

BERKELEY HOUSING AUTHORITY
Unaudited Finance Report
June 30, 2025

Background

Approved and Modified Budget for FY2025

	DESCRIPTION	FY2025 BUDGET		FY2025 BUDGET	BUDGET MODIFICATION
		(a)	(b)	(a)	
		APPROVED FY2025 BUDGET BUDGET	APPROVED BUDGET MOD	MODIFIED FY2025 BUDGET	
1	HOUSING ASSISTANCE PAYMENTS (HAP)				
2	HAP Received from HUD	\$ 42,547,835	\$ -	\$ 42,547,835	
4	Less HAP Paid to Owners	\$ (38,679,469)	\$ -	\$ (38,679,469)	
5	Less MTW Eligible Expenses	\$ (219,407)	\$ -	\$ (219,407)	
6	Less Transfer to Operating revenue	\$ (399,878)	\$ (1,005,187)	\$ (1,405,065)	Use of HAP funding for operations (CY2024)
7	HAP Surplus (Deficit)	\$ 3,249,081	\$ (1,005,187)	\$ 2,243,894	
11	OPERATING REVENUE				
15	Net Administrative Fees	\$ 2,865,889	\$ -	\$ 2,865,889	
16	BHA Oversight Fee	\$ 6,922	\$ -	\$ 6,922	
18	Service Fee	\$ 80,000		\$ 80,000	
19	Miscellaneous Income	\$ 497,803		\$ 497,803	
20	Transfer from HAP	\$ 399,878	\$ 1,005,187	\$ 1,405,065	Use of HAP funding for operations (CY2024)
21	TOTAL OPERATING REVENUE	\$ 3,850,492	\$ 1,005,187	\$ 4,855,679	
22	OPERATING EXPENSES				
77	OPERATING INCOME (DEFICIT) & CAPITAL EXPENDITURE	\$ 325,868	\$ 703,187	\$ 1,029,055	SALARIES: Additional 2% COLA, Salary of Inspector, less Salary of Eligibility Clerk (+\$73K); Travel & Conferences/Classes & Training & BOC Training (+\$50K); Telephone answering service (+\$50K); Contract amendment for Grant Consulting + SWOT analysis + other consultants (+\$180K); COB IT Services (+\$29K); Termination of inspection contract (-\$80K)
78	RESTRICTED REVENUE				
81	Interest Income on Notes Receivable & Disposition Proceeds	\$ (362,878)	\$ -	\$ (362,878)	
82	TOTAL NON OPERATING REVENUES	\$ (362,878)	\$ -	\$ (362,878)	
83	NET INCOME (DEFICIT)	\$ (37,011)	\$ 703,187	\$ 666,176	
84	Use of reserves /HAP Funding/Dispo Proceeds	\$ 59,476		\$ 59,476	
85	Operating Surplus (Deficit) after use of proceeds	\$ 22,466	\$ 703,187	\$ 725,653	

Comparative HAP Revenue and Expenses

DESCRIPTION	FY2025 BUDGET		FY2025 BUDGET	FY2025 ESTIMATED TOTAL		
	(a.1)	(a.2)	(a.3)	(f)	(g)	
	APPROVED FY2025 BUDGET BUDGET	BUDGET MOD	AMENDED FY2025 BUDGET BUDGET	FY2025 ESTIMATED TOTAL	INCREASE (DECREASE)	%
	(a)		(a)	(g) = (e+f)	(h) = (g - a)	
1 HOUSING ASSISTANCE PAYMENTS (HAP)						
2 HAP Received from HUD	\$ 42,547,835	\$ -	\$ 42,547,835	\$ 41,993,020	\$ (554,815)	-1%
3 Miscellaneous Income -HAP	\$ -	\$ -	\$ -	\$ 2,356	\$ 2,356	100%
4 Less HAP Paid to Owners	\$ (38,679,469)	\$ -	\$ (38,679,469)	\$ (38,963,081)	\$ 283,611	-1%
5 Less MTW Eligible Expenses	\$ (219,407)	\$ -	\$ (219,407)	\$ (28,450)	\$ 190,956	-87%
6 Less Transfer to Operating revenue	\$ (399,878)	\$ (1,005,187)	\$ (1,405,065)	\$ (1,405,065)	\$ -	0%
7 HAP Surplus (Deficit)	\$ 3,249,081	\$ (1,005,187)	\$ 2,243,894	\$ 1,598,780	\$ (77,891)	0
8 Use of Excess HAP Reserve	\$ -	\$ -				
9 Net HAP Surplus (Deficit)	\$ 3,249,081	\$ -	\$ 2,243,894	\$ 1,598,780	\$ (77,891)	

Significant Variances:

- Projected revenue is down 1% due to low baseline and utilization of vouchers.
- Voucher utilization for the HCV Program is down by approx. 1%. Budget-79% vs Actual-78%
- 1.7% increase HAP Per Unit Cost (PUC) in the HCV program. Budget-\$1,826 vs Actual-\$1,857
- HAP funding used for operations increased by \$1 million compared to original FY2025 budget. This brought the HAP reserve on December 31, 2024 within the allowable threshold.

Comparative Operating Revenue

DESCRIPTION	FY2025 BUDGET		FY2025 BUDGET		FY2025 ESTIMATED TOTAL		
	(a.1)	(a.2)	(a.3)	(f)	(g)		
	APPROVED FY2025 BUDGET BUDGET	BUDGET MOD	AMENDED FY2025 BUDGET BUDGET	FY2025 ESTIMATED TOTAL	INCREASE (DECREASE)	%	
	(a)		(a)	(g) = (e+f)	(h) = (g - a)		
11 OPERATING REVENUE							
12 Administrative Fees (S8 & MOD REHAB)	\$ 2,941,783	\$ -	\$ 2,941,783	\$ 3,168,324	\$ 226,541	8%	
13 Administrative fees billed to other PHA on Port in	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
14 Administrative fees to other PHA on Port out	\$ (75,894)	\$ -	\$ (75,894)	\$ (40,607)	\$ (35,286)	46%	
15 Net Administrative Fees	\$ 2,865,889	\$ -	\$ 2,865,889	\$ 3,127,717	\$ 261,827	9%	
16 BHA Oversight Fee	\$ 6,922	\$ -	\$ 6,922	\$ 6,721	\$ (201)	-3%	
18 Service Fee	\$ 80,000		\$ 80,000	\$ 8,188	\$ (71,812)	-90%	
19 Miscellaneous Income	\$ 497,803		\$ 497,803	\$ 732,688	\$ 234,885	47%	
20 Transfer from HAP	\$ 399,878	\$ 1,005,187	\$ 1,405,065	\$ 1,405,065	\$ -	0%	
21 TOTAL OPERATING REVENUE	\$ 3,850,492	\$ 1,005,187	\$ 4,855,679	\$ 5,280,579	\$ 424,899	9%	

Significant Variances:

- Admin Fee revenue up by 8% due to:
 - Increase in 2025 Admin Fee rates by 5.3%
 - Slightly higher admin fee proration in 2024. Budget -90% vs Actual 92.834%
- Unused funding from COB for Unit Turn-over – (\$71,612)
- HAP funding used for operations increased by \$1 million, resulting in \$1.3 surplus in the HCV program. (Att. B, line 84)
- Miscellaneous income includes restricted & unrestricted interest and other income from disposition proceeds \$540K

Comparative Operating Expenses & Capital Expenditures – 1

DESCRIPTION	FY2025 BUDGET		FY2025 BUDGET	FY2025 ESTIMATED TOTAL		
	(a.1)	(a.2)	(a.3)	(f)	(g)	
	APPROVED FY2025 BUDGET BUDGET	BUDGET MOD	AMENDED FY2025 BUDGET BUDGET	FY2025 ESTIMATED TOTAL	INCREASE (DECREASE)	%
	(a)		(a)	(g) = (e+f)	(h) = (g - a)	
72 TOTAL OPERATING EXPENSES	3,429,625	302,000	3,731,625	3,395,492	(336,132)	-9%
75 TOTAL CAPITAL EXPENDITURE	95,000	-	95,000	17,060	(77,940)	-82%
TOTAL OPERATING EXPENSES & CAPITAL EXPENDITURE	3,524,625	302,000	3,826,625	3,412,553	(414,072)	-11%

Operating Expenses & Capital Expenditures - 2

Significant variances & budget modification:

- Salary and Benefits: \$185,551 less than modified budget primarily due to savings in employee benefits resulting from vacancies. Additionally, this finance report does not include the GASB 75-year-end adjustment for OPEB because the required actuarial report is not yet available, and other audit journal entries that may be proposed by auditors.
- Legal fees: exceeded budget by \$19,477
- Office rent: up by \$61,870 due to GASB 87 year-end entry. No cash outlay.
- Telephone: \$50,085 less than modified budget due to delay in the implementation of the answering service.
- Consultants: \$78,261 less than modified budget. (\$102K more than the original budget)
- Unused budget for website development (\$70,000) to be carried over in FY2025-2026 Budget

Projected Net Operating Income

- The overall operating results for all programs are as follows:

PROGRAM	FY2025 MODIFIED BUDGET	PROJECTED NET INCOME 06/30/2025	USE OF RESERVE/ TRANSFERRED TO RESTRICTED INCOME	NET INCOME 06/30/2025	VARIANCE
Section 8 (Att. B)	\$743,906.98	\$1,305,349.09	\$-	\$1,305,349.09	\$561,442.11
Mod Rehab (Att. C)	\$-	\$(40,861.14)	\$40,861.14	\$-	\$-
Mainstream (Att. D)	\$-	\$6,665.31		\$6,665.31	\$6,665.31
EHV (Att. E)	\$-	\$17,184.45		\$17,184.45	\$17,184.45
Other Program - Restricted (Att F)	\$-	\$540,562.40	\$(540,562.40)	\$-	\$-
Other Program - Unrestricted (Att G)	\$21,735.68	\$39,139.59		\$39,139.59	\$17,403.91
Operating Surplus (Deficit)	\$765,642.66	\$1,868,039.70	\$(499,701.26)	\$1,368,338.44	\$602,695.78

- Net income in the Section 8 Program (\$1,305,349) was primarily the result of using HAP funds (\$1,405,065) for S8 operations.

Net Unrestricted Reserves – as of 06/30/2025

	PROGRAM	Unrestricted Reserve	Comments
1	HCV	\$ 5,364,050.09	
2	Mod Rehab	\$ 137,715.15	
3	Mainstream	\$ 30,780.74	
4	EHV	\$ 79,396.83	
5	BHA/Others	\$ 5,201,807.37	includes net capital assets (\$2.6M) and unrestricted disposition proceeds
	TOTAL	\$ 10,813,750.18	

Disposition Proceeds

Restricted Cash	\$6,618,493
Unrestricted Cash	<u>\$1,363,886</u>
TOTAL Disposition proceeds in the bank	<u>\$7,982,379</u>
Outstanding Note Receivable & Interest:	<u>\$9,276,410</u>