



# Yolo County Housing

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## BOARD OF COMMISSIONERS

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DATE: December 3, 2009

TO: YCH Board of Commissioners

FROM: Lisa A. Baker, Executive Director

PREPARED BY: Mark Stern, Finance Director

SUBJECT: **Receive and File Financial Report for the Quarter Ending September 30, 2009**

### **RECOMMENDED ACTION:**

That the Board of Commissioners receive and file the financial report for quarter ending September 30, 2009.

### **BACKGROUND/DISCUSSION:**

Attachments A through C summarize the detailed financial statements that are included as Attachment E. Following are some notes to each of the summary attachments:

- Attachment A – Balance Sheet Summary
  - The Balance Sheet shows a reduction in total assets and liabilities which resulted primarily from payment of the negotiated PILOT settlement with Yolo County. Receivables have increased due to OMS agreement delays.
- Attachment B – Accounts Receivable Summary
  - The aging report from our accounting system includes only tenant accounts receivable. Over \$10,000 of the balance is due to a fraud adjustment to a single tenant's rent. A repayment agreement is in place but this balance remains in the A/R system. We are working with our software vendor on a "fix" for this item.
- Attachment C – Income Statement Summary
  - The income statement summarizes the overall operating results for the current fiscal year. The YTD loss of \$50,000 is a composite of individual program results that are explained in further detail in the narrative below.
- Attachment D – Cash Flow Report
- Attachment E – Units Leased Report

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Following is an analysis on a program by program basis:

**Low Income Public Housing:** All three AMPS show positive results for the quarter ended September 30 but on a pace that will not reach budget projections. Units leased are at 99.2% of available units for the year.

- AMP gains are restricted to program use.
- Allocation of HUD Operating Subsidy exceeded budget in all three AMPS.
- The initial Capital Fund draw of the year was prepared in October and no revenue has been recorded at the AMP level as of 9/30/2009.
- AMP Staff are reviewing their financial reports monthly.
- AMP Staff are preparing for their mid year budget reallocations.
- **West Sacramento**
  - Rent and Other Income are slightly above YTD budget.
  - Savings were realized in many utility costs categories
- **Woodland**
  - Rent Income is over budget in total but Yolito is significantly under budget.
  - Legal Fees, Water and Electricity have already exceeded the annual budget. Budget shortfalls will be addressed in the mid year budget reallocation.
- **Winters**
  - Rent Income in total is on track with the budget but El Rio Villa 3 and 4 are significantly under budget

**HCV program:**

- **Admin**
  - HUD Administrative funds received and Port-In Administrative Fees exceeded budget.
  - Major repairs were performed to the program's vehicle which will be addressed in the mid year budget reallocation.
  - Program gain is restricted for use within the program.
- **Vouchers**
  - HUD contributions exceeded the budget estimate but vouchers paid still exceeded funding resulting in the use of \$68,000 of Net Restricted Assets (NRA).
  - Projections show that through the reduction of payment standards and other measures that have been implemented NRA will get dangerously low but should not be entirely consumed before Funding/Payment equilibrium is reached in early 2010. However, it should be noted that this is based on increased costs to individual voucher holders who are bearing a higher rent burden due to changes in the Payment Standard.

**Central Office Cost Center (COCC):** COCC is showing a Year to Date loss of \$61,000.

- No Capital Fund revenue has been recorded. The first Capital Fund draw for the year was prepared in October and revenue will be recorded in the 2<sup>nd</sup> quarter.

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- \$50,000 Developer Fee for Eleanor Roosevelt tax credit project was received in November and will be shown in 2nd quarter.
- Budget included \$318,384 CFP Revenue for Debt Service. YCH does not yet have approval to claim this cost. The CFFP process that potentially will allow these funds to be claimed is nearing completion. If approved, staff will request eligible funds.
- In addition to the cash loss incurred, cash has also been used for \$13,000 of debt reduction.

#### **ADMH**

- Remodel costs revenue was recorded prior to June 30th; however remodel costs exceeded contract maximum.
- Agreement for reimbursement of operating costs is being negotiated.

#### **New Hope**

- The positive operating result during the first quarter does not include ~\$10,500 of debt reduction payments that have been made.
- Renegotiated loan payments began in October with reduced monthly principal payments of less than \$1,500.

**Migrant Programs:** The Office of Migrant Services (OMS) reimburses the Agency for all allowable expenses up to the contract limits. Fully executed contracts have been received for the Davis and Madison migrant centers. Dixon Housing Authority has not yet submitted necessary documents to OMS for the contract to be executed.

- Since we have executed contracts, staff has invoiced OMS for costs incurred to date and for cash to make required RD loan payments. The RD loan will not be paid until the cash is received from OMS; therefore the revenue has been recorded but not the expense resulting in the restricted net income showing for these two centers.
- No billing has been prepared for the Dixon Migrant Center due to the lack of an executed agreement. The loss incurred will be fully recovered when a contract is in place and bills are submitted to OMS.
- Due to the delay in receiving contract and contract payments, OMS has authorized YCH to use rental income cash to pay operating costs until money from the new contracts begins flowing.

**Davis Solar Housing:** Revenue is on target with budget while expenses are under budget. Replacement of stoves and repairs to fencing that is included in the budget has not begun. By year end the program should be close to its budgeted results.

**Davis Solar Housing Rehab Grant:** The loss for the quarter ended September 30 is the result of costs incurred that are not yet billed to funding source. This is a cost reimbursement contract that is generating about \$6,000 of contract management fees for COCC.

#### **FISCAL IMPACT:**

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- The year to date loss includes only those items recorded to date. Omitted is ~\$70,000 of revenue for three AMPS from October's Capital Fund draw, ~\$70,000 revenue for COCC from the Capital Fund draw, and \$133,000 of revenue due from OMS for the Dixon Migrant agreement. These three items alone would swing the results to a \$223,000 gain with about \$9,000 being unrestricted in COCC.

Attachments:

- Attachment A: June 30, 2009 Balance Sheet Summary  
Attachment B: June 30, 2009 Accounts Receivable Aging Summary  
Attachment C: June 30, 2009 Income Statement Summary  
Attachment D: Cash Flow July 2008-June 2009  
Attachment E: Units Available/Units Rented Report  
Attachment F: Detail Financial Reports