



# RRHA

Richmond Redevelopment and Housing Authority

## Approved Budget for Fiscal Year Ending September 30, 2017

*Presenter: Stacey Daniels-Fayson, Controller*

For:

- Low Income Public Housing
- Housing Choice Voucher Programs
- Capital Funds Grants
- Real Estate and Community Development
- Central Office

**September 21, 2016**

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# FY2017 Budget – Summary

## □ Budget Changes

### ➤ Agency-Wide Budget

- 9/20/2016 – Net Income changed from \$.8 million to \$1.2 million
  1. Change due to vacant positions on hold in Central Maintenance
- 9/14/2016 – Net Income changed from \$1.8 million to \$.8 million
  1. Utility costs increased (\$.8 million)
  2. Fee-For-Service Costs Increased (\$.2 million)
  3. Decrease in Pest Control Costs (\$.2 million)

### ➤ LIPH Budget

- 9/20/2016 – Net Income changed from \$.7 million to \$.8 million
  1. Decrease in Fee-For-Service Costs (\$.1 million)
- 9/14/2016 - Net Income changed from \$1.5 million to \$.7 million
  1. Utility costs increased (\$.8 million)
  2. Fee-For-Service Costs Increased (\$.2 million)
  3. Decrease in Pest Control Costs (\$.2 million)
  4. Maintained reserves as the level of reserves has an impact on the FASS scores



# FY2017 Budget – Summary

## ❑ Budget Changes (continued)

### ➤ HCVP Budget

- 9/20/2016 – Net Income remained the same - \$0
  1. Use of HAP reserves increased by \$.6 million, HAP funding decreased by \$.1 million
  2. HAP expenses increased by \$.4 million
- 9/14/2016 - Net Income remained the same - \$0
  1. Based on meeting regarding voucher issuance, potential change in HAP costs and Administration fees

### ➤ CFG Budget

- 9/20/2016 – Net Income remained the same - \$0
  1. Grant Revenue and Capital Expenditures decreased by \$34,000.
- 9/14/2016 - Net Income remained the same - \$0
  1. Will need to adjust assumption for purchase of vehicles (from 4 to 2)

### ➤ RECD Budget

- 9/20/2016 – Net Income remained the same - \$0
- 9/14/2016 - Net Income remained the same - \$0



# FY2017 Budget – Summary

## ❑ Budget Changes (continued)

### ➤ COCC Budget

- 9/20/2016 – Net Income changed from \$134,618 to \$402,435
  1. Fee-For-Service revenue decreased (\$.1 million).
  2. Change due to vacant positions on hold in Central Maintenance (\$.4 million).
  3. Equipment recommendation for Central Maintenance – maintain vehicles and repair.
- 9/14/2016 - Net Income changed from less than \$40,567 to \$134,618.
  1. Fee-For-Service revenues increased (\$.2 million).
  2. Changes in recommended reductions.
  3. Need to finalize Personnel recommendations.
  4. Need to finalize equipment recommendations for Central Maintenance.



# Key Budget Themes



# FY2017 Budget – Themes

## ☐ Personnel

- Incorporated results of the salary comparison study
- Incorporated impact of new overtime regulations
- Assessment of vacant positions
- Merit Increase not reflected

## ☐ Balanced Budgets for all Programs

## ☐ Challenged departments to streamline processes and tighten costs

## ☐ Incorporated reserve goals for each program

## ☐ Address the LIPH receivable issue

## ☐ Activities aligned with Strategic Plan

## ☐ Compliance with regulatory guidance and follow through on HUD Technical Assistance recommendations



# Key Budget Challenges





# FY2017 Budget – Challenges



# Key Budget Assumptions



# FY2017 Budget – Assumptions

## ❑ Budgets Overall

- Break-even budgets by program
- Departure from GAAP: Include capital expenditures but does not include depreciation expense or amortization expense

## ❑ General Costs

- Inflation factor for costs– 1% increase based on HUD's Fiscal Year 2015 Renewal
- Contract costs (i.e. grounds) are to be based on contract in place with current vendors unless increase is known or projected
- Continue to investigate how to streamline/automate processes

## ❑ Salaries

- No planned merit increases
- Assessment of vacant positions
- Reduced standby overtime
- Aligned with Strategic Goal: 5.2.1 Stabilize Human Resources operations



# FY2017 Budget – Assumptions

## □ IT

- IT desktop refresh equipment lease included for 173 users
- Assessing outsourcing alternatives – Year 1 costs would remain the same
- Implementation of website –Aligned with Strategic Goal: 4.7.1 Review and implement improvements to current customer contact systems.

## □ Benefits

- Average Benefits calculated at 41%
- No expected increase in benefits
- Reduction in workmen's compensation
  - July 2015-16 annual premium was \$164,894
  - July 2016-17 annual premium is \$144,248
- Reduction in retiree health care costs – 50%



# FY2017 Budget – Assumptions

## ❑ Insurance

- Expected increase in insurance costs:
  - Property & Casualty – 3%
  - Auto Insurance – 10%
    - Currently maintain 100 vehicles
  - Other (Crime / D&O) – 5% and 0% respectively
- Dividend Payment expected to be \$88,000

## ❑ Utility Costs

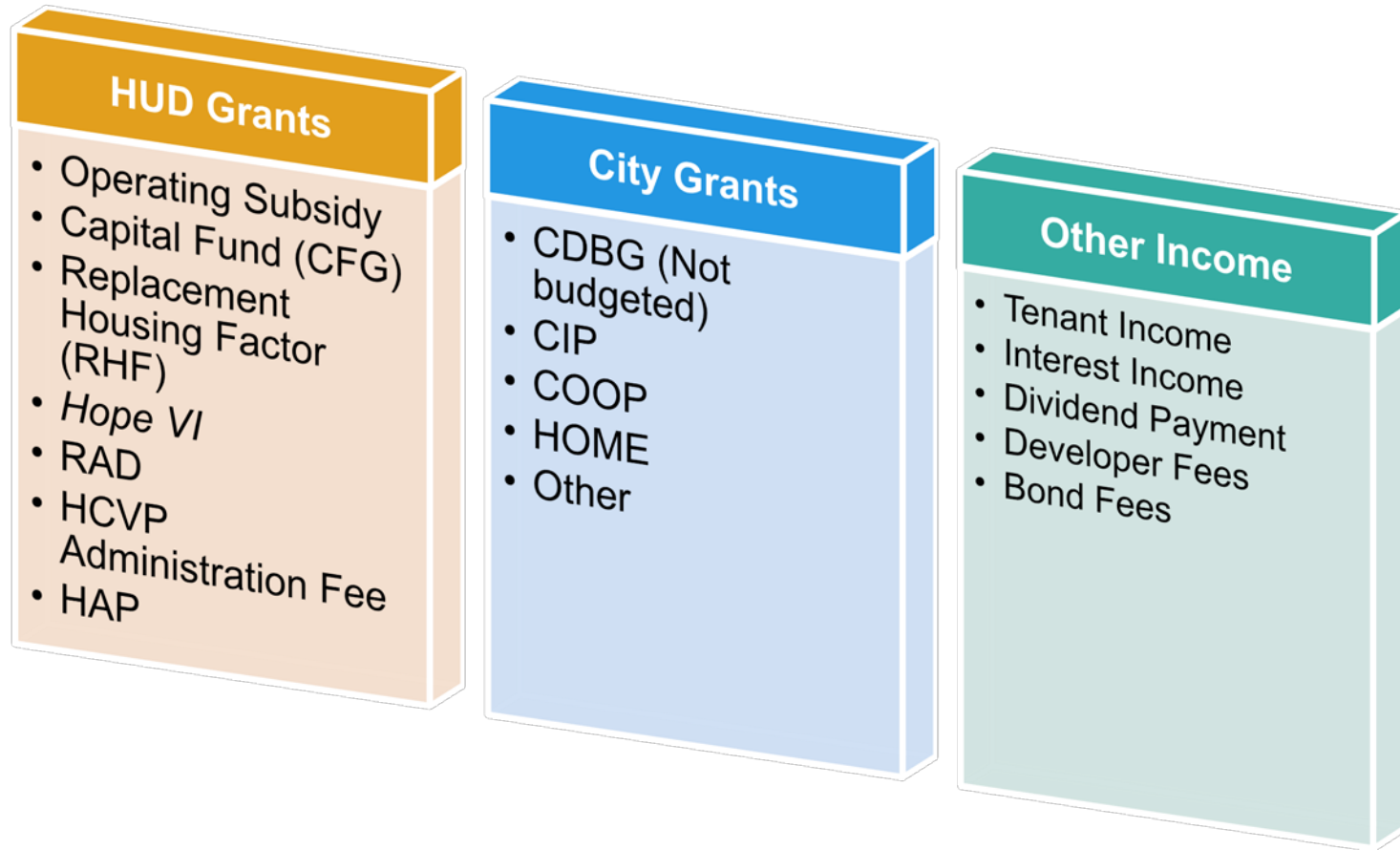
- Gas – Increase of 3%
- Water - Increase of 6%
- Wastewater – Increase of 4%
- Electric - No increase
- Storm water – No increase



# Agency-Wide Revenues and Expenses



# RRHA Funding Sources



# FY 2017 Revenue Sources by Program

Low-Income Public Housing	Housing Choice Voucher Program	Real Estate & Community Development	Central Office and Central Maintenance
<ul style="list-style-type: none"><li>• Rental/Fee Income</li><li>• FSS – Resident Services</li><li>• HUD Annual Operating Subsidy</li><li>• HUD Capital Grant Fund</li></ul>	<ul style="list-style-type: none"><li>• HUD Administration Fees</li><li>• Fees Paid per Number of Vouchers</li><li>• HUD Housing Assistance Payment (HAP)</li><li>• HUD Grant – FSS Income</li></ul>	<ul style="list-style-type: none"><li>• HUD via City of Richmond</li><li>• <i>Community Development Block Grant</i></li><li>• City of Richmond</li><li>• <i>Cooperative Agreements (COOP)</i></li><li>• Capital Improvement Projects (CIP)</li><li>• <i>HOPE VI</i></li></ul>	<ul style="list-style-type: none"><li>• Bookkeeping Fees</li><li>• Management Fees</li><li>• Asset Management Fees</li><li>• Capital Admin Fees</li><li>• <i>IT Fees</i></li><li>• Proration of Costs</li><li>• All revenues for the COCC are derived from other departments</li></ul>



# FY2017 Agency-Wide Budget

	2015 Actuals	2016 Annual Budget	2017 Approved Budget	2017 Approved Budget Vs. 2016 Annual Budget	Comments	2018 Projected Budget	2019 Projected Budget
<b>Revenue/Reserves</b>							
HUD	\$ 45,211,064	\$ 47,781,828	\$ 49,824,678	\$ 2,042,850	1	\$ 51,735,686	\$ 51,735,686
Tenant Charges	10,617,498	10,706,434	11,476,184	769,750	2	11,476,184	11,476,184
City of Richmond	915,997	1,246,588	1,166,250	(80,338)		416,250	416,250
Other Income - RRHA	2,374,904	2,353,520	1,214,286	(1,139,234)	3	1,214,286	1,211,199
Other Income - Component Unit	13,392	41,818	-	(41,818)	4	-	-
Interest Income	89,842	21,344	6,096	(15,248)		5,000	5,000
Use of HAP Reserves - RRHA	1,465,502	1,976,033	1,756,205	(219,828)	5	39,577	39,577
Use of Reserves - Component Unit	-	53,898	-	(53,898)	4		
<b>Total Agency Wide Revenues</b>	<b>\$ 60,688,200</b>	<b>\$ 64,181,463</b>	<b>\$ 65,443,699</b>	<b>\$ 1,262,236</b>		<b>\$ 64,886,983</b>	<b>\$ 64,883,897</b>
<b>Expenses:</b>							
Administration	\$ 10,428,285	\$ 10,487,404	\$ 11,272,933	\$ (785,528)	6	\$ 10,792,155	\$ 10,792,155
Other Administrative - RRHA	1,879,788	1,543,614	1,675,722	(132,107)		1,065,722	1,065,722
Other Administrative - Component Unit	18,557	51,792	-	51,792	4	-	-
Tenant Services	506,570	683,023	418,643	264,380	7	385,926	412,137
Utilities Expenses	10,711,052	11,158,554	11,361,405	(202,851)	8	11,561,405	11,674,618
Maintenance Costs	8,219,462	8,169,995	8,605,069	(435,073)	9	8,431,598	8,374,524
Protective Services	546,168	57,319	-	57,319	4	-	-
General - RRHA	2,752,433	3,130,778	2,249,915	880,864	10	2,249,915	2,067,472
General - Component Unit	1,015	43,924	-	43,924	4	-	-
Housing Assistance	21,752,108	24,186,834	25,032,256	(845,422)	11	25,003,219	25,003,219
Interest -RRHA	38,663	26,750	19,668	7,082		-	-
Capital Expenses	2,238,313	2,914,870	3,617,526	(702,656)	12	3,617,526	3,617,526
<b>Total Agency Wide Operating Expenses</b>	<b>\$ 59,092,412</b>	<b>\$ 62,454,858</b>	<b>\$ 64,253,136</b>	<b>\$ (1,798,277)</b>		<b>\$ 63,107,465</b>	<b>\$ 63,007,373</b>
<b>Total Agency Wide Net Operating Income / (Loss)</b>	<b>\$ 1,595,788</b>	<b>\$ 1,726,605</b>	<b>\$ 1,190,563</b>	<b>\$ (536,042)</b>		<b>\$ 1,779,518</b>	<b>\$ 1,876,523</b>
<b>Add Vehicle Purchase and Non-Cash Items:</b>							
Purchase of Vehicles for HCVP	-	-	(8,057)	(8,057)			
Depreciation Expense	(4,113,133)	-	-	-			
Amortization Expense	(479,806)	-	-	-			
Cost of Property Sold	(2,348,445)	-	-	-			
Establishment of Allowance for Landheld	(2,099,850)	-	-	-			
Balance Sheet Reconciliations - Write-Offs	(826,913)	-	-	-			
<b>Total Adjusted Agency Wide Net Operating Income</b>	<b>\$ (8,272,360)</b>	<b>\$ 1,726,605</b>	<b>\$ 1,182,506</b>	<b>\$ (344,099)</b>		<b>\$ 1,779,518</b>	<b>\$ 1,682,823</b>

# FY2017 Agency-Wide Budget Explanations

1. Increase in capital spending (\$1 million) and HCVP funding (\$1 million).
2. Increase due to an increase in average rents.
3. Decrease in pass-through income of \$1.1 million. No activity from the City for 2017.
4. ROI is not considered a component unit.
5. Change due to utilization. Projected decrease from 92% to 90.5%.
6. Increase in professional services related to the CNI project (\$.4 million) and an increase in legal fees (\$.3 million) to address potential issues.
7. Decrease due to reduction in additional payments to the City of Richmond Police Department.



# FY2017 Agency-Wide Budget Explanations

8. Increase due to utility rate increases. See page 13.
9. Filling vacant positions and impact of salary comparison.
10. In prior year, RRHA drew additional operating transfers from the Capital Grant to reimburse HUD for unallowable security costs totaling \$.8 million. This is not projected for fiscal 2017. This decrease is offset by an increase in PILOT payments totaling \$.3 million.
11. Increase in utilization.
12. Increase in approved capital spending projects related to the work for the two senior cottages.

# 2017 LIPH BUDGET



# FY2017 LIPH Budget Challenges

- ❑ HUD regulations
  - Funding for housing operations is at 84% of projected need
- ❑ Occupancy
  - Average budgeted 98% ; HUD states 98%
  - Greenwalk and Eighth AMP at 50% occupancy
- ❑ Maintenance of Facilities
  - Aging infrastructure and increase facilities costs
  - Pest Control costs savings not realized due to the capacity of the internal team
- ❑ Staff vacancies
  - Filling maintenance positions
- ❑ Profitability of AMPs
  - Fay, Stonewall and Mosby are not profitable
- ❑ Impact of borrowed funds
  - Ability of sites to provide cash resources to another site.
- ❑ Impact of RAD projects

# FY2017 LIPH Budget Opportunities

## ☐ Cost Reductions/Efficiencies

### ➤ Staffing

- Staff alignment is in line with Housing Industry standards
- 65 units per maintenance staff
- 4 administrative personnel per office

### ➤ Maintenance of Facilities

- Implementation of 70/30 rule – 70% of maintenance work to be completed by internal staff.
- Reduced call center standby and overtime costs
  1. Standby costs without rate incentive

### ➤ Pest Control Costs

- **New** – Reduction in costs as internal extermination team will address general pest control effective October 1, 2016.



# FY2017 LIPH Budget Opportunities Cont'd

## ❑ Cost Reductions/Efficiencies cont'd

- Reduced Security Costs
- Reduced Training and Travel
  - Use of Management Improvement funding to address deficiencies

## ❑ Other

- Cash flows
  - Remove facility costs associated with the admin buildings from the budget
  - Budget more than breaks-even. Generates net income of \$.8 million.

# FY2017 LIPH Budget Assumptions

## □ Revenue

- Occupancy Rate - Average 98%
- Operating Subsidy Proration – 84%
- Operating Transfer - \$1.6 million
- **Conservative estimates for excess utility revenues**
- Impact of RAD - Reduced operating subsidy and tenant revenues from FAY AMP

## □ Expenses

- Bad Debt Expense – 3% of revenue billed
- **New** - Pilot (Payment In Lieu of Taxes) – Impact of \$332,000
  - Compliance with RRHA's charter
- **New** - Realignment of administrative building costs to appropriate program
  - Compliance with HUD regulations





# FY2017 LIPH Budget

	2015 Actuals	2016 Budget	2016 Budget Projections	2017 Approved Budget	2017 Approved Budget vs. 2016 Budget Projections	Comments
<b>Revenue:</b>						
<b>Rental Income</b>						
Rental Income	\$ 9,004,709	\$ 9,494,466	\$ 9,642,867	\$ 10,233,166	\$ 590,299	1
Other Tenant Income	1,612,789	1,211,968	1,211,968	1,243,019	31,051	
<b>Net Tenant Income</b>	\$ 10,617,498	\$ 10,706,434	\$ 10,854,835	\$ 11,476,184	\$ 621,350	
<b>Grant Income</b>	18,176,119	17,958,842	18,868,514	17,691,815	(1,176,699)	2
<b>Other Income</b>	1,235,263	1,376,705	2,115,144	1,699,747	(415,397)	3
<b>Total LIPH Revenues</b>	<b>\$ 30,028,880</b>	<b>\$ 30,041,981</b>	<b>\$ 31,838,493</b>	<b>\$ 30,867,746</b>	<b>\$ (970,746)</b>	
<b>Expenses:</b>						
<b>Administrative &amp; General Expenses</b>						
Salaries & Benefits	\$ 1,746,426	\$ 2,289,255	\$ 2,245,311	\$ 2,511,587	\$ (266,276)	4
Insurance Costs	1,120,674	962,039	854,828	893,990	(39,162)	5
Other Admin & General Expenses	2,183,052	1,690,649	2,648,651	2,414,270	234,381	6
<b>Total Administrative Expenses</b>	<b>\$ 5,050,152</b>	<b>\$ 4,941,943</b>	<b>\$ 5,748,790</b>	<b>\$ 5,819,847</b>	<b>\$ (71,057)</b>	
<b>Tenant/Resident Services</b>	891,808	714,453	734,052	668,222	65,830	
<b>Protective Services</b>	241,962	57,319	115,725	-	115,725	7
<b>Call Center Allocations</b>	645,735	525,092	554,911	333,111	221,800	8
<b>Utilities</b>						
Total Utilities Expense	10,676,264	11,127,789	10,498,161	11,270,700	(772,539)	9
<b>Maintenance Costs</b>						
Salaries & Benefits	\$ 2,969,186	\$ 3,490,179	\$ 3,515,144	\$ 3,956,204	\$ (441,060)	4
Materials	930,379	1,029,432	903,483	1,089,139	(185,656)	10
Contracts	2,388,034	1,747,289	2,092,358	1,942,023	150,335	11
Uniforms / Other	17,313	19,489	5,500	21,563	(16,063)	
Fee for Service	1,255,520	1,604,293	1,371,887	1,868,041	(496,154)	12
<b>Total Maintenance Costs</b>	<b>7,560,433</b>	<b>7,890,682</b>	<b>7,888,372</b>	<b>8,876,970</b>	<b>(988,598)</b>	
<b>Management Fees</b>	3,349,186	3,461,115	3,351,733	3,226,824	124,909	13
<b>Total LIPH Operating Expenses</b>	<b>\$ 28,415,540</b>	<b>\$ 28,718,393</b>	<b>\$ 28,891,743</b>	<b>\$ 30,195,674</b>	<b>\$ (1,303,931)</b>	
<b>Total LIPH Net Operating Income</b>	<b>\$ 1,613,340</b>	<b>\$ 1,323,588</b>	<b>\$ 2,946,749</b>	<b>\$ 672,072</b>	<b>\$ (2,274,677)</b>	
<b>Add Back Non-Cash Items:</b>						
Depreciation	\$ (3,650,469)	\$ -	-	\$ -	\$ -	
Payment from COCC	-	-	-	108,000	108,000	
Land Lease Income	12,929	-	-	-	-	
<b>Net Operating Income</b>	<b>\$ (2,024,200)</b>	<b>\$ 1,323,588</b>	<b>\$ 2,946,749</b>	<b>\$ 780,072</b>	<b>\$ (2,166,677)</b>	

# FY2017 LIPH Budget Explanations

1. Increase in anticipated occupancy. Average occupancy for 2016 was 96% vs. 2017 budget of 98%. Also, added the revenue for the senior cottages.
2. Budget proration is 84% vs. prior year's projection of 89%.
3. In prior year, RRHA drew additional operating transfers from the Capital Grant to reimburse HUD for unallowable security costs totaling \$.8 million.
4. Increase in salaries due to filling positions and the result of the impact of the salary comparison study.
5. Increase in insurance costs. See page 13.
6. In prior year, RRHA drew additional operating transfers from the Capital Grant to reimburse HUD for unallowable security costs totaling \$.8 million. This is not projected for fiscal 2017. This decrease is offset by an increase in PILOT payments totaling \$.3 million.



# FY2017 LIPH Budget Explanations

7. The security costs for Fay Towers have been eliminated.
8. Reduction in standby overtime.
9. Projected rate increase over prior year, see page 13. Budget assumes a normal winter. Fiscal 2016 was warmer than normal which impacted gas costs.
10. In prior year, HVAC costs were lower than anticipated.
11. In prior year, RRHA performed a 100% inspection for bed bugs that is not occurring in fiscal 2017. In addition, the internal extermination crew will begin to perform general pest control services effective Oct. 1, 2016.
12. Increase due to Central Maintenance's increased capacity to provide additional services related to bed bug extermination and general pest control.
13. In prior year, RRHA adjusted the management fee rate and was able to recognize additional income.

# FY2017 LIPH Projected Cashflows

## Projected Cash Balance at 9/30/2016

	<u>Unrestricted Cash</u>	<u>Restricted Cash</u>	<u>Total</u>
Cash Balance at 7/2016	\$ 3,011,454	\$ 1,063,516	\$ 4,074,970
Projected Net Income (August 2016 to Sept. 2016)	\$ 1,099,696	\$ 52	\$ 1,099,748
<b>Projected Cash Balance at 9/2016</b>	<b>\$ 4,111,150</b>	<b>\$ 1,063,568</b>	<b>\$ 5,174,718</b>

## Projected Cash Balance at 9/30/2017

	<u>Unrestricted Cash</u>	<u>Restricted Cash</u>	<u>Total</u>
<b>Projected Cash Balance at 10/1/2016</b>	<b>\$ 4,111,150</b>	<b>\$ 1,063,568</b>	<b>\$ 5,174,718</b>

### Sources:

Projected Revenues	30,864,343	316	30,864,660
Repayment on A/R due from COCC	108,000	-	108,000
<b>Total Sources</b>	<b>\$ 30,972,343</b>	<b>\$ 316</b>	<b>\$ 30,972,660</b>

### Uses:

Projected Operating Expenses	\$ (30,192,588)	\$ -	\$ (30,192,588)
<b>Net Use</b>	<b>\$ 779,755</b>	<b>\$ 316</b>	<b>\$ 780,072</b>
<b>Projected Cash Balance at 9/30/2017</b>	<b>\$ 4,890,905</b>	<b>\$ 1,063,885</b>	<b>\$ 5,954,790</b>



# 2017 Capital Grant Budget

# FY2017 Capital Grant Budget Challenges

## ❑ HUD regulations

- 2016 Grant Award - \$6.2 million
- Future Grant Awards – same level?

## ❑ Aged Facilities

- Emergency Work (i.e. Sewer and Drain Lines)
- A PNA (physical needs assessment) study completed in 2011 indicates that it will cost \$211 million to address the twenty year need of replacing RRHA facilities.
- How do we strategically manage the capital fund dollars to improve our facilities?

# FY2017 Capital Grant Budget Assumptions

- ❑ **Capital Administrative Fee** – 10% of 2016 grant
  - (split between RECD and COCC)
- ❑ **Operating Transfer** – 25% of 2016 grant
- ❑ **Management Improvements** – 16% of 2016 grant
  - Used for Agency wide Training in various areas where deficiencies were noted.
- ❑ **Capital Spending Prioritized**
  - Senior Cottages – Aligned with Strategic Goal: 2.1.1  
Close the HOPE VI project
  - Boiler Repairs
  - Water and Sewer Drain Lines
  - Exterior Lighting



# FY2017 CFG Budget

	2015 Actuals	2016 Annual Budget	2016 Budget Projections	2017 Approved Budget	2017 Approved Budget Vs. 2016 Budget Projections	Comments
<b>Revenue:</b>						
Grant Income - Soft Costs	\$ 2,605,449	\$ 2,982,188	\$ 3,293,249	\$ 3,164,211	\$ (129,038)	1
Grant Income - Hard Costs	1,582,358	2,274,870	3,705,619	3,617,526	(88,093)	2
ROSS Grant	60,479	42,525	80,760	69,000	(11,760)	
Other Income	-	-	-	-	-	
<b>Total Capital Fund Revenues</b>	<b>\$ 4,248,286</b>	<b>\$ 5,299,583</b>	<b>\$ 7,079,628</b>	<b>\$ 6,850,737</b>	<b>\$ (228,891)</b>	
<b>Expenses:</b>						
<b>Administrative &amp; General Expenses</b>						
Administrative Salaries	\$ 8,541	\$ -		\$ -	\$ -	
Other Administrative Expense	134,818	598,010	264,010	816,186	(552,176)	1
Misc. Administrative Expense	98,556	35,000		25,000	(25,000)	1
<b>Total Administrative Expenses</b>	<b>\$ 241,915</b>	<b>\$ 633,010</b>	<b>\$ 264,010</b>	<b>\$ 841,186</b>	<b>\$ (577,176)</b>	
Tenant Services	51,937	187,525	105,760	69,000	36,760	
<b>Maintenance Costs</b>						
Materials	\$ 8,863	\$ -		\$ -	\$ -	
Contracts	286,834	-	42,460	-	42,460	1
<b>Total Maintenance Costs</b>	<b>\$ 295,697</b>	<b>\$ -</b>	<b>\$ 42,460</b>	<b>\$ -</b>	<b>\$ 42,460</b>	
Protective Services	244,443	-		-	-	1
Miscellaneous Expense	-	-	1,600	-	1,600	
General Expenses	80,201	-		-	-	
CFG Asset Management Fees	944,037	932,090	932,090	680,832	251,258	1
Operating Transfer	934,885	1,272,089	2,028,089	1,642,193	385,896	1
Capital Expenditures	1,582,358	2,274,870	3,705,619	3,617,526	88,093	2
<b>Total Capital Fund Operating Expenses</b>	<b>\$ 4,375,473</b>	<b>\$ 5,299,583</b>	<b>\$ 7,079,628</b>	<b>\$ 6,850,737</b>	<b>\$ 228,891</b>	
<b>Operating Income</b>	<b>\$ (127,187)</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Operating Revenues/Expenses:</b>					\$ -	
Miscellaneous Income			\$ 133,872	\$ -	\$ (133,872)	
<b>Net Operating Income / (Loss)</b>	<b>\$ (127,187)</b>	<b>\$ -</b>	<b>\$ 133,872</b>	<b>\$ -</b>	<b>\$ (133,872)</b>	



# FY2017 Capital Grant Explanations

1. In prior year, additional operating transfers were drawn to reimburse HUD for unallowable security costs in the amount of \$.7 million. This is offset by an increase in agency wide training costs.
2. Change in priority of projects.

# FY2017 CFG Capital Projects Spending

Site	Project	Cost
<b>Gilpin</b>		
	Exterior Lighting	\$ 25,000
	Stairwell Repairs	\$ 150,000
	Boilers	\$ 42,564
	Drain Lines	\$ 101,050
	<b>Total Gilpin</b>	<b>\$ 318,614</b>
<b>Fairfield</b>		
	Boilers	\$ 182,736
	HVAC Pump	\$ 175,000
	<b>Total Fairfield</b>	<b>\$ 357,736</b>
<b>Creighton</b>		
	Plumbing and Wastewater Line Improvements	\$ 25,000
	Exterior Lighting	\$ 150,000
	<b>Total Creighton</b>	<b>\$ 175,000</b>
<b>Hillside</b>		
	Exterior Lighting	\$ 25,000
	Boiler Repair	\$ 221,744
	Shower Improvements	\$ 50,000
	Cabinets	\$ 76,680
	<b>Total Hillside</b>	<b>\$ 373,424</b>



# FY2017 CFG Capital Projects Spending

Site	Project		Cost
<b>Mosby</b>			
	Exterior Lighting		\$ 75,000
	<b>Total Mosby</b>		<b>\$ 75,000</b>
<b>Whitcomb</b>			
	Exterior Lighting		\$ 131,803
	Site Improvements		\$ 50,000
	Kitchen and Baths		\$ 100,000
	Randolph Interior Improvements		\$ 180,000
	<b>Total Whitcomb</b>		<b>\$ 461,803</b>
<b>FAY</b>			
	<b>(Fourth Ave. and Fulton)</b>		
	Various Improvements		\$ 350,000
	Senior Cottages		\$ 700,000
	RAD		\$ 771,949
	<b>Total FAY</b>		<b>\$ 1,821,949</b>
	<b>Total</b>		<b>\$ 3,583,526</b>



# 2017 HCVP Budget



# FY2017 HCVP Budget Challenges

## ❑ HUD Regulations

- Administrative needs funded at 84%
- HAP (Housing Assistance Payments) funded at 99.6%

## ❑ Waitlist

- Are tenants leasing up timely? Impacts administrative fee calculations.
- Utilization of HAP reserves – Budget reflects use \$1.8 million in reserves

## ❑ Management of Resources

- Administrative Fees and FSS coordinator funds- \$2.2 million
- Administrative Expenses - \$2.2 million
- Optimal delivery of services

# FY2017 HCVP Budget Opportunities

## ❑ Revenue Generation

- Waitlist
  - Increased administrative fees as a result of increased utilization.
  - Use of HUD Held reserves of \$1.8 million
- Assumption of managing 132 tenant protect vouchers.
  - Increases voucher authority from 3,363 to 3,495
  - Increases administrative fees.

## ❑ Expense Reduction/Efficiencies

- Staffing
  - Assessment of positions
- Opportunity to move forward to become paperless.

## ❑ Purchase new equipment for use by inspectors – Galaxy Note 7



# FY2017 HCVP Budget Assumptions

## ☐ Administrative Fee

- Based on 2016 rate structure
- Proration at 84%

## ☐ Fees (Payable to COCC)

- Management Fee - \$12 per unit leased
- Bookkeeping Fee - \$7.50 per unit leased

## ☐ HAP Budget

- HAP Proration – 100%
- Use of HUD held reserves - \$.8 million
- Turnover – 3.1%
- Issuance of 287 vouchers / average utilization – 90.3%

## ☐ New- Realignment of facilities costs for 918 from the LIPH program.

## ☐ Other Items

- Purchase vehicles for use by inspectors – included in COCC budget. Funds for purchase are to come from non-federal funds.



# FY2017 HCVP Budget

HCVP Administration	2015 Actuals	2016 Annual Budget	2016 Budget Projections	2017 Approved Budget	Approved Budget vs. 2016 Budget Projections	Comments
<b>REVENUE</b>						
Administrative Fees / Port-In HAP	\$ 1,631,232	\$ 1,813,326	\$ 1,958,831	\$ 2,229,492	\$ 270,661	1
FSS Grants	72,789	18,225	-	-	-	
Misc. Revenues	18,755	17,746	17,746	-	(17,746)	2
Fraud Recovery	25,592	10,000	16,230	15,000	(1,230)	
<b>Admin. Revenue</b>	<b>\$ 1,748,368</b>	<b>\$ 1,859,297</b>	<b>\$ 1,992,807</b>	<b>\$ 2,244,492</b>	<b>\$ 251,685</b>	
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and Benefits	\$ 933,151	\$ 841,189	\$ 699,736	\$ 811,050	\$ (111,314)	3
Office Expenses	92,551	69,573	69,573	70,749	(1,176)	
Staff Training and Travel	3,402	-	2,728	3,650	(922)	4
Legal, Audit & Prof. Svcs.	126,396	104,752	146,753	83,378	63,375	5
Telecommunications/IT	56,605	55,667	62,848	74,087	(11,239)	6
Insurance	37,320	34,909	31,619	32,454	(836)	
Tenant Selection Allocation	86,981	191,892	169,828	197,944	(28,116)	7
COCC Expenditures	404,580	527,852	716,282	742,583	(26,301)	
Other costs (incl. Port-In HAP Exp.)	2,282	33,463	66,895	228,597	(161,702)	8
<b>Total Admin. Expenses</b>	<b>1,743,268</b>	<b>1,859,297</b>	<b>1,966,262</b>	<b>2,244,492</b>	<b>(278,230)</b>	
<b>Administrative Income/(Loss)</b>	<b>\$ 5,100</b>	<b>\$ -</b>	<b>\$ 26,545</b>	<b>\$ -</b>	<b>\$ (26,545)</b>	
<b>Non-Operating Revenues / Expenses:</b>						
Depreciation Expense	\$ (35,420)	\$ -	\$ (26,545)	\$ -	\$ 26,545	
<b>Total Non-Operating Revenues / Expense</b>	<b>\$ (35,420)</b>	<b>\$ -</b>	<b>\$ (26,545)</b>	<b>\$ -</b>	<b>\$ 26,545</b>	
<b>Administrative Net Income / (Loss)</b>	<b>(30,320)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Housing Assistance</b>						
<b>REVENUE</b>						
HAP Earned	\$ 20,245,467	\$ 22,196,625	\$ 22,411,025	\$ 23,052,634	\$ 641,609	9
Fraud Recovery	25,592	10,000	16,230	15,000	(1,230)	
HAP Reserves	-	1,976,033	1,702,572	1,756,205	53,633	10
<b>Total HAP/UAP Revenue</b>	<b>\$ 20,271,059</b>	<b>\$ 24,182,658</b>	<b>\$ 24,129,827</b>	<b>\$ 24,823,839</b>	<b>\$ 694,012</b>	
<b>HAP/UAP Expenses</b>						
Vouchers-HAP	\$ 21,123,890	\$ 23,529,726	\$ 23,437,793	\$ 24,112,159	\$ (674,365)	9
Vouchers- UAP	597,161	652,932	692,034	711,680	(19,647)	
<b>Total HAP/UAP Expenses</b>	<b>\$ 21,721,051</b>	<b>\$ 24,182,658</b>	<b>\$ 24,129,827</b>	<b>\$ 24,823,839</b>	<b>\$ (694,012)</b>	
<b>Housing Assistance Profit/(Loss)</b>	<b>\$ (1,449,992)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Net Income / (Loss)</b>	<b>\$ (1,480,312)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	



# FY2017 HCVP Budget Explanations

1. Increase due to Port-In HAP. Anticipate a full year of porting in tenants. In addition, there is a one time administrative fee associated with absorbing the 132 tenant projects vouchers from Town & Country. This totals approx. \$33,000.
2. Actual/Projected 2016 included GASB adjustments which is considered a non-cash item and is not budgeted in 2017.
3. Assumption is that HCVP will be fully staffed in FY2017.
4. Training and related Travel is budgeted for 2 staff members instead of one.
5. Budget does not include consultant costs.
6. Higher costs budgeted for Yardi and leasing of some new computers.
7. Variance primarily due to higher Salary & Employee benefits.
8. Budget includes Utility and maintenance costs for 918 building in addition to Port-in HAP Expense.
9. Increase in utilization.
10. Use of HAP reserve is lower as a result of increased funding for 2017.



# FY2017 HCVP Projected Cashflows

	<u>Unrestricted Cash</u>	<u>Restricted Cash</u>	<u>Total</u>
<b><i>Cash Balance at 7/2016</i></b>	<b>\$ 94,514</b>	<b>\$ 777,510</b>	<b>\$ 872,024</b>
Projected Net Income (Aug 2016 to Sept. 2016)	-	353,180	353,180
Use of HAP Reserves	-	-	-
<b><i>Projected Cash Balance at 9/2016</i></b>	<b>\$ 94,514</b>	<b>\$ 1,130,690</b>	<b>\$ 1,225,204</b>
 <b><u>Projected Cash Balance at 9/30/2017</u></b>			
	<u>Unrestricted Cash</u>	<u>Restricted Cash</u>	<u>Total</u>
<b><i>Projected Cash Balance at 10/1/2016</i></b>	<b>\$ 94,514</b>	<b>\$ 1,130,690</b>	<b>\$ 1,225,204</b>
 <b><u>Sources:</u></b>			
Requested HAP Reserves from HUD	\$ -	\$ 625,516	
Projected Revenues	2,244,492	23,067,634	25,312,126
<b>Total Sources</b>	<b>\$ 2,244,492</b>	<b>\$ 23,693,150</b>	<b>\$ 25,312,126</b>
 <b><u>Uses:</u></b>			
Use of HAP Reserves		\$ 1,756,205	
Projected Operating Expenses	(2,244,492)	(24,823,839)	(27,068,332)
<b>Net Uses</b>	<b>\$ -</b>	<b>\$ (1,130,689)</b>	<b>\$ -</b>
<b><i>Projected Cash Balance at 9/30/2017</i></b>	<b>\$ 94,514</b>	<b>\$ 0</b>	<b>\$ 1,225,204</b>

# 2017 RECD Budget

Jackson Place on First Street



Townes At River South

# FY2017 RECD Budget Challenges

## ☐ Revenue Generation

- Level of funding from City decreasing
- Recouping all reimbursements from City of Richmond
- Alternate revenue streams

## ☐ Items of vulnerability: Staffing to assist with development of projects, salaries for current staff positions, support for City funded project areas, support for RECD purchased project areas, support and disposition of properties purchased with replacement housing factor funds

## ☐ Non budgeted items: Legal expenses for disposition of properties, Insurance for properties in RECD inventory, Staff Training

## ☐ High Risk Areas: Cross training and depth of staff knowledge of federally funded programs, loan program (delinquency and potential foreclosures)



# FY2017 RECD Budget Opportunities

## ❑ Further development of Revenue Generation

- Developer fees
  - Aligned with Strategic Plan Goal: 2 use our existing resources strategically and develop alternate revenue sources
- Market Tax Exempt Bond Program
  - Aligned with Strategic Plan Goal: 2.3.3 market Tax Exempt Bond Program
- Sale of Mortgage Portfolio

# FY2017 RECD Budget Assumptions

☐ City Revenues based on item plans

☐ Incorporated developer fees

- Aligned with Strategic Plan Goal: 2 use our existing resources strategically and develop alternate revenue sources

☐ Incorporated bond fees

- Aligned with Strategic Plan Goal: 2.3.3 market Tax Exempt Bond Program

☐ *Tight Budget*

# FY2017 RECD Budget

	2015 Actuals	2016 Annual Budget	2016 Budget Projections	2017 Approved Budget	2017 Approved Budget vs. 2016 Budget Projections	Comments
<b>Revenue:</b>						
City of Richmond - Oper. Revenue	\$ 915,997	\$ 1,081,588	\$ 664,970	\$ 1,166,250	\$ 501,280	1
City of Richmond - Capital Contributions	-	165,000	112,150	-	(112,150)	1
HOPE VI Revenues - Soft Cost	170,193	20,227	74,593	-	(74,593)	2
HOPE VI Revenues - Hard Cost	655,955	475,000	966,894	-	(966,894)	2
Capital Administrative Fee	375,784	377,128	377,128	310,301	(66,827)	
Pass Through Income*	143,970	1,135,947	219,380	-	(219,380)	3
Shockoe Hill Land Lease	383,993	53,936	53,936	-	(53,936)	4
Other Income	440,009	258,160	258,160	973,711	715,551	5
Proceeds from Sale of Property	1,001,601	535,000	535,000	70,000	(465,000)	4
Use of Reserves	-	-	176,959	-	(176,959)	
<b>Total RECD Revenues</b>	<b>\$ 4,087,501</b>	<b>\$ 4,101,986</b>	<b>\$ 3,439,170</b>	<b>\$ 2,520,262</b>	<b>\$ (1,131,079)</b>	
<b>Expenses:</b>						
<b>Administrative &amp; General Expenses</b>						
Salaries & Benefits	\$ 801,864	\$ 995,202	\$ 925,686	\$ 809,534	\$ 116,151	
Legal Expense	181,528	122,500	152,700	393,750	(241,050)	6
Insurance Costs	40,047	40,564	24,383	31,549	(7,166)	
Other Admin & General Expenses	4,621,555	2,086,376	1,054,280	1,212,511	(158,231)	7
<b>Total Admin &amp; General Expenses</b>	<b>5,644,993</b>	<b>3,244,642</b>	<b>2,157,049</b>	<b>2,447,345</b>	<b>(290,296)</b>	
Utilities	34,788	30,762	38,668	33,249	5,419	
Maintenance Costs	81,786	91,210	93,710	-	93,710	
Development Costs	66,748	8,000	41,692	20,000	21,692	
Interest Expense	38,663	26,750	29,007	19,668	9,339	
Capital Expenditures	655,955	640,000	1,079,044	-	1,079,044	8
<b>Total RECD Operating Expenses</b>	<b>\$ 6,522,932</b>	<b>\$ 4,041,365</b>	<b>\$ 3,439,170</b>	<b>\$ 2,520,262</b>	<b>\$ 918,908</b>	
<b>RECD Operating Income / (Loss)</b>	<b>\$ (2,435,431)</b>	<b>\$ 60,620</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Operating Revenues/Expenses</b>						
Amortization	(479,806)	-	(422,418)		422,418	
Cost of Property Sold	(2,348,445)	-	(1,713,475)		1,713,475	
Gain / Loss on Disposal of Fixed Assets			(7,448,583)		7,448,583	
Balance Sheet Reconciliations - Write Offs			4,199,744		(4,199,744)	
Depreciation	(304,837)	-	(214,278)		214,278	
<b>Net Income / (Loss)</b>	<b>\$ (5,568,518)</b>	<b>\$ 60,620</b>	<b>\$ (2,350,172)</b>	<b>\$ -</b>	<b>\$ 2,350,172</b>	

# FY2017 RECD Budget Explanations

1. Increase due to fund for Highland Grove. Funding was not provided in the prior year.
2. The HOPE VI Project will be completed FY16.
3. The City has not provided any item plans reflecting Pass Through Income.
4. The sale of Shockoe Hill should take place in FY16. Therefore, we will not have any other land lease revenues.
5. Increase reflects revenues from Developer and Bond Application Fees.
6. Increase related to City projects and other activities. Costs will be reimbursed by the City and other revenue sources.
7. Increase in professional services related to the CNI Grant.
8. Do not have any budgeted capital expenditures for the City of Richmond or HOPE VI as was budgeted last year.





# FY2017 RECD Cashflows

## Projected Cash Balance at 9/30/2016

	<u>Unrestricted Cash</u>	<u>Restricted Cash</u>	<u>Total</u>
Cash Balance at 7/2016	\$ 715,388	\$ 3,997,905	\$ 4,713,293
Projected Net Income (August 2016 to Sept. 2016)	(176,959)	787	(176,172)
Mortgage Principal Payments	-	80,000	80,000
Program Income to the City	-	(30,000)	(30,000)
<b>Projected Cash Balance at 9/2016</b>	<b>\$ 538,429</b>	<b>\$ 4,048,692</b>	<b>\$ 4,587,121</b>

## Projected Cash Balance at 9/30/2017

	<u>Unrestricted Cash</u>	<u>Restricted Cash</u>	<u>Total</u>
<b>Projected Cash Balance at 10/1/2016</b>	<b>\$ 538,429</b>	<b>\$ 4,048,692</b>	<b>\$ 4,587,121</b>
<b>Sources:</b>			
Projected Revenues	\$ 2,437,593	\$ 82,669	\$ 2,520,262
Mortgage Principal Payments	-	449,773	449,773
<b>Total Sources</b>	<b>\$ 2,520,262</b>	<b>\$ 308,386</b>	<b>\$ 2,828,648</b>
<b>Uses:</b>			
Projected Operating Expenses	\$ (2,475,262)	\$ (45,000)	\$ (2,520,262)
Debt Payment (Convent)	(327,796)		
Program Income to City - Mortgages		(300,000)	(3,067,165)
<b>Net Uses</b>	<b>\$ (282,796)</b>	<b>\$ (36,614)</b>	<b>\$ (2,758,780)</b>
<b>Projected Cash Balance at 9/30/2017</b>	<b>\$ 255,633</b>	<b>\$ 4,012,077</b>	<b>\$ 1,828,342</b>

# 2017 COCC Budget



# FY2017 COCC Budget Challenges

## ❑ Revenue Stream

- Finite revenue stream generated from LIPH, HCVP, and the Capital Fund
- Reduced asset management fees as a result of lower excess cash from the LIPH program.

## ❑ Expenses

- Absorption of facilities costs for 901 and 1812 admin buildings and a portion of 918 costs related to the Central Office.

## ❑ Balanced Budget

- 2016 Budget – net income of \$.4 million

# FY2017 COCC Budget Opportunities

## ❑ Revenue Stream

- Management and Bookkeeping Fees from HCVP increased as a result of higher utilization.

## ❑ Expense Reduction / Efficiencies

- Reduced call center standby and overtime costs
  - Standby costs without rate incentive

# FY2017 COCC Budget Assumptions

## ☐ Management and bookkeeping fees

- Based on 98% occupancy rate
- LIPH Management Fee - \$60.62 per unit
- HCVP Management Fee - \$12 per unit
- Capital Administrative Fee - \$370,532
- Bookkeeping Fee - \$ 7.50 per unit

## ☐ Asset Management Fee

- \$10 per unit
- Based on the 2015 excess cash calculation

## ☐ Fee-For-Service

- Multiple rates based on RS Means adjusted for locality plus equipment
- Full year fee-for-service for Extermination Crew

## ☐ Realignment of facilities costs for 901 and 1812 buildings from the LIPH program and a portion of 918 cost related to the Central Office.

## ☐ Repayment of LIPH receivable and purchase of vehicles for HCVP out of reserves



# FY2017 COCC Budget

	2015 Actuals	2016 Annual Budget	2016 Budget Projections	2017 Approved Budget	2017 Approved Budget vs. 2016 Budget Projections	Comments
<b>Revenue:</b>						
Management Fees	\$ 4,322,019.14	\$ 4,671,631.00	\$ 4,733,272.00	\$ 4,492,164.65	\$ (241,107.35)	1
IT Fees	43,973.47	38,400.00	38,400.00	-	(38,400.00)	
Fee-For-Service	1,255,847.75	1,604,292.00	1,294,618.00	1,878,445.64	583,827.64	2
Prorations	1,532,993.45	1,219,458.00	1,310,187.00	1,009,348.52	(300,838.48)	3
Other Income	116,668.98	271,754.00	241,757.00	89,116.37	(152,640.63)	4
<b>Total COCC Revenues</b>	<b>\$ 7,271,502.79</b>	<b>\$ 7,805,535.00</b>	<b>\$ 7,618,234.00</b>	<b>\$ 7,469,075.18</b>	<b>\$ (149,158.82)</b>	
<b>Expenses:</b>						
<b>Administrative &amp; General Expenses</b>						
Administrative Salaries	\$ 3,606,404	\$ 3,610,160	\$ 3,273,933	\$ 3,165,186	\$ 108,747	
Legal Expense	697,138	344,184	344,184	410,040	(65,856)	
Other Administrative Expense	296,388	231,355	234,603	363,701	(129,098)	
Misc. Administrative Expense	1,271,774	904,293	1,047,184	846,937	200,247	5
<b>Total Administrative Expenses</b>	<b>\$ 5,871,703</b>	<b>\$ 5,089,992</b>	<b>\$ 4,899,904</b>	<b>\$ 4,785,864</b>	<b>\$ 114,040</b>	
Tenant Services	362,122	283,518	310,818	159,521	151,297	
Utilities	-	-	-	47,891	(47,891)	6
Maintenance Salaries	\$ 1,548,397	\$ 1,836,928	\$ 1,810,654	\$ 1,520,101	\$ 290,553	7
General Maintenance Expense	3,001	5,519	5,519	5,884	(365)	
Materials	55,676	40,424	40,424	90,033	(49,609)	6
Contracts	10,762	736	736	21,988	(21,252)	6
Fee-For-Service	-	-	-	-	-	6
<b>Total Maintenance Costs</b>	<b>\$ 1,617,836</b>	<b>\$ 1,883,607</b>	<b>\$ 1,857,333</b>	<b>\$ 1,638,006</b>	<b>\$ 219,327</b>	
Protective Services	59,671	-	-	-	-	-
Miscellaneous Expenses	288,560	23,330	23,330	113,990	(90,660)	
<b>General Expenses</b>						
Insurance	\$ 176,251	\$ 169,886	\$ 154,773	\$ 170,552	\$ (15,779)	6
Other General Expenses	66,282	44,506	43,108	32,300	10,808	
<b>Total General Expenses</b>	<b>\$ 242,533</b>	<b>\$ 214,392</b>	<b>\$ 197,881</b>	<b>\$ 202,852</b>	<b>\$ (4,971)</b>	
Remodeling & Repairs	-	-	-	-	-	-
Proration/Overhead	-	-	-	2,460	(2,460)	6
<b>Total COCC Operating Expenses</b>	<b>\$ 8,442,425</b>	<b>\$ 7,494,839</b>	<b>\$ 7,289,266</b>	<b>\$ 6,950,583</b>	<b>\$ 341,143</b>	
<b>Operating Income / (Loss)</b>	<b>\$ (1,170,922)</b>	<b>\$ 310,696</b>	<b>\$ 328,968</b>	<b>\$ 518,492</b>	<b>\$ 191,984</b>	
Add Back: Depreciation - Non-Cash	(122,408)	-	-	-	-	
Purchase of HCVP Vehicles	-	-	-	(8,057)	(8,057)	
Repayment of Receivable	-	-	-	(108,000)	(108,000)	
<b>Net Operating Income / (Loss)</b>	<b>(1,293,330)</b>	<b>310,696</b>	<b>328,968</b>	<b>402,435</b>	<b>75,927</b>	

# FY2017 COCC Budget Explanations

1. In prior year, RRHA adjusted the management fee rate and was able to recognize additional income.
2. Central Maintenance's increased capacity to provide services related to bed bug and general pest control, HVAC, and Specialty activity.
3. Reduction in standby overtime in the Call Center.
4. 2017 Budget does not reflect GASB 45 other income as it was reflected in prior year. GASB 45 costs are non-cash transactions.
5. Reduction in temporary labor. The 2017 budget assumes current vacant positions will be filled.
6. Costs associated with the 1812 and 901 building have been moved to the Central Office. In prior years the costs were charged to the Gilpin AMP.
7. Decrease due to reduction in standby overtime. This was offset by an increase due to filling vacant positions and the impact of the salary comparison study.



# FY2017 COCC Projected Cashflows

<b><u>Cash Balance at 7/2016</u></b>	<b><u>Unrestricted Cash</u></b>	<b><u>Restricted Cash</u></b>	<b><u>Total</u></b>
	\$ 389,602	\$ 901,847	\$ 1,291,449
Projected Net Income (Aug 2016 to Sept. 2016)	(350,463)	152	(350,311)
<b><i>Projected Cash Balance at 9/2016</i></b>	<b><i>\$ 39,139</i></b>	<b><i>\$ 901,999</i></b>	<b><i>\$ 941,138</i></b>
<b><u>Projected Cash Balance at 9/30/2017</u></b>			
<b><i>Projected Cash Balance at 10/1/2016</i></b>	<b><i>\$ 39,139</i></b>	<b><i>\$ 901,999</i></b>	<b><i>\$ 941,138</i></b>
<b><u>Sources:</u></b>			
Projected Revenues	7,564,733	908	7,565,641
<b>Total Sources</b>	<b>\$ 7,564,733</b>	<b>\$ 908</b>	<b>\$ 7,565,641</b>
<b><u>Uses:</u></b>			
Projected Operating Expenses	\$ (7,163,207)	\$ -	\$ (7,163,207)
<b>Net Uses</b>	<b>\$ 401,526</b>	<b>\$ 908</b>	<b>\$ 402,435</b>
<b><i>Projected Cash Balance at 9/30/2017</i></b>	<b><i>\$ 440,665</i></b>	<b><i>\$ 903,816</i></b>	<b><i>\$ 1,343,573</i></b>



# *Questions*