

MOVING KING COUNTY RESIDENTS FORWARD

Virtual Meeting of the Board of Directors

Monday, December 20, 2021

10:45 AM or immediately following the KCHA Board meeting

King County Housing Authority

700 Andover Park West

Tukwila, WA 98188

Agenda

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- | | | |
|-------|---|---|
| I. | Call to Order | |
| II. | Roll Call | |
| III. | Public Comment | |
| IV. | Approval of Minutes | |
| | A. September 20, 2021 Board Meeting Minutes | 1 |
| V. | Resolutions for Discussion and Possible Action | |
| | A. Resolution No. 36 - Adoption of the Calendar Year 2022 Operating and Capital Budget | 2 |
| | B. Resolution No. 37 - Election of Dan Watson as Secretary for MKCRF | 3 |
| VI. | Briefings and Reports | |
| | A. Fourth Quarter 2021 Financial Report for MKCRF and MKCRF - Owned Properties | 4 |
| VII. | Board of Directors Comments | |
| VIII. | Adjourn | |

Members of the public who wish to give public comment: We are only accepting written comments for the time being due to COVID-19. Please send your written comments to kamir@kcha.org prior to the meeting date. If you have questions, please call 206-574-1206.

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MINUTES OF THE ANNUAL MOVING KING COUNTY RESIDENTS FORWARD

BOARD OF DIRECTORS VIRTUAL MEETING

Monday, September 20, 2021

I. CALL TO ORDER

The virtual meeting of the Annual Board of Directors of Moving King County Residents Forward (MKCRF) was held on Monday, September 20, 2021 at the King County Housing Authority, 700 Andover Park West, Tukwila, WA at 10:50 am.

II. ROLL CALL

Present: Board of Directors: Doug Barnes, Susan Palmer, John Welch, TerryLynn Stewart and Secretary of the Corporation, Stephen Norman.

Excused: Regina Elmi

III. PUBLIC COMMENT

No Public Comment.

IV. APPROVAL OF MINUTES

A. July 19, 2021 Board Meeting Minutes

On motion by Director John Welch and seconded by Director TerryLynn Stewart, the Board of Directors unanimously approved the July 19, 2020 MKCRF Meeting Minutes.

V. BRIEFINGS AND REPORTS

A. Second Quarter 2021 Financial Report for MKCRF and MKCRF – Owned Properties

Windy Epps, Assistant Director of Finance, gave a detailed explanation on the reports.

VI. BOARD OF DIRECTORS COMMENTS

None.

VII. ADJOURNMENT

Director TerryLynn Stewart moved and Director Susan Palmer seconded the motion. The meeting was officially adjourned at 10:54 a.m.

MOVING KING COUNTY RESIDENTS FORWARD

DOUGLAS J. BARNES
President

STEPHEN J. NORMAN
Secretary of the Corporation

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MOVING KING COUNTY RESIDENTS FORWARD

TO: Board of Directors

FROM: Windy Epps, Director of Finance

DATE: December 6, 2021

RE: Resolution 36: 2022 Budget for MKCRF and MKCRF-Owned Properties

EXECUTIVE SUMMARY

The MKCRF-owned Properties (the “Properties”) will continue to generate positive cash flow in 2022. After debt service payments and additions to replacement reserves, the Properties will generate \$2.78 million. Out of this cash flow, \$447,000 will be spent on 18 standard unit upgrades at an average cost of \$34,821, and \$334,000 on special maintenance projects, leaving a *net cash flow* balance of approximately \$1.8 million. Current cash projections through the end of 2021 predict cash of approximately \$404,000 to be carried into 2022.

In addition to the standard unit upgrades and special projects, the 2022 budget includes \$3.9 million for other capital projects, with funding coming from a combination of cash carried over from 2021, cash flow generated during the year, and a transfer of \$1.8 million from MTW. See the Capital Budget section below for additional details.

Projected cash at the end of 2022 is approximately \$92,000.

MKCRF-Owned Properties

The 509 units of multifamily housing that were sold to MKCRF in 2012 continue to be operated by KCHA. According to the terms of the Operating Agreement between KCHA and MKCRF, the revenue generated by the Properties is KCHA’s revenue, and the Authority is responsible for operating costs. This construct allows the properties to continue to be exempt from sales tax. The budget discussion in this section applies solely to the operations of the Properties, and do not include the operations of the non-profit Moving King County Residents Forward. The budget discussion for non-profit itself is found on page 3.

Operations Budget

Below is a high-level summary of the 2022 budget for the Properties with a comparison to the 2021 budget. It is in a different format from the formal budget on page 4, and is intended to present the budget in a more user-friendly, operations-oriented layout.

	2021 Adopted Budget	2022 Proposed Budget
2022 Revenue		
Tenant Revenue	\$9,301,276	\$9,722,396
Investment Income	13,609	12,328
Miscellaneous Revenue	1,200	0
Total Revenue	9,316,085	9,734,724
2022 Uses		
Operating Expenses	(4,684,244)	(5,279,611)
Debt Service	(1,547,980)	(1,547,980)
Additions to Replacement Reserves	(127,788)	(127,788)
Total Uses	(6,360,012)	(6,955,379)
2022 Operating Margin	2,956,073	2,779,345
2022 Capital Projects		
Transfer from MTW for Capital	0	1,800,000
Capital Projects	(1,783,598)	(3,929,728)
Unit Upgrades	(446,958)	(626,786)
Special Maintenance Projects	(288,309)	(334,300)
Total Capital Projects	(2,518,865)	(3,090,814)
Change in Unrestricted Cash	\$437,208	(\$311,469)
Total Projected Available Resources, 12/31/2022		\$92,470

Tenant rents, consisting of subsidy payments from the Housing Choice Voucher program and rental payments from tenants, are forecast at \$9.7 million in 2022, up from a budget of \$9.3 million in 2021. The 2022 budget includes increases in contract rents, averaging 3.0% across the portfolio. These increases are phased-in over time as tenants go through the re-certification process. Actual out of pocket costs to resident households for rent and utilities remains capped at a percentage of household income pursuant to KCHA's Housing Choice Voucher rent policies.

The 2022 debt service budget represents 12 monthly payments of \$128,998 to KCHA as the conduit for the underlying FHLB loan, and the replacement reserve is fully funded at \$250 per unit per year.

Capital Budget

MKCRF will invest \$3.9 million in four major capital projects in 2022, managed by the Capital Construction department. Eastridge House, a 40-unit complex in Issaquah, will see elevator upgrades (\$435,000). King's Court, a 30-unit apartment complex in Federal Way, will receive site improvements (\$425,000). Young's Lake, a 28-unit complex in Renton, will receive a new sewer main (\$678,000). There is also \$2.4 million budgeted at Young's Lake for envelope improvements.

Housing Management’s Unit Upgrade Crews are budgeted to complete a total of 18 unit upgrades in 2022 at an average cost of \$34,821. Through September 2021, 423 of the 509 units in this portfolio have been upgraded since inception of the program and 5 more are slated to be completed at Green Leaf, Juanita Trace, Wellswood, Valli Kee, and Vista Heights this year, leaving only 86 units to modernize. The 2022 budget of 18 units is 21% of this remaining total.

\$334,000 of additional small projects, such as parking lots, subfloors, walkway lighting, playgrounds, and sidewalk repairs have been budgeted.

The full budget for the MKCRF-Owned Properties is contained in Exhibit A, found on page 4.

MKCRF Entity

Moving King County Residents Forward is a 501(c)(3) non-profit that owns 509 units of multifamily housing. MKCRF entered into an Operating Agreement with KCHA whereby the Authority would operate the properties, own the revenue, and be responsible for operating costs. Accordingly, none of the operations of the properties appear on the books of MKCRF. The balance sheet of the non-profit consists of the properties themselves, and the debt it owes to KCHA.

A total of \$3.9 million of capital work will be managed in 2022 by KCHA’s Capital Construction department on behalf of MKCRF:

Eastridge House Elevators	434,984
Kings Court	\$424,591
Young’s Lake Sewer Main	678,030
Young's Lake Envelope & Roof	<u>2,392,123</u>
	<u>\$3,929,728</u>

The full budget for the MKCRF entity is contained in Exhibit B, found on page 5.

MOVING KING COUNTY RESIDENTS FORWARD
2022 Budget-Properties

EXHIBIT A

	Operations	Capital	2022 Proposed Combined
Beginning Balance, Unrestricted Cash	\$354,160	\$49,778	\$403,938
Revenues			
Tenant Revenue	9,722,396	0	9,722,396
Other Operating Revenue	0	0	0
Total Operating Revenues	9,722,396	0	9,722,396
Expenses			
Salaries & Benefits	(1,848,940)	0	(1,848,940)
Routine Maintenance, Utilities, Taxes & Insurance	(2,300,955)	0	(2,300,955)
Other Social Service Support Expenses & HAP	(24,815)	0	(24,815)
Administrative Support Expenses	(1,104,900)	0	(1,104,900)
Total Operating Expenses	(5,279,611)	0	(5,279,611)
Operating Net Income	4,442,785	0	4,442,785
Non-operating Revenue	12,328	0	12,328
Non-operating Expenses	(1,547,980) (1)	(3,929,728) (1)	(5,477,707)
Net Income	2,907,133	(3,929,728)	9,932,820
Other Sources/(Uses) of Cash			
Capital Projects and Acquisitions	(334,300)	(626,786)	(961,086)
Changes in Designated Cash	(127,788) (2)	0	(127,786)
Total Other Sources/(Uses) of Cash	(462,088)	(626,786)	(1,088,874)
Transfer of Operating Funds for Unit Upgrades	(589,097)	589,097	0
Transfer of Operating Funds for Capital Construction	(2,129,728)	2,129,728	0
Transfer from MTW fir Capital Construction	0	1,800,000	1,800,000
Total Use of Operating Funds for Capital Purposes	(2,718,825)	4,518,825	1,800,000
Net Change in Unrestricted Cash	(273,780)	(37,689)	(311,469)
Ending Balance, Unrestricted Cash	80,380	12,089	92,470
Beginning Balance, Designated Cash			
	\$1,139,366	\$0	\$1,139,366
Changes in Designated Cash	127,788 (2)	0	127,790
Ending Balance, Designated Cash	\$1,267,154	\$0	\$1,267,154

- 1) The Properties pay debt service (\$1,547,979) on the loan from KCHA and the cost of capital projects (\$3,929,728) on behalf of MKCRF, and these expenditures are reflected on the books of the Properties as Non-operating Expenses.
- 2) Increase in Designated Cash reflects transfers of operating revenues to replacement reserves (\$127,250), plus earned interest.

**MOVING KING COUNTY RESIDENTS FORWARD
2022 Budget (Cash Basis)**

EXHIBIT B

<i>Beginning Balance, Unrestricted Cash</i>	\$1,272
<i>Revenues</i>	
Other Revenue	5,477,699
Total Revenues	5,477,699
<i>Expenses</i>	
Interest Expense	(760,405)
Administrative Support Expenses	(1,150)
Total Expenses	(761,555)
Net Income	4,716,144
<i>Other Sources/(Uses) of Cash</i>	
Capital Projects	(3,929,728)
Changes in Debt	(787,575)
Total Other Sources/(Uses) of Cash	(4,717,303)
Net Change in Unrestricted Cash	(1,159)
<i>Ending Balance, Unrestricted Cash</i>	<u><u>\$113</u></u>

MOVING KING COUNTY RESIDENTS FORWARD

RESOLUTION NO. 36

ADOPTION OF THE CALENDAR YEAR 2022 OPERATING AND CAPITAL BUDGET

WHEREAS, the King County Housing Authority, as Operator of the Moving King County Residents Forward (MKCRF) Properties (the Properties), has submitted Operating and Capital Budgets for the Properties and for MKCRF for the Calendar Year beginning January 1, 2022 (Calendar Year 2022); and,

WHEREAS, the Board of Directors has determined that the proposed expenditures are necessary for the efficient and economical operation of the Properties and of MKCRF; and,

WHEREAS, the Budgets of the Properties and MKCRF indicates sources of funding adequate to cover all proposed expenditures;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD:

The Calendar Year 2022 Operating and Capital Budgets are hereby adopted. The Budgets are attached hereto as Exhibits A and B and are made a part thereof.

ADOPTED AT A MEETING OF THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD AT AN OPEN PUBLIC MEETING THIS 20th DAY OF DECEMBER, 2021.

**MOVING KING COUNTY RESIDENTS
FORWARD**

STEPHEN J. NORMAN
Secretary

DOUGLAS J. BARNES
President, Board of Directors

MOVING KING COUNTY RESIDENTS FORWARD
2022 Budget-Properties

EXHIBIT A

	Operations	Capital	2022 Proposed Combined
Beginning Balance, Unrestricted Cash	\$354,160	\$49,778	\$403,938
Revenues			
Tenant Revenue	9,722,396	0	9,722,396
Other Operating Revenue	0	0	0
Total Operating Revenues	9,722,396	0	9,722,396
Expenses			
Salaries & Benefits	(1,848,940)	0	(1,848,940)
Routine Maintenance, Utilities, Taxes & Insurance	(2,300,955)	0	(2,300,955)
Other Social Service Support Expenses & HAP	(24,815)	0	(24,815)
Administrative Support Expenses	(1,104,900)	0	(1,104,900)
Total Operating Expenses	(5,279,611)	0	(5,279,611)
Operating Net Income	4,442,785	0	4,442,785
Non-operating Revenue	12,328	0	12,328
Non-operating Expenses	(1,547,980) (1)	(3,929,728) (1)	(5,477,707)
Net Income	2,907,133	(3,929,728)	9,932,820
Other Sources/(Uses) of Cash			
Capital Projects and Acquisitions	(334,300)	(626,786)	(961,086)
Changes in Designated Cash	(127,788) (2)	0	(127,786)
Total Other Sources/(Uses) of Cash	(462,088)	(626,786)	(1,088,874)
Transfer of Operating Funds for Unit Upgrades	(589,097)	589,097	0
Transfer of Operating Funds for Capital Construction	(2,129,728)	2,129,728	0
Transfer from MTW fir Capital Construction	0	1,800,000	1,800,000
Total Use of Operating Funds for Capital Purposes	(2,718,825)	4,518,825	1,800,000
Net Change in Unrestricted Cash	(273,780)	(37,689)	(311,469)
Ending Balance, Unrestricted Cash	80,380	12,089	92,470
Beginning Balance, Designated Cash			
Beginning Balance, Designated Cash	\$1,139,366	\$0	\$1,139,366
Changes in Designated Cash	127,788 (2)	0	127,790
Ending Balance, Designated Cash	\$1,267,154	\$0	\$1,267,154

- 1) The Properties pay debt service (\$1,547,979) on the loan from KCHA and the cost of capital projects (\$3,929,728) on behalf of MKCRF, and these expenditures are reflected on the books of the Properties as Non-operating Expenses.
- 2) Increase in Designated Cash reflects transfers of operating revenues to replacement reserves (\$127,250), plus earned interest.

**MOVING KING COUNTY RESIDENTS FORWARD
2022 Budget (Cash Basis)**

EXHIBIT B

<i>Beginning Balance, Unrestricted Cash</i>	\$1,272
<i>Revenues</i>	
Other Revenue	5,477,699
Total Revenues	5,477,699
<i>Expenses</i>	
Interest Expense	(760,405)
Administrative Support Expenses	(1,150)
Total Expenses	(761,555)
Net Income	4,716,144
<i>Other Sources/(Uses) of Cash</i>	
Capital Projects	(3,929,728)
Changes in Debt	(787,575)
Total Other Sources/(Uses) of Cash	(4,717,303)
Net Change in Unrestricted Cash	(1,159)
<i>Ending Balance, Unrestricted Cash</i>	\$113

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MOVING KING COUNTY RESIDENTS FORWARD
RESOLUTION NO. 37
ELECTION OF SECRETARY

WHEREAS, Moving King County Residents Forward (MKCRF) is a not-for-profit organization recognized by the IRS as a 501(c)3 whose purpose is to perform the functions of, or to carry out the purposes of, its qualified Supported Organizations; and

WHEREAS, MKCRF is registered with the State of Washington as a WA Non-Profit Corporation as of August 4, 2009; and,

WHEREAS, Article 4 of the By-Laws of MKCRF requires the election of a President, Secretary and Treasurer.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD:

Section 1: The Board of Directors hereby nominates the following as Officers for MKCRF:

Secretary: **Daniel Watson**

ADOPTED AT THE ANNUAL MEETING OF THE BOARD OF DIRECTORS OF MOVING KING COUNTY RESIDENTS FORWARD THIS 20TH DAY OF DECEMBER, 2021.

MOVING KING COUNTY RESIDENTS FORWARD

DOUGLAS J. BARNES
President, Board of Directors

STEPHEN J. NORMAN
Secretary

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MOVING KING COUNTY RESIDENTS FORWARD

TO: Board of Directors

FROM: Windy Epps, Director of Finance

DATE: December 10, 2021

RE: Financial results through September 2021 for Moving King County Residents Forward (MKCRF) and MKCRF-Owned Properties

EXECUTIVE SUMMARY

Throughout the first three quarters of 2021, the MKCRF-owned Properties (the Properties) generated cash flow sufficient to make all required debt service payments, fully fund replacement reserves, and complete the interior upgrade of eleven units using KCHA's internal unit upgrade crews.

FINANCIAL REPORTS

Attached are financial reports through September of 2021:

- Statement of Financial Position for the Properties that reflects their short-term assets and liabilities
- Statement of Financial Position for the non-profit Moving King County Residents Forward that reflects its long-term assets and liabilities, primarily the apartment complexes and related debt
- Cash Reconciliation report for the Properties that reflects their operating income, expenses, and other cash expenditures
- Cash Reconciliation report for the non-profit Moving King County Residents Forward that reflects its minor operating income and expenses

KCHA Operations of the Properties

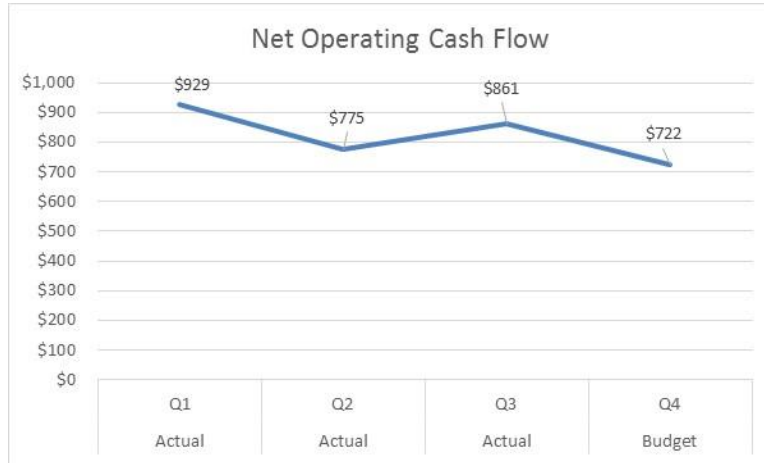
Tenant revenue exceeded budget projections by 1.9%. Operating expenses lagged the budget by 8.7%, primarily due to the timing of maintenance projects and utility invoices.

As of September 30, 2021 the MKCRF operating fund was reflecting an unrestricted cash balance in the amount of \$339,000 while the capital fund was reflecting a negative balance in the amount of \$478,000. It is expected MKCRF operations will have sufficient cash flow during the fourth quarter to transfer funds to cover the deficit in the capital fund.

During the third quarter, the Properties generated net operating cash flow of \$861,000 after required debt service payments and additions to replacement reserves. Although this exceeded the budget projection of \$703,000, it is anticipated that operating expenses will increase throughout the remainder of the year, and net cash flow will end the year close to the \$2.9 million budget as various maintenance projects are scheduled to be completed in the fourth quarter.

The graph on the next page depicts net cash flow.

Operating Revenues	\$2,402,516
Operating Expenses	(1,121,950)
Debt Service	(386,995)
Transfers to Replacement Reserves	(32,351)
Net Operating Cash Flow	\$861,221



Rent Arrearages

As of the end of November, the Properties have cumulative rent due of \$242,000, of which \$208,000 is past due. A loss reserve of \$77,000 has been established and will be reviewed at year-end for adequacy. It is anticipated that funds will be received from King County as part of the American Rescue Act Plan (ARPA) to offset some of the past due balances, but timing and amounts are currently uncertain.

Capital Projects

Capital project expenditures exceeded budget projections through the third quarter by \$374,000, or 21.9%. Several projects originally planned to be completed in 2020 were delayed to 2021 due to the pandemic. This has resulted in higher than budget expenditures for 2021.

Unit upgrades and other special projects are below budget by \$42,000. The Riverton Terrace parking lot/sidewalk and the Vista Heights external wall replacement projects were budgeted in the third quarter but are now expected to be completed in the fourth quarter. This amount is partially offset as unit upgrades are over budget. KCHA's internal unit upgrade crews rehabilitated the interiors of 11 of the thirteen standard units included in the 2021 budget. Unit upgrades are budgeted evenly throughout the year, but actual unit upgrades are dependent on unit availability.

Since the transfer of the Properties from KCHA to MKCRF in 2012, 211 units have been upgraded by KCHA's in-house unit upgrade crew. A total of 423 units (83.1%) have been upgraded since the inception of the upgrade program in 2006.

Operations of Moving King County Residents Forward

MKCRF had only \$708 in administrative expenses in the third quarter. All required monthly debt service payments to KCHA were made.

Moving King County Residents Forward
Statements of Financial Position
As of September 30, 2021

MKCRF Properties Managed by KCHA

	Operations	Capital	Combined	MKCRF
Assets				
Cash-Unrestricted	\$339,219	(\$477,614)	(\$138,394)	(\$1,754)
Cash-Designated	1,168,778	0	1,168,778	0
Cash-Restricted	79,786	0	79,786	0
Accounts Receivable	117,357	0	117,357	0
Other Short-term Assets	44,045	0	44,045	0
Long-term Receivables	0	0	0	0
Capital Assets	81,009	753,364	834,373	72,523,310
Other Assets	0	0	0	0
Total Assets	<u>\$1,830,193</u>	<u>\$275,751</u>	<u>\$2,105,944</u>	<u>\$72,521,557</u>
Liabilities and Equity				
Short-term Liabilities	\$267,342	\$223,415	\$490,757	\$0
Current Portion of Long-term Debt	0	0	0	658,189
Long-term Debt	0	0	0	12,561,497
Other Long-term Liabilities	0	0	0	0
Total Liabilities	<u>267,342</u>	<u>223,415</u>	<u>490,757</u>	<u>13,219,686</u>
Equity	1,562,851	52,336	1,615,187	59,301,871
Total Liabilities and Equity	<u>\$1,830,193</u>	<u>\$275,751</u>	<u>\$2,105,944</u>	<u>\$72,521,557</u>

Moving King County Residents Forward
Cash Reconciliation Report
Properties and MKCRF
Through September 30, 2021

	MKCRF Properties, Managed by KCHA				MKCRF			
	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
BEGINNING UNRESTRICTED/PROGRAM CASH	(\$283,382)				(\$1,046)			
<i>Rental Revenue and Subsidy</i>								
Tenant Revenue	\$7,117,243	\$6,981,538	\$135,705	1.9%	\$0	\$0	\$0	n/a
Total Rental Revenue and Federal Support	7,117,243	6,981,538	135,705	1.9%	0	0	0	n/a
<i>Other Operating Revenue</i>								
Other Revenue	225	11,143	(10,917)	-98.0%	3,174,186	2,872,788	301,398	10.5%
Total Other Operating Revenue	225	11,143	(10,917)	-98.0%	3,174,186	2,872,788	301,398	10.5%
Total Operating Revenue	7,117,468	6,992,680	124,788	1.8%	3,174,186	2,872,788	301,398	10.5%
<i>Operating Expenses</i>								
Salaries and Benefits	(1,244,528)	(1,241,295)	(3,233)	-0.3%	0	0	0	n/a
Administrative Expenses	(179,866)	(169,289)	(10,577)	-6.2%	(708)	(901)	193	21.5%
Maintenance Expenses and Utilities	(1,239,456)	(1,689,480)	450,024	26.6%	0	0	0	n/a
Management Fees Charged to Properties and Programs	(601,949)	(585,662)	(16,287)	-2.8%	0	0	0	n/a
Other Programmatic Expenses	(28,765)	(28,179)	(586)	-2.1%	0	0	0	n/a
Debt Service	(1,160,985)	(1,160,985)	0	0.0%	0	0	0	n/a
Total Operating Expenses	(4,449,701)	(4,874,890)	425,189	8.7%	(707)	(901)	194	21.5%
Net Operating Income	2,667,767	2,117,790	549,977	26.0%	3,173,479	2,871,887	301,592	10.5%
<i>Non Operating Income/(Expense)</i>								
Interest Expense	0	0	0	n/a	(608,755)	(604,619)	(4,136)	-0.7%
Other Non-operating Income/(Expense)	0	0	0	n/a	0	0	0	n/a
Total Non Operating Income/(Expense)	0	0	0	n/a	(608,755)	(604,619)	(4,136)	-0.7%
<i>Capital Activity</i>								
Capital Project Funding, Excluding Debt Issuance	0	0	0	n/a	0	0	0	n/a
Capital Project Expenditures	(2,086,205)	(1,711,803)	(374,402)	-21.9%	(2,013,202)	(1,711,803)	(301,399)	-17.6%
Unit Upgrades	(372,728)	(415,218)	42,490	10.2%	0	0	0	n/a
Total Change in Capital Assets, net of Direct Funding and Debt	(2,458,933)	(2,127,021)	(331,912)	-15.6%	(2,013,202)	(1,711,803)	(301,399)	-17.6%
<i>Change in Other Assets/Liabilities</i>								
Change in Designated/Restricted Cash	(97,312)	(95,841)	(1,471)	-1.5%	0	0	0	n/a
Change in Short-term Assets	176,050	0	176,050	n/a	0	0	0	n/a
Change in Short-term Liabilities	(142,584)	0	(142,584)	n/a	0	0	0	n/a
Change in Long-term Debt	0	0	0	n/a	(552,229)	(556,366)	4,137	0.7%
Change in Other Assets/Liabilities	(63,846)	(95,841)	31,995	33.4%	(552,229)	(556,366)	4,137	0.7%
Change in Unrestricted/Program Cash	\$144,987	(\$105,072)	\$250,060	238.0%	(\$707)	(\$901)	\$194	21.5%
ENDING UNRESTRICTED/PROGRAM CASH	(\$138,394)				(\$1,754)			
BEGINNING DESIGNATED/RESTRICTED CASH	\$1,151,251				\$0			
Change in Replacement Reserves	96,919	95,841	1,078	1.1%	0	0	0	n/a
Change in Debt Service Reserves	0	0	0	n/a	0	0	0	n/a
Change in Other Reserves	393	0	393	n/a	0	0	0	n/a
Change in Designated/Restricted Cash	97,312	95,841	1,471	1.5%	0	0	0	n/a
ENDING DESIGNATED/RESTRICTED CASH	\$1,248,563				\$0			

- As interest rates fell, lower than anticipated interest income was earned on invested cash.
- Maintenance contracts were lower than anticipated due to several contract expenses such as bed bug inspections/treatments not being utilized and the limitations of in-unit work due to COVID-19. Small general building, landscaping, paving, flooring and roofing projects are still slated to be completed by the end of 2021. Also, Yard/Garden materials, Tools, Cabinetry, Pest Control, Electrical, and Fire/Safety are below target, but are projected to increase by the end of 2021.
- Capital construction projects delayed in 2020 due to COVID-19 pandemic were started this year, resulting in higher than budgeted expenditures.
- Thirteen unit upgrades were budgeted throughout the year, eleven unit upgrades were completed through the third quarter. Unit upgrades depend on availability. Also, the Riverton Terrace parking lot/side walk project and the Vista Heights external wall replacement projects were budgeted in the third quarter but expected to be completed by year end.
- Decrease in prepaid insurance and accounts receivable.