



# Boards of Commissioners Update

April 2023

## **Boards of Commissioners Update – April 2023**

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# BOARD MEMO

**TO:** Boards of Commissioners  
**FROM:** Tyrone Roderick Williams, CEO  
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Finance Manager  
**DEPARTMENT:** Accounting & Finance  
**MEMO DATE:** 04/12/2023  
**SUBJECT:** Fresno Housing Operating Budget as of February 28, 2023

## Executive Summary

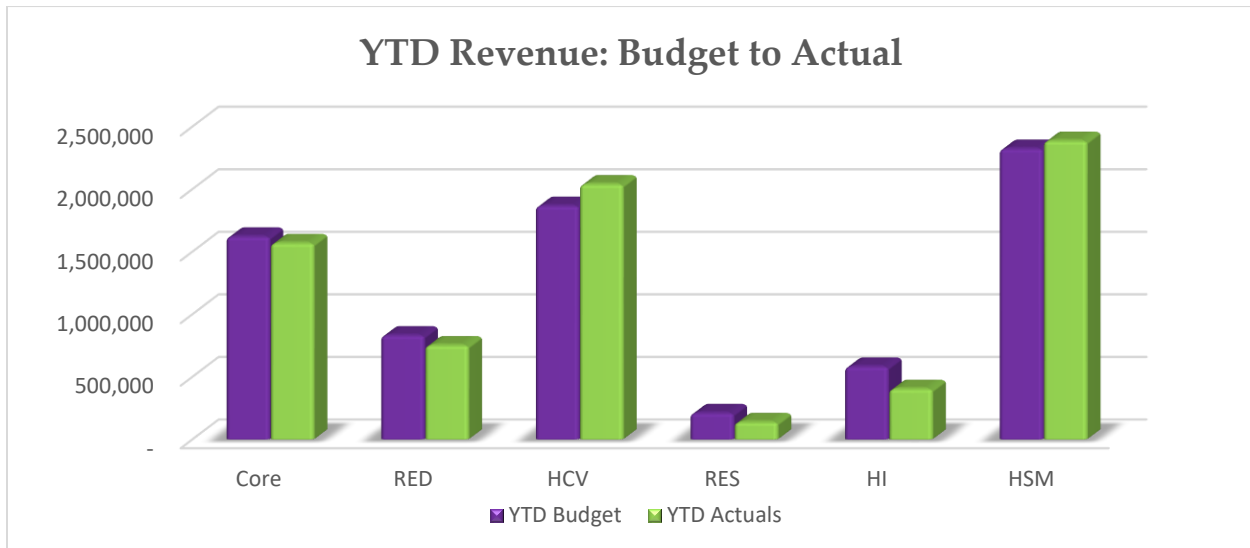
The purpose of this update is to present an overview of Fresno Housing’s financial operating results as of February 28, 2023. The attached financial report shows the consolidation of all Agency operational budgets combined into six divisions. Projections have been incorporated into the year-to-date budget 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 2023 Operating Budget was approved by the Boards of Commissioners in December 2022 with total revenues of \$47.7 million and total operating expenses of \$47.1 million. As of February, total revenues are \$7.3 million, which is \$145 thousand less than anticipated. Total operating expenses are \$291 thousand less than budgeted at \$6.5 million through February. This puts net operating income at \$803 thousand, which is \$145 thousand more than budgeted. As of February, unrestricted net income totals \$18 thousand, which is \$159 thousand less than budgeted at this point in the year. The variance in unrestricted net income is mainly due to timing delays in the receipt of grant reimbursements for Homeless Programs and increased staffing costs. Staff expects this variance to decrease as the year progresses.

	<b>Fresno Housing Authority</b>		
	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actuals</b>
<b>OPERATING BUDGET</b>			
TOTAL INCOME	47,780,488	7,440,567	7,295,157
TOTAL EXPENSES	47,109,146	6,783,161	6,492,517
<b>NET OPERATING INCOME</b>	<b>671,342</b>	<b>657,406</b>	<b>802,640</b>
TOTAL NON-OPERATING EXPENSES	1,119,021	186,504	232,100
<b>NET INCOME</b>	<b>(447,679)</b>	<b>470,902</b>	<b>570,540</b>
<b>UNRESTRICTED NET INCOME</b>	<b>570,102</b>	<b>176,781</b>	<b>17,909</b>

# FRESNO HOUSING

## Agency Revenue



**Core** - Administrative Services departments including Accounting, Executive, Human Resources and Asset Management

**RED** - Real Estate Development: Real Estate Development, Construction Management departments and wholly-owned subsidiaries of the Agency, including HRFC, HSIC, and Silvercrest

**HCV** - Housing Choice Voucher programs

**RES** - Resident Empowerment Services: Resident Services

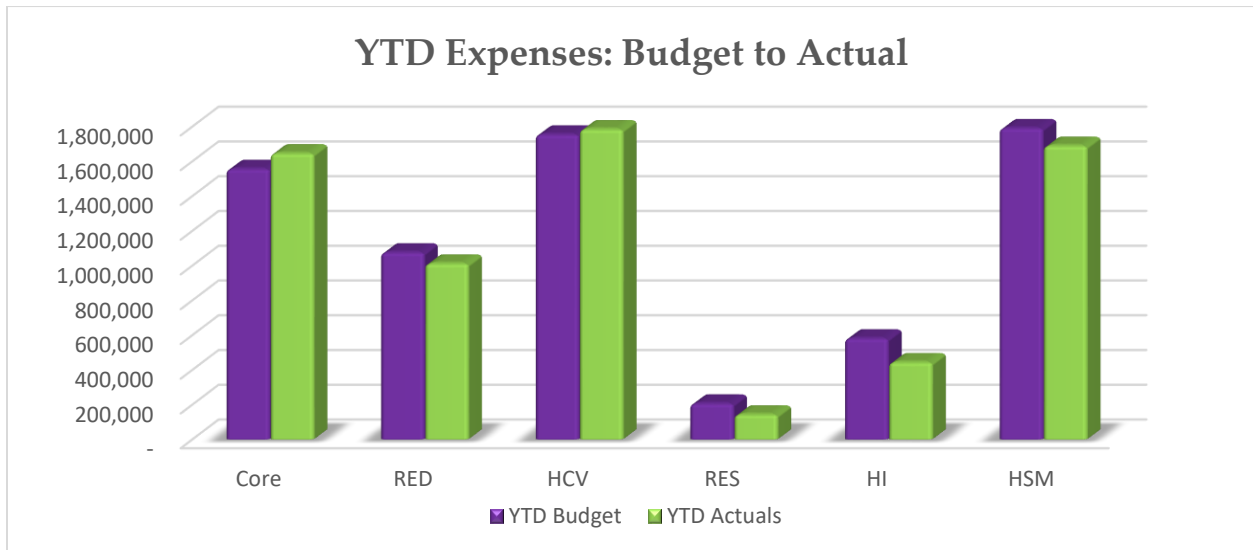
**HI** - Housing Initiatives or Homeless Programs

**HSM** - Housing Management: Agency-owned properties, including subsidized properties (public housing, farm labor and migrant properties) and non-subsidized properties, including Dayton, Woodside, El Cortez, and San Ramon

Overall, year-to-date revenue is \$7.3 million, or 2% less than the year-to-date budget, largely due to timing delays in the receipt of Other Income in RED.

- **HCV:** HUD Grant Income is higher than budgeted due to an increase in HUD's proration for Administrative Fees.
- **RED:** No Developer Fees were received in January or February. Developer Fees for Mariposa Meadows, Avalon Commons, and the Waterfall, are expected to be received in the second quarter.
- **HI:** HUD Grant Income is lower than budgeted, primarily due to less spending than anticipated in the Special Needs Assistance program, and the Welcome Home program, which operate on a reimbursement basis.

## Agency Expenses

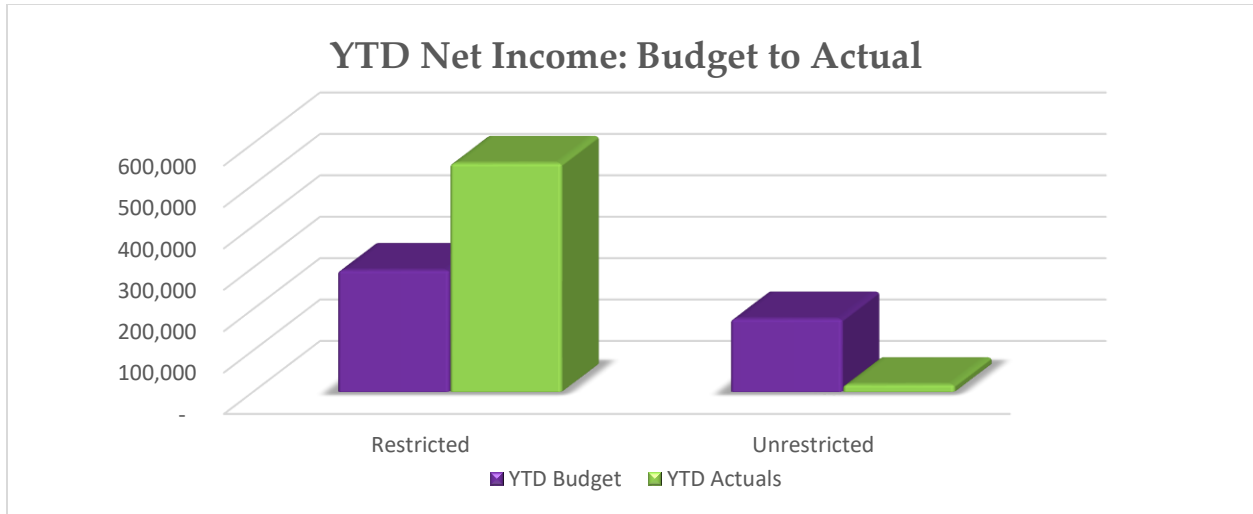


Overall, year-to-date operating expenses are \$6.5 million and non-operating expenses are \$232 thousand, which together are about 4% lower than budgeted.

- **Agency-wide:** Payroll Expenses are approximately \$503 thousand (20%) higher than anticipated. Part of this variance is due to bonuses for employees participating in the Pay for Performance program, which are paid in the first three months of the year. Furthermore, a vacancy factor of 10% was applied to the payroll expense line item to account for turnover and attrition that will occur throughout the year. As the year progresses, the variance in this line item will decrease.
- **Agency-wide:** Administrative Expenses are approximately \$433 thousand (17%) lower than budgeted across the Agency. IT Services, Professional & Consulting Fees and Administrative Contracts will increase as planned projects begin and expenses are incurred during 2023.
- **HI:** Tenant Services Expenses are lower than budgeted at this point in the year. These represent tenant rent payments within homeless service and rental assistance grants. If these dollars remain unspent, they can roll over into the next grant period.

# FRESNO HOUSING

## Agency Net Income



- As of February 2023, unrestricted net income is approximately \$158 thousand lower than budgeted. This is primarily due to an increase in staffing costs for Core, RED, and HMD as previously mentioned.
- Restricted net income is approximately \$258 thousand higher than budgeted due to lower administrative, and maintenance expenses within the Real Estate Division, and lower administrative expenses within the Housing Choice Voucher program.

Fresno Housing Authority  
Financial Results as of February 28, 2023

	Core			RED			HCV			RES			HI			HSM			Fresno Housing Authority			
	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	
<b>OPERATING BUDGET</b>																						
INCOME																						
NET TENANT INCOME	180,000	30,000	30,000	619,960	103,327	233,317	-	-	-	-	-	-	-	-	-	8,277,666	1,379,611	1,378,104	9,077,626	1,512,938	1,641,421	
INTEREST INCOME	24,000	4,000	22,389	500,000	83,333	3,058	-	-	304	-	-	-	-	-	-	-	-	-	524,000	87,333	26,074	
OTHER INCOME	171,783	28,631	303	420,000	70,000	61,938	-	-	34	777,484	129,581	126,175	30,273	5,046	33,080	521,251	86,875	305	1,920,791	320,132	221,835	
ADMIN & MANAGEMENT FEE INCOME	9,358,577	1,559,763	1,517,229	100,000	16,667	-	-	-	-	-	-	-	-	-	-	-	-	-	9,458,577	1,576,430	1,517,229	
DEVELOPER FEE INCOME	-	-	-	3,237,089	16,667	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
HUD GRANT INCOME	-	-	-	-	-	-	10,671,966	1,778,661	2,039,929	66,413	11,069	13,356	2,808,990	468,165	260,351	3,679,348	613,225	836,868	17,226,717	2,871,120	3,150,504	
OTHER GRANT INCOME	-	-	-	-	-	-	533,333	88,889	-	425,000	70,833	-	657,462	109,577	111,053	1,464,468	244,078	171,793	6,335,688	1,055,948	738,094	
TOTAL INCOME	9,734,361	1,622,393	1,569,921	8,132,474	832,564	753,560	11,205,299	1,867,550	2,040,266	1,268,897	211,483	139,531	3,496,725	582,788	404,484	13,942,733	2,323,789	2,387,393	47,780,488	7,440,567	7,295,157	
EXPENSES																						
PAYROLL EXPENSES	7,491,051	878,758	1,099,881	2,385,240	279,807	352,999	7,433,300	871,983	1,002,560	1,034,366	121,339	115,245	781,374	91,661	73,289	2,519,437	295,549	398,447	21,644,767	2,539,098	3,042,420	
ADMINISTRATIVE EXPENSES	3,150,218	525,036	443,430	3,852,453	642,076	446,929	5,286,861	881,144	772,974	239,215	39,869	28,203	344,769	57,462	69,905	2,192,339	365,390	315,627	15,065,855	2,510,976	2,077,068	
TENANT SERVICES EXPENSES	50,085	8,348	-	21,996	3,666	1,731	-	-	-	30,000	5,000	-	2,593,072	432,170	300,891	271,399	45,233	24,765	2,966,552	494,425	327,387	
UTILITY EXPENSES	251,185	41,864	40,549	506,165	84,361	72,354	-	-	-	-	-	-	-	-	-	2,003,660	333,943	337,451	2,761,009	460,168	450,354	
MAINTENANCE EXPENSES	469,370	78,228	45,760	270,794	45,132	72,353	12,000	2,000	10,022	243,765	40,628	976	4,766	794	651	2,673,244	445,541	356,804	3,673,938	612,323	486,566	
TAXES & INSURANCE EXPENSES	47,171	7,862	153	115,715	19,286	32,664	-	-	-	2,000	333	-	-	-	-	832,136	138,889	75,906	997,022	166,170	108,722	
TOTAL EXPENSES	11,459,080	1,540,096	1,629,772	7,152,363	1,074,328	979,029	12,732,161	1,755,127	1,785,556	1,549,347	207,169	144,424	3,723,982	582,096	444,736	10,492,215	1,624,346	1,509,000	47,109,146	6,783,161	6,492,517	
<b>NET OPERATING INCOME</b>	<b>(1,724,720)</b>	<b>82,297</b>	<b>(59,851)</b>	<b>980,111</b>	<b>(241,763)</b>	<b>(225,469)</b>	<b>(1,526,862)</b>	<b>112,423</b>	<b>254,711</b>	<b>(280,450)</b>	<b>4,314</b>	<b>(4,893)</b>	<b>(227,257)</b>	<b>692</b>	<b>(40,252)</b>	<b>3,450,518</b>	<b>699,443</b>	<b>878,393</b>	<b>671,341</b>	<b>657,406</b>	<b>802,640</b>	
NON-OPERATING EXPENSES																						
TOTAL NON-OPERATING EXPENSES	99,898	16,650	-	-	-	33,769	-	-	-	-	-	-	-	-	-	1,004,123	167,354	181,250	1,104,021	184,004	215,019	
TOTAL FINANCING EXPENSES	-	-	17,082	15,000	2,500	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	2,500	17,082	
TOTAL ADJUSTMENTS & OPERATING TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL NON-OPERATING EXPENSES	99,898	16,650	17,082	15,000	2,500	33,769	-	-	-	-	-	-	-	-	-	1,004,123	167,354	181,250	1,119,021	186,504	232,100	
<b>NET INCOME</b>	<b>(1,824,618)</b>	<b>65,648</b>	<b>(76,932)</b>	<b>965,110</b>	<b>(244,263)</b>	<b>(259,237)</b>	<b>(1,526,861)</b>	<b>112,423</b>	<b>254,711</b>	<b>(280,450)</b>	<b>4,314</b>	<b>(4,893)</b>	<b>(227,257)</b>	<b>692</b>	<b>(40,252)</b>	<b>2,446,396</b>	<b>532,089</b>	<b>697,143</b>	<b>(447,679)</b>	<b>470,902</b>	<b>570,540</b>	
<b>UNRESTRICTED NET INCOME</b>	<b>(1,824,618)</b>	<b>65,648</b>	<b>(76,932)</b>	<b>827,729</b>	<b>(277,322)</b>	<b>(202,734)</b>				<b>(280,450)</b>	<b>4,314</b>	<b>(4,893)</b>	<b>(227,257)</b>	<b>692</b>	<b>(40,252)</b>	<b>2,074,697</b>	<b>383,449</b>	<b>342,720</b>	<b>570,102</b>	<b>176,781</b>	<b>17,909</b>	