

Housing Authority of Washington County
Income Statements Analysis
July – September 2011

General Remarks: Overall favorable cash flow occurred during the quarter with the communities except for the Family and Monterey sites. Section 8, while showing negative income, performed better than projected and Central Office was slightly below break-even.

Elderly & Family

Lower maintenance cost produced strong cash flow for the Elderly sites. Higher maintenance costs and lower rental revenue due to vacancies caused the unfavorable cash flow at the Family sites.

Schoolhouse and Springfield Manor

These communities continued to exceed projections with full occupancy and lower maintenance expenditures than budgeted. Springfield Manor expenses were \$8,000 below budget because of low utility gas usage this time of year.

Monterey House

The Monterey site was right on with projections except for a \$3,250 expense incurred for the painting of common areas and hallways. This expense will be paid from reserves during the next quarter.

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

Though one of the NCI homes was vacant for two months, the program still generated positive cash flow due to the lack of contributions to the escrow savings program.

In the RTO program, 5 of the 6 homes have been leased during the quarter, boosting revenue above projections. As with NCI, zero contributions to the savings program kept expenses lower than expected, thereby generating positive cash flow for the quarter.

Section 8

As was budgeted, the Housing Choice Voucher program incurred a loss, however, lower office expenses and management fees softened the projected loss during the quarter.

1) Reduced rental assistance funding means lower voucher leasing rates. This translates to less administrative fees received from HUD.

2) Starting in January, HUD will reduce the funding portion from 72% to 62% of eligible funding.

Combined, these two events will increase the deficit for the remainder of the fiscal year.

Central Office

Lower management fees were collected from Section 8 and some of the communities due to vacancies and lower voucher leasing. The remaining \$50,000 credit line with Susquehanna Bank has been paid off.