

Housing Authority of Washington County
Financial Statements – FY 2008
Comments and Analysis

Please note that the Yellow highlighted section of the financial report represents actual amounts and the Pink sections represent budgeted amounts. Also, the individual Tan highlighted cells are to reference for discussion and analysis.

Elderly:

Elderly Housing continued a trend of favorable cash flow of \$9,180 during the 4th Qtr to end the year with \$27,107 positive cash flow. This was because there was less maintenance work and contract costs incurred the last two quarters. Labor time charged to the elderly sites during the 3rd & 4th Qtrs averaged 13.6% compared 24% during the first two quarters.

Family:

The family housing program essentially broke even during the 4th Qtr compared to the \$20,000 loss incurred during the 3rd Qtr, ending the year at \$26,690 negative cash flow. This was due to a combination of lower tenant revenue and refurbishing costs at three different sites and the write off of two uncollected tenant accounts totaling \$10,284.

State Funded Projects:

The state funded projects produced positive cash flow as indicated on the financial report.

As mentioned last quarter, Springfield Manor gas utility expense was substantially over budget due to increased prices not forecast in the budget. Utility gas costs leveled out somewhat during 4th Qtr, but still ended the year \$24,800 over budget.

However, indicated below the Section 8 utility allowance generates \$11,880 more in cash flow than if utility costs were tenant's responsibility.

		PUM = Per Unit Month
Sect 8 Utility Allowance	\$130 PUM	
vs.		
Actual Cost	\$103 PUM	
Net Cash Flow -->	\$27 PUM	

So \$27 PUM cash flow = \$27 * 396 unit months = \$10,692 extra cash flow

Section 8:

The program finished the year at -\$14,838 negative cash flow compared to -\$6,213 negative cash flow that was projected, leaving an unfavorable variance of -\$8,625.

The largest impact line items were the rule changes regarding bank interest earned and adjusted administrative vehicle reserve.

Historically, earned interest was treated as 100% administrative revenue, but starting this year interest must be allocated between administrative and housing voucher funding. This resulted in approx \$11,000 less revenue YTD than anticipated.

Also, Section 8 absorbed an extra \$7,200 for three year catch up funding for a vehicle replacement costs. Section 8 incurs the largest portion of administrative vehicle cost based on mileage compared to the other programs, as reflected in line 16.

Central Office:

As indicated, Central Office generated \$13,202 positive cash flow for the year after accounting for Reserve Funding and Debt Servicing.

This amounted to \$5,597 cash flow exceeding budget and was mostly due to increased DSS fee income in line 7.

Entity Wide:

As indicated on Line 45, Entity Wide cash flow through operations was \$87,240 favorable.

However, when calculating unrestricted cash flow for the Authority, the State/Rural Dev funded programs (Schoolhouse, Monterey & Springfield) must be discounted. After this adjustment, unrestricted cash flow was an unfavorable \$1,218.

Overall the cash position of the three unrestricted funds as of June 30, 2008 after accounting for amounts owed from other projects are as follows:

The Low Income Housing Fund - \$70,202

Section 8 Administrative Fund - \$52,921

Central Office Cost Center Fund - \$201,509