



12/01/2021

To: Watershed Center Board of Directors

From: Jessie Olson, Watershed Center Executive Director

RE: 2022 Budget

The purpose of this memo is to provide a brief narrative on the proposed 2022 budget for Left Hand Watershed Center (Watershed Center). Draft versions of this budget were reviewed by the Watershed Center finance committee and the Watershed Center bookkeeper. Staff presented the draft budget to the board at the November meeting and the board vote occurs at the December meeting.

2022 Budget

The rolled up summary page of the budget, attached, summarizes expected carryover, revenue and expenses per funding source. Revenue is broken up by (1) unrestricted revenue (2) project (restricted) revenue. Expenses are broken up by (1) personnel (broken up by fundraising, program, and project expenses) (2) operations (broken up by fundraising and other) (3) project expenses that are non-personnel. The expected revenues and expenses are summarized by category below:

- **Carryover from Prior Year** includes the net difference between revenue and expenses from the previous year.
- **Revenue sources** are broken up by unrestricted revenue and project specific restricted revenue (See figure 1 for breakdown of expected revenue sources in 2022. Revenue categories include:
 1. **Board Partner revenue (unrestricted).** Includes unrestricted board partner revenue, which several board partners provide annually. Many board partners also contribute restricted revenue, which is included under program revenue (restricted).
 2. **Donations (unrestricted).** Includes unrestricted revenue from corporations, businesses, individuals, and foundations.
 3. **Rent (In-kind).** In-kind revenue for donated office space. This is also accounted for in an equal amount as an operations expense.
 4. **Program Revenue (Grants & Donations)** includes project/program specific grants and donations from board partners, corporations, businesses, individuals, and foundations. Revenue is estimated based on obligations, deliverables, and timelines per project/funding source. Expected personnel revenue per funding source is calculated using established staff billing rates for the year multiplied by estimated hours per person

per project/funding source. Billing rates are calculated by adding salary, benefits, and overhead expenses per person, and dividing by estimated billable hours in a year.

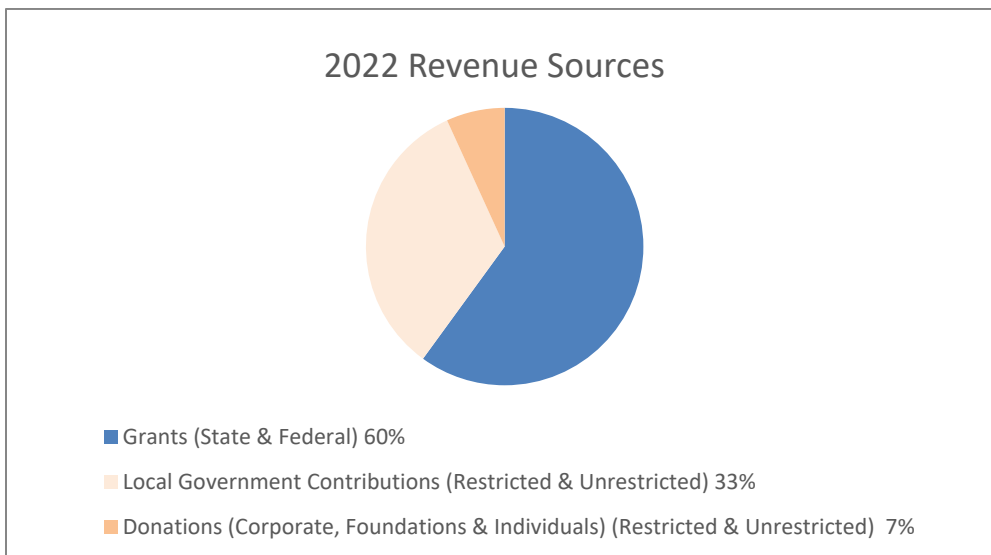
- **Personnel Expenses** includes staff salaries, taxes, unemployment insurance, and benefits. Benefits for full-time staff include an IRA, which is matched by 3% from the Watershed Center and health insurance. Personnel expenses are categorized by project/program specific expenses, fundraising, and operational expenses. These expenses are funded by a combination of project-specific and unrestricted revenue. Total expected expenses for personnel is the equivalent of 5.0 FTE, maintaining our current staff capacity.
- **Operations/Program Expenses** includes supplies, materials, and contract services related to organizational function. This includes bookkeeping, annual tax and audit preparation, phone, trainings and conferences, insurance, website, office/computer supplies, postage, printing, meeting/event expenses, hiring a facilitator for strategic plan development, legal review, and rent. These expenses are funded by the Watershed Center unrestricted revenue and/or the indirect income from grant revenue. Rent was assumed to continue as an in-kind contribution from Left Hand Water District, at a value of \$32,108 annually based on review of comparable rent and utility expenses. In anticipation of an office rental starting at some point in 2022, \$800/month is included as a 2022 expense (using expected Fire District rent as the estimate).
- **Contractors/Consultants/Materials/Supplies Expenses** includes any necessary materials, supplies, permit fees, hiring of contractors, consultants and others. Active projects are listed below, with the funding source denoted in the title:
 1. Community Science (Funded by sponsors, foundations, and individual donors)
 2. Fish Passage & Education Initiative (Funded by CWCB, SVLHWCD, Boulder County, City of Longmont, and private donors)
 3. Watershed Days (Funded by CWCB, sponsors, and individual donors)
 4. Water Quality Monitoring (Funded by DRMS)
 5. Adaptive Restoration & Upland Stewardship (Funded by CWCB)
 6. Watershed Management & Planning (Funded by CWCB)
 7. St Vrain Science, Stewardship, and Education (Funded by CWCB and individual donations)
 8. Adaptive Management at Scale (Funded by CWCB and local government partners)
 9. US Bureau of Reclamation Watershed Management Plan (funded by USBOR)
 10. EPA Technical Assistance Grant (Funded by EPA)
 11. St Vrain Forest Health Partnership (Funded by CWCB, USFS, Boulder County, St. Vrain Left Hand Water Conservancy District, Community Foundation Boulder County, and Agrosy Foundation)

12. Wildfire Recovery & Adaptive Management (Funded by Community Foundation Boulder County, City of Longmont, St. Vrain & Left Hand Water Conservancy District, CWCB)

13. St Vrain Resilience Restoration Projects & Tools (Pending, Funded by CWCB, CDPHE NPS Grant, individual/corporate donations and local government partners)

- **Balance Carryforward** is the net difference between the Carryover, plus the Revenue, minus Expenses.
- **Board Designated Reserve Funds** include Watershed Center generated revenue that is allocated for multi-year projects/programs and used as match for grants. Revenue sources are from corporate donors, individuals, and municipal partners. Current reserve funds include (1) Stewardship campaign (2) the fish passage feasibility study & education initiative, (3) the community science plan & implementation, (4) Adaptive Management at Scale, (5) St. Vrain Science Stewardship and Education, (6) Watershed Days, and (7) St. Vrain Forest Health Partnership (8) Wildfire Recovery & Adaptive Management (9) Operating reserves. The new category of “Operating reserves” was added this year after the board passed a new reserve fund policy in 2021.
- **Available Unrestricted Carryover Funds** is the net difference between the Carryforward funds and Board Designated Reserve Funds. Carryover at year end may be higher or lower than projected in the budget. For example, revenue may be allocated to a board designated reserve fund which would reduce the carryover amount. Additionally, accrued vacation hours could increase this value by up to \$24,000 in a given year. These funds would need to be available to pay out accrued vacation time if an employee completes employment with the Watershed Center prior to taking all vacation owed.

Figure 1. Expected Revenue Sources, 2022



Attachments

1. 2022 Budget

2022 Budget
Summary

	2018 Budget	2018 Actual	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual Thru 9/30/2021	Proj Year end 2021	2022 Budget
<u>Carryover from Prior Year</u>										
Total Carryover	\$70,089	\$69,632	\$160,794	\$160,794	\$163,320	\$163,320	\$307,178	\$307,178	\$307,178	\$582,900
<u>Revenue Sources</u>										
CDBG-DR Cap Grant (06/2018)	\$129,758	\$109,803	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CDBG-DR Cap Grant (06/2019)	\$15,000	\$27,495	\$45,000	\$42,493	\$0	\$0	\$0	\$0	\$0	\$0
CWCB Fundraising Grant	\$18,867	\$17,023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Partners (Unrestricted)	\$38,500	\$30,500	\$42,500	\$37,500	\$47,500	\$47,500	\$47,500	\$45,500	\$45,500	\$45,500
Donations (Unrestricted)	\$30,000	\$3,990	\$50,000	\$11,983	\$25,000	\$13,566	\$10,000	\$7,647	\$12,000	\$20,000
Rent (LHWD- In Kind)	\$32,108	\$32,108	\$32,108	\$32,108	\$32,108	\$32,108	\$32,108	\$24,081	\$32,108	\$32,108
Program Revenue (Grants&Donations)	\$1,493,300	\$951,920	\$1,808,202	\$1,388,904	\$999,258	\$914,607	\$758,572	\$811,570	\$988,364	\$1,025,583
Total Revenue	\$1,757,533	\$1,172,840	\$1,977,810	\$1,512,988	\$1,103,866	\$1,007,781	\$848,180	\$888,798	\$1,077,972	\$1,123,191
<u>Expenses</u>										
Personnel- Fundraising	\$24,127	\$16,338	\$20,902	\$9,070	\$8,803	\$1,760	\$4,832	\$1,463	\$4,832	\$8,000
Personnel- Operations	\$151,969	\$101,255	\$52,312	\$47,889	\$11,284	\$13,766	\$26,483	\$7,317	\$20,000	\$27,000
Personnel- Projects/Programs	\$68,000	\$100,446	\$188,297	\$172,940	\$356,916	\$240,981	\$364,865	\$233,084	\$352,579	\$456,500
Personnel Subtotal	\$244,096	\$218,039	\$261,511	\$229,899	\$377,003	\$256,507	\$396,180	\$241,865	\$377,411	\$491,500
Operations-Fundraising	\$2,500	\$1,764	\$1,000	\$894	\$1,000	\$75	\$1,000	\$5	\$5	\$5,000
Operations-Other	\$85,597	\$84,089	\$87,741	\$58,992	\$94,641	\$59,641	\$78,558	\$56,242	\$77,596	\$105,233
Operations Subtotal	\$88,097	\$85,852	\$88,741	\$59,886	\$95,641	\$59,716	\$79,558	\$56,247	\$77,601	\$110,233
Contractors/Consultants/Supplies	\$1,395,300	\$777,786	\$1,611,650	\$1,220,677	\$625,576	\$547,700	\$288,707	\$281,097	\$347,238	\$424,250
Total Expenses	\$1,727,493	\$1,081,678	\$1,961,902	\$1,510,462	\$1,098,220	\$863,923	\$764,445	\$579,209	\$802,250	\$1,025,983
Balance Carryforward	\$100,129	\$160,794	\$176,702	\$163,320	\$168,967	\$307,178	\$390,913	\$616,766	\$582,900	\$680,108

2022 Budget
Summary

	2018 Budget	2018 Actual	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual Thru 9/30/2021	Proj Year end 2021	2022 Budget
Board Designated Reserve Funds										
Stewardship Campaign (M&M/Adaptive Management)	\$35,000	\$58,659	\$58,475	\$58,833	\$58,833	\$55,590	\$45,590	\$53,867	\$54,056	\$38,056
Fish Passage Feasibility Study & Education Initiative	\$0	\$6,579	\$0	\$11,579	\$1,500	\$11,430	\$6,430	\$10,875	\$10,875	\$9,375
Community Science	\$0	\$42,500	\$22,753	\$16,795	\$13,386	\$0	\$0	\$0	\$0	\$0
Adaptive Management at Scale	\$0	\$0	\$0	\$0	\$0	\$70,000	\$125,000	\$130,000	\$130,000	\$160,000
River Restoration Campaign (St Vrain Science, Stewardship, and Education)	\$0	\$0	\$0	\$0	\$0	\$15,000	\$25,000	\$25,000	\$40,000	\$50,000
Watershed Days	\$0	\$0	\$0	\$2,120	\$2,120	\$2,934	\$2,934	\$5,326	\$5,326	\$326
SV Forest Health Partnership	\$0	\$0	\$0	\$0	\$0	\$4,043	\$29,043	\$17,559	\$11,537	\$65,537
Fire Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111,747	\$99,747	\$88,080
Operating Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$60,000	\$90,000
Reserve Funds Subtotal	\$35,000	\$107,738	\$81,228	\$89,326	\$75,838	\$158,996	\$233,996	\$414,374	\$411,541	\$501,374
AVAILABLE UNRESTRICTED CARRYOVER FUNDS	\$65,129	\$53,056	\$95,474	\$73,995	\$93,129	\$148,181	\$156,916	\$202,392	\$171,359	\$178,734