

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

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

Elderly & Family Housing, Schoolhouse, Monterey and Springfield

Revenues for these communities were strong, especially in the Elderly and Family sites which received a HUD funding boost during the quarter (Congress appropriated additional operating funds for 2010). On the expenses side, maintenance expense were under budget due to less maintenance time and materials spent at these sites as there were few vacancies during the period.

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

The NCI sites were fully leased up this quarter and as a result the program is now showing positive cash flow.

In the RTO program, 6 homes have been acquired so far and 2 have been leased. As expected, the program is showing a loss until the properties are fully rehabilitated and leased up. The negative cash flow is due to fixed costs incurred such as Property Taxes, Insurance and Loan Interest. These items are highlighted on the income statement under the RTO column.

Section 8

The program has generated over \$15,000 in positive cash flow YTD. This was largely due to administrative funding adjustments for previous periods (as highlighted). As a result, the surplus was transferred to Central Office through management fees.

Central Office

For revenue YTD, the increased management fees received from Section 8 offset the shortfall in revenues from DSS service fees (lower than expected due to less employees hired) and management fees earned from the NCI / RTO programs (due to lease up stage).

On the expense side, interest expense on the Credit Line was \$5,408 YTD (highlighted). The credit line will be significantly paid down during the next quarter once the remaining NCI and MAHT (BME Expansion) grant money is received.