Carbondale Community Nonprofit Center
(DBA: Third Street Center)

Compiled Financial Statements

December 31, 2024

THIRD STREET CENTER

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REESE HENRY
& COMPANY, INC.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Carbondale Community Nonprofit Center (DBA: Third Street Center)
Carbondale, Colorado

Management is responsible for the accompanying financial statements of Carbondale Community Nonprofit Center (DBA: Third Street Center) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Reese Henry & Company, Inc.

Certified Public Accountants
Aspen, Colorado
August 20, 2025

Carbondale Community Nonprofit Center
(DBA: Third Street Center)

Statement of Financial Position
December 31, 2024

Assets		
Cash	$	91,194
Accounts Receivable		7,376
Grant Receivable		8,473
Restricted Cash		23,873
Property and Equipment, net		3,289,776
TOTAL ASSETS	**$**	**3,420,692**
LIABILITIES		
Accounts Payable	$	39,213
Ready Reserve Loan		4,752
Security Deposits		68,709
Note Payable		1,922,264
Economic Injury Disaster Loan		136,911
TOTAL LIABILITIES		**2,171,849**
NET ASSETS		
Without Donor Restrictions		
Undesignated		(151,015)
Invested in Property, net of debt		1,367,512
Total Without Donor Restrictions		1,216,497
With Donor Restrictions		32,346
TOTAL NET ASSETS		**1,248,843**
TOTAL LIABILITIES AND NET ASSETS	**$**	**3,420,692**

See Independent Accountant's Compilation Report. No assurance provided.

Carbondale Community Nonprofit Center
(DBA: Third Street Center)

Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	$ 20,576	$ -	$ 20,576
Grants	-	78,003	78,003
Lease Income	504,542	-	504,542
EV Charging Income	303	-	303
Other Lease Related Income	12,620	-	12,620
Interest Income	6	-	6
Net Assets Released From Restrictions:			
Release of Time Restrictions	14,200	(14,200)	-
Satisfaction of Purpose Restrictions	124,604	(124,604)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	**676,851**	**(60,801)**	**616,050**
EXPENSES			
Program Expenses	667,507	-	667,507
General and Administrative Expenses	70,054	-	70,054
Fundraising Expenses	37,557	-	37,557
TOTAL EXPENSES	**775,118**	**-**	**775,118**
CHANGE IN NET ASSETS	**(98,267)**	**(60,801)**	**(159,068)**
NET ASSETS, Beginning of Year	**1,314,764**	**93,147**	**1,407,911**
NET ASSETS, End of Year	**$ 1,216,497**	**$ 32,346**	**$ 1,248,843**

See Independent Accountant's Compilation Report. No assurance provided.

Carbondale Community Nonprofit Center
(DBA: Third Street Center)

Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Expenses	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total
Salaries	$ 130,326	$ 24,262	$ 24,262	$ 178,850
Employee Benefits	23,416	2,927	2,927	29,270
Payroll Taxes	11,582	1,448	1,448	14,478
Accounting	5,031	7,547	-	12,578
Consulting	11,151	20,306	3,384	34,841
Advertising	-	290	2,610	2,900
Office Expenses	8,156	5,835	1,461	15,452
Building Expenses	211,811	6,694	720	219,225
Travel	1,274	-	-	1,274
Interest Expense	73,244	-	-	73,244
Depreciation	133,737	-	-	133,737
Insurance	30,889	745	745	32,379
Grant Distributions	26,890	-	-	26,890
	$ 667,507	$ 70,054	$ 37,557	$ 775,118

See Independent Accountant's Compilation Report. No assurance provided.

Carbondale Community Nonprofit Center
(DBA: Third Street Center)

Statement of Cash Flows
For the Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Change In Net Assets	$	(159,068)
Adjustments To Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense		133,737
(Increase) Decrease in:		
Accounts Receivable		18,928
Grant Receivable		7,782
Increase (Decrease) in:		
Accounts Payable		13,322
Security Deposits		6,297
NET CASH PROVIDED BY OPERATING ACTIVITIES		**20,998**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment		(103,969)
NET CASH USED IN INVESTING ACTIVITIES		**(103,969)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Ready Reserve Loan		(4,012)
Principal Payments on Note Payable		(59,082)
NET CASH USED IN FINANCING ACTIVITIES		**(63,094)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		(146,065)
CASH AND CASH EQUIVALENTS, Beginning of Year		261,132
CASH AND CASH EQUIVALENTS, End of Year	**$**	**115,067**
Cash Consists of:		
Undesignated Cash	$	91,194
Restricted Cash		23,873
	$	**115,067**
Supplemental Cash Flow Information		
Interest Paid	$	73,244

See Independent Accountant's Compilation Report. No assurance provided.

Carbondale Community Nonprofit Center
(DBA: Third Street Center)

Notes to Financial Statements
December 31, 2024

1. NATURE OF ORGANIZATION

Carbondale Community Nonprofit Center (DBA: Third Street Center) ("The Organization") was incorporated on June 30, 2008 as a Colorado nonprofit corporation. The Organization is a joint effort between the Town of Carbondale, Alpine Bank, The Manaus Fund, Sustainability Center of the Rockies, and the Roaring Fork Community Development Corporation to renovate the old Carbondale Elementary School into a green facility that maintains affordable space for community and regional for profit and nonprofit organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING
The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include all cash held in deposits and temporary investments with an original maturity of three months or less. This includes investments that are held in money market accounts. There were no cash equivalents at December 31, 2024. The Organization does, on occasion, exceed FDIC federally insured limited of $250,000. At December 31, 2024, the Organization was not in excess of this limit.

ACCOUNTS RECEIVABLE
Accounts receivable represents balances due on lease agreements. The Organization monitors the balances closely. No allowance for uncollectible accounts is considered necessary, as management anticipates these accounts to be fully collectible at December 31, 2024.

GRANTS RECEIVABLE
Grants are recognized as revenue in the period made and as assets or decreases of liabilities depending on the form of benefits received. Grants receivable are recorded at net realizable value if expected to be collected within one year and at fair value if expected to be collected in more than one year. The Organization determines the allowance for doubtful accounts based on historical experience, analysis of specific grants made, and a review of collections subsequent to year-end. The Organization believes that all grants receivable as of December 31, 2024, will be collected within one year, and as such, has not recorded an allowance for doubtful accounts.

PROPERTY AND EQUIPMENT

Purchased assets are capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Useful lives range from five to thirty-nine years for leasehold improvements, and two to seven years for furniture.

NET ASSETS

Net assets, revenues, gains and other support are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporarily in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions that are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of December 31, 2024, the Organization has no net assets to be maintained in perpetuity.

REVENUES

Contributions

Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Donated Services

Businesses donate time and services to the Organization's purpose. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Services received include legal services, marketing, design and development, and sustainable designs. The Organization recognized no donated services for the year ended December 31, 2024.

Lease Income

Lease income is derived from sub-leases that the Organization enters into and are recognized as the space is utilized and other contractual obligations have been met.

INCOME TAXES

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code except on the net income derived from unrelated business activities. It has been determined the Organization is not subject to unrelated business income tax.

FUNCTIONAL ALLOCATION OF EXPENSES

The direct costs of providing the Organization's programs and other activities which are identifiable have been allocated to the related programs or supporting services. Indirect or shared costs are allocated among programs and supporting services by the method that best measures the relative degree of benefit. Certain categories of expenses are attributable to both programs and supporting activities and are allocated on a reasonable basis that is consistently applied. The majority of expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort. Professional fees are allocated based on time spent and project purpose. Building expenses are allocated based on utilization of the space by function and employee function.

ADVERTISING

The Organization expenses advertising costs as incurred. Total advertising expense was $2,900 for the year ended December 31, 2024.

USE OF ESTIMATES

The preparation of financial statements in conformity with US GAAP includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 20, 2025, the date that the financial statements were available to be issued.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	$	91,194
Accounts Receivable		7,376
	$	98,570

The Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations become due. The goal is to maintain financial liquidity to meet 60 days of normal operating expenses.

4. PROPERTY & EQUIPMENT

Property and equipment consist of the following as of December 31, 2024:

Leasehold Improvements	$ 4,879,660
Furnishings	257,639
	5,137,299
Accumulated Depreciation	(1,847,523)
Property and Equipment, net	$ 3,289,776

Depreciation expense for the year ended December 31, 2024 was $133,737. The Organization's assets are collateral for a loan; see Note 6.

5. READY RESERVE LOAN

The Organization has a ready reserve account with an available balance of $10,000 and interest rate of 11%. On December 31, 2024, there was an outstanding balance of $4,752.

6. NOTES PAYABLE

On August 31, 2009, the Organization signed a promissory note (the "note") with the Town of Carbondale in the amount of $2,700,000. The interest rate on the note is 3.4% though August 31, 2029 and will then adjust to the current US Government 10-year Treasury rate plus 200 points until maturity in September 2035. The note is secured by assignment of leases and pledge commitments. On June 1, 2013, the Organization signed an agreement with the bank to change the interest rate to 3.5% and establish an additional reserve checking account for the interest savings, with all other terms of the note to remain the same. The terms for the reserve checking account state that once the balance reaches $75,000 - $125,000 the Organization can use additional funds for other items. As of December 31, 2024, the loan balance was $1,922,264 and the total interest amount paid on the loan in 2024 was $69,667.

On May 18, 2020, the Third Street Center entered into a Economic Injury Disaster loan with the Small Business Association (SBA) for $150,000. The loan matures in May 2050 and incurs interest at a rate of 2.75%. Monthly payments of principal and interest are $641. At December 31, 2024, the loan balance was $136,911 and the total interest amount paid on the loan in 2024 was $3,577.

Minimum payments on notes payable are as follows:

	Town of Carbondale Loan	Small Business Administration Loan	Total
2025	$ 58,255	$ 3,995	$ 62,250
2026	60,357	4,106	64,463
2027	62,534	4,221	66,755
2028	64,616	4,338	68,954
2029	64,616	4,338	80,669
Thereafter	1,611,886	115,913	1,727,799
Total	$ 1,922,264	$ 136,911	$ 2,059,175

7. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2024, net assets with donor restrictions of $36,246 consists of $23,873 for the gym renovation and $8,473 for a Geo-Thermal Feasibility project.

8. OPERATING LEASES

TOWN OF CARBONDALE
The Organization entered into a lease agreement with The Town of Carbondale as of October 31, 2008, to lease the former Carbondale Elementary School (CES) and to oversee the renovation of the old CES facility, including asbestos remediation. The Organization paid $49 for the full term of the lease. The term of the lease is 49 years beginning September 1, 2008 and will expire August 31, 2057. The market value of the long-term lease is not considered a bargain or below market value lease as the Organization provided capital improvements as required by the lease terms. All improvements revert to the Town of Carbondale upon termination of the lease. The Town of Carbondale is a related party as they are instrumental in the establishment and continued development of the Organization. As the primary business purpose of the Organization is to sub-lease space to nonprofit entities, the success of the Organization depends solely on the well-being of the leased property. The lease property was subjected to asbestos remediation, however not all materials were removable. The Organization has implemented an Asbestos Management Plan that is used by the property managers and all tenants. The Organization's management believes they are in compliance with state regulations.

SUBLEASES
The Organization provides long-term, affordable rental space to bring together nonprofit organizations, artists and small businesses. Each lease has a base rent rate of $9.75 per square foot with additional $7.40 per square foot for common area amenities, which includes wireless internet, copy and mail room access, a board meeting room, common room, kitchen, break room, display and gallery space, outdoor courtyard and amphitheater. The terms of the leases range from one to three years.

The Organization has lease agreements with Carbondale Chamber of Commerce and Valley Health Alliance, who are considered related parties as they are tenant representatives on the board of directors. Total sub-lease income received from Carbondale Chamber of Commerce in 2024 was $8,076. Total sub-lease income received from Valley Health Alliance in 2024 was $7,939.

10. CERTAIN RISKS AND CONCENTRATIONS

Grant Receivable
As of December 31, 2024, 100% of the Organization's grants receivable are due from one donor.

Grants
For the year ended December 31, 2024, the Organization received 100% of its total grants from two donors.