multiple sources including federal tax credits. In 2023, Housing Catalyst will exit the Limited Liability Limited Partnership with Boston Financial as the 15-year tax credit is expiring. The property will be transferred to the Villages LTD. entity in 2024.

The Village on Elizabeth property is budgeted to generate \$82,030 in net operating income sufficient to cover its required debt service ratio leaving \$1,122 of excess over debt service.

### Village on Plum, LLLP

Village on Plum is a 95-apartment project that was developed and is managed by Housing Catalyst. Financing for the project came through multiple sources including federal tax credits.

The Village on Plum property is budgeted to generate \$416,394 in net operating income sufficient to cover its required debt service ratio leaving \$1,782 of excess over debt service.

### Village on Redwood, LLLP

Village on Redwood is a 72-apartment project that was developed and is managed by Housing Catalyst. Financing for the project came through multiple sources including federal tax credits.

The Village on Redwood property is budgeted to receive a credit from Housing Catalyst parent company to cover resident services in the amount of \$58k resulting in net operating income of \$180,970, sufficient to cover its required debt service ratio leaving \$9,654 of excess over debt service.

### Village on Stanford, LLLP

Village on Stanford is an 82-apartment project that was developed and is managed by Housing Catalyst. Financing for the project came through multiple sources including federal tax credits.

The Village on Stanford property is budgeted to generate \$180,122 in net operating income sufficient to cover its required debt service ratio leaving \$2,258 of excess over debt service.

### Village on Shields, LLLP

Village on Shields is a 285-apartment project that was developed and is managed by Housing Catalyst. Financing for the project came through multiple sources including federal tax credits.

The Village on Shields property is budgeted to receive a credit from Housing Catalyst parent company to cover resident services in the amount of \$10k resulting in net operating income of \$1.236M, sufficient to cover its required debt service ratio leaving \$1,103 of excess over debt service.

### Redtail Ponds Permanent Supportive Housing, LLLP

Redtail Ponds Permanent Supportive Housing is a 60-apartment project that was developed and is managed by Housing Catalyst. Financing for the project came through multiple sources including federal tax credits.

The Village on Redtail Pond property is budgeted to generate \$156,934 in net operating income sufficient to cover its required debt service ratio leaving \$4,884 of excess over debt service.

### Village on Horsetooth, LLLP

Village on Horsetooth is a 96-apartment project that was developed and is managed by Housing Catalyst. Financing for the project came through multiple sources including federal tax credits.

The Village on Horsetooth property is budgeted to receive a credit from Housing Catalyst parent company to cover resident services in the amount of \$106k resulting in net operating income of \$447,872, sufficient to cover its required debt service ratio leaving \$7,200 of excess over debt service.

### Mason Place, LLLP

Mason Place is a 60-apartment project that was developed and is managed by Housing Catalyst. Financing for the project came through multiple sources including federal tax credits.

The Mason Place property is budgeted to receive a credit from Housing Catalyst parent company to cover resident services in the amount of \$149k resulting in net operating income of \$151,798, sufficient to cover its required debt service ratio leaving \$3,249 of excess over debt service.

### Oak 140, LLLP

A new community, Oak 140, was substantially complete at the end of 2022 and 100% occupied by June 2023. The project was devised in partnership with the Downtown Development Authority and will feature commercial and office space, parking, and 79 apartments, including studio, one-bedroom, and two-bedroom options.

Oak 140 is budgeted to generate \$238,505 in net operating income sufficient to cover its required debt service ratio leaving \$59,064 of excess over debt service. The project will have access to both a debt service and operating reserve to cover losses during its initial stabilization period.

### Village on Impala, LLLP

The existing duplexes (24 units) at Village on Impala were transferred to Village on Impala, LLLP in 2023. These units will be renovated and partially occupied during 2024. The renovation project is part of a bigger LIHTC development that includes 60 new units on the former public housing site. The construction for the overall project is scheduled for completion in 2025.

The Village on Impala property is budgeted to generate \$63,736 in net operating income and will not have a debt service coverage ratio target to meet during its renovation and construction phase.

# Managed Entities

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## WELLINGTON COMMUNITY HOUSING AND HOUSING AUTHORITY

Wellington Housing Authority went through a Section 18 disposition and converted 42 units of public housing to tenant-based voucher rental assistance in 2021. All 42 units transitioned to Wellington Community Housing (“WCH”), a non-profit corporation. All vouchers are Project Based Vouchers and attached to the apartments. The 42 homes now owned by Wellington Community Housing have continued to be managed by Housing Catalyst. Housing Catalyst also continues to administer the vouchers. The Wellington Housing Authority entity remains active; however, it no longer holds any property. The budgets for these two entities are presented in Exhibit 4 in a consolidated view for presentation purposes only.

The properties owned by Wellington Community Housing do not require management of specific debt service coverage ratios or investor tax-loss requirements. Instead, the properties are managed to perform within the confines of the HUD-administered Project Based Voucher subsidy amounts and budgeted operating expenses.

The Wellington portfolio is budgeted to generate \$95,175 in net operating income.

## Capital Budgets

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The real estate portfolio capital budgets are evaluated for all properties each year. Furthermore, five-year capital plans have been developed and evaluated for major modifications. The capital budget process includes a comprehensive evaluation of property needs and evaluation of available reserves to pay for needed improvements. When reserves are not maintained or sufficient then there is an evaluation of operating funds to ensure sufficient cash to pay for planned improvements. A summary of the proposed capital projects is presented along with projected reserve balances in EXHIBIT 5.

## Key Definitions

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**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.

**Net Cash Flow:** The net cash flow of an organization represents the sum over a period of time of the total cash received (inflow) from sales and loans less the total amount of money spent (outflow) by the company over the same period. It is an important measure of a company's ability to survive and grow (Bankrate, 2021).

## Conclusion

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While this report is intended to provide a thorough overview of 2024 budget projections, it does not contain all the data prepared and available. Detailed line-item budgets for each entity and underlying departments have been prepared and are available for review upon request.

Housing Catalyst continues to focus upon maximizing resources and maintaining a continued focus on improved property management, administrative oversight, and development activities. Each year brings with it opportunities to improve and refine techniques and methods. We continued to refine and enhance certain billing models, allocations, and aggregation techniques to enhance our leadership's ability to monitor and make business decisions.

The executive team is pleased to present this budget report which is a culmination of the efforts provided by directors, managers, and staff members. Without the contributions of these team members, we could not have provided such a detailed and thorough budget report.



## Exhibits

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**EXHIBIT 1: AGENCY BUDGET REPORTS**

**EXHIBIT 2: LIHTC PORTFOLIO BUDGET REPORT**

**EXHIBIT 3: VILLAGES, LTD. BUDGET REPORTS**

**EXHIBIT 4: WELLINGTON BUDGET REPORT**

**EXHIBIT 5: CAPITAL SUMMARY BUDGET REPORT**

# Exhibit 1 – Agency Budget Reports

## 1a - Housing Catalyst with Vouchers

HOUSING CATALYS - PARENT with VOUCHERS	Total	Total/Unit	Q1	Q2	Q3	Q4
<b>OPERATING REVENUES</b>						
TOTAL VOUCHER REVENUE	21,707,612	14,059	5,426,903	5,426,903	5,426,903	5,426,903
TOTAL GRANT REVENUE	733,609	475	190,902	180,902	180,902	180,902
TOTAL AGENCY REVENUE	11,972,972	7,755	2,244,745	2,284,744	2,246,410	5,197,073
TOTAL MISCELLANEOUS INCOME	126,144	82	125,286	286	286	286
<b>TOTAL OPERATING REVENUE</b>	<b>34,540,337</b>	<b>22,371</b>	<b>7,987,836</b>	<b>7,892,835</b>	<b>7,854,502</b>	<b>10,805,164</b>
<b>OPERATING EXPENSES</b>						
<b>ADMINISTRATIVE</b>						
Total Labor Expenses	9,689,051	6,275	2,422,264	2,422,263	2,422,262	2,422,262
Total Legal Expense	33,334	22	8,334	8,333	8,333	8,333
Total Management Related Expenses	1,831,852	1,186	457,963	457,963	457,963	457,963
Total Other Administrative Expenses	803,628	520	212,325	218,054	200,816	172,433
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>12,357,865</b>	<b>8,004</b>	<b>3,100,885</b>	<b>3,106,614</b>	<b>3,089,375</b>	<b>3,060,991</b>
<b>GENERAL EXPENSES</b>						
Total Resident Services	224,266	145	50,076	59,563	62,301	52,326
Total Utility Expenses	24,541	16	5,704	3,556	10,025	5,256
Total Maintenance Expenses	116,688	76	27,118	27,952	32,451	29,167
Total Facility Costs	12,369	8	3,092	3,092	3,092	3,092
Total Vehicle Expenses	73,521	48	20,923	19,109	15,988	17,502
Total Other General Expenses	110,833	72	27,600	27,784	28,041	27,408
Total Technology Expenses	727,492	471	134,964	328,533	132,947	131,047
<b>TOTAL GENERAL EXPENSES</b>	<b>1,289,710</b>	<b>835</b>	<b>269,478</b>	<b>469,590</b>	<b>284,844</b>	<b>265,798</b>
<b>TOTAL HOUSING ASSISTANCE PAYMENTS</b>	<b>19,866,021</b>	<b>12,867</b>	<b>4,966,506</b>	<b>4,966,505</b>	<b>4,966,505</b>	<b>4,966,505</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>33,513,596</b>	<b>21,706</b>	<b>8,336,869</b>	<b>8,542,709</b>	<b>8,340,724</b>	<b>8,293,294</b>
<b>NET OPERATING INCOME</b>	<b>1,026,741</b>	<b>665</b>	<b>(349,033)</b>	<b>(649,874)</b>	<b>(486,223)</b>	<b>2,511,870</b>
NET NON-OPERATING INCOME   EXPENSE	1,343,762	870	335,941	335,940	335,940	335,940
<b>NET INCOME (LOSS)</b>	<b>2,370,503</b>	<b>1,535</b>	<b>(13,092)</b>	<b>(313,933)</b>	<b>(150,282)</b>	<b>2,847,811</b>

## 1b – Housing Catalyst Cost Center Summary

	Revenues>>	AGENCY	12,831,581		HC-VCH	34,540,337
% AGENCY	12.4%	7.6%	2.1%	7.0%	4.6%	33.8%
% Primary Gov't	4.6%	2.8%	0.8%	2.6%	1.7%	12.54%
COST CENTERS ONLY	COCCEXE	COCCFIN	COCCSGA	COCCIT	COCCHR	COMBINED
OPERATING EXPENSES	36.8%	22.5%	6.2%	20.7%	13.7%	100.0%
TOTAL INTRA-DEPT ALLOCATIONS	(1,596,041)	(973,974)	(270,161)	(897,504)	(595,192)	(4,332,872)
DIRECT OPERATING EXPENSES						
ADMINISTRATIVE EXPENSES						
Total Labor Expenses	243,187	162,238	-	30,962	68,630	505,017
Total Legal Expense	14,000	-	-	-	7,571	21,571
Total Management Related Expenses	-	-	-	-	-	-
Total Other Administrative Expenses	186,377	96,628	60,201	5,000	216,501	564,708
TOTAL ADMINISTRATIVE EXPENSES	1,554,252	968,903	60,201	170,572	593,792	3,347,721
GENERAL EXPENSES						
Total Other General Expenses	41,789	5,071	37,639	24,934	1,400	110,833
Total Resident Services	-	-	-	-	-	-
Total Utility Expense	-	-	22,491	-	-	22,491
Total Maintenance Expense	-	-	61,722	-	-	61,722
Total Facility Costs	-	-	12,369	-	-	12,369
Total Vehicle Expense	-	-	-	-	-	-
Total Technology Expense	-	-	-	701,998	-	701,998
TOTAL GENERAL EXPENSES	41,789	5,071	134,222	726,932	1,400	909,414
TOTAL DIRECT OPERATING EXPENSES	1,596,041	973,974	194,422	897,504	595,192	4,257,134
TOTAL OPERATING EXPENSES	0	(0)	(75,738)	-	-	(75,738)
NET OPERATING INCOME	(0)	0	75,738	-	-	75,738
NET NON OPERATING INCOME (EXPENSES)	-	-	(75,738)	-	-	(75,738)
NET INCOME (LOSS)	(0)	0	-	-	-	(0)

## 1c – Housing Catalyst Departmental Summary

DEPARTMENTS OVERVIEW - NO VOUCHERS	AGENCY	DEPTDEV	DEPTHA	DEPTPM	DEPTSITE	DEPTMTC	DEPTRS	CATFUNDS	OTHER	COCCs
<b>OPERATING REVENUES</b>										
TOTAL GRANT INCOME	733,609	-	-	-	-	-	733,609	-	-	-
TOTAL AGENCY REVENUE	11,972,972	2,953,512	1,831,852	2,374,654	1,895,663	1,764,950	1,152,342	-	-	-
TOTAL MISCELLANEOUS REVENUE	125,000	-	-	-	-	-	-	125,000	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>12,831,581</b>	<b>2,953,512</b>	<b>1,831,852</b>	<b>2,374,654</b>	<b>1,895,663</b>	<b>1,764,950</b>	<b>1,885,951</b>	<b>125,000</b>	<b>-</b>	<b>-</b>
<b>OPERATING EXPENSES</b>										
<b>INTRA-DEPT ALLOCATIONS</b>										
Intra-Dept Alloc: FIN	-	332,341	110,780	553,902	-	55,390	55,390	-	-	(1,107,803)
Intra-Dept Alloc: HR	(0)	46,692	92,050	26,681	120,066	106,725	109,593	-	-	(501,808)
Intra-Dept Alloc: IT	(0)	70,408	138,805	40,233	181,050	160,933	165,258	-	-	(756,688)
Intra-Dept Alloc: IOH	-	508,924	169,641	848,207	-	84,821	84,821	-	-	(1,696,413)
Intra-Dept Alloc: SGA	-	85,998	28,666	143,330	-	14,333	14,333	-	-	(286,661)
Intra-Dept Alloc: Catalyst Funds	-	-	-	-	-	-	-	-	-	-
Intra-Dept Billings	0	39,853	-	38,248	-	(56,353)	(38,248)	-	-	16,500
<b>TOTAL INTRA-DEPT ALLOCATIONS</b>	<b>(0)</b>	<b>1,084,217</b>	<b>539,943</b>	<b>1,650,601</b>	<b>301,115</b>	<b>365,849</b>	<b>391,147</b>	<b>-</b>	<b>-</b>	<b>(4,332,872)</b>
<b>DIRECT OPERATING EXPENSES</b>										
<b>ADMINISTRATIVE EXPENSES</b>										
Total Labor Expenses	1,797,556	158,219	235,575	108,352	297,745	227,070	265,577	-	-	505,017
Total Legal Expense	21,571	-	-	-	-	-	-	-	-	21,571
Total Management Related Expenses	-	-	-	-	-	-	-	-	-	-
Total Other Administrative Expenses	776,577	33,555	56,000	68,265	-	19,945	33,729	-	375	564,708
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>10,487,199</b>	<b>885,750</b>	<b>1,318,436</b>	<b>653,380</b>	<b>1,594,548</b>	<b>1,231,689</b>	<b>1,455,300</b>	<b>-</b>	<b>375</b>	<b>3,347,721</b>
<b>GENERAL EXPENSES</b>										
Total Other General Expenses	110,833	-	-	-	-	-	-	-	-	110,833
Total Resident Services	224,266	-	-	-	-	-	224,266	-	-	-
Total Utility Expense	24,541	-	-	-	-	-	-	-	2,050	22,491
Total Maintenance Expense	102,138	-	200	1,428	-	24,972	-	-	13,815	61,722
Total Facility Expense	12,369	-	-	-	-	-	-	-	-	12,369
Total Vehicle Expense	73,521	3,326	3,404	2,500	0	64,291	-	-	-	-
Total Technology Expense	727,492	4,200	7,200	-	-	4,000	10,094	-	-	701,998
<b>TOTAL GENERAL EXPENSES</b>	<b>1,275,160</b>	<b>7,526</b>	<b>10,804</b>	<b>3,928</b>	<b>0</b>	<b>93,264</b>	<b>234,360</b>	<b>-</b>	<b>15,865</b>	<b>909,414</b>
<b>TOTAL DIRECT OPERATING EXPENSES</b>	<b>11,762,359</b>	<b>893,276</b>	<b>1,329,240</b>	<b>657,308</b>	<b>1,594,548</b>	<b>1,324,952</b>	<b>1,689,660</b>	<b>-</b>	<b>16,240</b>	<b>4,257,134</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>11,762,359</b>	<b>1,977,492</b>	<b>1,869,183</b>	<b>2,307,909</b>	<b>1,895,664</b>	<b>1,690,801</b>	<b>2,080,807</b>	<b>-</b>	<b>16,240</b>	<b>(75,738)</b>
<b>NET OPERATING INCOME</b>	<b>1,069,223</b>	<b>976,020</b>	<b>(37,331)</b>	<b>66,744</b>	<b>(1)</b>	<b>74,148</b>	<b>(194,856)</b>	<b>125,000</b>	<b>(16,240)</b>	<b>75,738</b>
NET NON-OPERATING INCOME   EXPENSE	1,338,662	704,311	-	-	-	(54,425)	-	10,002	754,512	(75,738)
<b>NET INCOME (LOSS)</b>	<b>2,407,884</b>	<b>1,680,330</b>	<b>(37,331)</b>	<b>66,744</b>	<b>(1)</b>	<b>19,724</b>	<b>(194,856)</b>	<b>135,002</b>	<b>738,271</b>	<b>(0)</b>

## Exhibit 2 – Villages, Ltd. Budget Reports

### 2a – Villages, Ltd Combined budget by quarter

VILLAGES, LTD COMBINED	Total	Total/Unit	Q1	Q2	Q3	Q4
<b>OPERATING REVENUES</b>						
RENTAL INCOME						
NET RENTAL INCOME	2,310,849	12,227	578,087	578,247	577,169	577,347
TOTAL OTHER TENANT INCOME	50,930	269	10,149	6,650	8,157	25,974
EFFECTIVE GROSS INCOME	2,361,779	12,496	588,236	584,896	585,326	603,320
TOTAL GRANT REVENUE	1,403,402	7,425	0	0	0	1,403,402
TOTAL MISCELLANEOUS INCOME	39,150	207	9,788	9,788	9,788	9,788
<b>TOTAL OPERATING REVENUE</b>	<b>3,804,331</b>	<b>20,129</b>	<b>598,024</b>	<b>594,684</b>	<b>595,113</b>	<b>2,016,510</b>
<b>OPERATING EXPENSES</b>						
ADMINISTRATIVE						
Total Labor Expenses	346,880	1,835	84,672	92,765	85,010	84,433
Total Legal Expense	12,924	68	3,399	2,273	1,287	5,965
Total Management Related Expenses	477,117	2,524	118,882	118,281	118,358	121,597
Total Other Administrative Expenses	18,144	96	5,204	3,581	3,152	6,207
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>855,065</b>	<b>4,524</b>	<b>212,158</b>	<b>216,900</b>	<b>207,806</b>	<b>218,201</b>
GENERAL EXPENSES						
Total Resident Services	162,000	857	40,500	40,500	40,500	40,500
Total Utility Expenses	208,714	1,104	60,326	47,083	49,911	51,394
Total Maintenance Expenses	667,587	3,532	180,090	166,480	160,574	160,443
Total Facility Costs	0	0	0	0	0	0
Total Vehicle Expenses	303	2	61	69	86	86
Total Other General Expenses	122,741	649	25,794	26,110	25,832	45,004
Total Technology Expenses	60,343	319	15,119	16,114	14,583	14,528
<b>TOTAL GENERAL EXPENSES</b>	<b>1,221,688</b>	<b>6,464</b>	<b>321,890</b>	<b>296,357</b>	<b>291,486</b>	<b>311,955</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>2,076,753</b>	<b>10,988</b>	<b>534,048</b>	<b>513,257</b>	<b>499,292</b>	<b>530,156</b>
<b>NET OPERATING INCOME</b>	<b>1,727,577</b>	<b>9,141</b>	<b>63,976</b>	<b>81,427</b>	<b>95,821</b>	<b>1,486,354</b>
NET NON-OPERATING INCOME   EXPENSE	-43,783	-232	-10,946	-10,946	-10,946	-10,946
<b>NET INCOME (LOSS)</b>	<b>1,683,795</b>	<b>8,909</b>	<b>53,030</b>	<b>70,481</b>	<b>84,875</b>	<b>1,475,408</b>

## 2b – Villages, Ltd Budget by Property

VILLAGES PORTFOLIO	PORTFOLIO COMBINED	VILLA-GF	TAFT OFFICE	VOS6	CHERRY	DUP	FIRST	MYRTLE	REMROW	SFH 1218
<b>OPERATING REVENUES</b>										
Net Rental Income	2,310,850	0	3,600	103,534	59,022	75,561	125,940	152,504	260,004	13,725
Total Other Tenant Income	50,930	0	0	906	4,703	7,941	750	3,223	744	225
EFFECTIVE GROSS INCOME	2,361,780	0	3,600	104,440	63,725	83,502	126,690	155,727	260,748	13,950
TOTAL MISCELLANEOUS REVENUE	39,150	0	39,150	0	0	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>3,804,332</b>	<b>1,403,402</b>	<b>42,750</b>	<b>104,440</b>	<b>63,725</b>	<b>83,502</b>	<b>126,690</b>	<b>155,727</b>	<b>260,748</b>	<b>13,950</b>
<b>OPERATING EXPENSES</b>										
ADMINISTRATIVE EXPENSES										
Total Labor Expenses	346,877	0	0	13,189	13,189	13,189	13,189	13,189	32,973	2,638
Total Legal Expense	12,926	0	0	53	0	1,138	99	2,805	1,070	0
Total Management Related Expenses	477,117	0	0	20,734	12,401	17,820	26,524	31,503	54,112	2,744
Total Other Administrative Expenses	18,145	10	843	4,254	309	126	513	410	2,182	0
TOTAL ADMINISTRATIVE EXPENSES	855,064	10	843	38,230	25,899	32,274	40,326	47,908	90,338	5,381
GENERAL EXPENSES										
Total Other General Expenses	122,739	18,500	829	3,370	2,247	2,808	7,301	8,986	15,164	562
Total Resident Services	162,000	0	0	6,600	2,000	6,000	24,000	19,500	13,500	500
Total Utility Expense	208,715	0	5,670	4,715	5,732	7,150	10,119	19,703	20,671	1,458
Total Maintenance Expense	667,588	0	20,918	31,610	32,212	29,970	38,048	48,032	61,726	3,150
Total Facility Costs	0	0	0	0	0	0	0	0	0	0
Total Vehicle Expenses	303	0	0	0	0	0	0	0	0	0
Total Technology Expense	60,345	0	0	1,393	1,393	1,393	4,408	4,044	5,500	279
Total Replacement Reserves	0	0	0	0	0	0	0	0	0	0
TOTAL GENERAL EXPENSES	1,221,688	18,500	27,417	47,687	43,584	47,320	83,876	100,265	116,561	5,949
<b>TOTAL OPERATING EXPENSES</b>	<b>2,076,753</b>	<b>18,510</b>	<b>28,260</b>	<b>85,917</b>	<b>69,483</b>	<b>79,594</b>	<b>124,202</b>	<b>148,174</b>	<b>206,899</b>	<b>11,330</b>
<b>NET OPERATING INCOME</b>	<b>1,727,578</b>	<b>1,384,892</b>	<b>14,490</b>	<b>18,522</b>	<b>-5,758</b>	<b>3,908</b>	<b>2,489</b>	<b>7,553</b>	<b>53,848</b>	<b>2,620</b>
NET NON OPERATING INCOME (EXPENSES)	-43,782	380,939	-30,544	-787	-456	-10,162	-3,156	-83,315	-94,843	50
<b>NET INCOME (LOSS)</b>	<b>1,683,796</b>	<b>1,765,831</b>	<b>-16,055</b>	<b>17,736</b>	<b>-6,214</b>	<b>-6,254</b>	<b>-667</b>	<b>-75,762</b>	<b>-40,995</b>	<b>2,670</b>

2b – Continued

VILLAGES PORTFOLIO	SFH 124	SFH 1711	SFH 1713	VOB	VOCR	VOC	VOL	VOMP	VOM	2155 PLUM
<b>OPERATING REVENUES</b>										
Net Rental Income	16,467	14,626	16,618	301,596	38,555	183,781	368,666	53,337	309,274	214,040
Total Other Tenant Income	0	0	0	4,637	360	9,759	7,280	0	7,281	3,121
EFFECTIVE GROSS INCOME	16,467	14,626	16,618	306,233	38,915	193,541	375,945	53,337	316,555	217,161
TOTAL MISCELLANEOUS REVENUE	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>16,467</b>	<b>14,626</b>	<b>16,618</b>	<b>306,233</b>	<b>38,915</b>	<b>193,541</b>	<b>375,945</b>	<b>53,337</b>	<b>316,555</b>	<b>217,161</b>
<b>OPERATING EXPENSES</b>										
<b>ADMINISTRATIVE EXPENSES</b>										
Total Labor Expenses	2,638	2,638	2,638	65,947	13,189	32,973	35,611	13,189	32,973	43,525
Total Legal Expense	0	230	0	1,444	161	3,539	1,127	0	794	466
Total Management Related Expens	3,197	2,865	3,224	62,660	11,422	36,307	74,616	11,071	62,890	43,027
Total Other Administrative Expenses	0	0	0	998	101	734	4,075	285	736	2,569
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>5,834</b>	<b>5,733</b>	<b>5,862</b>	<b>131,048</b>	<b>24,873</b>	<b>73,553</b>	<b>115,428</b>	<b>24,545</b>	<b>97,393</b>	<b>89,586</b>
<b>GENERAL EXPENSES</b>										
Total Other General Expenses	562	562	562	15,164	2,247	10,946	14,603	2,247	11,355	4,724
Total Resident Services	500	500	500	21,600	2,000	9,500	20,800	2,000	16,000	16,500
Total Utility Expense	1,209	985	932	24,889	2,954	19,403	43,885	5,721	13,536	19,983
Total Maintenance Expense	2,625	1,975	6,492	56,142	16,954	55,179	99,064	10,446	78,261	74,784
Total Facility Costs	0	0	0	0	0	0	0	0	0	0
Total Vehicle Expenses	0	0	0	60	0	0	0	0	0	243
Total Technology Expense	279	279	279	9,434	1,393	5,952	3,760	1,393	6,615	12,551
Total Replacement Reserves	0	0	0	0	0	0	0	0	0	0
<b>TOTAL GENERAL EXPENSES</b>	<b>5,174</b>	<b>4,300</b>	<b>8,765</b>	<b>127,288</b>	<b>25,548</b>	<b>100,980</b>	<b>182,113</b>	<b>21,807</b>	<b>125,768</b>	<b>128,786</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>11,009</b>	<b>10,033</b>	<b>14,627</b>	<b>258,336</b>	<b>50,421</b>	<b>174,533</b>	<b>297,541</b>	<b>46,352</b>	<b>223,160</b>	<b>218,372</b>
<b>NET OPERATING INCOME</b>	<b>5,458</b>	<b>4,593</b>	<b>1,991</b>	<b>47,897</b>	<b>-11,506</b>	<b>19,008</b>	<b>78,404</b>	<b>6,985</b>	<b>93,394</b>	<b>-1,210</b>
NET NON OPERATING INCOME (EXF	46	55	60	2,940	-7,521	-46,753	-74,768	380	-75,947	0
<b>NET INCOME (LOSS)</b>	<b>5,504</b>	<b>4,648</b>	<b>2,051</b>	<b>50,837</b>	<b>-19,027</b>	<b>-27,745</b>	<b>3,636</b>	<b>7,365</b>	<b>17,447</b>	<b>-1,210</b>



# Exhibit 3 – LIHTC Portfolio Budget Report

LIHTC PORTFOLIO	VOE	VOS	REDTAIL	VOP	VOR	VOH	MSP	OAK	VOI	VOSH
OPERATING REVENUES										
Net Rental Income	532,294	853,312	954,791	1,405,964	845,098	1,257,608	946,346	1,051,774	378,789	3,765,844
Total Other Tenant Income	1,634	10,519	19,741	53,293	13,395	14,568	22,273	2,949	-	52,184
EFFECTIVE GROSS INCOME	533,928	863,831	974,533	1,459,256	858,494	1,272,176	968,620	1,054,723	378,789	3,818,028
TOTAL MISCELLANEOUS REVENUE	-	-	9,000	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	533,928	863,831	983,533	1,459,256	858,494	1,272,176	968,620	1,054,723	378,789	3,818,028
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES										
Total Labor Expenses	65,947	108,812	131,893	141,785	67,154	72,541	112,109	131,893	43,525	451,735
Total Legal Expense	1,452	3,725	4,717	17,332	5,623	7,019	3,691	2,674	2,341	19,122
Total Management Related Expenses	96,554	161,380	120,738	182,795	158,464	238,665	109,585	155,913	58,067	484,676
Total Other Administrative Expenses	15,375	31,185	27,355	30,229	28,431	26,657	21,723	26,683	20	57,571
TOTAL ADMINISTRATIVE EXPENSES	179,328	305,102	284,703	372,141	259,672	344,881	247,109	317,163	103,953	1,013,103
GENERAL EXPENSES										
Total Other General Expenses	33,018	37,954	47,327	73,138	57,162	75,941	174,187	86,964	74,129	182,115
Total Resident Services	31,200	53,300	131,567	97,375	-	-	81,000	102,700	26,400	331,400
Total Utility Expense	41,084	48,535	96,057	93,470	75,597	84,851	80,453	79,500	38,987	159,087
Total Maintenance Expense	107,483	198,435	213,201	327,691	227,527	268,170	195,678	188,795	66,988	739,744
Total Facility Expense	-	-	-	7,337	-	-	-	-	-	-
Total Vehicle Expense	60	60	-	-	60	-	-	-	-	-
Total Technology Expense	38,886	15,724	33,349	24,971	23,115	21,660	19,853	16,688	4,596	53,318
Total Replacement Reserves	20,838	24,600	20,394	46,740	34,392	28,800	18,540	24,408	-	103,414
TOTAL GENERAL EXPENSES	272,569	378,606	541,896	670,722	417,853	479,423	569,712	499,055	211,100	1,569,077
TOTAL OPERATING EXPENSES	451,898	683,709	826,599	1,042,863	677,524	824,304	816,821	816,218	315,052	2,582,181
NET OPERATING INCOME	82,030	180,122	156,934	416,394	180,970	447,872	151,798	238,505	63,736	1,235,849
NET NON OPERATING INCOME (EXPENSE)	(375,584)	(533,555)	(589,897)	(948,661)	(1,086,651)	(1,384,694)	(936,824)	(1,307,688)	-	(3,713,571)
NET INCOME (LOSS)	(293,554)	(353,433)	(432,963)	(532,268)	(905,681)	(936,822)	(785,025)	(1,069,183)	63,736	(2,477,723)
DEBT SERVICE	\$ 80,908	\$ 154,664	\$ 126,708	\$ 345,510	\$ 148,971	\$ 383,193	\$ 123,791	\$ 149,534	\$ -	\$ 1,073,692
DSCR TARGET	1.00	1.15	1.20	1.20	1.15	1.15	1.20	1.20	-	1.15
DSCR BUDGETED	1.01	1.16	1.24	1.21	1.21	1.17	1.23	1.59		1.15
SHORTFALL   OVERAGE \$	\$ 1,122	\$ 2,258	\$ 4,884	\$ 1,782	\$ 9,654	\$ 7,200	\$ 3,249	\$ 59,064	\$ 63,736	\$ 1,103

## Exhibit 4 – Wellington Budget Report

WELLINGTON		2024 BUDGET
<b>OPERATING REVENUES</b>		
Net Rental Income		711,628
Total Other Tenant Income		11,059
EFFECTIVE GROSS INCOME		722,687
TOTAL MISCELLANEOUS REVENUE		0
<b>TOTAL OPERATING REVENUES</b>		<b>722,687</b>
<b>OPERATING EXPENSES</b>		
ADMINISTRATIVE EXPENSES		
Total Labor Expenses		44,844
Total Legal Expense		1,877
Total Management Related Expenses		126,195
Total Other Administrative Expenses		14,809
TOTAL ADMINISTRATIVE EXPENSES		187,726
GENERAL EXPENSES		
Total Other General Expenses		38,757
Total Resident Services		33,600
Total Utility Expense		99,501
Total Maintenance Expense		238,303
Total Facility Costs		0
Total Vehicle Expenses		0
Total Technology Expense		29,625
Total Replacement Reserves		0
TOTAL GENERAL EXPENSES		439,786
<b>TOTAL OPERATING EXPENSES</b>		<b>627,512</b>
<b>NET OPERATING INCOME</b>		<b>95,175</b>
NET NON OPERATING INCOME (EXPENSES)		(49,404)
<b>NET INCOME (LOSS)</b>		<b>45,771</b>

## Exhibit 5 – Capital Summary Budgets

Property Fund	2024 CAPITAL BUDGET SUMMARY												
	LIHTC PORTFOLIO												
	Mason Place, LLLP	Oak 140	OAK Common Area	Redtail Ponds	Village on Elizabeth	Village on Horsetooth	Village on Plum	Village on Redwood	Village on Stanford	Village on Shields, LLLP	Village on Shields - Cunningham	Village on Shields - Richmond	Village on Shields - Windmill
Replacement Reserve as of May 2023	25,766	5,944	-	134,792	212,360	104,486	422,835	219,428	342,145	781,673	-	-	-
Building Shell - Balconies	-	-	-	24,000	-	-	-	-	-	-	-	-	-
Building Shell - Doors	-	6,500	-	-	-	-	-	-	-	-	-	-	-
Building Shell - Other	-	-	-	-	20,800	-	-	-	-	-	-	-	-
Building Shell - Structure	-	-	-	-	-	-	-	-	29,900	-	-	-	-
Common Area - Security Equipment	-	13,000	-	65,000	-	-	32,500	-	-	34,533	-	34,533	-
Common Area - Appliances	-	-	-	27,000	-	-	-	-	-	-	-	-	-
Common Area - Flooring - Luxury Vinyl Tile (LVT)	-	-	-	14,000	-	-	-	-	-	-	-	-	-
Common Area - Other	-	-	-	-	-	-	-	-	-	32,500	-	-	-
Unit - Appliances	-	-	-	9,100	-	-	-	-	-	5,200	5,200	-	-
Unit - Flooring - Luxury Vinyl Tile (LVT)	-	-	-	-	-	-	-	-	-	14,000	14,000	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	-	19,500	-	139,100	20,800	-	32,500	210,000	29,900	86,233	19,200	34,533	-
Reserve Surplus (Shortage)	25,766	(13,556)	-	(4,308)	191,560	104,486	390,335	9,428	312,245	695,439	(19,200)	(34,533)	-
Pending Approval of Total Requested Expenditures	25,766	(13,556)	-	(4,308)	191,560	104,486	390,335	9,428	312,245	695,439	(19,200)	(34,533)	-
													Grand Total
													\$91,766
													1,657,662

2024 CAPITAL BUDGET SUMMARY																			
VILLAGES, LTD																			
Property Fund	Cherry St Duplexes	Duplexes	First Street SRO's	Myrtle SRO's	Remington Row	SFH 1218 Maple	SFH 1711 Remington	SFH 1713 Remington	SFH 124 Stuart	Village on Bryan	Village on Cowan	Village on Castlerock	Village on Impala	Village on Leisure	Village on Matuka	Village on Maple	Village on Mountain	Village on Stanford - 6 Triplexes	
Replacement Reserve as of May	19,615	15,233	50,335	74,528	2,039	1,456	1,835	2,023	1,045	130,042	24,265	3,944	18,664	48,383	50,985	14,008	4,505	7,178	
Building Shell - Roofing	32,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Shell - Siding	-	-	-	-	-	-	-	-	-	-	-	-	-	6,500	-	-	-	-	-
Building Shell - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,800
Common Area - Flooring - Luxury Vinyl	-	-	28,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Area - Other	-	-	57,500	-	-	-	-	-	-	-	-	-	-	195,000	-	52,000	-	-	97,500
Equipment - Other	-	-	17,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - Trees, Shrubs	-	-	5,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unit - Flooring - Luxury Vinyl Tile (LVT)	10,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,000
																			Grand Total
TOTAL CAPITAL EXPENDITURES	42,900	-	109,250	-	-	-	-	-	-	-	-	-	-	201,500	-	52,000	-	157,300	562,950
Reserve Surplus (Shortage)																			
Pending Approval of Total Requested Expenditures	(23,285)	15,233	(58,915)	74,528	2,039	1,456	1,835	2,023	1,045	130,042	24,265	3,944	18,664	(153,117)	50,985	(37,992)	4,505	(150,122)	(92,867)

		<b>2024 CAPITAL BUDGET SUMMARY</b>	
		Wellington Community Housing	
<b>Replacement Reserve as of May 2023</b>		-	
<i>Common Area - Security Equipment</i>		32,500	
<b>TOTALCAPITAL EXPENDITURES</b>		32,500	
<b>Reserve Surplus (Shortage) Pending Approval of Total Requested Expenditures</b>		<b>(32,500)</b>	