

2010-2012 Financial Report for Old Fort at Hesperus

Prepared by Beth LaShell, Coordinator

June 30, 2012

Revenue Generation

State Land Board Leases – Monies generated from leases with the State Land Board are deposited into the Hesperus Trust.

Grazing Leases

2010-2011 – Ute Mountain Farm Enterprise was awarded a temporary access permit allowing them to graze 800 AUMs (Animal Unite Months) between June 15 and December 31, 2011. They paid \$15.00/AUM for a gross income of \$12,000

2011-2017 – After a competitive bid process, Duane Cugnini was awarded the grazing lease for 815 AUMs/year until 2017 at \$20.98/AUM. He has access to additional AUMs in the Fall if grazing is available on the hay fields. For 2011-12, they paid \$17,100 for their summer AUMs and paid \$10,493.60 for additional Fall grazing.

2011-2017 - Grazing Lease with ERI for 329 AUMs generates \$3,077/year

Access Leases

2011-2017 - Southwest Conservation Corp will provide \$20,000 of cash or in-kind improvements for access to House #10, North shop and grounds surrounding house.

Leases with Mesa Verde Helitac and Fort Lewis Mesa Fire Department are being pursued

Board of Trustees Investment

2010-2012: The Board of Trustees approved the following investments (\$122,202)

\$50,000 – Caretaker salary and benefits for FY 10-11

\$9,900 – Equipment Lease for FY 10-11

\$20,322 – Operations for FY 10-11

\$82,258 was transferred in FY 10-11

\$20,260 – Purchase Chevy Duramax for operations from CSU (\$2,026 paid in Sept, 2010 and \$18,234 paid in June, 2011)

\$21,740 - Purchase 40 head of cattle from CSU (\$2056 paid in Sept, 2010 and \$19,684 paid in June, 2011)

\$39,944 was transferred in FY 11-12 to cover final payments made in FY 10-11

Foundation Grants

In Spring, 2010, Fort Lewis College was awarded a \$32,000 gift from the LaBoca Center for Sustainability to develop an agriculture incubator and re-construct a donated greenhouse at the Old Fort. Because the Foundation cannot issue payments, the Old Fort account pays the expenses and then is reimbursed periodically by the Foundation account. In FY 10-11, \$8,690.31 was transferred, and \$16, 802.70 was transferred in FY 12. For the purpose of this report these transfers and corresponding expenses are separated in the data presented below.

Other Transfers

In FY 2011, the Office of Community Service transferred \$9,400 to the Old Fort account to pay for Beth LaShell's work on the project. The corresponding salary expenses covered by this transfer are not included in the data included below.

In both FY 2011 and FY 2012, \$4,864 was transferred to support academic programs at the Old Fort. This transfer has occurred for more than 15 years but I do not know the history behind the transfer nor do I know if it will continue.

Gas and Electric Reimbursements

Atmos Energy does not read individual meters at the Old Fort so we receive a bill for all gas usage on the property. The coordinator reads the individual meters on all of the houses, firehouse and north shop. The appropriate entity is invoiced each month and money is deposited into Old Fort account. Reimbursements in FY 10-11 totaled \$2,849. In July of 2011, a gas meter was installed on the firehouse, President's house and North shop so that the Fort Lewis Mesa Fire Department and SCC could pay for their gas usage. SCC also reimbursed FLC for their portion of the electric bill for the President's House. Reimbursements for FY 11-12 were \$5,550.

The focus for 2012-13 will be to reduce the electricity bill by combining meters and having LPEA install a more sensitive meter for the Northern part of the campus.

Old Fort Revenue Generating Projects- Net monies generated from these activities are used to offset operational costs incurred on site.

Sustainable Food Production

| | | |
|---------------------|---|--|
| Resources | Facilities include two hoop houses, one greenhouse, ½ acre market garden, harvest shed and small scale equipment. The greenhouse was provided by Tim Turner and upgrades have been paid for by the LaBoca Center for Sustainability Foundation account. | |
| Labor | SCC crews assist with labor requirements. Work study, Americorp and interns assist with labor. | |
| Educational Benefit | Provides students hands-on internship and class opportunities in gardening, marketing and research. Environmental studies (3-5 interns in Summer, 12), Public Health (2 labs) and Exercise Science (field project) students. The greenhouse will provide winter learning opportunities beginning in 2012-13. | |
| Community Benefit | LaPlata County Extension uses this project for Master Gardener and, Backyard Food Production workshops. It is also used for the coordinator's WSARE and WRME grants and workshops. Produce is sold at on-campus Farm Stand to provide community with affordable local produce. Excess produce is marketed to restaurants and donated to Cooking Matters program and local food banks. | |
| Status | All resources are in production. Produce sales for FY 12-13 are up 60% from last year. With the help of our VISTA volunteer, we have been donating 30# of mixed greens to the food bank per week. | |
| Financial Data | <p>FY 10-11: Gross: \$6,815 Net: \$4,533</p> | <p>FY 11-12 Gross: \$11,196 Net: \$ 8,689</p> |

Cattle Herd

| | | |
|---------------------|---|---|
| Resources | FLC purchased 37 cows, 10 heifers, 2 bulls, 6 steers and 24 calves from CSU for \$21,740 in June 2010. The herd's inventory value increased to \$26,497 on June 30, 2011 and \$26,601 on June 30, 2012. Animals are recorded at salvage value for inventory purposes (see attached year-end inventory). Minimal expenses for supplemental mineral, protein and veterinary supplies have been incurred each year. Primary expense for project is USDA meat processing done at Sunnyside Meats so beef can be sold by the package at Old Fort farm stand. | |
| Labor | Provided by caretaker and student workers. SCC crews and field classes assist with branding and weighing activities. | |
| Educational Benefit | Cattle consume non-saleable hay and graze pastures around headquarters not included in grazing lease. Six to ten steers are finished on grass per year. They are sold to faculty/staff and at Farm Stand. In order to decrease direct competition with local ranchers, weaned calves were sold directly to JBS feedlots in Greeley and cull cows were sold to processing plant in San Angelo, TX in 2011. | |
| Community Benefit | 23 of cows are ½ Murray Gray or Square Meater. This is a project started by CSU with a local rancher and we are still providing her data. | |
| Status | Current Inventory includes 42 cow/calf pairs, 2 open cows, 8 replacement heifers, 2 bulls, and 7 steers on feed | |
| Financial Data | <p style="text-align: center;">FY 10-11: Gross: \$10,900 Net: \$8,420 June 30, 2011 Value: \$26, 497</p> | <p style="text-align: center;">FY 11-12-YTD Gross: \$31,854 Net: \$ 26,637 \$2,600 in beef inventory June 30, 2012 value: \$26,601</p> |

Hay Production

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|---------------------|---|
| Resources | There are 450 acres of alfalfa and grass hay meadows. FLC retains 50 ton of lower quality hay and sells the remainder to ranchers. Fields are available in the Fall for additional grazing AUMs. 13.625 cfs of water from the LaPlata River owned by Fort Lewis College |
| Labor | Caretaker irrigates hay, supervises harvesting and coordinates sales. FLC contracts for harvesting (mowing, raking, baling and stacking in barn). |
| Educational Benefit | Provides hands-on learning opportunity for interns who assist with irrigation. |
| Community | Utilizes water rights and provides local hay to ranchers that can't produce hay. |

| | | |
|----------------|--|--|
| Benefit | | |
| Status | FLC issued a Defined quote for harvesting services in 2012 and are currently under contract with Matt Isgar at \$50/ton. First cutting in FY 12-13 yielded 121 tons of salable hay that is being marketed for \$200/ton. Twenty tons of lower quality (weeds, yellow alfalfa) was set aside for FLC cow herd. With recent rains and continued irrigation from LaPlata river, second cutting will begin soon. | |
| Financial Data | <p style="text-align: center;">FY 10-11: Gross: \$43,192* Net: \$23,973</p> <p>*\$37/ton was deducted from payments made to FLC as part of custom haying and marketing agreement</p> | <p style="text-align: center;">FY 11-12-YTD Gross: \$43,562* Net: \$31,552</p> <p>*\$40/ton was deducted from payments made to FLC as part of custom haying and marketing agreement Fall grazing on hay fields generated \$10,494 for trust</p> |

Market Hogs

| | | |
|---------------------|---|---|
| Resources | Use old Dairy barn facility. College owns production equipment. Hogs are only fed for approximately 6 mos/year. | |
| Labor | Work study students provide all labor. | |
| Educational Benefit | Project has been used to educate students on animal behavior, handling and growth. They offer a low risk opportunity for students to interact with animals. | |
| Community Benefit | Locally produced pork is sold to faculty/staff and at Farm stand. Since there are very few market hog producers in region, animals are also used by 4-H/FFA groups and activities. | |
| Status | FLC feeds approximately 20-25 pigs per year. | |
| Financial Data | <p style="text-align: center;">FY 10-11: Gross: \$10,694 Net: \$2,323</p> | <p style="text-align: center;">FY 11-12-YTD Gross: \$9717 Net: \$314</p> <p style="text-align: center;">6/30 Inventory : 20 hogs (\$350 each)= \$7,000 \$1,100 in pork inventory</p> |

LaBoca Foundation

| | | |
|---------------------|--|--|
| Resources | <p>\$32,000 grant received from LaBoca Center for Sustainability when in dissolved in 2010. Monies were used to move a 30 x 80 greenhouse donated by Tim Turner (Zia's) and begin production at Old Fort. Monies were also used to develop a market garden incubator on a 6.5 acre site including wildlife fencing and irrigation infrastructure. Using these funds as matching, a Colorado Department of Agriculture Specialty Crop Block Grant was received in Spring of 2012 for \$41,844 over a 3-year period.</p> | |
| Labor | <p>Work is provided by Ameri-Corp students, SCC volunteer crews and VISTA volunteers.</p> | |
| Educational Benefit | <p>Greenhouse project provides opportunity for nearly year-round production beginning in 2013. Both Exercise Science and Public Health classes have expressed interest in participating in winter growing. It also continues to be used by Extension programs. Market Garden Incubator will provide training, mentorship and access to land and water to successful applicants who are interested in small scale production. Preference may be given to Fort Lewis College students.</p> | |
| Community Benefit | <p>Produce from greenhouse is sold at on-campus Farm Stand to provide community with affordable local produce. Market Garden Incubator will provide community with a low-cost entry system to small scale production.</p> | |
| Status | <p>Greenhouse will provide pepper, tomatillos and tomatoes for farm stand and wholesale accounts in the next couple of weeks. The Market Garden Incubator project received a grant entitled "Develop and Deliver Training Programs for Market Garden Business Incubator Participants in Southwest Colorado" for \$41,844 over a three year period. We will begin receiving applications for 2013 growing season in October of 2012.</p> | |
| Financial Data | <p>FY 10-11: Gross: \$8,690 Net: \$-6,607 Transfers that occurred in early FY 11-12 were for expenses incurred in FY 10-11</p> | <p>FY 11-12-YTD Gross: \$16,803 Net: \$3,742 Transfers that occurred in early FY 11-12 were for expenses incurred in FY 10-11.</p> |

Income Summary

State Land Board Leases

| | <u>Source</u> | <u>FY 10-11</u> | <u>FY 11-12</u> |
|------------------------------------|-------------------|-----------------|---------------------------------|
| | Grazing Lease | \$12,000 | \$17,100 \$10,494- Fall 2011 |
| | ERI Grazing Lease | \$3,077 | \$3,077 |
| Totals: | | \$15,077 | \$30,671 |
| Deposited to Hesperus Trust | | \$11,028 | \$34,304 *As of 6/30/2012 |

Old Fort Net Revenue

Does not include BOT funds that were transferred for specific purchases (cattle and vehicles)

See previous section for gross income figures for each project

| | <u>Project</u> | <u>FY 10-11</u> | <u>FY 11-12</u> |
|----------------|---|-----------------|-----------------|
| | Sustainable Food | \$4,533 | \$8,689 |
| | Hay | \$23,973 | \$31,552 |
| | Cattle | \$8,420 | \$26,637 |
| | Market Hogs | \$1,643 | \$314 |
| | LaBoca Foundation | \$-6,607 | \$3,742 |
| | Other Income (utility and housing reimbursements and rebates) | \$11,797 | \$11,353 |
| | BOT Transfer for Salary & Operations | \$70,322 | \$0 |
| Totals: | | \$114,081 | \$82,287.00 |

Expense Summary for Old Fort Operations

Operations expenses not attributed to revenue generating enterprise

| <u>Expense</u> | <u>FY 10-11</u> | <u>FY 11-12</u> |
|---|--------------------------|--|
| Personnel | \$54,316 FT Caretaker | \$58,564 ½ Caretaker ½ Coordinator |
| Utilities- Reimbursements and rebates included in other income listed above | \$17,458 | \$16,903 |
| Fuel | \$4,411 | \$6,041 |
| Insurance | \$6,709 | \$0 |
| Office, shop and irrigation supplies | \$1,394 | \$4,461 |
| Maintenance, Building, Equipment and Fencing Repairs | \$3,529 | \$8,480 Majority was spent on maintenance of equipment and vehicles |
| Totals: | \$87,817 | \$94,449 |

Net and End of Year Account Balances

| | | <u>FY 10-11</u> | <u>FY 11-12</u> |
|---------------------------------------|----------------------|----------------------|---|
| Net | | \$26,264 | \$-12,162 |
| Account Cash Balance | | \$26,503.98 | \$11,930 Unaudited figures as of 7/23/12 |
| | <u>June 30, 2010</u> | <u>June 30, 2011</u> | <u>June 30, 2012</u> |
| Cattle Inventory Value | \$21,710 | \$26,497 | \$26,601 |
| Market Hog Inventory Value | | | \$7,000 (will sell in July/Aug) |
| Pork and Beef Inventory Values | | | \$3,700 |

Because the nature of seasonal revenue operations do not always coincide with Fiscal Year cycles, net figures may not reflect a complete production cycle.

Improvements

Historical Restoration of Library

The second phase of historical restoration of the library will go out to bid at the end of July. The physical plant hopes that construction will contracts will be place by August 20th.

4CORE - Houses

In Spring of 2011, FLC worked with the local 4CORE weatherization assistance program to nominate four of the houses for upgrades. 4CORE assessed health and safety, windows, insulation and energy repairs needed for each dwelling. They made all in-house health and safety repairs, installed weather stripping, insulation and energy saving light bulbs and showerheads. They identified some gas leaks and meters that needed to be replaced outside of the houses, the Old Fort paid for those repairs. Southwest Conservation Corp contributed \$4530 to pay for half of the energy efficient boiler. Additionally, the 4CORE crews used the houses for regional training. Upon completion, a NEAT recommended measures, audit form and summary of costs and contributions were provided for each house. These documents have been scanned and are available upon request.

| House | Measure Costs: | Contribution | Net | |
|--|-----------------------|----------------------|--------------------|--------------------------------------|
| #10 – Leased to SCC | \$25,022.64 | \$4530 from SCC | \$20,492.64 | Installed new boiler; SCC paid half |
| #13 | \$7640.12 | \$0 | \$7640.12 | |
| #18 | \$7978.29 | \$0 | \$7978.29 | |
| #19 | \$7351.39 | \$0 | \$7351.39 | |
| Exterior Gas Lines and meter replacement | \$1269 | \$1269 from Old Fort | \$0 | Fix leaks and replaced broken meters |
| Totals: | \$49,261.44 | \$5,799 | \$43,462.44 | |