

KITSAP COUNTY CONSOLIDATED HOUSING AUTHORITY

Notes to RHS From 1930-7 and 1930-8

Rhododendron

June 30, 2000

Schedule of Identity of Interest Companies and Activities

No vendor or supplier providing services or supplies to the project has an identity of interest with the owner.

The owner, Kitsap County Consolidated Housing Authority, shares management of the project with Quality Management effective April 1, 2000. Prior to April 1, KCCHA shared management of the project with Dujardin Property Management. Quality Management (and formerly Dujardin) is reimbursed for incidental operating costs (i.e. photocopies and postage) incurred on behalf of the project. The Housing Authority charged the project \$3,536 for bookkeeping salaries and \$7,260 for administrative salaries.

The Housing Authority incurs indirect costs for common or joint purposes. These costs benefit more than one program or project and cannot be readily identified with a particular program or project without effort disproportionate to the results achieved. In accordance with OMB Circular A-87, Cost Principles for State and Local Governments, the Housing Authority has a Cost Allocation Plan in effect for its indirect costs. The Cost Allocation plan charges indirect costs to all projects based on a predetermined rate. Under the Plan, Rhododendron is charged 3.60% of the indirect costs incurred. These indirect costs include legal and professional fees, basic telephone charges, office supplies, computer software and support, membership dues, and subscriptions. The Cost Allocation Plan has been approved by the U.S. Department of Labor under contract with the Housing Authority's cognizant Federal agency (HUD).

Schedule of Kickbacks, Discounts and Rebates

<u>Name of Recipient</u>	<u>Official Title</u>	<u>Source of Payment</u>	<u>Amount Paid</u>
			<u>\$ NONE</u>

Schedule of Management Fee Computation

Management fees were computed as follows:

Total rental revenue	\$ 151,636
RHS rental assistance revenue	<u>132,506</u>
Total rental revenue	284,142
Rate per management agreement	<u>7%</u>
Calculated Management fee	<u>\$ 19,890</u>
Management fee paid	<u>\$ 19,920</u>

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Schedule of Project Bank Accounts

<u>Account Title</u>	<u>Institution</u>	<u>Balance</u>	<u>Interest Rate</u>	<u>Controlled by</u>
Rental	Seafirst Bank	1,000	N/A	Management agent
Tenant trust	Seafirst Bank	18,465	.50%	Owner
Reserve	Pacific Northwest Bank	41,644	3.30%	Owner/RHS
Reserve - Bond	US Bank	100,309	5.36%	Trustee
Principal & Interest - Bonds	US Bank	199	5.36%	Trustee
Property reserve - Bonds	US Bank	5,134	5.36%	Trustee

No project bank accounts are restricted other than by RHS regulations.

Schedule of Insurance Coverage

<u>Insurance</u>	<u>Period of Coverage</u>	<u>Amount of Coverage</u>
Property	June 30, 1999 - June 30, 2000	\$ 2,668,500
Liability	June 30, 1999 - June 30, 2000	\$ 3,000,000
Fidelity	June 30, 1999 - June 30, 2000	\$ 200,000

Schedule of Cash Paid to Owner

\$ NONE

Schedule of Return on Investment

Operating revenue	\$296,610
Transfer from reserve	22,546
Operating expenses (excluding interest)	(177,883)
Other disbursements:	
RHS debt service	(19,920)
RHS payment (overage)	(3,357)
Required deposits to reserve	(10,900)
Authorized debt payment (non-RHS)	(101,286)
Long-term improvements	(20,644)
Miscellaneous	( 4,780)
Accrual to cash adjustment	<u>8,875</u>
Available for return on investment	<u>\$ (10,739)</u>

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Schedule of Accounts Receivable

	<u>Current</u>	<u>30-60</u>	<u>60-90</u>	<u>&gt;90 days</u>	<u>Total</u>
Tenant rent	\$ 3,956	\$ -	\$ -	\$ -	\$ 3,956
RHS	<u>10,425</u>	<u>11,360</u>	<u>          </u>	<u>          </u>	<u>21,785</u>
Total	<u>\$14,381</u>	<u>\$ 11,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$25,741</u>

Schedule of Accounts Payable

	<u>Current</u>	<u>30-60</u>	<u>60-90</u>	<u>&gt;90 days</u>	<u>Total</u>
Trade payables	\$ 6,248	\$ -	\$ -	\$ -	\$ 6,248
Due to Housing Authority	<u>66,032</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>66,032</u>
	<u>\$72,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$72,280</u>

Owner Information

<u>Owners' Name and Address</u>	<u>Percent of Ownership</u>	<u>Percent of Profit</u>	<u>Percent of Loss</u>
Kitsap County Consolidated Housing Authority 9307 Bayshore Drive NW Silverdale, WA 98383	<u>100.00%</u>	<u>100.0%</u>	<u>100.0%</u>