



Berkeley Housing Authority

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Item 7.E
NEW BUSINESS
February 9, 2017

Office of the Executive Director

To: Honorable Chair and Members of the Berkeley Housing Authority Board
From: Finance Committee and Jesy Yturralde, Finance Manager
Subject: Annual Finance Report –Ending December 31, 2016

Overall Deficit

The projected deficit in FY2017 (\$320,651) dropped by approximately \$8,000 in December, from last month's projection of \$328,890. Overall, the projected deficit on December 31 is \$48,000 less than our original projection at the beginning of the fiscal year (\$369,017). (See page 1, line 48.)

Projected administrative fee slightly dropped in December (by approximately \$5,000) due to our declining lease up. We barely made 83% in our UML (unit months leased) for the past two months. However, the reduction in earned administrative fee during the month was offset by an estimated \$13,000 reduction in our total expenses primarily resulting from:

- (a) A net \$4,000 increase in benefits. We budgeted a 4.5% increase in Kaiser premium effective January 2017, however rates went up by 14% resulting in an increase in the projected medical insurance for employees and cash-in-lieu for FY2017 by approximately \$8,000. On the other hand, we saved approximately \$4,000 in benefits from having a temporary/unbenefited agency staff in the Office Assistant II (OA II) classification that we originally budgeted to be filled by a permanent staff by January 1, 2017, resulting in the net increase reported above. We anticipate more fluctuations in salary and benefits until a decision is made on the hiring of a permanent OA II, or moving the OA II temporarily appointed as Housing Specialist back.
- (b) We budgeted an average of \$3,000 per month in legal expenses. We have only averaged \$830 per month during the first six months of the fiscal year, resulting in an approximately \$11,000 in savings. And,
- (c) An estimated \$6,000 savings in inspection cost significantly resulting from less inspections performed due to lower lease up in the Section 8 program.

	Original Budget <u>(Deficit)</u>	12/31/2016 <u>Projected</u>	<u>Variance</u>
Section 8	(\$369,017)	(\$324,557)	(\$44,460)
Mod Rehab	(\$ 0)	\$ 3,385	\$ 3,385
Others	-	\$ 520	\$ 520
Deficit before use			
of proceeds	(\$369,017)	(\$320,651)	(\$48,366)
Use of net proceeds/reserves	<u>\$369,017</u>	<u>\$369,000</u>	<u>(\$ 17)</u>
Net deficit after proceeds	<u>\$ -</u>	<u>\$ 48,349</u>	<u>\$48,349</u>

Significant Year-To-Date Variances:

Projected Operating Revenue on December 31 is 1,853,325, up by \$2,120 from the \$1,851,205 projected at the beginning of the fiscal year. (See page 1, line 14.)

- Projected Administrative Fee. A projected reduction of \$2,049 in earned administrative fee (See page 1, line 10.) We assumed 80% proration for administrative fee and 86% lease up in our FY2016-2017 budget based upon information available at the time the budget was prepared. Proration actually increased to 83.941% for CY2016. We could have earned an additional administrative fee of up to \$43,000 from the higher CY 2016 proration, however due to the decline in our lease up to now only 83.60%, earned administrative fee revenue dropped to the amount reported. CY2017 proration is still unknown as of this time, for a conservative projection, we retained the original 80% pro-ratio for our admin fee revenue projection for the months of January – June 2017.

We also anticipate a slight reduction in the administrative fees paid to receiving PHA's for managing our outgoing portable vouchers (by \$1,653). (Page 1, line 11.) We originally assumed 50 Section 8 portable vouchers would be managed by other housing authorities in FY2017, there were only an average of 42 of these vouchers as of October 2016.

- Miscellaneous Income slightly exceeded budget by approximately \$2,500 due to higher than anticipated income from portability resulting from having more managed incoming portable vouchers than budgeted. (See page 1, line 13.)

Operating Expenses: The projected expenses for FY2017 (\$2,164,761) are \$57,581 less than our original projection of \$2,220,222 (See page 1, line 47.)

- Salary and Benefits. The projected salary and benefits on December 31, 2016 are \$1,687,630 (\$1,120,899 + \$566,731), and \$29,619 less than our original projection at the beginning of the fiscal year, (\$1,143,123 + \$574,126 = \$1,717,249) (See page 1, lines 17 and 18.) resulting from the following:
 - As previously reported, the approved FY2016-2017 included 162 hours of salary (approx. \$15,000) for the previous Executive Director that we did not have to pay because she did not have to report to work in July or August as we anticipated.
 - We also saved significantly (approximately \$12,000 in salary and benefits) from not filling the Office Assistant II position with a permanent employee since July, 2016.

- Some \$10,000 reduction in benefits primarily resulting from adjusting the medical benefit plan coverage for two BHA staffers from family to two-member plans.
 - \$8,500 increase in projected Kaiser premium and cash-in-lieu because the actual increase in premium effective January 2017 of 14% exceeded our budgeted increase of 4.5%.
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- Legal Fees dropped by approximately \$11,000. We budgeted an average of \$3,000 per month in legal expenses but our actual expenditures during the first six months of the fiscal year only averaged \$830 per month.
 - Audit Fees. Our auditors agreed to expand the scope of their service to include assistance in the preparation of the individualized actuarial report for BHA and information required by GASB 68 to be included in the audit report for an additional amount of \$3,200. (See page 1, lines 23.)
 - Inspection. Due to our declining unit utilization that resulted in fewer units to inspect, we anticipate that inspections cost will also drop by approximately \$6,000 in FY2017.

Net Proceeds from Disposition of Public Housing Units: (Attachment G)

The disposition and sale of the public housing units was completed in February 2014 for a total purchase price of \$15.5 million (\$12.6 mil for 61 LIPH units and \$2.9 for 14 RHCP units). \$11.8 million of the proceeds was loaned back to the buyer (Berkeley 75 Housing Partners, L.P.) at a rate of 3.27% compounded annually over 55 years. The loan repayment shall come out of the developer's residual receipts (60%) every year.

As of December 31, the total net proceeds from the disposition of public housing units amounts to \$2,753,334, of which \$2,395,308 are derived from the 61 federal units and subject to HUD's restriction; the remaining \$358,026 came from the sale of 14 state units.

You may recall, on January 15, 2014 HUD approved use of up to \$2.7 million of the proceeds from sale of 61 public housing units to cover shortfalls in Section 8 over a 15-year period (approximately). This was later clarified by HUD on March 16, 2016. To date, we have drawn \$621,000 from the proceeds to cover shortfalls for FY2016 and FY2017, leaving an approximate \$2,079,000 available for BHA to use in the operation of the Section 8 program.

Projected 2017 Budget Authority for BHA

HUD renews budget authority for HAP (rental subsidy) on a calendar year cycle using the PHA's prior year's actual HAP expenditure level as basis for funding. Annually, HUD allows for inflation in the computation of budget authority for the new calendar year and impose a proration determined by HUD. In a letter dated December 2016, HUD informed PHA's that under the Continuing Resolution (CR) in effect until April 28, 2017, HAP renewal funding for January and February 2017 will be at 95% proration due to total program costs rising, but the HCV program will receive the same funding from the federal government as last calendar year.

In CY2016, BHA disbursed approximately \$23 million in housing assistance payments and assisted an average of 1,633 households (or 84.4%) of our Annual Contributions Contract (ACC). Because of low lease up and difficulty in finding units for our Section 8 participants, we were

unable to use all the budget authority for 2016, with approximately \$3.8 million in excess HAP dollars left on December 31.

Pursuant to the current CR, BHA's budget authority for HAP in 2017 would be approximately \$22.3 million, or 3% less than our CY 2016 budget authority of \$24 million. Assuming HUD foregoes recapture of excess HAP on December 31, 2016, the total estimated budget authority for BHA in 2017 is approximately \$26 million. Our projection indicates that our average HAP cost in 2017 will reach up to \$1,380 per unit, which means the total budget authority would only support 81% of our 1,935 total vouchers in 2017. Our current lease up is at 83% of our ACC units. By normal attrition we will get to 81% without having to terminate any of our existing household participants.

Unfortunately, low lease up equates to less earned administrative fee revenue for the agency, which is that income that pays for salary and operating expenses of the authority.

Attachments:

- A. Budget Status Report: All Programs, December 31, 2016
- B. Budget Status Report: Section 8, December 31, 2016
- C. Budget Status Report: Moderate Rehabilitation December 31, 2016
- D. Budget Status Report: LIPH, December 31, 2016
- E. Budget Status Report: BHA, December 31, 2016
- F. BHA Balance Sheet, December 31, 2016
- G. Disposition Proceeds Report, December 31, 2016

FY2016 Budget vs Current Month, Year-To-Date, and Projected Annual Income and Expenses
For the Period Ending December 31, 2016

DESCRIPTION	YEAR - TO - DATE					FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 DEC 16-JUNE 17 PROJECTED	FY2017 ESTIMATED TOTAL	INCREASE (DECREASE)	%
1 HOUSING ASSISTANCE PAYMENTS (HAP)									
2 HAP Received from HUD	\$ 26,789,810	\$ 13,394,905	\$ 12,373,182	\$ (1,021,723)	-8%	\$ 13,394,905	\$ 25,768,087	\$ (1,021,723)	-4%
3 Miscellaneous Income -HAP	\$ -	\$ -	\$ 3,597	\$ 3,597	100%	\$ -	\$ 3,597	\$ 3,597	100%
4 Less HAP Paid to Owners	\$ 29,386,218	\$ 14,690,109	\$ 12,379,480	\$ (2,310,630)	-16%	\$ 14,688,168	\$ 27,067,648	\$ (2,312,571)	-8%
5 HAP Surplus (Deficit)	\$ (2,590,408)	\$ (1,295,204)	\$ (2,701)	\$ 1,292,503		\$ (1,293,263)	\$ (1,295,964)	\$ 1,294,444	-50%
6 Use of Excess HAP Reserve	\$ 2,590,408	\$ 1,295,204	\$ 2,701	\$ (1,292,503)		\$ 1,293,263	\$ 1,295,964	\$ (1,294,444)	
7 Net HAP Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
9 OPERATING REVENUE									
10 Administrative Fees (S8 & MOD REHAB)	\$ 1,871,196	\$ 935,598	\$ 955,708	\$ 20,110	2%	\$ 913,439	\$ 1,869,147	\$ (2,049)	0%
11 Administrative fees to other PHA on Port out	\$ (40,656)	\$ (20,328)	\$ (18,675)	\$ 1,653	-8%	\$ (20,328)	\$ (39,003)	\$ (1,653)	4%
12 Net Administrative Fees	\$ 1,830,540	\$ 915,270	\$ 937,033	\$ 21,763	2%	\$ 893,111	\$ 1,830,144	\$ (396)	0%
19 BHA Oversight Fee	\$ 5,305	\$ -	\$ -	\$ -	0%	\$ 5,305	\$ 5,305	\$ -	0%
13 Miscellaneous Income	\$ 15,360	\$ 7,680	\$ 10,179	\$ 2,499	33%	\$ 7,697	\$ 17,876	\$ 2,516	16%
14 TOTAL OPERATING REVENUE	\$ 1,851,205	\$ 922,950	\$ 947,212	\$ 24,262	3%	\$ 906,112	\$ 1,853,325	\$ 2,120	0%
15 OPERATING EXPENSES									
16 ADMINISTRATION									
17 Salaries	\$ 1,143,123	\$ 373,713	\$ 519,844	\$ 146,131	39%	\$ 601,055	\$ 1,120,899	\$ (22,224)	-2%
18 Employee Benefits	\$ 574,126	\$ 275,699	\$ 235,476	\$ (40,223)	-15%	\$ 331,255	\$ 566,731	\$ (7,395)	-1%
19 Legal Expense - Outside Counsel	\$ 36,000	\$ 18,000	\$ 4,134	\$ (13,866)	-77%	\$ 21,000	\$ 25,134	\$ (10,866)	-30%
20 Staff Training	\$ 7,200	\$ 3,600	\$ 2,407	\$ (1,193)	-33%	\$ 4,793	\$ 7,200	\$ -	0%
21 Travel/Transportation	\$ 6,231	\$ 3,116	\$ 2,977	\$ (139)	-4%	\$ 3,254	\$ 6,231	\$ -	0%
22 Office Rent	\$ 98,598	\$ 49,299	\$ 48,578	\$ (722)	-1%	\$ 49,299	\$ 97,877	\$ (722)	-1%
23 Audit Fees	\$ 18,900	\$ 9,450	\$ 22,100	\$ 12,650	134%	\$ -	\$ 22,100	\$ 3,200	17%
24 Publications & Subscriptions	\$ 5,975	\$ 2,988	\$ 3,284	\$ 297	10%	\$ 2,691	\$ 5,975	\$ -	0%
25 Memberships & Dues	\$ 5,593	\$ 2,797	\$ 5,469	\$ 2,672	96%	\$ 124	\$ 5,593	\$ -	0%
26 Telephone	\$ 10,560	\$ 5,280	\$ 2,996	\$ (2,284)	-43%	\$ 7,564	\$ 10,560	\$ -	0%
27 Office Supplies	\$ 13,200	\$ 6,600	\$ 6,737	\$ 137	2%	\$ 6,463	\$ 13,200	\$ -	0%
28 Postage	\$ 14,701	\$ 7,351	\$ 7,200	\$ (151)	-2%	\$ 7,351	\$ 14,551	\$ (151)	-1%
29 Printing & Reproduction	\$ 9,600	\$ 4,800	\$ 3,228	\$ (1,572)	-33%	\$ 6,372	\$ 9,600	\$ -	0%
30 Equipment maintenance	\$ 6,360	\$ 3,180	\$ 2,780	\$ (400)	-13%	\$ 3,580	\$ 6,360	\$ -	0%
31 Equipment Lease	\$ 7,248	\$ 3,624	\$ 3,203	\$ (421)	-12%	\$ 3,624	\$ 6,827	\$ (421)	-6%
32 Advertising	\$ 2,400	\$ 1,200	\$ -	\$ (1,200)	-100%	\$ 2,400	\$ 2,400	\$ -	0%
33 Messenger/delivery service	\$ 3,840	\$ 1,920	\$ -	\$ (1,920)	-100%	\$ 1,920	\$ 1,920	\$ (1,920)	-50%
34 Consultants - General Consultants	\$ 80,491	\$ 40,246	\$ 14,963	\$ (25,282)	-63%	\$ 65,528	\$ 80,491	\$ -	0%
36 Software Maintenance	\$ 23,031	\$ 11,516	\$ 7,834	\$ (3,682)	-32%	\$ 16,078	\$ 23,912	\$ 881	4%
37 Inspection	\$ 82,015	\$ 41,008	\$ 34,379	\$ (6,629)	-16%	\$ 41,008	\$ 75,387	\$ (6,629)	-8%
38 Other Sundry Items (Includes Bank/FDIC Fees)	\$ 12,598	\$ 6,299	\$ 5,010	\$ (1,289)	-20%	\$ 7,588	\$ 12,598	\$ -	0%
39 Total Administrative Expenses	\$ 2,161,790	\$ 871,683	\$ 932,598	\$ 60,916	7%	\$ 1,182,946	\$ 2,115,544	\$ (46,246)	-2%
40 ORDINARY MAINTENANCE									
41 Facilities maintenance	\$ 5,824	\$ 2,912	\$ 636	\$ (2,276)	-78%	\$ 5,188	\$ 5,824	\$ -	0%
42 Total Ordinary Maintenance	5,824	2,912	636	(2,276)	-78%	5,188	5,824	-	0%
43 GENERAL EXPENSES									
44 Insurance	\$ 36,408	\$ 18,204	\$ 16,358	\$ (1,846)	-10%	\$ 20,050	\$ 36,408	\$ -	0%
45 Other General Expenses	\$ 16,200	\$ 8,100	\$ 380	\$ (7,720)	-95%	\$ 15,820	\$ 16,200	\$ -	0%
46 Total General Expenses	52,608	26,304	16,738	(9,566)	-36%	35,870	52,608	-	0%
47 TOTAL EXPENSES	\$ 2,220,222	\$ 900,899	\$ 949,972	\$ 49,073		\$ 1,224,004	\$ 2,173,976	\$ (46,246)	-2%
48 Operating Surplus (Deficit)	\$ (369,017)	\$ 22,051	\$ (2,760)	\$ (24,811)		\$ (317,892)	\$ (320,651)	\$ (48,366)	13%
49 Use of reserves and disposition proceeds	\$ 369,017	\$ -	\$ 369,000	\$ 369,000	0%	\$ -	\$ 369,000	\$ (17)	0%
50 Operating Surplus (Deficit) after use of proceeds	\$ -	\$ 22,051	\$ 366,240	\$ 344,189		\$ (317,892)	\$ 48,349	\$ 48,349	
51 Disposition proceeds balance			\$ 2,753,334				\$ 2,753,334		

BHA: BUDGET COMPARISON - SECTION 8

ATTACHMENT B

FY2016 Budget vs Current Month, Year-To-Date, and Projected Annual Income and Expenses
For the Period Ending December 31, 2016

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DESCRIPTION	YEAR - TO - DATE						FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 DEC 16-JUNE1 PROJECTED	FY2017 ESTIMATED TOTAL	INCREASE (DECREASE)	%	
1 Housing Assistance Payments (HAP)										
2 HAP Received from HUD	\$ 26,065,394	\$ 13,032,697	\$ 12,010,974	\$ (1,021,723)	-8%	\$ 13,032,697	\$ 25,043,671	\$ (1,021,723)	-4%	
3 Miscellaneous Income -HAP			\$ 3,597	\$ 3,597	100%		\$ 3,597	\$ 3,597	100%	
4 Less HAP Paid to Owners	28,655,802	\$ 14,327,901	\$ 12,015,331	\$ (2,312,571)	-16%	\$ 14,327,901	\$ 26,343,232	\$ (2,312,571)	-8%	
5 HAP Surplus (Deficit)	\$ (2,590,408)	\$ (1,295,204)	\$ (760)	\$ (1,294,444)		\$ (1,295,204)	\$ (1,295,964)	\$ (1,294,444)		
6 Use of Excess HAP Reserve			\$ 760	\$ (1,294,444)						
7 Net HAP Surplus (Deficit)	\$ (2,590,408)	\$ (1,295,204)	\$ -	\$ -						
9 OPERATING REVENUE										
10 Administrative Fees (S8)	1,735,279	\$ 867,640	\$ 887,747	\$ 20,108	2%	\$ 845,480	\$ 1,733,227	\$ (2,052)	0%	
11 Administrative fees to other PHA on Port out	(40,656)	\$ (20,328)	\$ (18,675)	\$ 1,653	-8%	\$ (20,328)	\$ (39,003)	\$ 1,653	-4%	
12 Net Administrative Fees	1,694,623	\$ 847,312	\$ 869,072	\$ 21,760	3%	\$ 825,152	\$ 1,694,224	\$ (399)	0%	
19 BHA Oversight Fee	5,305	\$ -	\$ -	\$ -	0%	\$ 5,305	\$ 5,305	\$ -	0%	
13 Miscellaneous Income	15,360	\$ 7,680	\$ 9,688	\$ 1,988	26%	\$ 7,680	\$ 17,348	\$ 1,988	13%	
14 TOTAL OPERATING REVENUE	\$ 1,715,288	\$ 854,992	\$ 878,739	\$ 23,748	3%	\$ 838,137	\$ 1,716,877	\$ 1,589	0%	
15 OPERATING EXPENSES										
16 ADMINISTRATION										
17 Salaries	1,071,881	\$ 350,423	\$ 487,910	\$ 137,487	39%	\$ 563,441	\$ 1,051,351	\$ (20,530)	-2%	
18 Employee Benefits	536,774	\$ 257,854	\$ 219,831	\$ (38,024)	-15%	\$ 309,926	\$ 529,757	\$ (7,017)	-1%	
19 Legal Expense - Outside Counsel	34,200	\$ 17,100	\$ 3,927	\$ (13,173)	-77%	\$ 19,950	\$ 23,877	\$ (10,323)	-30%	
20 Staff Training	6,840	\$ 3,420	\$ 2,286	\$ (1,134)	-33%	\$ 4,554	\$ 6,840	\$ -	0%	
21 Travel/Transportation	5,919	\$ 2,960	\$ 2,828	\$ (131)	-4%	\$ 3,091	\$ 5,919	\$ -	0%	
22 Office Rent	93,668	\$ 46,834	\$ 46,149	\$ (685)	-1%	\$ 46,834	\$ 92,983	\$ (685)	-1%	
23 Audit Fees	16,400	\$ 8,200	\$ 20,995	\$ 12,795	156%	\$ (1,395)	\$ 19,600	\$ 3,200	20%	
24 Publications & Subscriptions	5,676	\$ 2,838	\$ 3,120	\$ 282	10%	\$ 2,556	\$ 5,676	\$ -	0%	
25 Memberships & Dues	5,313	\$ 2,657	\$ 5,195	\$ 2,539	98%	\$ 118	\$ 5,313	\$ -	0%	
26 Telephone	10,032	\$ 5,016	\$ 2,714	\$ (2,302)	-46%	\$ 7,318	\$ 10,032	\$ -	0%	
27 Office Supplies	12,540	\$ 6,270	\$ 6,400	\$ 130	2%	\$ 6,140	\$ 12,540	\$ -	0%	
28 Postage	13,312	\$ 6,656	\$ 6,840	\$ 184	3%	\$ 6,656	\$ 13,496	\$ 184	1%	
29 Printing & Reproduction	9,120	\$ 4,560	\$ 3,134	\$ (1,426)	-31%	\$ 5,986	\$ 9,120	\$ -	0%	
30 Equipment maintenance	6,042	\$ 3,021	\$ 2,641	\$ (380)	-13%	\$ 3,401	\$ 6,042	\$ -	0%	
31 Equipment Lease	6,886	\$ 3,443	\$ 3,043	\$ (400)	-12%	\$ 3,443	\$ 6,486	\$ (400)	-6%	
32 Advertising	2,280	\$ 1,140	\$ -	\$ (1,140)	-100%	\$ 2,280	\$ 2,280	\$ -	0%	
33 Messenger/delivery service	3,648	\$ 1,824	\$ -	\$ (1,824)	-100%	\$ 1,824	\$ 1,824	\$ (1,824)	-50%	
34 Consultants - General Consultants	76,466	\$ 38,233	\$ 14,215	\$ (24,018)	-63%	\$ 62,251	\$ 76,466	\$ -	0%	
36 Software Maintenance	21,879	\$ 10,940	\$ 7,442	\$ (3,498)	-32%	\$ 15,275	\$ 22,716	\$ 837	4%	
37 Inspection	77,948	\$ 38,974	\$ 32,660	\$ (6,314)	-16%	\$ 38,974	\$ 71,634	\$ (6,314)	-8%	
38 Other Sundry Items	11,970	\$ 5,985	\$ 4,365	\$ (1,620)	-27%	\$ 7,605	\$ 11,970	\$ -	0%	
39 Total Administrative Expenses	\$ 2,028,794	\$ 818,346	\$ 875,695	\$ 57,349	7%	\$ 1,110,227	\$ 1,985,922	\$ (42,872)	-2%	
40 ORDINARY MAINTENANCE										
41 Facilities maintenance	5,533	\$ 2,767	\$ 604	\$ (2,162)	-78%	\$ 4,929	\$ 5,533	\$ -	0%	
42 Total Ordinary Maintenance	5,533	2,767	604	(2,162)	-78%	4,929	5,533	-	0%	
43 GENERAL EXPENSE										
44 Insurance	34,588	\$ 17,294	\$ 15,540	\$ (1,754)	-10%	\$ 19,048	\$ 34,588	\$ -	0%	
45 Other General Expenses	15,390	\$ 7,695	\$ 361	\$ (7,334)	-95%	\$ 15,029	\$ 15,390	\$ -	0%	
46 Total General Expenses	49,978	24,989	15,901	(9,088)	-36%	34,077	49,978	-	0%	
47 TOTAL EXPENSES	\$ 2,084,305	\$ 846,102	\$ 892,200	\$ 46,098	5%	\$ 1,149,233	\$ 2,041,433	\$ (42,872)	-2%	
48 Operating Surplus (Deficit)	\$ (369,017)	\$ 8,890	\$ (13,461)	\$ (22,350)	-251%	\$ (311,096)	\$ (324,557)	\$ (44,460)	12%	
49 Use of reserves and disposition proceeds	\$ 369,017	\$ (8,890)	\$ -	\$ 8,890	0%	\$ 369,000	\$ 369,000	\$ (17)	100%	
50 Operating Surplus (Deficit) after use of proceeds	\$ -	\$ -	\$ 355,539	\$ (13,461)		\$ 57,904	\$ 44,443	\$ (44,443)		
51 Disposition proceeds balance			\$ 2,753,334				\$ 2,753,334			

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HAP Reserve, 06/30/2016	109,508
Income(Loss)	(1,295,964)
Estimated Prog. HAP Reserve, 06/30/2016	(1,186,455)
Add: Reserve held by HUD	3,478,971
Total Reserve Available for HAP expenses, 06/30/2017	<u>2,292,516</u>
Operating Reserve, 06/30/2016	6,311
Income(Loss)	44,443
Estimated Operating Reserve, 06/30/2017	<u>50,754</u>

FY2016 Budget vs Current Month, Year-To-Date, and Projected Annual Income and Expenses
For the Period Ending December 31, 2016

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6

DESCRIPTION	YEAR - TO - DATE					FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 DEC 16-JUNE1 PROJECTED	FY2017 ESTIMATED TOTAL	INCREASE (DECREASE)	%
HUD Authorized Units ==>									
1 Housing Assistance Payments (HAP)									
2 HAP Received from HUD	\$ 724,416	\$ 362,208	\$ 362,208	\$ -	0%	\$ 362,208	\$ 724,416	\$ -	0%
4 Less HAP Paid to Owners	724,416	\$ 362,208	\$ 364,149	\$ 1,941	1%	\$ 360,267	\$ 724,416	\$ -	0%
5 HAP Surplus (Deficit)	\$ -	\$ -	\$ (1,941)	\$ (1,941)		\$ 1,941	\$ -	\$ -	
6 Use of Excess HAP Reserve	\$ -	\$ -	\$ 1,941	\$ 1,941		\$ (1,941)	\$ -	\$ -	
7 Net HAP Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
9 OPERATING REVENUE									
10 Administrative Fees (MOD REHAB)	135,917	\$ 67,959	\$ 67,961	\$ 3	0%	\$ 67,959	\$ 135,920	\$ 3	0%
11 Administrative fees to other PHA on Port out		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
12 Net Administrative Fees	135,917	\$ 67,959	\$ 67,961	\$ 3	0%	\$ 67,959	\$ 135,920	\$ 3	0%
13 Miscellaneous Income		\$ -	\$ 8	\$ 8	100%	\$ -	\$ 8	\$ 8	100%
14 TOTAL OPERATING REVENUE	\$ 135,917	\$ 67,959	\$ 67,969	\$ 11	0%	\$ 67,959	\$ 135,928	\$ 11	0%
15 OPERATING EXPENSES									
16 ADMINISTRATION									
17 Salaries	71,242	\$ 23,291	\$ 31,934	\$ 8,643	37%	\$ 37,614	\$ 69,548	\$ (1,694)	-2%
18 Employee Benefits	37,352	\$ 17,844	\$ 15,645	\$ (2,199)	-12%	\$ 21,328	\$ 36,973	\$ (379)	-1%
19 Legal Expense - Outside Counsel	1,800	\$ 900	\$ 207	\$ (693)	-77%	\$ 1,050	\$ 1,257	\$ (543)	-30%
20 Staff Training	360	\$ 180	\$ 120	\$ (60)	-33%	\$ 240	\$ 360	\$ -	0%
21 Travel/Transportation	312	\$ 156	\$ 149	\$ (7)	-5%	\$ 163	\$ 312	\$ -	0%
22 Office Rent	4,930	\$ 2,465	\$ 2,429	\$ (36)	-1%	\$ 2,465	\$ 4,894	\$ (36)	-1%
23 Audit Fees	2,500	\$ 1,250	\$ 1,105	\$ (145)	-12%	\$ 1,395	\$ 2,500	\$ -	0%
24 Publications & Subscriptions	299	\$ 150	\$ 164	\$ 15	10%	\$ 135	\$ 299	\$ -	0%
25 Memberships & Dues	280	\$ 140	\$ 273	\$ 133	95%	\$ 7	\$ 280	\$ -	0%
26 Telephone	528	\$ 264	\$ 282	\$ 18	7%	\$ 246	\$ 528	\$ -	0%
27 Office Supplies	660	\$ 330	\$ 337	\$ 7	2%	\$ 323	\$ 660	\$ -	0%
28 Postage	1,389	\$ 695	\$ 360	\$ (335)	-48%	\$ 695	\$ 1,055	\$ (335)	-24%
29 Printing & Reproduction	480	\$ 240	\$ 94	\$ (146)	-61%	\$ 386	\$ 480	\$ -	0%
30 Equipment maintenance	318	\$ 159	\$ 139	\$ (20)	-13%	\$ 179	\$ 318	\$ -	0%
31 Equipment Lease	362	\$ 181	\$ 160	\$ (21)	-12%	\$ 181	\$ 341	\$ (21)	-6%
32 Advertising	120	\$ 60	\$ -	\$ (60)	-100%	\$ 120	\$ 120	\$ -	0%
33 Messenger/delivery service	192	\$ 96	\$ -	\$ (96)	-100%	\$ 96	\$ 96	\$ (96)	-50%
34 Consultants - General Consultants	4,025	\$ 2,013	\$ 748	\$ (1,264)	-63%	\$ 3,277	\$ 4,025	\$ -	0%
36 Software Maintenance	1,152	\$ 576	\$ 392	\$ (184)	-32%	\$ 804	\$ 1,196	\$ 44	4%
37 Inspection	4,067	\$ 2,034	\$ 1,719	\$ (315)	-15%	\$ 2,034	\$ 3,752	\$ (315)	-8%
38 Other Sundry Items	628	\$ 314	\$ 645	\$ 331	106%	\$ (17)	\$ 628	\$ -	0%
39 Total Administrative Expenses	\$ 132,996	\$ 53,336	\$ 56,903	\$ 3,567	7%	\$ 72,719	\$ 129,622	\$ (3,374)	-3%
40 ORDINARY MAINTENANCE									
41 Facilities maintenance	291	\$ 146	\$ 32	\$ (114)	-78%	\$ 259	\$ 291	\$ -	0%
42 Total Ordinary Maintenance	291	146	32	(114)	-78%	259	291	-	0%
50 GENERAL EXPENSE									
44 Insurance	1,820	\$ 910	\$ 818	\$ (92)	-10%	\$ 1,002	\$ 1,820	\$ -	0%
45 Other General Expenses	810	\$ 405	\$ 19	\$ (386)	-95%	\$ 791	\$ 810	\$ -	0%
46 Total General Expenses	2,630	1,315	837	(478)	-36%	1,793	2,630	-	0%
47 TOTAL EXPENSES	\$ 135,917	\$ 67,959	\$ 57,772	\$ (10,187)	-15%	\$ 74,771	\$ 132,543	\$ (3,374)	-2%
48 Operating Surplus (Deficit)	\$ -	\$ -	\$ 10,198	\$ 10,198	0%	\$ (6,812)	\$ 3,385	\$ 3,385	0%
49 USE OF OPERATING RESERVE									100%
50 Operating Surplus (Deficit) after use of proceeds	\$ -	\$ -	\$ 10,198	\$ 10,198	0%	\$ (6,812)	\$ 3,385	\$ 3,385	

HAP Reserve, 6/30/16	-
Income(Loss)	-
Estimated Prog. HAP Reserve, 06/30/2017	-
Operating Reserve, 6/30/16	75,048
Income(Loss)	3,385
Est. Operating Reserve, 6/30/2017	78,433

6

6

DESCRIPTION	YEAR - TO - DATE					FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 BUDGET	ESTIMATED TOTAL	INCREASE (DECREASE)	%
HUD Authorized Units ==>	(a)	(d)	(e)	(d-e)		(f)	(g) = (e+f)	(g - a)	
OPERATING REVENUE									
Miscellaneous Income		\$ -	\$ 404	\$ 404	100%		\$ 404	\$ 404	
TOT Total Operating & Capital Improvement Revenue	\$ -	\$ -	\$ 404	\$ 404	100%	\$ -	\$ 404	\$ 404	
OPERATING & CAPITAL IMPROVEMENT REVENUE - OTHER									
ADMINISTRATION									
Legal Expense - Outside Counsel		\$ -	\$ -	\$ -	100%		\$ -	\$ -	
Consultants - General Consultants		\$ -	\$ -	\$ -	100%		\$ -	\$ -	
DISPOSITION EXPENSES									
HUD Disposition Consulting		\$ -	\$ -	\$ -			\$ -	\$ -	
Specialized Legal Services		\$ -	\$ -	\$ -			\$ -	\$ -	
Others (Security & Construction Consulting)		\$ -	\$ -	\$ -			\$ -	\$ -	
Total Disposition Expenses	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Total Operating Expenses	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	
Total Expenses	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	
Operating Surplus (Deficit)	\$ -	\$ -	\$ 404	\$ 404		\$ -	\$ 404	\$ 404	
TRANSFER OF DISPOSITION NET PROCEEDS TO SB LONG TERM FUND	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	
Operating Surplus (Deficit) after use of proceeds	\$ -	\$ -	\$ 404	\$ 404		\$ -	\$ 404	\$ 404	

FY2016 Budget vs Current Month, Year-To-Date, and Projected Annual Income and Expenses

As of December 31, 2016

6

6

DESCRIPTION	YEAR - TO - DATE					FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 DEC 16-JUNE1 PROJECTED	FY2017 ESTIMATED TOTAL	INCREASE (DECREASE)	%
9 OPERATING REVENUE									
1 Miscellaneous Income		\$ -	\$ 100	\$ 100	100%	\$ 17	\$ 117	\$ 117	
2 TOTAL OPERATING REVENUE	\$ -	\$ -	\$ 100	\$ 100	100%	\$ 17	\$ 117	\$ 117	
3 OPERATING & CAPITAL IMPROVEMENT REVENUE - OTHER									
4 ADMINISTRATION									
5 Salaries		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
6 Employee Benefits		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
27 Total Administrative Expenses	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
31 GENERAL EXPENSE									
35 Collection losses		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
33 Other General Expenses		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
34 Total General Expenses	-	-	-	-	0%	-	-	-	
35 OPERATING TRANSFER IN/OUT				\$ -				\$ -	
36 TOTAL OPERATING EXPENSES	-	-	-	-	0%	-	-	-	
35 TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
36 Operating Surplus (Deficit)	\$ -	\$ -	\$ 100	\$ 100	\$ 100	\$ 17	\$ 117	\$ 117	
37 TRANSFER OF DISPOSITION NET PROCEEDS TO S8 LONG TERM FUND		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
38 Operating Surplus (Deficit) after use of proceeds	\$ -	\$ -	\$ 100	\$ 100	\$ 100	\$ 17	\$ 117	\$ 117	



Balance Sheet
As of December 31, 2016

<u>Assets</u>	Total Amount	101 Voucher/FSS	102 Mod Rehab.	201 LIPH	205 BHA	501 Security Deposit Loan
Current Assets						
Cash & Equivalents	\$ 7,005,118.84	\$ 3,392,751.35	\$ 209,691.51	\$ 2,395,307.79	\$ 1,007,368.19	\$ 0.00
A/R - Tenants	\$ 4,016.12	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,016.12	\$ 0.00
A/R - Federal Govn	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
A/R - Intercompany	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Prepaid Expenses	\$ 25,525.76	\$ 24,249.46	\$ 1,276.30	\$ 0.00	\$ 0.00	\$ 0.00
A/R - Other	\$ 40,982.81	\$ 38,382.81	\$ 1,000.00	\$ 0.00	\$ 1,600.00	\$ 0.00
Accrued Interest	\$ 103,802.51	\$ 0.00	\$ 0.00	\$ 86,183.54	\$ 17,618.97	\$ 0.00
Total Current Assets	\$ 7,179,446.04	\$ 3,455,383.62	\$ 211,967.81	\$ 2,481,491.33	\$ 1,030,603.28	\$ 0.00
Non Current Assets						
AR - Notes	\$ 11,780,420.00	\$ 0.00	\$ 0.00	\$ 9,778,599.57	\$ 2,001,820.43	\$ 0.00
Fixed Assets						
Land	\$ 2,579,621.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,579,621.00	\$ 0.00
Furniture & equipment	\$ 73,015.41	\$ 56,426.41	\$ 3,526.82	\$ 0.00	\$ 13,062.18	\$ 0.00
Building and improvements	\$ 132,605.88	\$ 115,563.03	\$ 6,630.31	\$ 0.00	\$ 10,412.54	\$ 0.00
Depreciation	\$ (92,009.52)	\$ (73,373.41)	\$ (4,476.51)	\$ 0.00	\$ (14,159.60)	\$ 0.00
Net Assets	\$ 2,693,232.77	\$ 98,616.03	\$ 5,680.62	\$ 0.00	\$ 2,588,936.12	\$ 0.00
Deferred Outflow of Resources	\$ 430,059.00	\$ 408,556.05	\$ 21,502.95	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL ASSETS	\$ 22,083,157.81	\$ 3,962,555.70	\$ 239,151.38	\$ 12,260,090.90	\$ 5,621,359.83	\$ 0.00
Liabilities and Net Assets						
Liability						
Current Liability						
A/P - Other	\$ 8,937.58	\$ 8,476.29	\$ 461.29	\$ 0.00	\$ 0.00	\$ 0.00
A/P - City of Berkeley	\$ 16,086.28	\$ 15,299.74	\$ 786.54	\$ 0.00	\$ 0.00	\$ 0.00
A/P - HUD	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
A/P - Intercompany	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Accrued Liabilities - Current	\$ 12,432.10	\$ 11,401.33	\$ 1,030.77	\$ 0.00	\$ 0.00	\$ 0.00
Tenant Security Deposit	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Debt Obligations - Current	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Current Liability	\$ 37,455.96	\$ 35,177.36	\$ 2,278.60	\$ 0.00	\$ 0.00	\$ 0.00
Non Current Liability						
Debt Obligations - Non Curre	\$ 300,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 300,000.00	\$ 0.00
Accrued Liabilities - Non Cur	\$ 65,228.68	\$ 59,820.44	\$ 5,408.24	\$ 0.00	\$ 0.00	\$ 0.00
Deferred Revenue	\$ 12,032,448.53	\$ 2,159,853.00	\$ 71,694.00	\$ 9,800,901.53	\$ 0.00	\$ 0.00
Net Pension & Ret Med Liabi	\$ 767,449.00	\$ 691,574.08	\$ 47,265.38	\$ 0.00	\$ 28,609.54	\$ 0.00
Total Non Current Liability	\$ 13,165,126.21	\$ 2,911,247.52	\$ 124,367.62	\$ 9,800,901.53	\$ 328,609.54	\$ 0.00
Deferred Inflow of Resources	\$ 472,784.00	\$ 449,144.80	\$ 23,639.20	\$ 0.00	\$ 0.00	\$ 0.00
Total Liability	\$ 13,675,366.17	\$ 3,395,569.68	\$ 150,285.42	\$ 9,800,901.53	\$ 328,609.54	\$ 0.00
Net Assets						
Net Assets - Restricted	\$ 106,807.65	\$ 108,748.65	\$ (1,941.00)	\$ 0.00	\$	\$ 0.00
Net Assets - Capital Assets	\$ 2,693,232.77	\$ 98,616.03	\$ 5,680.62	\$ 0.00	\$ 2,588,936.12	\$ 0.00
Net Assets- Unrestricted	\$ 5,610,099.72	\$ 361,852.42	\$ 85,243.76	\$ 2,459,189.37	\$ 2,703,814.17	\$ 0.00
Total Net Assets	\$ 8,410,140.14	\$ 569,217.10	\$ 88,983.38	\$ 2,459,189.37	\$ 5,292,750.29	\$ 0.00
Total Liability and Net Assets	\$ 22,085,506.31	\$ 3,964,786.78	\$ 239,268.80	\$ 12,260,090.90	\$ 5,621,359.83	\$ 0.00

BERKELEY HOUSING AUTHORITY
Disposition Proceeds Report
As of October 31, 2016

ATTACHMENT G

DISPOSITION PROCEEDS:	DATE/REF	LIPH	RHCP	BHA/SB/IMPT	TOTAL
Gross sale/dispo Proceeds to Date:		\$ 12,608,037.00	\$ 2,893,647.87		\$ 15,501,684.87
Less Seller Loan (83%: 17%)		\$ (9,820,127.57)	\$ (2,011,351.43)		\$ (11,831,479.00)
Proceeds from disposition		\$ 2,787,909.43	\$ 882,296.44		\$ 3,670,205.87
Less selling expense					
Real Estate Tax Lien		\$ (467.46)	\$ (107.29)		\$ (574.75)
Real Estate Tax Lien		\$ (180.17)	\$ (41.35)		\$ (221.52)
Rent adj (15 days) remitted to Berkeley 75 Security		\$ (1,408.85)	\$ (323.34)		\$ (1,732.19)
County transfer tax		\$ (13,075.15)	\$ (3,000.85)		\$ (16,076.00)
City Transfer tax		\$ (13,869.12)	\$ (3,183.08)		\$ (17,052.20)
		\$ (94,560.28)	\$ (21,702.36)		\$ (116,262.64)
Net Proceeds from disposition		\$ 2,664,348.40	\$ 853,938.17		\$ 3,518,286.57
Other receipts					
Grant from the City of Berkeley, equivalent to amount of transfer tax paid		\$ 94,560.28	\$ 21,702.36		\$ 232,525.00
2nd equity payment, 12/23/2014	12/23/2014	\$ 41,528.00	\$ 9,531.00		\$ 51,059.00
Interest	02/2014 - 06/30/2014	\$ 298.77			\$ 298.77
Interest	07/2014-06/30/2015	\$ 779.40			\$ 874.27
Interest	07/01/2015-06/30/2016	\$ 771.82			\$ 899.72
Interest	07/01/2016-12/31/2016	\$ 403.54			\$ 481.01
Cost Savings	1/15/2016	\$ 291,298.00	\$ 59,663.00		\$ 350,961.00
Residual income (60%), CY2015	4/4/2016	\$ 396,574.83	\$ 81,226.17		\$ 477,801.00
Total dispo proceeds received to date:		\$ 3,490,563.04	\$ 1,026,060.70		\$ 4,633,186.34
Use of Disposition Proceeds					
Relocation of BHA Offices & acquisition of new furniture	HUD letter, 1/15/14	\$ (178,990.25)			\$ (178,990.25)
Relocation expenses	HUD letter, 1/15/14	\$ (213,739.00)	\$ (20,908.00)		\$ (234,647.00)
RHCP Loan			\$ (763,689.00)		\$ (763,689.00)
Wire transfer		\$ (15.00)			\$ (15.00)
FY2016 Budget Shortfall	HUD letter, 06/04/15	\$ (252,000.00)			\$ (252,000.00)
FY2015 Budget Shortfall (Check# 1004)	HUD letter, 1/15/14	\$ (81,511.00)			\$ (81,511.00)
FY2017 Budget Shortfall	Letter to HUD, 06/21/16	\$ (369,000.00)			\$ (369,000.00)
Total uses		\$ (1,095,255.25)	\$ (784,597.00)		\$ (1,879,852.25)
Net Proceeds Balance, 12/31/2016		\$ 2,395,307.79	\$ 241,463.70		\$ 2,753,334.09

