



# Boards of Commissioners Update

October 2017

## **Boards of Commissioners Update – October 2017**

### **Table of Contents**

| <b>Topic:</b>                                   | <b>Page</b> |
|---|-------------|
| <b>Housing Assistance Payments (HAP) Update</b> | <b>3</b>    |
| <b>Budget Report – August 2017</b>              | <b>6</b>    |
|   |             |
|   |             |
|   |             |

## BOARD UPDATE

O (559) 443-8400

F (559) 445-8981

1331 Fulton Mall

Fresno, California 93721

TTY (800) 735-2929

[www.fresnohousing.org](http://www.fresnohousing.org)

**TO:** Boards of Commissioners

**DATE:** October 13, 2017

Fresno Housing Authority

**AUTHOR:** Aurora Ibarra

**FROM:** Preston Prince, CEO/Executive Director



**SUBJECT:** Update on Leasing and Housing Assistance Payments (HAP) for the Housing Choice Voucher (HCV) Program

---

### Executive Summary

The U.S Department of Housing and Urban Development (HUD) has set 2017 HAP proration levels at 97% of 2016 HAP expenses. This level of proration has allowed us to continue housing existing program participants and issue vouchers to new applicants this year.

Currently, the Agency has 371 vouchers designated for the Veterans Affairs Supportive Housing (VASH) program, all of which reside with the City HCV program. These vouchers are referral-based and issued as quickly as families are referred from The United States Department of Veterans Affairs (VA).

As in the past, we continue to diligently monitor our HAP and voucher utilization rates.

### City HCV

HAP expenditures for the month of September totaled \$3,387,958. The Per Unit Cost (PUC) for the month was \$506. HAP expenditures for the year are projected at \$42.4 million, resulting in 102.1% utilization in total HAP funding, and an expected year-end balance of \$4.3 million in total HAP reserves.

The overall projected voucher utilization for CY 2017 is 97.9%, ending the month of December at 96.4%.

### County HCV

HAP expenditures for the month of September totaled \$2,802,293. The Per Unit Cost (PUC) for the month was \$512. HAP expenditures for the year are projected at \$33.6 million, resulting in 102.7% utilization of HAP funding, and an expected year-end balance of \$2.7 million in HAP reserves.

The overall projected voucher utilization for CY 2017 is 97.7%, ending the month of December at 98.5%.

| Agency: City HAP Analysis     |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Year: 2017                    |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Enter Data into Green fields  | JAN          | FEB          | MARCH        | APRIL        | MAY          | JUNE         | JULY         | AUG          | SEPT         | YTD          | OCT          | NOV          | DEC          | TOTAL        |
| HAP                           |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| HAP Budget Authority (97%)    | \$3,457,264  | \$3,457,264  | \$3,457,264  | \$3,457,264  | \$3,457,264  | \$3,457,264  | \$3,457,264  | \$3,457,264  | \$3,457,264  | \$31,115,378 | \$3,457,264  | \$3,457,264  | \$3,457,264  | \$41,487,170 |
| HAP Revenue                   | \$3,607,452  | \$3,569,152  | \$3,731,785  | \$3,731,785  | \$3,731,785  | \$3,731,785  | \$3,741,789  | \$3,748,771  | \$3,748,771  | \$33,343,075 | \$3,748,771  | \$3,748,771  | \$3,748,771  | \$44,589,388 |
| HAP Expenses                  | \$3,626,303  | \$3,709,838  | \$3,676,829  | \$3,599,902  | \$3,600,737  | \$3,590,181  | \$3,570,631  | \$3,459,455  | \$3,387,958  | \$32,221,834 | \$3,335,982  | \$3,381,091  | \$3,419,647  | \$42,358,554 |
| Net HAP (Variance)            | -\$18,851    | -\$140,686   | \$54,956     | \$131,883    | \$131,048    | \$141,604    | \$171,158    | \$289,316    | \$360,813    | \$1,121,241  | \$412,789    | \$367,680    | \$329,124    | \$2,230,834  |
| % Variance Based on HAP Rev   | 104.9%       | 107.3%       | 106.4%       | 104.1%       | 104.1%       | 103.8%       | 103.3%       | 100.1%       | 98.0%        | 102.8%       | 96.5%        | 97.8%        | 98.9%        | 102.1%       |
| PHA-Held Reserve Balance      | \$ 41,891.00 | \$ 23,040.00 | \$ -         | \$ -         | \$ 71,377    | \$ 209,541   | \$ 351,145   | \$ 522,303   | \$ 811,619   |              | \$ 1,172,432 | \$ 1,585,221 | \$ 1,952,901 | \$1,952,901  |
| HUD-Held Reserve Balance      | \$ 5,076,773 | \$ 4,747,741 | \$ 4,256,075 | \$ 3,764,410 | \$ 3,272,744 | \$ 2,781,079 | \$ 2,930,841 | \$ 3,073,621 | \$ 3,216,400 |              | \$ 2,924,892 | \$ 2,633,384 | \$ 2,341,876 | \$2,341,876  |
| Total HAP Reserve Balance     | \$5,118,664  | \$4,770,781  | \$4,256,075  | \$3,764,410  | \$3,344,121  | \$2,990,620  | \$3,281,986  | \$3,595,924  | \$4,028,019  |              | \$4,097,324  | \$4,218,605  | \$4,294,777  | \$4,294,777  |
| PUC                           |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Actual HAP PUC                | \$501        | \$511        | \$516        | \$509        | \$516        | \$519        | \$521        | \$511        | \$506        |              | \$494        | \$497        | \$499        | \$508        |
| UNITS - Regular Vouchers      |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| HUD Baseline Units            | 6785         | 6785         | 6785         | 6785         | 6785         | 6785         | 6785         | 6785         | 6785         | 61065        | 6785         | 6785         | 6785         | 81,420       |
| Actual Leased (inc port outs) | 6950         | 6965         | 6831         | 6778         | 6678         | 6622         | 6550         | 6457         | 6386         | 60217        | 6438         | 6488         | 6538         | 79,681       |
| Variance to baseline          | 165          | 180          | 46           | -7           | -107         | -163         | -235         | -328         | -399         | -848         | -347         | -297         | -247         | -1739        |
| YTD Variance to baseline      | 165          | 345          | 391          | 384          | 277          | 114          | -121         | -449         | -848         |              | -1195        | -1492        | -1739        | -1739        |
| Monthly Utilization           | 102.43%      | 102.65%      | 100.68%      | 99.90%       | 98.42%       | 97.60%       | 96.54%       | 95.17%       | 94.12%       | 97.49%       | 94.89%       | 95.62%       | 96.36%       | 97.86%       |
| UNITS - VASH Vouchers         |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| HUD Baseline Units            | 371          | 371          | 371          | 371          | 371          | 371          | 371          | 371          | 371          | 3339         | 371          | 371          | 371          | 4,452        |
| Actual Leased                 | 293          | 296          | 295          | 297          | 298          | 300          | 304          | 312          | 315          | 2710         | 315          | 315          | 315          | 3,655        |
| Variance to baseline          | -78          | -75          | -76          | -74          | -73          | -71          | -67          | -59          | -56          | -629         | -56          | -56          | -56          | -797         |
| YTD Variance to baseline      | -78          | -153         | -229         | -303         | -376         | -447         | -514         | -573         | -629         |              | -685         | -741         | -797         | -797         |
| Monthly Utilization           | 78.98%       | 79.78%       | 79.51%       | 80.05%       | 80.32%       | 80.86%       | 81.94%       | 84.10%       | 84.91%       | 81.67%       | 84.91%       | 84.91%       | 84.91%       | 82.10%       |

| Agency: County HAP Analysis   |             |             |             |             |             |             |             |             |             |              |             |             |             |              |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| Year:                         |             |             |             |             |             |             |             |             |             |              | 2017        |             |             |              |
|                               | JAN         | FEB         | MARCH       | APRIL       | MAY         | JUNE        | JULY        | AUG         | SEPT        | YTD          | OCT         | NOV         | DEC         | TOTAL        |
| HAP                           |             |             |             |             |             |             |             |             |             |              |             |             |             |              |
| HAP Budget Authority (97%)    | \$2,720,297 | \$2,720,297 | \$2,720,297 | \$2,720,297 | \$2,720,297 | \$2,720,297 | \$2,720,297 | \$2,720,297 | \$2,720,297 | \$24,482,671 | \$2,720,297 | \$2,720,297 | \$2,720,297 | \$32,643,561 |
| HAP Revenue                   | \$2,649,445 | \$2,649,445 | \$2,790,148 | \$2,790,148 | \$2,790,148 | \$2,790,148 | \$2,635,157 | \$2,897,562 | \$2,897,562 | \$24,889,763 | \$2,897,562 | \$2,897,562 | \$2,897,562 | \$33,582,449 |
| HAP Expenses                  | \$2,689,401 | \$2,810,818 | \$2,881,088 | \$2,847,970 | \$2,821,991 | \$2,911,487 | \$2,797,625 | \$2,790,667 | \$2,802,293 | \$25,353,340 | \$2,704,919 | \$2,718,402 | \$2,762,224 | \$33,538,885 |
| Net HAP (Variance)            | -\$39,956   | -\$161,373  | -\$90,940   | -\$57,822   | -\$31,843   | -\$121,339  | -\$162,468  | \$106,895   | \$95,269    | -\$463,577   | \$192,643   | \$179,160   | \$135,338   | \$43,564     |
| % Variance Based of BA        | 98.9%       | 103.3%      | 105.9%      | 104.7%      | 103.7%      | 107.0%      | 102.8%      | 102.6%      | 103.0%      | 104.3%       | 99.4%       | 99.9%       | 101.5%      | 102.7%       |
| PHA-Held Reserve Balance      | \$719,446   | \$679,490   | \$518,117   | \$427,177   | \$374,800   | \$342,957   | \$221,618   | \$59,150    | \$166,045   |              | \$261,314   | \$453,957   | \$455,852   | \$455,852    |
| HUD-Held Reserve Balance      | \$2,804,485 | \$2,760,202 | \$2,575,216 | \$2,390,230 | \$2,205,244 | \$2,020,258 | \$2,335,668 | \$2,388,673 | \$2,441,677 |              | \$2,441,677 | \$2,264,412 | \$2,264,412 | \$2,264,412  |
| Total HAP Reserve Balance     | \$3,523,931 | \$3,439,692 | \$3,093,333 | \$2,817,407 | \$2,580,044 | \$2,363,215 | \$2,557,286 | \$2,447,823 | \$2,607,722 |              | \$2,702,991 | \$2,718,369 | \$2,720,264 | \$2,720,264  |
| PUC                           |             |             |             |             |             |             |             |             |             |              |             |             |             |              |
| Actual HAP PUC (Exp/Leased)   | \$498       | \$516       | \$515       | \$510       | \$507       | \$524       | \$506       | \$507       | \$512       | \$511        | \$491       | \$493       | \$496       | \$506        |
| UNITS                         |             |             |             |             |             |             |             |             |             |              |             |             |             |              |
| HUD Baseline Units            | 5652        | 5652        | 5652        | 5652        | 5652        | 5652        | 5652        | 5652        | 5652        | 50868        | 5652        | 5652        | 5652        | 67,824       |
| Actual Leased (inc port outs) | 5404        | 5452        | 5592        | 5583        | 5570        | 5561        | 5525        | 5509        | 5473        | 49669        | 5509        | 5514        | 5569        | 66,261       |
| Variance to baseline          | -248        | -200        | -60         | -69         | -82         | -91         | -127        | -143        | -179        | -1199        | -143        | -138        | -83         | -1563        |
| YTD Variance to baseline      | -248        | -448        | -508        | -577        | -659        | -750        | -877        | -1020       | -1199       |              | -1342       | -1480       | -1563       | -1563        |
| Monthly Utilization           | 95.6%       | 96.5%       | 98.9%       | 98.8%       | 98.5%       | 98.4%       | 97.8%       | 97.5%       | 96.8%       | 98.1%        | 97.5%       | 97.6%       | 98.5%       | 97.7%        |

## BOARD UPDATE

O (559) 443-8400

F (559) 445-8981

1331 Fulton Mall

Fresno, California 93721

TTY (800) 735-2929

[www.fresnohousing.org](http://www.fresnohousing.org)

**TO:** Boards of Commissioners

**DATE:** October 18, 2017

Fresno Housing Authority

**AUTHOR:** Emily De La Guerra

**FROM:** Preston Prince, CEO/Executive Director



**SUBJECT:** Fresno Housing Operating Budget as of August 31, 2017

### Executive Summary

The purpose of this update is to present an overview of the financial operating results for the Fresno Housing Authority as of August 31, 2017. Please see the attached financial report for a summary of revenues and expenses by Agency division.

The financial report attachment shows the consolidation of all Agency programmatic budgets combined into six divisions. Projections have been incorporated into the year-to-date budget to account for the timing of cash flows and known variable expenses. These adjustments were based on historical trends and the most current information available.

The 2017 Operating Budget was approved by the Boards in December 2016 with net operating income of \$3.8 million and unrestricted cash flow utilization of \$322 thousand, and as of August 31, the Agency is operating better than budget. Total net income is \$3.8 million as of August, and unrestricted net income is \$2.0 million.

#### OPERATING BUDGET

TOTAL INCOME

TOTAL EXPENSES

#### NET OPERATING INCOME

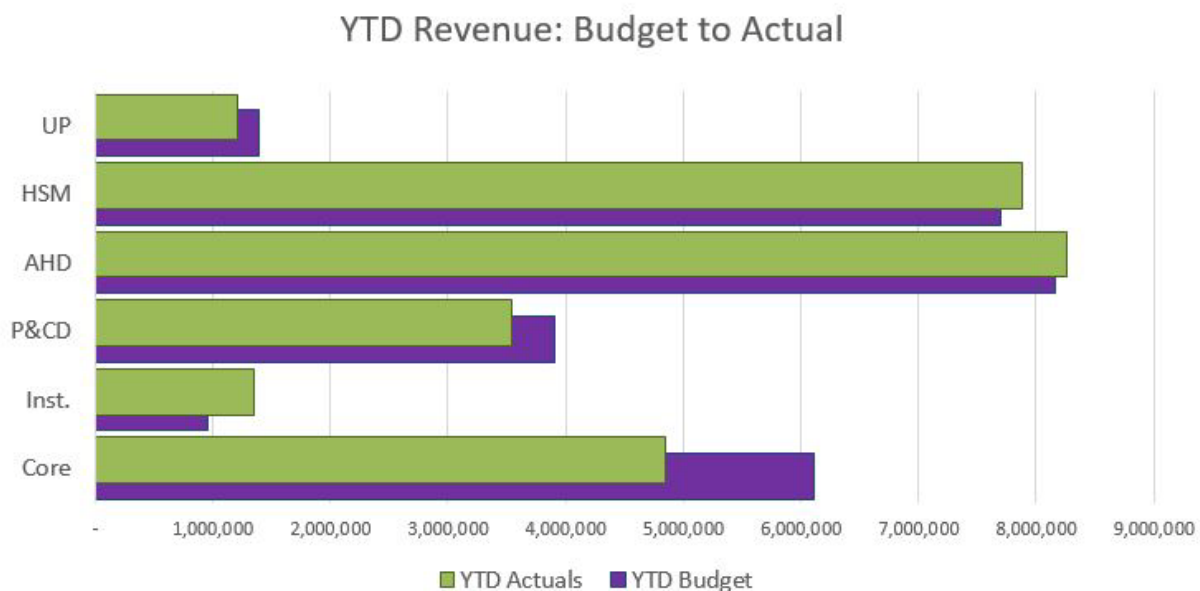
TOTAL NON-OPERATING EXPENSES

#### NET CASH FLOW

#### UNRESTRICTED CASH FLOW

| Fresno Housing Authority |                  |                  |
|--------------------------|------------------|------------------|
| Annual Budget            | YTD Budget       | YTD Actuals      |
| 41,693,668               | 28,230,687       | 27,095,279       |
| 37,882,611               | 24,588,339       | 21,900,248       |
| <b>3,811,057</b>         | <b>3,642,348</b> | <b>5,195,031</b> |
| 1,761,070                | 1,197,380        | 1,362,071        |
| <b>2,049,987</b>         | <b>2,444,969</b> | <b>3,832,960</b> |
| <b>(321,763)</b>         | <b>863,802</b>   | <b>2,013,267</b> |

## Agency Revenue

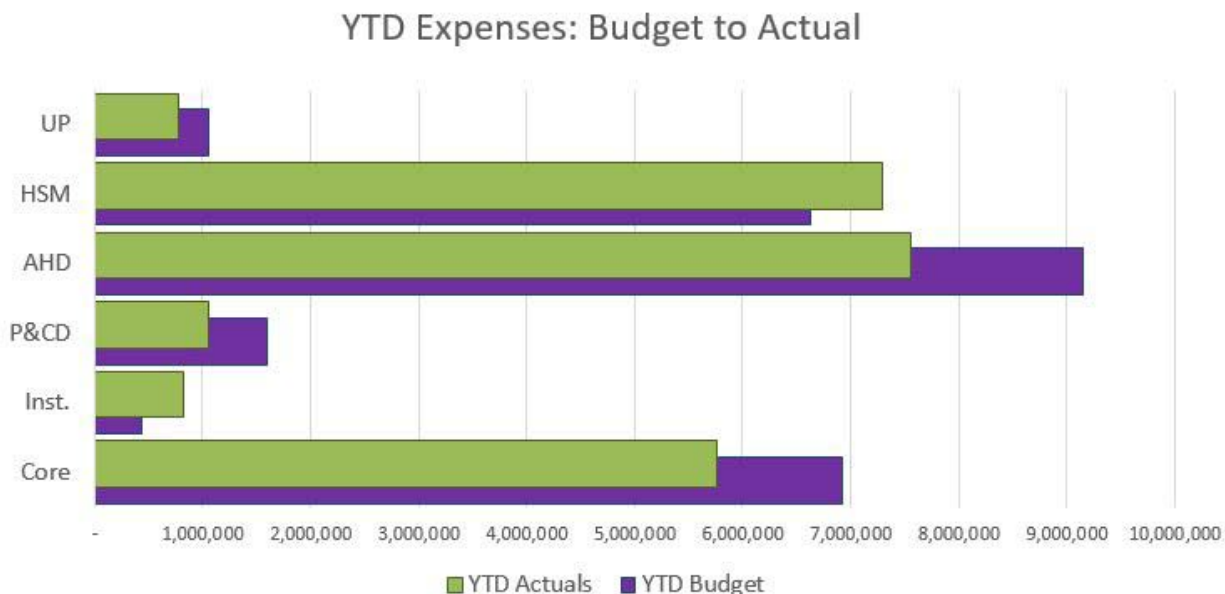


UP - Unrestricted Properties: Agency-owned non-subsidized properties, for example Dayton, Woodside, and San Ramon (formerly known as Affordable Housing)  
 HSM - Housing Management: Restricted, subsidized properties including all public housing, farm labor and migrant properties  
 AHD - Assisted Housing Division: Housing Choice Voucher, Resident Services and Homeless programs  
 P&CD - Planning & Community Development: Real Estate Development and Construction Management departments  
 Inst. - Instrumentalities: Wholly-owned subsidiaries of the Agency, including HRFC, HSIC, and Silvercrest  
 Core: Administrative Services departments including Accounting, Executive, Human Resources and Asset Management

- Overall, year-to-date revenue is \$1.1 million less than anticipated at this point in the year.
- Other Income in Instrumentalities is higher than budgeted due to the release of retained earnings in HSIC in July, and the sale of certain assets to HRFC in August (details below).
- Other Grant Income in AHD is less than budgeted due to large grant-funded programs that started later than anticipated. However, due to the late start, there will also be fewer expenses in these programs in 2017; therefore, the net impact on the budget will be zero.
- HUD Grant Income in AHD is higher than budgeted due to increased proration for HCV Administrative Fees. Current proration is 77% of total eligibility.
- Income in Core is approximately \$1.2 million less than anticipated at this point in the year. Other Income is less than budgeted due to the delayed receipt of reimbursements for our specialized maintenance group. The remaining variance is in Admin & Management Fee Income where staff is working to catch up on Management, Bookkeeping and Allocation revenue for August. These fees will be posted in the September financial results.
- Major revenue changes from July to August:
  - o Proceeds from the sale of Argyle and Parc Grove North East were recorded to HRFC in August. Total revenue received was approximately \$690 thousand.
  - o Developer Fees for City View at Van Ness and Viking Village were received in August, totaling approximately \$992 thousand.



## Agency Expenses

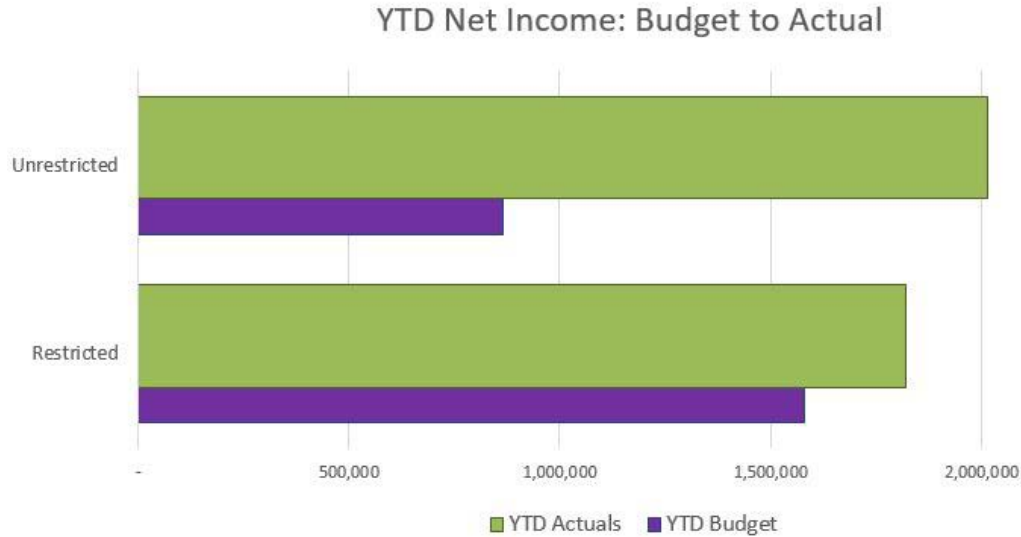


UP - Unrestricted Properties: Agency-owned non-subsidized properties, for example Dayton, Woodside, and San Ramon (formerly known as Affordable Housing)  
 HSM - Housing Management: Restricted, subsidized properties including all public housing, farm labor and migrant properties  
 AHD - Assisted Housing Division: Housing Choice Voucher, Resident Services and Homeless programs  
 P&CD - Planning & Community Development: Real Estate Development and Construction Management departments  
 Inst. - Instrumentalities: Wholly-owned subsidiaries of the Agency, including HRFC, HSIC, and Silvercrest  
 Core: Administrative Services departments including Accounting, Executive, Human Resources and Asset Management

- Overall, year-to-date expenses are \$2.5 million less than anticipated (operating and non-operating).
- Administrative Expenses are lower than budgeted Agency-wide. Core and P&CD show the largest reductions in this line item, as Professional & Consulting Expenses have been less than anticipated. Some of these expenses will increase throughout the year as the Agency pays on major contracts and improvements, including auditing fees, co-developer fees, and maintenance and repairs to the Central Office building.
- Tenant Services Expenses in AHD are less than budgeted due to grant-funded programs that started later than anticipated. This is also why revenue in AHD is less than budgeted. These programs are reimbursement-based, so if there are fewer expenses, there will also be less revenue.
- Maintenance and Non-Operating Expenses in HSM are higher than budgeted. Several improvement projects were started over the summer and paid in August, including most of the Low-Income Weatherization Program (LIWP) improvements. These expenses will be reimbursed in future months with grant proceeds or replacement reserve funds.
- Major expenses changes from July to August:
  - Overall, expenses were lower than budgeted in the month of August, with the exception of utility costs. Electricity was 40% higher than the monthly budget amount due to the excessive heat in July and August. However, the Agency is right on budget for Utility Expenses at this point in the year, and we expect to end the year very close to the budgeted amount, as expenses normalize towards the fourth quarter.



## Agency Net Income



- Overall, restricted and unrestricted net income is better than projected at this point in the year.
- Unrestricted net income is \$1.1 million better than budgeted as of August. AHD is performing better than projected due to increased proration in administrative fee revenue in the HUD Grant Income line and a reduction in expenses. The receipt of Developer Fees on two projects in August has put P&CD better than budgeted. These two divisions are the biggest contributors to the variance in unrestricted net income.
- Restricted net income is slightly better than budgeted at this point due to higher net income in Instrumentalities. HSM is doing slightly worse than budget due to higher maintenance and non-operating expenses, which will smooth out during the year as additional revenue is earned and reserve draws are completed.

Fresno Housing Authority  
Financial Results as of August 31, 2017

|  | Core          |            |             | Inst.         |            |             | P&CD          |            |             | AHD           |            |             | HSM           |            |             | UP            |            |             | Fresno Housing Authority |            |             | YTD \$<br>Variance | YTD %<br>Variance | % of<br>Budget<br>Remaining |
|--|---------------|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|--------------------------|------------|-------------|--------------------|-------------------|-----------------------------|
|  | Annual Budget | YTD Budget | YTD Actuals | Annual Budget | YTD Budget | YTD Actuals | Annual Budget | YTD Budget | YTD Actuals | Annual Budget | YTD Budget | YTD Actuals | Annual Budget | YTD Budget | YTD Actuals | Annual Budget | YTD Budget | YTD Actuals | Annual Budget            | YTD Budget | YTD Actuals |                    |                   |                             |
| OPERATING BUDGET                       |               |            |             |               |            |             |               |            |             |               |            |             |               |            |             |               |            |             |                          |            |             |                    |                   |                             |
| INCOME                                 |               |            |             |               |            |             |               |            |             |               |            |             |               |            |             |               |            |             |                          |            |             |                    |                   |                             |
| NET TENANT INCOME                      | -             | -          | -           | -             | -          | -           | -             | -          | -           | -             | -          | -           | 5,537,820     | 3,691,880  | 4,008,011   | 2,031,872     | 1,354,581  | 1,169,891   | 7,569,692                | 5,046,461  | 5,177,902   | 131,440            | 3%                | 68%                         |
| INTEREST INCOME                        | -             | -          | 3,878       | 850,800       | 567,200    | 526,414     | -             | -          | -           | (141)         | 94         | -           | 77,017        | 51,345     | 42,458      | -             | -          | 3           | 927,676                  | 618,639    | 572,752     | (45,887)           | -7%               | 62%                         |
| OTHER INCOME                           | 940,298       | 626,865    | 162,661     | 430,400       | 286,933    | 763,264     | 25,752        | 17,168     | 70,055      | 919,954       | 613,303    | 746,381     | 133,866       | 89,244     | 187,642     | 27,555        | 18,370     | 26,195      | 2,477,825                | 1,651,883  | 1,956,198   | 304,315            | 18%               | 79%                         |
| ADMIN & MANAGEMENT FEE INCOME          | 8,225,798     | 5,483,865  | 4,685,107   | 150,000       | 100,000    | 55,172      | -             | -          | -           | 10,961        | 7,307      | -           | 78            | 52         | 780         | -             | -          | -           | 8,386,837                | 5,591,225  | 4,741,059   | (850,166)          | -15%              | 57%                         |
| DEVELOPER FEE INCOME                   | -             | -          | -           | -             | -          | -           | 5,185,792     | 3,892,103  | 3,478,218   | -             | -          | -           | -             | -          | -           | -             | -          | -           | 5,185,792                | 3,892,103  | 3,478,218   | (413,885)          | -11%              | 67%                         |
| HUD GRANT INCOME                       | -             | -          | -           | -             | -          | -           | -             | -          | -           | 9,132,822     | 6,088,548  | 6,819,559   | 4,969,291     | 3,312,861  | 3,271,677   | -             | -          | -           | 14,102,113               | 9,401,409  | 10,091,236  | 689,827            | 7%                | 72%                         |
| OTHER GRANT INCOME                     | -             | -          | -           | -             | -          | -           | -             | -          | -           | 2,185,668     | 1,456,924  | 693,508     | 827,645       | 551,763    | 373,662     | 30,420        | 20,280     | 10,745      | 3,043,733                | 2,028,967  | 1,077,915   | (951,053)          | -47%              | 35%                         |
| TOTAL INCOME                           | 9,166,096     | 6,110,731  | 4,851,645   | 1,431,200     | 954,133    | 1,344,850   | 5,211,544     | 3,909,271  | 3,548,273   | 12,249,264    | 8,166,176  | 8,259,448   | 11,545,717    | 7,697,145  | 7,884,229   | 2,089,847     | 1,393,231  | 1,206,833   | 41,693,668               | 28,230,687 | 27,095,279  | (1,135,408)        | -4%               | 65%                         |
| EXPENSES                               |               |            |             |               |            |             |               |            |             |               |            |             |               |            |             |               |            |             |                          |            |             |                    |                   |                             |
| PAYROLL EXPENSES                       | 5,941,548     | 3,961,032  | 3,671,157   | -             | -          | -           | 1,194,986     | 796,657    | 842,337     | 6,668,740     | 4,445,826  | 3,874,627   | 2,847,970     | 1,898,647  | 1,831,574   | 273,951       | 182,634    | 180,927     | 16,927,195               | 11,284,797 | 10,400,622  | (884,174)          | -8%               | 61%                         |
| ADMINISTRATIVE EXPENSES                | 3,414,896     | 2,276,597  | 1,582,822   | 609,800       | 406,533    | 808,732     | 1,804,394     | 787,685    | 195,143     | 5,408,146     | 3,605,431  | 3,092,507   | 2,387,791     | 1,591,861  | 1,721,766   | 156,774       | 104,516    | 120,819     | 13,781,801               | 8,772,624  | 7,521,788   | (1,250,836)        | -14%              | 55%                         |
| TENANT SERVICES EXPENSES               | 53,000        | 35,333     | 19          | -             | -          | -           | -             | -          | -           | 1,697,019     | 879,854    | 339,955     | 16,880        | 11,253     | 29,189      | 4,835         | 3,224      | -           | 1,771,734                | 929,665    | 369,164     | (560,501)          | -60%              | 21%                         |
| UTILITY EXPENSES                       | 176,850       | 117,900    | 94,583      | -             | -          | -           | -             | -          | -           | 62,000        | 41,333     | 128,934     | 1,870,791     | 1,247,194  | 1,186,409   | 196,355       | 130,903    | 131,654     | 2,305,996                | 1,537,331  | 1,541,580   | 4,249              | 0%                | 67%                         |
| MAINTENANCE EXPENSES                   | 532,456       | 354,971    | 264,473     | 35,000        | 23,333     | 9,916       | 6,690         | 4,460      | 2,893       | 46,783        | 31,189     | 30,541      | 1,495,430     | 996,953    | 1,225,338   | 544,350       | 362,900    | 224,077     | 2,660,709                | 1,773,806  | 1,757,237   | (16,569)           | -1%               | 66%                         |
| TAXES & INSURANCE EXPENSES             | 29,890        | 19,927     | 14,601      | 18,300        | 12,200     | 4,288       | 2,583         | 1,722      | 10,481      | 3,493         | 2,329      | 3,792       | 353,356       | 235,571    | 269,179     | 27,554        | 18,369     | 7,516       | 435,176                  | 290,117    | 309,856     | 19,739             | 7%                | 71%                         |
| TOTAL EXPENSES                         | 10,148,640    | 6,765,760  | 5,627,655   | 663,100       | 442,067    | 822,935     | 3,008,653     | 1,590,524  | 1,050,854   | 13,886,181    | 9,005,963  | 7,470,357   | 8,972,218     | 5,981,479  | 6,263,455   | 1,203,819     | 802,546    | 664,992     | 37,882,611               | 24,588,339 | 21,900,248  | (2,688,091)        | -11%              | 58%                         |
| NET OPERATING INCOME                   | (982,544)     | (655,030)  | (776,010)   | 768,100       | 512,067    | 521,915     | 2,202,891     | 2,318,747  | 2,497,420   | (1,636,917)   | (839,787)  | 789,091     | 2,573,499     | 1,715,666  | 1,620,774   | 886,028       | 590,685    | 541,841     | 3,811,057                | 3,642,348  | 5,195,031   | 1,552,683          | 43%               | 136%                        |
| NON-OPERATING EXPENSES                 |               |            |             |               |            |             |               |            |             |               |            |             |               |            |             |               |            |             |                          |            |             |                    |                   |                             |
| TOTAL NON-OPERATING EXPENSES           | -             | -          | -           | -             | -          | -           | -             | -          | 46          | 222,737       | 148,491    | 81,980      | 713,913       | 475,942    | 642,965     | 43,700        | 29,133     | 6,561       | 980,350                  | 653,567    | 731,552     | 77,985             | 12%               | 75%                         |
| TOTAL FINANCING EXPENSES               | 175,000       | 140,000    | 140,000     | -             | -          | 250         | -             | -          | -           | -             | -          | -           | 255,936       | 170,624    | 386,893     | 329,784       | 219,856    | 101,036     | 760,720                  | 530,480    | 628,180     | 97,700             | 18%               | 83%                         |
| TOTAL ADJUSTMENTS & OPERATING TRANSFER | 20,000        | 13,333     | -           | -             | -          | -           | -             | -          | 2,340       | -             | -          | -           | -             | -          | -           | -             | -          | -           | 20,000                   | 13,333     | 2,340       | (10,993)           | 0%                | 12%                         |
| TOTAL NON-OPERATING EXPENSES           | 195,000       | 153,333    | 140,000     | -             | -          | 250         | -             | -          | 2,386       | 222,737       | 148,491    | 81,980      | 969,849       | 646,566    | 1,029,858   | 373,484       | 248,989    | 107,597     | 1,761,070                | 1,197,380  | 1,362,071   | 164,691            | 14%               | 77%                         |
| NET CASH FLOW                          | (1,177,544)   | (808,363)  | (916,010)   | 768,100       | 512,067    | 521,665     | 2,202,891     | 2,318,747  | 2,495,033   | (1,859,654)   | (988,278)  | 707,111     | 1,603,650     | 1,069,100  | 590,917     | 512,544       | 341,696    | 434,244     | 2,049,987                | 2,444,969  | 3,832,960   | 1,387,992          | 57%               | 187%                        |
| UNRESTRICTED CASH FLOW                 | (1,177,544)   | (808,363)  | (916,010)   |               |            |             | 2,202,891     | 2,318,747  | 2,495,033   | (1,859,654)   | (988,278)  | -           |               |            |             | 512,544       | 341,696    | 434,244     | (321,763)                | 863,802    | 2,013,267   | 1,149,466          | -133%             | -626%                       |