

Housing Authority of Washington County
Income Statements Analysis
July – September 2010

General Remarks: There were overall favorable results during the quarter with most of the communities producing income near or above projections. As anticipated, NCI-RTO generated negative cash flow due to it being in the development or lease up stage.

Elderly & Family Housing, Schoolhouse, Monterey and Springfield

The revenue for these communities were on target with budget while keeping expenses near or under budget. This was mostly attributable to less maintenance time; a large chunk of maintenance time (40%) was concentrated on rehabilitating NCI-RTO homes. As a result, less maintenance expense was charged to these communities.

NCI (Neighborhood Conservation Initiative) and RTO (Rent To Own)

As was expected, negative cash flow resulted from these programs still being in the rehabilitation or lease up stages. Fixed expenses were incurred with limited rental income. Property Taxes, Insurance and Loan Interest were the largest items of which about 90% is RTO expense. These items are highlighted on the Income Statement.

NCI homes are now fully leased (effective October 2010) and the RTO homes just started leasing up in October. As of this writing, we have purchased 4 NCI and 5 RTO homes.

Section 8

The program enjoyed a surplus of nearly \$10,000 for the quarter due to administrative funding adjustments for January through June 2010 (as highlighted).

Central Office

The loss was caused by a shortfall in revenues such as DSS service fees (lower than expected due to less employees hired) and less management fees earned from the NCI / RTO programs (due to lease up stage).

On the expense side, an extra \$1,400 in property tax increase was paid to our Landlord increasing Office Rent expense, line 17 (highlighted).

COCC Reserve Analysis - Sept 30, 2010

COCC Cash (Includes CD Investment)	293,521
Less Equity Line	(200,000)
Less Cert of Dep Investment	(101,246)
Add NCI Grant Funding Due	109,966
Less: 2 Mth's Expense Coverage	(82,263)
Vehicle & Equip Reserve Needed	<u>(110,383)</u>
Reserve Shortage -->	(90,405)

NOTE:

After Equity Line paid back and NCI funding received, we are using \$90,405 of \$110,383 Veh/Equip. Reserve