

FRASER RIVER VALLEY HOUSING PARTNERSHIP

Regular Meeting

Monday, September 25th, 2023

Winter Park Council Chambers
3:00 pm



Join Zoom Meeting: <https://zoom.us/j/94715357079>

Meeting ID: 947 1535 7079

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Agenda

1. Meeting Call to Order
2. Public Comment
3. Consent Agenda
 - a. Approving meeting minutes from the September 11th Regular Meeting
4. Discussion Items
 - a. Financial Report
 - b. Conflict of Interest Policy
 - c. Update from the September 19, 2023 Board of County Commissioner meeting
 - d. Board attendance at [Resource Hub - Granby Meeting Oct 11 or 12](#).
5. Working Group Updates
6. Other Items for Discussion
7. Action Items
 - a. Discussion and possible adoption of Financial Policies
 - b. Executive Session Pursuant to:

C.R.S. 24-6-402(4)(a) to discuss land acquisition negotiations.
8. Adjourn



MEETING MINUTES

DATE: Monday, September 11th, 2023 at 3:00pm
MEETING: Fraser River Valley Housing Partnership Board, Regular Meeting
LOCATION: Winter Park Council Chambers & Zoom
PRESENT: Ken Jensen, Skylar Marshall, Sandra Scanlon, Deb Brynoff, Michael Johnson, Robyn Wilson

OTHERS PRESENT: Rob Clemens, Nicole Schafer, Alisha Janes

1. Meeting Called to Order at 3:02 pm

Roll Call: Deb Brynoff, Ken Jensen, Mike Johnson, Skylar Marshall, Sandra Scanlon, and Robyn Wilson. joined via zoom at 3:00pm. Al Furlone had a planned absence.

2. Public Comment

No Public Comment was made

3. Consent Agenda

Michael Johnson moved, Ken Jensen seconded. Motion unanimously approved for meeting minutes from August 28, 2023.

4. Action Items

No Action Items on agenda

5. Discussion Items

a. Financial Policies

Board discussed aligning the financial policies more with special district statutes than municipal statutes.

b. Action Plan Progress

No other progress items were noted.

c. Land Acquisition Options

Board discussed options and potential desire for land banking outside of the Prop 123 CHFA program. Rob and Skylar to begin due diligence process.

5. Working Group Updates

Alisha Janes confirmed that Fireside Apartments were fully leased.
Nicole Schafer discussed Granby efforts for Prop 123 Land Banking and potential revitalization of LIHTC projects in Granby, and confirmed Hwy 40 project is on target for Summer 2025 occupancy roll out.

6. Other Items for Discussion

7. Meeting Adjourned at 4:25 pm

Sandra Scanlon motioned and Skylar Marshall seconded. Motion received unanimous approval.



FRVHP Financial Report

	July 2023	August 2023
Opening Balance	\$787,153	\$987,407
Revenues	\$200,351	\$35,518
Expenses	\$97	\$2,167
Closing Balance	\$987,407	\$1,020,758

Conflict of Interest Policy DRAFT

Fraser River Valley Housing Partnership

Section I – Purpose

The purpose of this policy is to protect the interests of the Fraser River Valley Housing Partnership by: (a) preventing the personal interest of the Board, Employees, and **Independent Contractors** from interfering with their duties to the organization and (b) avoiding any unethical financial, professional, or political gain on the part of such individuals. The intent of this policy is to supplement, not replace, any applicable federal, state, or local laws regarding conflicts of interest.

Section II – Persons Concerned

This statement applies to Board Members, Officers, and all Employees who can influence the governance and actions the Fraser River Valley Housing Partnership. This includes anyone who makes financial decisions, might be referred to as “management personnel,” or have proprietary information regarding the Fraser River Valley Housing Partnership.

Section III – Procedures

1. Duty to Disclose

Each Member, Director, Officer, Employee, **and any other Interested Person** is under an obligation to disclose the existence or potential existence of a Conflict of Interest as it arises.

2. Investigating Conflicts

When a potential Conflict of Interest is disclosed, the Governing Board will then provide the individual with an opportunity to disclose all material facts. The Board will collect all pertinent information and question the involved parties. If it turns out that a conflict does not exist, the inquiry will be documented but no further action will be taken.

3. Addressing a Conflict of Interest

If the Board determines that a conflict of interest exists, they will take the appropriate actions to address the conflict. This may include (but not be limited to): (a) prohibiting any Interested Parties from voting on any matter related to said Conflict of Interest or (b) terminating employment with the Fraser River Valley Housing Partnership.

Affected parties both within **and outside** of the Fraser River Valley Housing Partnership, including directors, employees, **and independent contractors**, will be notified. If the Conflict of Interest in question involves a member of the Board, that individual will be excused from deliberations.

4. Disciplinary Action

All conflicts of interest will be reviewed on a case-by-case basis. The board has full discretion to deem what disciplinary action is appropriate and necessary for disclosed conflicts of interest.

If the governing officers reasonably believe a member or staff member failed to disclose an existing or possible Conflict of Interest, it shall inform the individual of the rationale for such belief and grant the individual an opportunity to explain the alleged failure to disclose the Conflict of Interest.

After hearing the individual's response and investigating further as warranted by the circumstances, the governing officers may take appropriate disciplinary action, including removal from the position at the organization. Position replacement of Board Members will follow the vacancy process outlined in the Fraser River Valley Housing Partnership Bylaws.

5. Notice of Annual Statements

Every Member, Director, Officer, Employee, **and any other Interested Person** must sign a Conflict of Interest Disclosure Statement upon said individual's term of office, employment, or other relationship with the Fraser River Valley Housing Partnership and must do so annually. Failure to sign does not nullify the policy.

Section IV – Acknowledgment

By signing, the individual named below understands what constitutes a Conflict of Interest and understands the procedure for addressing them with Fraser River Valley Housing Partnership, including their duty to disclose any known or potential conflicts of interest.

The signee agrees to abide by the procedures set forth by this policy for the duration of their relationship with the Fraser River Valley Housing Partnership.

Name (printed): _____

Date: __/__/20__

Signature: _____

FRASER RIVER VALLEY HOUSING PARTNERSHIP

RESOLUTION NO. 24

SERIES OF 2023

**A RESOLUTION ADOPTING FINANCIAL POLICIES FOR THE FRASER RIVER VALLEY
HOUSING PARTNERSHIP**

WHEREAS, the Fraser River Valley Housing Partnership board seeks to establish Financial Governance Policies;

WHEREAS, the Board has directed the Executive Director to propose Financial Policies;

WHEREAS, the Board has reviewed and discussed the proposed Financial Policies;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Fraser River Valley Housing Partnership, in the County of Grand, State of Colorado, as follows:

1. The board of directors adopts the following Financial Policies.

ADOPTED and APPROVED this 24th day of September, 2023 by a vote of _____ to _____.

FRASER RIVER VALLEY HOUSING
PARTNERSHIP

Debra Brynoff, President

ATTEST:

Sandra Scanlon, Secretary

Financial Policies

The Fraser River Valley Housing Partnership (“FRVHP” or “Partnership”), a Multi-Jurisdictional Housing Authority, operating as a political subdivision of the State has adopted the following financial policies that allow the boundary population to view its present approach to financial management from an overall, long-range vantage point.

Under the Board – Executive Director form of governance the appointed directors are responsible for the oversight and governance functions of the Partnership; such as establishing policy, passing resolutions, approving appropriations, and developing a regional vision for attainable housing. These financial policies help to frame resource allocation decisions and establish objectives, standards, and internal controls for the Funds of the FRVHP.

Financial policies help; provide for the continuity of service delivery, help to improve the FRVHP’s fiscal stability, and prepare the FRVHP for any potential financial emergencies. Many authorities provide direction in regards to the FRVHP’s financial policies including, the Federal Government, the State of Colorado and it’s Constitution, Grand County Codes, and the Town Codes for Fraser, Granby, and Winter Park. All these authorities provide for the basic legal requirements and timelines for these policies.

Section 1 - Financial Management Overview

The following financial policies adopted by the FRVHP Board on September 25, 2023 establish the framework for the FRVHP’s overall fiscal planning and management. It is the intent of the FRVHP that these policies demonstrate to residents, the credit rating industry, municipal bond investors, auditors, and the State that the FRVHP is committed to sound financial management and fiscal integrity. The goals of the FRVHP’s financial policies are:

To support sustainable workforce housing.

To have a capital improvement program that adequately maintains any Partnership managed properties.

To provide financial and other service information to enable citizens to assess the costs and efficiency of FRVHP services.

To follow prudent and professional financial management practices to assure residents of the FRVHP Boundary and the financial community that the FRVHP is well managed and in sound fiscal condition.

Section 2 - General Financial Policy

I. Fund Accounting

The FRVHP uses Fund accounting protocols and procedures as outlined by the Generally Accepted Accounting Principles (GAAP) and following the pronouncements of the Governmental Accounting Standards Board (GASB).

A fund is a separate, self-balancing set of accounts used to account for resources that are segregated for specific purposes in accordance with special regulations, restrictions or limitations. The separation of the FRVHP's activities into funds allows the FRVHP to maintain the appropriate (required) controls over expenditures for each activity and to report on specific activities to interested citizens.

Fund Types: All funds are classified into six (6) fund types. These fund types, and the purpose of each are:

a. General Fund - To account for the required administrative functions of FRVHP operations. Principal sources of revenue for the FRVHP's General Fund (GF) consists of property taxes. Secondary revenues are derived from grants, charges for services, intergovernmental revenue, interest earnings, and operating transfers from other funds.

Major expenditures within the FRVHP's General Fund are for personnel costs, materials and supplies, purchased services, capital outlay and transfers to other funds.

b. Special Revenue Funds - To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. **The FRVHP does not operate Special Revenue Funds at this time.**

c. Capital Project Funds - To account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction and preservation of capital facilities and other capital assets. **The FRVHP may use capital project funds for individual projects.**

d. Debt Service Fund (DSF) - To account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on any bonded indebtedness. A DSF tracks and allocates resources for the payments of its long term bonded indebtedness. The Fund has both Restricted Reserves and Committed Reserves. **The FRVHP does not operate a Debt Service Fund at this time.**

e. Enterprise Funds (also called Business or Proprietary Funds) - To account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees covering all expenses incurred, and/or net income as appropriate for capital maintenance, public policy, management control, accountability, or other purposes. **The FRVHP may create Enterprise Funds for long-term projects.**

f. Fiduciary Funds - To account for resources received and held by the FRVHP in a fiduciary capacity (Trust). Disbursements from these funds are made in accordance with the Trust or other agreements or conditions of the Trust for the particular source of funds. **The FRVHP currently has no fiduciary funds in operation.**

II. Accounting and Auditing Policies

The FRVHP maintains a system for financial monitoring, control and reporting for all operations, funds and agencies in order to provide effective means to ensure that overall FRVHP goals and objectives are met and to instill confidence in the FRVHP's partners and investors that the FRVHP is well-managed and fiscally sound.

The FRVHP maintains its accounting records and reports on its financial condition and results of operations in accordance with Federal and State laws, regulations and Generally Accepted Accounting Principles (GAAP), which are set by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

Annually, an independent firm of certified public accountants will perform a financial and compliance audit of the FRVHP's financial statements. FRVHP will issue a RFP and select an auditor in 2023.

III. Basis of Accounting and Reporting Focus

The term "basis of accounting" refers to when revenues, expenditures - and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made. The following are the basis of accounting available for use by the FRVHP:

- a. Cash Basis – Transactions are recognized only when cash is received or disbursed.
- b. Accrual Basis – Transactions are recognized when the economic event occurs, regardless of whether or not cash is received or paid. Enterprise funds, use the accrual

basis of accounting. These funds have an income measurement/capital maintenance focus. The accrual basis of accounting is used by private enterprises as well.

c. Modified Accrual Basis – Expenditure transactions are recognized when incurred. Revenues are recognized when they are both measurable and available to finance the expenditures of the current period. Governmental funds, including general, debt service, and capital projects, use the modified accrual basis of accounting. For a revenue to be recognized in a governmental fund, it must be “measurable” (the amount must be known or be reasonably estimated), and it must be “available” to finance the expenditures of the same fiscal period for which the revenue is recorded. “Available,” in this case, means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period.

Reporting Focus (Budget vs. GAAP) - This concept is used to refer to the way transactions are recorded and reported for compliance with Colorado Budget Law as opposed to financial statement presentation in conformance with GAAP.

1. Budget Basis - The FRVHP’s monthly statement of revenues and expenditures are reported during the fiscal year on what is informally called a “budget basis.” The FRVHP’s transactions are recorded throughout the year in accordance with the financial statement requirements as set forth within the Colorado Revised Statutes. By recording the transactions in general compliance with this law, the revenues and expenditures can be more easily monitored on a monthly basis to ensure compliance with the legal requirements as set forth within the Colorado Revised Statutes.

2. GAAP - At the end of the fiscal year, adjustments are made to present the financial information in a format that is comparable to that used by other local government units around the country. The standards for this reporting are referred to as GAAP. The adjustments to convert the FRVHP’s financial records from “budget basis” to “GAAP basis” are made to ensure that the FRVHP’s financial statements are fairly and consistently presented in conformance with GAAP.

IV. Internal Control Structure

The FRVHP maintains an internal control structure consisting of the following three elements:

a. Control Environment – an overall attitude and awareness of actions as they influence the FRVHP.

b. Accounting System – an effective accounting system which results in identification and recording of all valid transactions, description on a timely basis of the type of transaction in sufficient detail to permit proper classification of the transaction for reporting purposes, recording of the transaction in the correct time period and proper presentation of all transactions and related disclosures in the financial statements.

c. Control Procedures – proper authorization of transactions and activities, adequate segregation of duties, adequate documentation and records, adequate safeguards regarding categorized by standard GAAP functional classifications; and the development of new funds, departments, programs and accounts shall be approved by the Finance Department. Each fund in the FRVHP’s budget will have an introductory statement of purpose which shall consist of the intent of the fund; sources of revenue and restricted revenues, if any; required reserves and justification for such reserves.

V. Financial Monitoring

The FRVHP Executive Director is charged with the primary responsibility for monitoring the fiscal implementation of the approved budget. The Executive Director will review fiscal issues affecting any part of the FRVHP’s organization. This activity supports the monitoring role and focuses on the protection of FRVHP assets and the legal, efficient, and effective use of FRVHP resources. The Executive Director will provide the FRVHP Board with regular reports on the FRVHP’s finances including a financial report containing budget versus actual revenue and expenditures information.

Future individual departments will be responsible for monitoring and managing their resources to ensure that the legal and administrative appropriation to the department is not overspent and that all expenditures and uses of FRVHP resources are in conformity with FRVHP, State, and Federal ordinances, statutes, policies, and regulations.

1. Legal Appropriation - Each department is responsible for ensuring that expenditures do not exceed the legal appropriation level for their department within each fund (operating and capital expenditures combined).
2. Revenues - Each department is responsible for monitoring revenues that are collected as a result of programs administered.

VI. Audit

Colorado statutes, along with Federal laws and regulations will be followed wherever they apply to the financial activities of the FRVHP.

The source of historical financial information will be located in the central accounting system as operated and maintained by the Finance Department. The source of all current and future budget information, including spending plans, revenues, and expenditures, is the annual budget document.

- a. Internal Audit - The FRVHP’s Finance Department and Independent Auditors evaluate the adequacy of financial controls, systems, records and organizational operations. They

provide the FRVHP Board with management and employees objective analysis, appraisals and recommendations for improving systems and activities.

b. External Audit - In accordance with Federal law and State statutes, an annual external audit will be performed by an independent public accounting firm with the subsequent issuance of a financial report and opinion.

c. Single Audit - Per the Federal Office of Management and Budget (OMB) Circular A-133, all non-federal entities that expend \$500,000 or more in a year with Federal awards, either as the grantee or the sub-grantee, shall have a single or program-specific audit conducted for that year in accordance with the provisions of the circular guidance. The single audit encompasses both the entity's financial statements and the federal awards received by the entity; whereas a program-specific audit will audit one federal program and can only be used when the grantee receives grant awards only from one federal program.

Section 3 - Budget Policy

I. Overview

The annual budget is an operational tool which provides the FRVHP Board and Executive Director with the financial information necessary to guide resource allocation to accomplish the goals and objectives of the Partnership.

The budget, along with the annual appropriation including supplemental appropriations, provide the basis for the control of expenditures and set the FRVHP's financial guidelines. Basic legal requirements and budget processes are defined by the State.

II. Budget Philosophy

The FRVHP is committed to developing a sound financial plan for the operations and capital investments that meet the FRVHP's Action Plan goals. It is the responsibility of the FRVHP Board to adopt a budget that provides resources to best meet the service needs for the overall good of the community. To achieve this, the FRVHP:

- a. Utilizes conservative growth and revenue forecasts;
- b. Prepares plans for operations and capital investments;
- c. Allows staff to manage the operating and capital budgets, with the FRVHP Board approving the allocations for both;

- d. Adopts financial policies;
- e. Establishes budgets for all funds based on adopted policies;
- f. Appropriates the budget in accordance with State law;
- g. Develops a budget that plans for the uncertain and unpredictable by establishing and funding adequate reserves.

III. Budget Preparation Process

The FRVHP Executive Director identifies important housing outcomes and develops a financial and service delivery plan to achieve those outcomes. The FRVHP Board allocates funding based on current priorities and results.

Each year, the Executive Director prepares a forecast for the following year's budget. Beginning in FY25 a ten-year budget will be presented to the FRVHP Board and maintained for subsequent years.

Not later than October 15th the Executive Director submits a preliminary budget to the FRVHP Board for review. In November, the electors can provide their feedback on the proposed budget.

By the first meeting in December, or earlier when possible, the FRVHP Board adopts the budget and commits appropriations by ordinance. By State statute the FRVHP Board must adopt the following year's budget prior to the December 15th deadline for property taxes to be levied to the County for collection. If the deadline for Certification of Levies changes, FRVHP will follow the revised schedule set by the State.

Any revisions to the current year's budget must be adopted with the next year's budget, if not earlier. Revisions shall be adopted on a per line item basis versus any wholesale revised budget protocol, this allows for transparency to the community at large.

IV. State Statutory Requirements

The State Statute indicates that no later than October 15th of each year, the budget shall be submitted to the governing body. As a result, the Executive Director or budget officer present the recommended budget for the ensuing fiscal year to FRVHP Board no later than October 15th of each year.

V. FRVHP Fiscal Year

Budget Fiscal Year –The fiscal year of the FRVHP shall commence on the first day of January and end on the last day of December of each year.

Section 4 - Debt Policy

I. Overview

The FRVHP recognizes long-term debt is necessary to address workforce housing needs. The FRVHP must balance debt financing and fees for services methods to meet the capital needs of the region. The FRVHP realizes failure to meet the demands of growth may inhibit its continued economic viability but also realizes too much debt has detrimental effects.

II. FRVHP Debt Limitations

a. The authority may issue revenue or general obligation bonds, as the term bond is defined in section 43-4-602 (3), C.R.S., and may pledge its revenues and revenue-raising powers for the payment of such bonds. Such bonds shall be issued on the terms and subject to the conditions set forth in section 43-4-609, C.R.S.

b. No action by the authority creating a multiple-fiscal year debt or other financial obligation that is subject to section 20 (4)(b) of article X of the state constitution shall take effect unless first submitted to a vote of the registered electors residing within the boundaries of the authority; except that no such vote is required for obligations of enterprises established under paragraph (n) of subsection (3) of section 29-1-204.5, C.R.S. or for obligations of any other enterprise under section 20 (4) of article X of the state constitution.

c. A majority of the registered electors residing within the boundaries of the authority confirmed the following in 2022 passage of ballot issue 6A: THE FRASER RIVER VALLEY HOUSING PARTNERSHIP **SHALL** BE AUTHORIZED TO COLLECT, RETAIN AND SPEND THE PROCEEDS FROM [THE PROPERTY TAXES AUTHORIZED BY BALLOT ISSUE 6A] AND ALL OTHER REVENUES RECEIVED FOR THE PURPOSES DESCRIBED [IN BALLOT ISSUE 6A] WHICH SHALL CONSTITUTE A VOTER APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE LIMITATIONS CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, SECTION 29-1-301, C.R.S., OR ANY OTHER LAW.

III. Security and Exchange Commission (SEC) Rule 15c2-12 “Municipal Securities Disclosure” Requirements

As a means reasonably designed to prevent fraudulent, deceptive, or manipulative acts or practices, it shall be unlawful for any participating underwriter (broker, dealer, or municipal securities dealer) to act as an underwriter in a primary offering of municipal securities with an aggregate principal amount of \$1 million or more unless the participating underwriter complies with SEC Rule 15c2-12 requirements or is exempted from the provisions of the Rule.

Section 5 – Cash Management Policy

I. Scope

The FRVHP recognizes that effective cash management is an integral component of sound financial management.

II. Cash Deposits and Receipts

a. Departments collecting cash receipts, whether in cash or other forms of payment, must submit such receipts to the Finance Officer / Department on a daily basis together with records required to verify accuracy of such collections.

b. The Finance Officer / Department will set forth general cash handling procedures to be followed for all FRVHP departments. Departments may have more restrictive policies but will not have less restrictive policies as set forth from the Finance Officer.

Section 6 – Investments

I. Investment Policy

Existing State Statutes provide standards for cash and investment management operations. The FRVHP will invest in securities in a manner authorized by Colorado statutes. The purpose of the FRVHP's Investment Policy is to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the FRVHP.

The Partnership intends to invest resources in a variety of projects which will span multiple fiscal years. This policy will evolve to match capital planning, long-range budget forecasts, funding sources, and portfolio requirements with the project mix.

Section 7 – Fund Balance Policy

I. Overview

The FRVHP's Fund Balance is the accumulated difference between assets and liabilities within governmental funds. A sufficient fund balance allows the FRVHP to meet its contractual obligations, provide funds for new and existing projects established by the FRVHP Board, mitigate negative revenue implications of federal or state budget actions, mitigate local economic downturns, fund emergency costs, provide funds for cash flow timing discrepancies and fund non-recurring expenses identified as necessary by the FRVHP Board.

II. Governmental Fund Balance Type Definitions

The Governmental Accounting Standards Board (GASB) issued Statement Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions" effective for periods after June 15, 2010. The objective of this Statement was to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes limitations on the purposes for which Fund Balance can be used.

a. Non-spendable Fund Balance – Some assets reported in governmental funds may be inherently non-spendable from the vantage point of the current period.

- Assets that will never convert to cash such as; prepaid items or inventories,
- Assets that will not convert to cash soon enough to affect the current period such as; non-financial assets held for resale,
- Resources that must be maintained intact pursuant to legal or contractual requirements such as; capital of a revolving loan fund

b. Restricted Fund Balance – This represents the portion of fund balance that is subject to externally enforceable legal restrictions. Such restrictions are typically imposed by parties altogether outside the FRVHP such as creditors, grantors, contributors or other governments.

Restrictions can also arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose.

c. Committed Fund Balance – This represents the portion of fund balance whose use is constrained by limitations that the Partnership imposes on itself by the FRVHP Board (highest decision-making level) and remains binding unless removed in the same manner. FRVHP does not use committed funds in its normal course of business.

- Requires action by the FRVHP Board to commit fund balance

- Formal Board action is necessary to impose, remove or modify a constraint reflected in the committed fund balance

d. Assigned Fund Balance – This describes the portion of fund balance that reflects the Partnership’s intended use of resources. Representing the current years funded and approved budget and or amended budget.

e. Unassigned Fund Balance – The residual portion of fund balance.

III. General Fund Unassigned Fund Balance

A strategic priority indicated in the 2023 Action Plan is to steward and leverage financial resources of the Partnership.

Revenue projections are conservative and authorized expenditures are closely monitored and projected. In stable economic times, the combination of these two strategies leads to revenue collections higher than actual expenditures.

Net revenue (actual revenue collections less actual expenditures) is available to first fund the committed reserves unless appropriated by the FRVHP Board to projects.

Year-end balances in the unassigned reserves may be used as a funding source in the next budget year. The FRVHP’s policy is to accumulate adequate committed reserves to protect the Partnership during economic downturns or large-scale emergencies.

The Partnership will achieve a committed General Fund balance of 3 months operating expenses through FY25. In budgeting for FY26 and subsequent years, the balance will increase to cover at least 6 months operating expenses.

The Partnership will maintain reserves as required by law or contract and that serve a specific purpose. These types of reserves are considered restricted and are not available for other uses. Within specific funds, additional reserves may be maintained according to adopted policies.

IV. Other Funds

a. Enterprise Funds - Reserves within any Enterprise Funds provide for unexpected revenue losses or unanticipated expenditures during the year, capital projects and future system enhancements and requirements. A portion of these reserves may be appropriated as part of the annual budget and may be utilized at the end of the fiscal year if necessary. Reserve policies for Enterprise Funds will be set by the FRVHP Board and will consider risk, depreciation, carrying costs, and any other pertinent factors.

b. Internal Services Funds - Internal Services Funds are expressly designed to function on a cost reimbursement basis and should not accumulate a significant reserve. A small reserve is appropriate to allow for differences in timing of revenues and expenditures.

c. Self-Insured Fund Reserves - Currently the FRVHP does not self-fund its insurance liabilities, however this may evolve as the staff organization grow.

IV. Debt Reserves

Debt reserves are established to protect bond holders from payment defaults. Adequate debt reserves are essential in maintaining good bond ratings and the marketability of bonds. The amount of restricted fund balance is established by bond ordinance for each fund in association with each bond issuance. At times, it may be desirable to use bond insurance rather than debt reserves. This is usually based on the recommendation from a Financial Advisor.

Section 8 - Revenue Policy

The FRVHP shall strive to maintain a balanced and diversified revenue structure to protect the Partnership from fluctuations in any one source due to changes in local economic conditions which adversely impact that source. Revenue estimates will be conservative and based upon trend analysis, economic conditions and other factors.

Non-recurring (one-time) revenues and other financing sources will not be used to finance ongoing operations.

Federal aid, state aid, gifts, and grants will be accepted only after an assessment is made of potential cost implications.

The FRVHP will review its fees and other charges for services annually to ensure that revenues are meeting intended program goals and are keeping pace with inflation, other cost increases and any applicable competitive rate. The FRVHP will evaluate cost recovery and align fees with cost recovery goals. Enterprise and Internal Service operations will be self-supporting.

Section 9 - Expenditure Policy

The FRVHP will pursue goals of efficiency and effectiveness by balancing short-term and long-term workforce housing needs. Current operating expenditures will be funded with current operating revenues, approved grants, or the use of unassigned fund balance in accordance with fund balance policies.

The FRVHP Executive Director will monitor revenues and expenditures during the year to provide an opportunity for actions to be taken to bring expenditures in line with revenues received.

The FRVHP will undertake periodic reviews of FRVHP programs for both efficiency and effectiveness. Programs that are determined to be inefficient and/or ineffective shall be reduced in scope and eliminated.

Privatization and contracting with other governmental agencies will be evaluated as alternatives to service delivery.

Section 10 - Grants Policy

Grants will follow all regulations included in the grant contract. FRVHP staff that occupy positions of responsibility with respect to grant activity have specific roles and responsibilities that they shall perform and uphold both ethically and in the best interests of the FRVHP mission.

- a. Grants will be spent for the purposes intended and will not be relied on for basic General Fund services.
- b. The FRVHP will review grants for operating programs on an individual basis to determine suitability of accepting the grants from a sustainable long-term financial perspective.
- c. The FRVHP will vigorously pursue grants that align with Action Plan Goals and future Needs Assessments.
- d. All potential grants will be carefully examined for matching requirements; both dollar and level-of effort matches.

Section 11 - Identify Theft Prevention Policy

In 2008, Congress directed the Federal Trade Commission (FTC) and other agencies to develop regulations requiring “creditors” and “financial institutions” to address the risk of identity theft. The resulting Red Flag Rules requires all such entities that have “covered accounts” to develop and implement written identify theft prevention programs. The FTC defined “creditors” as businesses or organizations that regularly defer payment for goods or services and bill customers later. This includes nearly any organization extending credit, whether by granting loans, making credit decisions, etc.

Pursuant to the FTC enforcement policy of the Identify Theft Red Flags Rule, the FRVHP will evaluate risk factors to develop and implement a policy designed to help identify, detect, and respond to patterns, practices, or specific activities – known as “red flags” – that could indicate identify theft.