

Beyond your usual rental *experience,*
To a place of **OPPORTUNITY.**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

**Washington County Housing and
Redevelopment Authority**
A component unit of Washington
County, Minnesota

**PREPARED BY:
FINANCE DEPARTMENT**

**FOR THE YEAR ENDED
DECEMBER 31, 2009**



WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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I. INTRODUCTORY SECTION

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WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

PRINCIPAL OFFICIALS

December 31, 2009

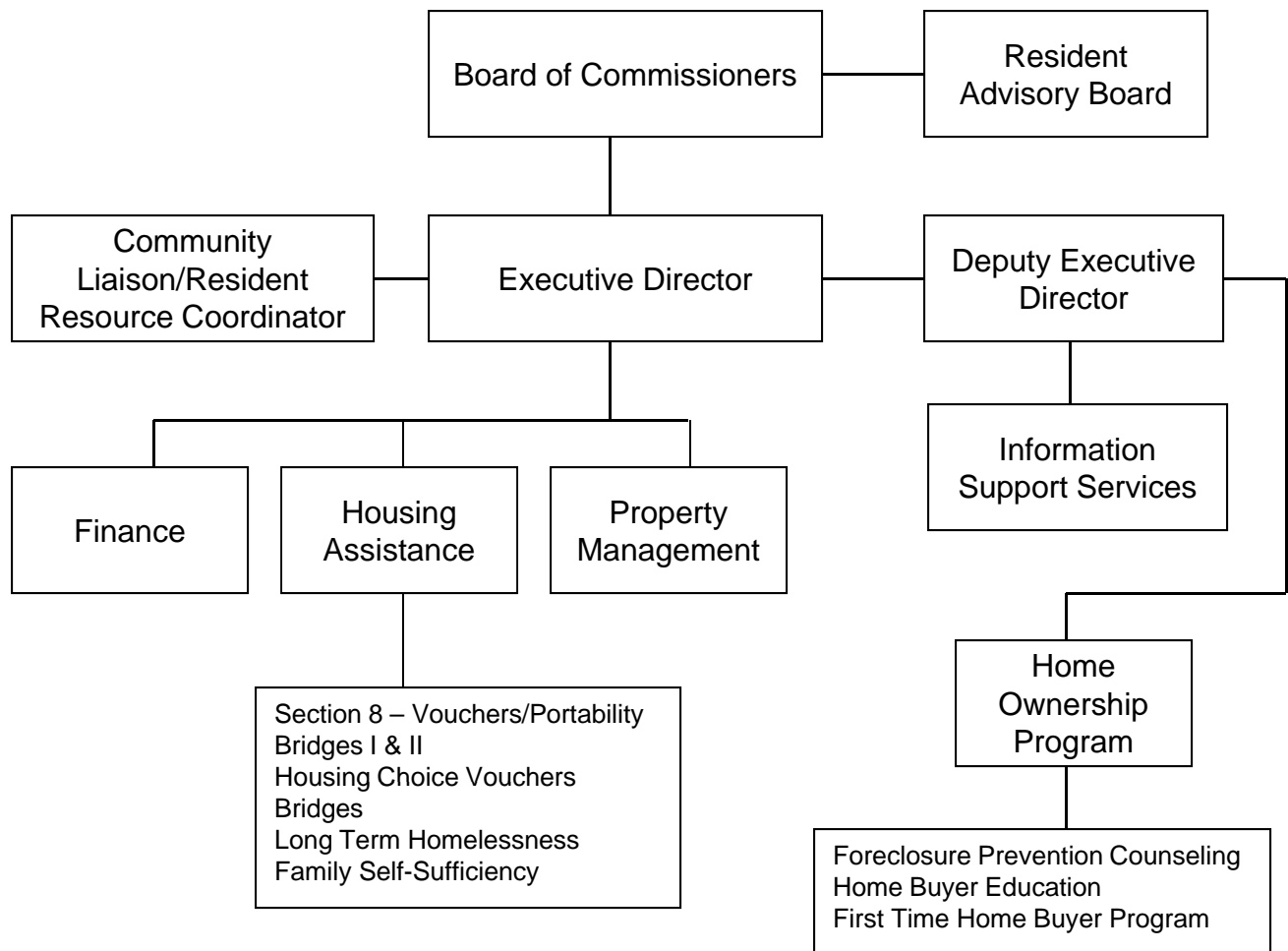
BOARD OF COMMISSIONERS

<u>District</u>	<u>Board Member</u>	<u>Term Expires</u>
District 1	Tom Triplett	December 31, 2011
District 2	Marisa Novak	December 31, 2011
District 3	Kuchen Meyer	December 31, 2010
District 4	Richard Hammero	December 31, 2009
District 5	Barry Johnson	December 31, 2011
Resident At-Large	Katoria Kennedy	December 31, 2010
County Commissioner At-Large	Dennis Hegberg	December 31, 2009
County Administrator	James Schug	Ex-Officio Member

Executive Director

Barbara Dacy

**Washington County Housing and Redevelopment Authority
Organizational Chart
December 31, 2009**





April 8, 2010

Honorable Chair and Commissioners
Washington County Housing and Redevelopment Authority
321 Broadway Avenue
St. Paul Park, Minnesota 55071

The Comprehensive Annual Financial Report (CAFR) is hereby submitted for the fiscal year ended December 31, 2009. This report is consistent with legal State and Federal reporting requirements. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial data to meet the needs of citizens, taxpayers, employees, financial institutions, intergovernmental agencies, creditors, partners and the Authority Board of Commissioners.

The CAFR is divided into the following three sections:

- The Introductory Section contains a letter of transmittal, certificate of achievement, organizational chart, and a list of principal officials.
- The Financial Section contains the independent auditor's report, management's discussion and analysis, basic financial statements, required supplementary information, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
- The Statistical Section contains selective financial and demographic information that is generally presented on a multi-year basis.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designated both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in accordance with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designated to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.



The Authority's financial statements have been audited by HLB Tautges Redpath, Ltd., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the year ended December 31, 2009 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The independent audit of the financial statements of the Authority was part of a broader, federally mandated "Single Audit" performed in conformity with the provisions of the Single Audit Act, and the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Nonprofit Organizations*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, and the auditor's reports on internal control and compliance with applicable laws and regulations, are available at the end of the Comprehensive Annual Financial Report.

Profile of the Government

The Washington County Housing and Redevelopment Authority was established in 1981 pursuant to Chapter 375 of Minnesota Statutes for the express purpose of providing safe, decent and sanitary housing for residents of Washington County, Minnesota. Located east of Minneapolis and St. Paul, the County currently has an area of 423 square miles and includes 7 full and fractional townships, and 26 incorporated municipalities. The 2009 population of the County was 235,599. It is one of seven counties comprising the Twin Cities metropolitan area.

The stated mission of the Authority is, through innovation, to promote community and economic development, and provide and maintain affordable, decent and safe housing opportunities in Washington County. The Washington County HRA is empowered under state statute to initiate a broad array of housing and community development programs to address the varying needs of the jurisdictions within the County. To that end, the Authority has established housing programs that serve over 4,000



households in the County including rental assistance programs, home ownership and foreclosure prevention counseling programs, and various community development programs. The Authority owns and manages an affordable housing portfolio consisting of sixteen rental housing developments containing 920 units. The Authority also acts as an ongoing resource for information about housing and community development issues including housing market data, housing needs, and various government programs related to housing and community development.

The Authority operates under a seven member Board of Commissioners, which are appointed by the Washington County Board of Commissioners. Five of the seven Commissioners represent a district that matches the boundaries of the County Commissioner districts. One Commissioner is an “At-Large” position and the remaining Commissioner is a “Public Assistance Commissioner” (or sometimes referred to as a Resident Commissioner), a position which is required by the Department of Housing and Urban Development (HUD). HUD requires that a recipient of Public Housing assistance or a recipient of the tenant based Section 8 Housing Choice Voucher program serve as the Public Assistance Commissioner. Further, the Washington County Board of Commissioners has decided that the “At-Large” position on the Authority Board of Commissioners would be a member of the County Board. Once appointed, the Authority’s Board of Commissioners exercises all oversight responsibilities including but not limited to matters of personnel, management, finance, and budget. The Board also is responsible for the hiring of the Authority’s Executive Director, whose responsibility it is to carryout the policies of the Board, for overseeing the day-to-day operations of the Authority, and for hiring the heads of the various departments.

The Authority is considered a discretely presented component unit of Washington County, Minnesota, since the Washington County Board of Commissioners appoints the Washington County Housing and Redevelopment Authority’s Board of Commissioners and Washington County has a potential obligation relating to certain housing development bonds issued by the Authority. These bonds carry a general obligation pledge of the County, which enables the Authority to obtain lower borrowing costs for the purpose of financing the construction of housing facilities within the County.

These bonds are also secured by the pooled rent receipts of the underlying rental housing developments and by other revenue sources, and the Authority’s property tax levy. The County has not incurred a financial obligation on these bond issues, and the rents and other revenue sources that secure these bonds are considered sufficient to make current and future debt service payments.



Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Authority operates. Unlike some housing agencies the Authority is not solely dependent on any one source of revenue. The Authority enjoys a balance of resources that include the revenues from its housing portfolio, the Special Benefit Levy, and the funds it receives from the federal and state government for various housing programs and activities. In recent years, there were external economic and government finance forces that presented difficult and unique impacts on the Authority's operations. The Authority however has prepared itself adequately for these impacts and has structured its operations to continue to provide the necessary precautions to buffer against a changing economic and government finance environment. The Authority is also undertaking the necessary steps to accomplish its major initiatives to facilitate additional affordable housing and community development projects in the County.

Enterprise Fund. As of December 31, 2009, the Authority owns and operates a total of 16 housing developments in 8 cities within Washington County representing 307 units of senior housing and 613 units of family housing. The Enterprise Fund is the engine by which the Authority operates. About 61% of the Authority's annual revenue came from the Authority's property portfolio in 2009.

While most housing authorities around the country receive a majority of their funds from the federal government, this is not the case with the Washington County HRA. The Authority was able to finance the creation of its affordable senior and family housing portfolio by obtaining lower interest rates on tax exempt housing revenue bonds and using the Special Benefit Levy as a credit enhancement tool. The Authority also made good use of other state and regional resources to keep initial development costs down, which also helped to reduce monthly rents. About 80% of the Authority's property portfolio is financed with tax-exempt bonds.

Because the properties provide a significant amount of revenue, it is critical that the Authority maintain the properties in good condition and manage the properties with good customer service and sound operating principles. In 2009, the Authority initiated several capital improvement projects totaling \$1.8 million. Improvements included energy efficiency improvements (i.e. insulation, window replacement, and furnace replacement), siding and roof repair, storm water improvements, and exterior painting. The Authority obtained approximately \$1,076,000 in federal, state and local grant funds to help pay for these projects, including funding from the American Recovery and Reinvestment Act ("ARRA"). The Authority received an allocation of Recovery - Community Development Block Grant Funds in the amount of \$196,383 for various capital improvements at three Authority owned properties. In addition, the Authority received \$90,488 in Recovery Public Housing Capital Funds for energy efficient improvements for the scattered site public housing rental units. All improvements associated with ARRA



funds were completed in 2009 and spending benchmarks were achieved in accordance with federal requirements.

The Authority also receives income from a Special Benefit Tax Levy that represents about 19% of the Authority's total revenue. In 2009 the amount levied totaled \$3,301,205. The Special Benefit Levy is appropriated annually by the County Commissioners of Washington County, after submission of the Authority's annual budget to the County. The Authority uses this levy as a credit enhancement tool on its bond debt as well as to fund capital improvements and to provide operating support to the Authority's housing portfolio. The levy also helps to fund the general administration activities of the Authority.

The County Board of Commissioners is mindful of the impact of increasing property taxes on taxpayers, especially on those who own lower value residential homes. The County Board has notified the Authority that it will allocate the Special Benefit Levy commensurate with the growth of the County's budget in addition to the particular needs of the Authority for the upcoming budget year. The resulting amount may be less than the amount defined in State Statute; however, because the Special Benefit Levy is used to assist several Authority properties, and because the Authority is a component unit of the County, the Authority is confident that the Special Benefit Levy will continue in adequate amounts to fund the Authority's operations.

Occupancy Rates. Occupancy rates were at 91% at December 31, 2009. The Authority's senior housing developments continue to be very successful and the vacancy rate for 2009 was at 2%. The Authority benefits from many long-term residents, a number of whom moved in at initial occupancy.

Long-Term Financial Planning. The Authority, in recognition of some of the recent economic trends, continues to fund established reserves. The Authority increased the operating reserve to \$1,239,407, and maintains a balance of \$9,974,712 in restricted funds primarily for the property portfolio. The Authority also increased its Long Term Capital Reserve Fund which has a balance of \$1,292,426 at year end.

Debt Refinancing. The Authority, in 2003, completed refinancing of all of its property related debt to reduce debt service costs. There are four major bond issues, the 2002A and B Series, the 2002 Woodland Park General Obligation Bond, the 1999 Briar Pond Bond, and the 2003 General Obligation Bond Series. Refinancing the Authority's debt has provided needed relief to lessen the impact of rising expenses, especially increased insurance and utility costs. The Authority has also been able to hold down rent increases to an amount that is affordable to residents.

Federal and State Funding. The federal and state funding that the Authority receives represents approximately 32% of all Authority Funds during the fiscal year ended December 31, 2009. This funding primarily relates to ongoing tenant rental assistance programs funded through the U.S. Department of Housing and Urban Development and the Minnesota Housing Finance Agency. This funding also provides operating subsidies for about 20% of the units in the Authority's property portfolio.



Major Initiatives

Whispering Oaks. The Whispering Oaks site is located along I-694, near Hadley Avenue and Highway 36 in Oakdale, Minnesota. The site is perfect for work force and senior housing, offering easy access to major employers and community services. Whispering Oaks opened in the late 1950s, under private ownership, and was occupied by approximately 75 manufactured homes. The HRA purchased Whispering Oaks in 1993 to augment its affordable housing portfolio. In the late 1990s, it became apparent that Whispering Oaks was in need of millions of dollars of infrastructure improvements. The Authority evaluated several redevelopment options and determined that the most economically practical use of financial resources was to replace the site with new affordable and market rate housing options for a variety of families in different life stages.

To assist with redevelopment expenses, the Authority created a tax increment district for the property so that the property tax revenues from the new development can assist with project expenses. In 2007, the Authority successfully relocated the families and sold the property to a private developer.

The new development, **Red Oak Preserve**, provides a healthy mix of “life cycle” housing that not only meets local affordable housing demand but also provides “move up” housing for the Oakdale area. The proposed housing includes 33 single family detached market rate homes to be constructed by Ryland Homes, 20 affordable attached town homes to be constructed by Twin Cities Habitat for Humanity, 5 affordable single family detached homes to be constructed by Two Rivers Community Land Trust, and 39 affordable senior rental units and 29 affordable family rental town homes to be constructed and operated by the private developer who purchased the property.

The 29 unit affordable rental town home building, known as the “Arbors at Red Oak Preserve”, is completed and is fully leased. Twin Cities Habitat for Humanity has completed 15 of the 20 affordable townhomes, and the remaining 5 units will be completed and occupied in 2010. Two Rivers Community Land Trust completed construction of two affordable single family homes in 2009, and the remaining three homes will be completed in 2010. The affordable senior housing development is slated for construction beginning in 2010 and occupancy in 2011. Ryland Homes initiated construction on the 33 single family detached homes in 2009, and build out is expected to occur over the next three to five years.

G.R.O.W. Fund. The Authority also has created a gap financing program named “G.R.O.W.” (Gap Financing for Rental and Owner Occupied Housing in Washington County). The program is designed to facilitate new construction and preservation of affordable housing aimed at households earning less than 80% of Area Median Income (AMI). G.R.O.W. funds can then be leveraged with other public and private sector funds. Eligible activities may include new construction, rehabilitation, or home ownership opportunities. The Authority has issued two loans which have assisted the development of 69 units of affordable workforce housing developments. At year-end 2009, the G.R.O.W. Fund has a cash balance of \$1,535,219.



Development Fund. The Authority has created a Development Fund, which is a special revenue fund, to track the expenses relating to various affordable housing or community development initiatives. The Authority will typically transfer any fee revenue from conduit bond issues into this fund as well as any other revenue available to the Authority. As of December 31, 2009, the fund balance is \$4,013,119. This fund will be used for interfund loans to the Whispering Oaks Tax Increment District, administration of the G.R.O.W. Fund and other housing and community development activities, including a new affordable senior housing development in Forest Lake, to be known as TrailSide Senior Living.

TrailSide Senior Living. The goal of the TrailSide Senior Living project is to provide 70 units of affordable housing for seniors earning no more than 60% of area median income, or \$38,820 for a household of two persons. TrailSide Senior Living will be an independent living facility as part of a full service senior living campus. The site is located within the Headwaters Planned Unit Development, within the City of Forest Lake, and has direct access to services benefiting seniors, including close proximity to the Forest Lake Transit Center, shopping, Hardwood Creek Library, and the Headwaters Service Center. All of these facilities and services are connected by sidewalks and trails that connect the entire Headwaters Development.

Financing for the development will require the issuance of tax exempt bonds, the establishment of a housing tax increment financing district, grants and loans from regional, local, and federal resources, and the transfer of funds from the Authority's Development and "GROW" funds described above. It is currently planned that the bonds would be issued in the summer of 2010, and construction would begin shortly thereafter.

Home Ownership Services. Like many other communities across the country, the subprime mortgage crisis and economic downturn has affected the metropolitan area housing market. As a result of the increase in the number of foreclosures in the County, the Authority received \$282,962 of funding from private and government sources to hire three full time Homeownership Specialists to conduct pre-purchase and foreclosure prevention counseling. It is anticipated that these services will continue in 2010.

Cash Management and Investments

Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Government or its agencies, mutual funds, and a local government investment pool.

Risk Management

The Authority contracts with insurance carriers for the provision of bodily injury, personal injury, property damage, and general liability coverage. In addition, the Authority maintains excess general liability, public officials' coverage, and vehicle liability coverage.



Budgetary Controls

The objective of budgetary controls maintained by the Authority is to ensure compliance with the budgets approved by the Board of Commissioners. Activities of the general fund, special revenue funds, and the enterprise funds are included in the Authority's annual budgeting process. These annual budgets are proposed by the Executive Director and submitted to the Board of Commissioners for approval.

The annual budgets are prepared based on funds. The budgets can be amended during the year. The Executive Director is authorized to make certain amendments within or between departments and programs. All other amendments require approval from the Authority's Board of Commissioners. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level.

Awards and Acknowledgements

The Government Finance Officers Association of United States and Canada awarded the Certificate of Achievement the Authority for Excellence in Financial Reporting for fiscal years 2003 through 2008. Also, in 2008, 2006 and 2004 the Authority received a "High Performer" rating from the U.S. Department of Housing and Urban Development (HUD) under the Section 8 Management Assessment Program (SEMAP) for its administration of the Section 8 Voucher Program. The Authority also received a "Standard Performer" rating from HUD in 2006 and 2004 under the Public Housing Assessment System (PHAS) for its administration of the Public Housing Program. The Executive Director received the Outstanding Achievement Award in 2005 from the Minnesota Chapter of the National Association of Housing and Redevelopment Officials (Minnesota NAHRO).

I would like to commend the entire staff of the Finance Department for their efficient and dedicated service in helping to prepare this report. I would also like to thank all employees and particularly the Board of Commissioners for their support in planning and conducting the financial operations of the Authority in a responsible and progressive manner.

Respectfully submitted,

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Barbara Dacy
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washington County Housing and Redevelopment Authority, Minnesota

For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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II. FINANCIAL SECTION

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Tautges Redpath, Ltd.

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Washington County Housing and Redevelopment Authority
(a component unit of Washington County)

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Housing and Redevelopment Authority, a component unit of Washington County, as of and for the year ended December 31, 2009, which collectively comprise the Washington County Housing and Redevelopment Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Washington County Housing and Redevelopment Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Housing and Redevelopment Authority, as of December 31, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2010 on our consideration of the Washington County Housing and Redevelopment Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington County Housing and Redevelopment Authority's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Washington County Housing and Redevelopment Authority. The combining and individual fund statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

HLB Tautges Redpath, Ltd.

HLB TAUTGES REDPATH, LTD.
White Bear Lake, Minnesota

April 12, 2010

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2009**

The Washington County Housing and Redevelopment Authority (HRA) is empowered under state statute to initiate a broad array of housing and community development programs to address the varying needs of the jurisdictions within the County. To that end, the HRA has established housing programs that serve over 4,000 households in the County including rental assistance programs, home ownership and foreclosure prevention counseling programs, and sixteen housing developments containing 920 rental units of safe, decent and affordable housing. The HRA also acts as an ongoing resource for information about housing and community development issues including housing market data, housing needs, and various government programs related to housing and community development.

As management of the HRA, we offer readers of the HRA's financial statements this narrative overview and analysis of the financial activities of the HRA for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found in the introductory section of this report.

Financial Highlights

The HRA's net assets increased by \$2,110,390 from the 2008 year end net assets. The HRA increased its existing operating reserve to \$1,239,407.

Net Assets. The total net assets of the HRA exceeded its liabilities at the close of the year by \$5,658,954. The primary factors that contributed to the increase in net assets are as follows:

- Increase in net assets before transfers on HRA Properties	\$1,531,475
- Capital contributions to properties	521,441
- All Other	<u>57,474</u>
Total increase in net assets	<u><u>\$2,110,390</u></u>

Long-Term Debt. The HRA has also completed refunding all of its major bond issues for its property portfolio, reducing debt service costs for the foreseeable future. The net bonded debt per capita for the HRA has decreased from \$318 in 1999 to \$209 in 2009 a 34% reduction.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2009**

Reserves. The HRA has established two reserve funds to preserve adequate financial flexibility for the HRA. First, an operating reserve has been established which as of December 31, 2009 totals \$1,239,407. This represents about three months of operating expenses. In addition, the HRA has a Long-Term Capital Reserve Fund of \$1,292,426 to fund needed future capital improvements at the properties.

Fund Balances. The HRA created a Development Fund in 2003 to account for activities related to future HRA constructed housing developments or other housing programs which will assist private developers or municipalities to create new affordable housing developments. As of December 31, 2009 the fund balance for this fund is \$4,013,119.

The net assets for the Proprietary Funds increased by \$396,475 as a result of income before transfers and capital contributions of \$1,010,034. Because a significant aspect of the HRA's operation includes owning and operating rental housing, changes in the local economy and real estate market can impact the HRA's operation. Occupancy rates are 91% in the portfolio at December 31, 2009 enabling the HRA to generate positive net income.

The governmental funds reported combined ending fund balances of \$8,179,536, an increase of \$1,484,568 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the HRA's basic financial statements. The HRA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the HRA's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the HRA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the HRA is improving or deteriorating.

The statement of activities presents information showing how the HRA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not

Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2009

result in cash flows in future fiscal periods (e.g. amortization of deferred gain/loss on refunding).

Both of the government-wide financial statements distinguish functions of the HRA that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the HRA include general government, housing and redevelopment and tax increment financing. The business-type activities of the HRA are rental properties.

The government-wide financial statements can be found on statements 1 and 2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The HRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the HRA can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the HRA's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The HRA maintains six individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Section 8 Portability Fund, Section 8 Housing Choice Vouchers Fund, Development Fund, Whispering Oaks TIF Fund and Red Oak Preserve Fund, which are considered to be major funds.

**Washington County Housing and Redevelopment Authority
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Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The HRA adopts an annual appropriated budget for its General and Special Revenue Funds.

A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on statements 3 through 5 of this report.

Proprietary funds. The HRA maintains sixteen enterprise funds as its one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The HRA uses enterprise funds to account for its rental property operations.

The HRA adopts an annual appropriated budget for its proprietary funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each property.

The basic proprietary fund financial statements can be found on statements 6 through 8 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following statement 8 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on statements 15 through 44 of this report.

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Management's Discussion and Analysis
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Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the HRA, assets exceeded liabilities by \$5,658,954 at the close of the most recent fiscal year.

**Washington County Housing and Redevelopment Authority
Net Assets
December 31**

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$12,047,887	\$10,231,624	\$17,899,537	\$19,122,623	\$29,947,424	\$29,354,247
Capital assets	92,064	101,454	36,107,485	35,716,394	36,199,549	35,817,848
Total assets	<u>12,139,951</u>	<u>10,333,078</u>	<u>54,007,022</u>	<u>54,839,017</u>	<u>66,146,973</u>	<u>65,172,095</u>
Long-term liabilities outstanding	6,008,544	6,029,220	51,527,456	51,520,005	57,536,000	57,549,225
Other liabilities	445,394	331,760	2,506,625	3,742,546	2,952,019	4,074,306
Total liabilities	<u>6,453,938</u>	<u>6,360,980</u>	<u>54,034,081</u>	<u>55,262,551</u>	<u>60,488,019</u>	<u>61,623,531</u>
Net assets:						
Invested in capital assets, net of related debt	92,064	101,454	(7,931,331)	(9,658,692)	(7,839,267)	(9,557,238)
Restricted	375,535	361,655	9,974,712	10,968,769	10,350,247	11,330,424
Unrestricted	5,218,414	3,508,989	(2,070,440)	(1,733,611)	3,147,974	1,775,378
Total net assets	<u>\$5,686,013</u>	<u>\$3,972,098</u>	<u>(\$27,059)</u>	<u>(\$423,534)</u>	<u>\$5,658,954</u>	<u>\$3,548,564</u>

The HRA's net assets increased by \$2,110,390 during the fiscal year. A portion of the HRA's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the HRA's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities increased the HRA's net assets by \$1,713,915. Key elements of this increase are as follows:

Net transfers from proprietary funds	\$1,135,000
Property taxes allocated to GAP Financing Fund	512,588
All other activities	<u>66,327</u>
Total increase in net assets	<u><u>\$1,713,915</u></u>

Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2009

Washington County Housing and Redevelopment Authority's
Changes in Net Assets
Years Ended December 31

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$797,210	\$735,377	\$7,080,656	\$7,312,921	\$7,877,866	\$8,048,298
Operating grants and contributions	4,316,524	3,584,879	783,910	765,522	5,100,434	4,350,401
Capital grants and contributions	-	-	521,441	-	521,441	-
General revenues:						
Property taxes	1,718,150	1,667,370	1,583,093	1,472,093	3,301,243	3,139,463
Tax increments	2,509	-	-	-	2,509	-
Unrestricted investment earnings	85,308	172,187	345,442	487,922	430,750	660,109
Gain on disposal of assets	-	-	23,976	22,695	23,976	22,695
Total revenues	<u>6,919,701</u>	<u>6,159,813</u>	<u>10,338,518</u>	<u>10,061,153</u>	<u>17,258,219</u>	<u>16,220,966</u>
Expenses:						
General government	574,137	618,931	-	-	574,137	618,931
Housing and redevelopment	5,033,709	5,334,861	8,807,043	9,088,225	13,840,752	14,423,086
Tax increment financing	266,082	384,456	-	-	266,082	384,456
Interest on debt	173,885	168,460	-	-	173,885	168,460
Total expenses	<u>6,047,813</u>	<u>6,506,708</u>	<u>8,807,043</u>	<u>9,088,225</u>	<u>14,854,856</u>	<u>15,594,933</u>
Increase (decrease) in net assets before transfers	871,888	(346,895)	1,531,475	972,928	2,403,363	626,033
Transfers	<u>1,135,000</u>	<u>(181,607)</u>	<u>(1,135,000)</u>	<u>181,607</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>2,006,888</u>	<u>(528,502)</u>	<u>396,475</u>	<u>1,154,535</u>	<u>2,403,363</u>	<u>626,033</u>
Net assets - beginning, as previously reported	3,972,098	4,500,600	(423,534)	(1,578,069)	3,548,564	2,922,531
Prior period adjustment	<u>(292,973)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(292,973)</u>	<u>-</u>
Net assets - beginning, as restated	<u>3,679,125</u>	<u>4,500,600</u>	<u>(423,534)</u>	<u>(1,578,069)</u>	<u>3,255,591</u>	<u>2,922,531</u>
Net assets - ending	<u><u>\$5,686,013</u></u>	<u><u>\$3,972,098</u></u>	<u><u>(\$27,059)</u></u>	<u><u>(\$423,534)</u></u>	<u><u>\$5,658,954</u></u>	<u><u>\$3,548,564</u></u>

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2009**

Business-Type Activities. Business-type activities increased net assets by \$396,475. Key elements of this increase are as follows:

Operating income	\$1,516,469
Investment income	345,442
Other income (expense)	76,445
Interest expense	(2,511,415)
Property tax revenue	1,583,093
Capital contributions	521,441
Subtotal	<u>1,531,475</u>
Net transfers to governmental activities	<u>(1,135,000)</u>
Total increase in net assets	<u><u>\$396,475</u></u>

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the HRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the HRA's financing requirements.

At the end of the current fiscal year, the HRA's governmental funds reported combined ending fund balances of \$8,179,536. A summary of fund balance reservations and designations are as follows:

	General Fund	Section 8 Portability	Section 8 Housing Choice Vouchers	Development	Whispering Oaks TIF	Red Oak Preserve - Oakdale	Other Governmental Funds	Total
Reserved for prepaid items	\$5,205	\$911	\$100	\$329	\$ -	\$ -	\$677	\$7,222
Reserved for long-term receivables	-	-	-	-	-	-	472,904	472,904
Designated for advances to other funds	-	-	-	2,567,089	-	-	-	2,567,089
Designated for general contingency	1,239,407	-	-	-	-	-	-	1,239,407
Designated for grant funded programs	-	39,166	310,780	-	-	149,545	24,537	524,028
Designated for development purposes	-	-	-	1,445,701	-	-	-	1,445,701
Designated for capital purposes	-	-	-	-	-	-	1,292,426	1,292,426
Designated for gap financing	-	-	-	-	-	-	1,535,219	1,535,219
Undesignated	1,598,936	-	-	-	(2,590,723)	-	87,327	(904,460)
Total	<u>\$2,843,548</u>	<u>\$40,077</u>	<u>\$310,880</u>	<u>\$4,013,119</u>	<u>(\$2,590,723)</u>	<u>\$149,545</u>	<u>\$3,413,090</u>	<u>\$8,179,536</u>

The General Fund had a fund balance of \$2,843,548, an increase of \$217,895.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2009**

The Section 8 Portability Fund balance was \$40,077, representing a nominal decrease of \$4,490.

The Section 8 Housing Choice Voucher Fund balance was \$310,880, an increase of \$138,545.

The Development Fund balance was \$4,013,119, an increase of \$525,934.

The Whispering Oaks TIF Fund balance was (\$2,590,723), a decrease of \$263,499.

The Red Oak Preserve – Oakdale Fund balance was \$149,545, an increase of \$46,086.

The nonmajor special revenue funds increased by \$1,049,544 for 2009. The WCHRA LLC Fund increased by \$199,865, GAP Financing Fund increased by \$511,169 and the Long-Term Capital Fund increased by \$297,187.

Proprietary funds. The HRA's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

On a combined basis, the rental properties produced a net gain before transfers and contributions of \$1,010,034.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2009**

A summary of the changes in assets, liabilities and net assets is as follows:

	2009	2008	Increase (Decrease)
Assets:			
Cash and cash equivalents	\$490,423	\$193,458	\$296,965
Restricted cash and investments	9,974,712	10,968,769	(994,057)
Other current assets	202,405	393,394	(190,989)
Capital lease receivable	4,955,713	5,121,229	(165,516)
Capital assets	36,107,485	35,716,394	391,091
Other noncurrent assets	2,276,284	2,445,773	(169,489)
Total assets	<u>54,007,022</u>	<u>54,839,017</u>	<u>(831,995)</u>
Liabilities:			
Advances from other funds	-	-	-
Current portion of long-term debt	1,585,000	1,665,000	(80,000)
Other current liabilities	2,506,625	2,077,546	429,079
Long-term debt	47,907,123	49,336,301	(1,429,178)
Other noncurrent liabilities	2,035,333	2,183,704	(148,371)
Total liabilities	<u>54,034,081</u>	<u>55,262,551</u>	<u>(1,228,470)</u>
Net assets	<u>(\$27,059)</u>	<u>(\$423,534)</u>	<u>\$396,475</u>

Budgetary Highlights

General Fund. Total revenue was less than budget by \$313,197. This was primarily due to \$210,000 in property taxes being allocated to the WCHRA LLC instead of the General Fund and interest income being \$76,850 less than projected.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2009**

Capital Asset and Debt Administration

Capital assets. The HRA's investment in capital assets for its governmental and business type activities as of December 31, 2009 amounts to \$36,199,549 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, and furniture and fixtures.

**Washington County Housing and Redevelopment Authority's
Capital Assets (Net of Depreciation)**

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ -	-	-	\$ -
Capital assets, being depreciated:				
Buildings and structures	281,696	-	-	281,696
Furniture and fixtures	9,354	-	-	9,354
Total capital assets, being depreciated	291,050	0	0	291,050
Less accumulated depreciation for:				
Buildings and structures	180,242	9,390	-	189,632
Furniture and fixtures	9,354	-	-	9,354
Total accumulated depreciation	189,596	9,390	0	198,986
Total capital assets being depreciated - net	101,454	(9,390)	-	92,064
Governmental activities capital assets - net	<u>\$101,454</u>	<u>(\$9,390)</u>	<u>\$0</u>	<u>\$92,064</u>
	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$3,503,053	-	-	\$3,503,053
Construction in progress	-	451,616	-	451,616
Total capital assets, not being depreciated	3,503,053	451,616	0	3,954,669
Capital assets, being depreciated:				
Buildings and structures	52,672,327	1,341,841	-	54,014,168
Furniture and fixtures	454,593	-	-	454,593
Total capital assets, being depreciated	53,126,920	1,341,841	0	54,468,761
Less accumulated depreciation for:				
Buildings and structures	20,549,519	1,371,030	-	21,920,549
Furniture and fixtures	364,060	31,336	-	395,396
Total accumulated depreciation	20,913,579	1,402,366	0	22,315,945
Total capital assets being depreciated - net	32,213,341	(60,525)	0	32,152,816
Business-type activities capital assets - net	<u>\$35,716,394</u>	<u>(\$60,525)</u>	<u>\$0</u>	<u>\$36,107,485</u>

Additional information on the HRA's capital assets can be found in Note 5.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2009**

Long-term debt. At the end of the current fiscal year, the HRA had total long-term debt outstanding of \$55,500,667.

**Washington County Housing and Redevelopment Authority's
Outstanding Debt**

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Notes, loans and mortgages	\$5,936,746	\$6,029,220	\$501,600	\$506,600	\$6,438,346	\$6,535,820
Revenue bonds	-	-	48,990,523	50,494,701	48,990,523	50,494,701
Compensated absences	71,798	69,559	-	-	71,798	69,559
Total	<u>\$6,008,544</u>	<u>\$6,098,779</u>	<u>\$49,492,123</u>	<u>\$51,001,301</u>	<u>\$55,500,667</u>	<u>\$57,100,080</u>

The HRA refinanced the 1996, 1994A, 1994B and 1994C Bonds through the issuance of the 2003 Bonds.

Additional information on the HRA's long-term debt can be found in Note 8.

Requests for information. This financial report is designed to provide a general overview of the HRA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller, 321 Broadway Avenue, St. Paul Park, Minnesota 55071.

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BASIC FINANCIAL STATEMENTS

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

STATEMENT OF NET ASSETS

December 31, 2009

Statement 1

	Governmental Activities	Business-Type Activities	Totals	
			2009	2008
Assets:				
Cash, cash equivalents and investments	\$7,415,326	\$490,423	\$7,905,749	\$4,742,086
Restricted cash and investments	-	9,974,712	9,974,712	12,053,477
Accrued interest	8,901	5,674	14,575	86,046
Internal balances	279,000	(279,000)	-	-
Due from other governmental units	181,928	84,522	266,450	23,946
Accounts receivable - net	2,826,548	84,033	2,910,581	3,123,599
Property taxes receivable	186,843	4,269	191,112	145,487
Prepaid items	7,222	302,907	310,129	333,449
Property held for resale	114,939	-	114,939	-
Notes and mortgages receivable:				
Current	-	174,472	174,472	165,512
Long-term	1,027,180	4,781,241	5,808,421	6,234,872
Unamortized bond issuance costs	-	1,033,533	1,033,533	1,082,493
Deferred loss on refunding	-	1,242,751	1,242,751	1,363,280
Capital assets (net of accumulated depreciation):				
Land	-	3,503,053	3,503,053	3,503,053
Construction in progress	-	451,616	451,616	-
Building and structures	92,064	32,093,619	32,185,683	32,224,262
Furniture and fixtures	-	59,197	59,197	90,533
Total assets	<u>12,139,951</u>	<u>54,007,022</u>	<u>66,146,973</u>	<u>65,172,095</u>
Liabilities:				
Accounts payable	104,817	689,161	793,978	413,300
Accrued interest payable	11,577	907,220	918,797	931,327
Security deposits payable	2,140	404,373	406,513	465,376
Contracts payable	-	109,819	109,819	42,097
Due to other governmental units	12,959	345,657	358,616	337,918
Accrued wages and benefits	49,502	-	49,502	37,191
Unearned revenue	264,399	50,395	314,794	112,538
Compensated absences payable:				
Due within one year	7,180	-	7,180	6,956
Due in more than one year	64,618	-	64,618	62,603
Deferred gain on sale of property	-	717,427	717,427	741,403
Deferred gain on refunding	-	1,317,906	1,317,906	1,442,301
Due to primary government:				
Due in more than one year	2,200,000	-	2,200,000	-
Notes and mortgages payable:				
Due within one year	165,000	5,000	170,000	2,946,383
Due in more than one year	3,571,746	496,600	4,068,346	3,589,437
Bonds payable:				
Due within one year	-	1,580,000	1,580,000	1,520,000
Due in more than one year	-	47,410,523	47,410,523	48,974,701
Total liabilities	<u>6,453,938</u>	<u>54,034,081</u>	<u>60,488,019</u>	<u>61,623,531</u>
Net assets:				
Invested in capital assets, net of related debt	92,064	(7,931,331)	(7,839,267)	(9,557,238)
Restricted for:				
Bond indenture purposes	-	9,974,712	9,974,712	10,968,769
Grant funded housing purposes	375,535	-	375,535	361,655
Unrestricted	5,218,414	(2,070,440)	3,147,974	1,775,378
Total net assets	<u>\$5,686,013</u>	<u>(\$27,059)</u>	<u>\$5,658,954</u>	<u>\$3,548,564</u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2009

Statement 2

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$574,137	\$7,681	\$ -	\$ -	(\$566,456)	\$ -	(\$566,456)
Housing and redevelopment	5,033,709	789,529	4,316,524	-	72,344	-	72,344
Tax increment financing	266,082	-	-	-	(266,082)	-	(266,082)
Interest on debt	173,885	-	-	-	(173,885)	-	(173,885)
Total governmental activities	<u>6,047,813</u>	<u>797,210</u>	<u>4,316,524</u>	<u>0</u>	<u>(934,079)</u>	<u>0</u>	<u>(934,079)</u>
Business-type activities:							
Housing	<u>8,807,043</u>	<u>7,080,656</u>	<u>783,910</u>	<u>521,441</u>	<u>-</u>	<u>(421,036)</u>	<u>(421,036)</u>
Total government	<u>\$14,854,856</u>	<u>\$7,877,866</u>	<u>\$5,100,434</u>	<u>\$521,441</u>	<u>(934,079)</u>	<u>(421,036)</u>	<u>(1,355,115)</u>
General revenues:							
General property taxes					1,718,150	1,583,093	3,301,243
Tax increments					2,509	-	2,509
Unrestricted investment earnings					85,308	345,442	430,750
Gain on disposal of capital assets					-	23,976	23,976
Transfers					<u>1,135,000</u>	<u>(1,135,000)</u>	<u>-</u>
Total general revenues and transfers					<u>2,940,967</u>	<u>817,511</u>	<u>3,758,478</u>
Change in net assets					<u>2,006,888</u>	<u>396,475</u>	<u>2,403,363</u>
Net assets - beginning, as previously reported					3,972,098	(423,534)	3,548,564
Prior period adjustment					<u>(292,973)</u>	<u>-</u>	<u>(292,973)</u>
Net assets - beginning, as restated					<u>3,679,125</u>	<u>(423,534)</u>	<u>3,255,591</u>
Net assets - ending					<u>\$5,686,013</u>	<u>(\$27,059)</u>	<u>\$5,658,954</u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2009

	101 - General Fund	210 - Section 8 Portability	212 - Section 8 Housing Choice Vouchers
Assets			
Cash, cash equivalents and investments	\$2,355,373	\$37,810	\$374,418
Due from other funds	420,312	-	-
Due from other governmental units	-	11,112	-
Accrued interest receivable	-	-	-
Accounts receivable - net	17,974	2,502	-
Property taxes receivable:			
Delinquent	119,728	-	-
Due from county	67,115	-	-
Prepaid items	5,205	911	100
Advances to other funds	-	-	-
Property held for resale	-	-	-
Note receivable	-	-	-
Total assets	\$2,985,707	\$52,335	\$374,518
Liabilities and Fund Balance			
Liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Accounts payable	10,500	4,691	870
Security deposits payable	-	-	2,140
Due to other governmental units	-	-	-
Accrued wages and benefits	11,931	7,567	3,768
Deferred revenue	119,728	-	56,860
Advances from other funds	-	-	-
Total liabilities	142,159	12,258	63,638
Fund balance:			
Reserved for:			
Prepaid items	5,205	911	100
Advances to other funds	-	-	-
Long term receivables	-	-	-
Unreserved reported in:			
General Fund - designated	1,239,407	-	-
General Fund - undesignated	1,598,936	-	-
Special Revenue Funds - designated	-	39,166	310,780
Special Revenue Funds - undesignated	-	-	-
Total fund balance	2,843,548	40,077	310,880
Total liabilities and fund balance	\$2,985,707	\$52,335	\$374,518

Fund balance reported above

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net assets of governmental activities

The accompanying notes are an integral part of these financial statements.

Statement 3

270 - Development	242 - Whispering Oaks TIF	243 - Red Oak Preserve - Oakdale	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds	
					2009	2008
\$1,333,826	\$ -	\$149,515	\$3,164,384	\$ -	\$7,415,326	\$5,633,336
-	-	-	-	(141,312)	279,000	-
-	1,970	-	168,846	-	181,928	23,946
-	-	30	8,871	-	8,901	41,895
115,106	-	2,636,720	54,246	-	2,826,548	3,105,381
-	-	-	-	-	119,728	96,642
-	-	-	-	-	67,115	43,560
329	-	-	677	-	7,222	7,709
2,567,089	-	-	-	(2,567,089)	-	-
-	-	-	114,939	-	114,939	-
-	-	-	1,027,180	-	1,027,180	1,279,155
<u>\$4,016,350</u>	<u>\$1,970</u>	<u>\$2,786,265</u>	<u>\$4,539,143</u>	<u>(\$2,708,401)</u>	<u>\$12,047,887</u>	<u>\$10,231,624</u>
\$ -	\$ -	\$ -	\$141,312	(\$141,312)	\$ -	\$ -
315	12,645	-	75,796	-	104,817	83,861
-	-	-	-	-	2,140	32,060
-	12,959	-	-	-	12,959	-
2,916	-	-	23,320	-	49,502	37,191
-	-	2,636,720	885,625	-	3,698,933	3,383,544
-	2,567,089	-	-	(2,567,089)	-	-
<u>3,231</u>	<u>2,592,693</u>	<u>2,636,720</u>	<u>1,126,053</u>	<u>(2,708,401)</u>	<u>3,868,351</u>	<u>3,536,656</u>
329	-	-	677	-	7,222	7,709
2,567,089	-	-	-	-	2,567,089	2,297,843
-	-	-	472,904	-	472,904	700,000
-	-	-	-	-	1,239,407	1,248,222
-	-	-	-	-	1,598,936	1,372,134
1,445,701	-	149,545	2,852,182	-	4,797,374	3,562,318
-	(2,590,723)	-	87,327	-	(2,503,396)	(2,493,258)
<u>4,013,119</u>	<u>(2,590,723)</u>	<u>149,545</u>	<u>3,413,090</u>	<u>0</u>	<u>8,179,536</u>	<u>6,694,968</u>
<u>\$4,016,350</u>	<u>\$1,970</u>	<u>\$2,786,265</u>	<u>\$4,539,143</u>	<u>(\$2,708,401)</u>	<u>\$12,047,887</u>	<u>\$10,231,624</u>
					\$8,179,536	\$6,694,968
					92,064	101,454
					3,434,534	3,274,455
					(6,020,121)	(6,098,779)
					<u>\$5,686,013</u>	<u>\$3,972,098</u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009

	101 - General Fund	210 - Section 8 Portability	212 - Section 8 Housing Choice Vouchers
Revenues:			
General property taxes	\$1,318,318	\$ -	\$ -
Tax increments	-	-	-
Intergovernmental	-	2,642,772	767,179
Charges for services:			
Conduit financing fees	5,729	-	-
Administrative fees	1,418	219,489	87,894
Bond issuance, origination fees	-	-	-
Investment income	33,150	145	384
Other	534	60	-
Total revenues	<u>1,359,149</u>	<u>2,862,466</u>	<u>855,457</u>
Expenditures:			
Current:			
General government	562,508	-	-
Housing and redevelopment	-	2,866,956	716,912
Tax increment financing	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>562,508</u>	<u>2,866,956</u>	<u>716,912</u>
Revenues over (under) expenditures	<u>796,641</u>	<u>(4,490)</u>	<u>138,545</u>
Other financing sources (uses):			
Transfer from General Fund	-	-	-
Transfer from Enterprise Funds	1,560,000	-	-
Transfer to Special Revenue Funds	(2,103,746)	-	-
Transfer from Special Revenue Funds	-	-	-
Transfer to Enterprise Funds	(35,000)	-	-
Debt issuance	-	-	-
Total other financing sources (uses)	<u>(578,746)</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>217,895</u>	<u>(4,490)</u>	<u>138,545</u>
Fund balance (deficit) - January 1, as previously reported	2,625,653	44,567	172,335
Prior period adjustment	-	-	-
Fund balance (deficit) - January 1, as restated	<u>2,625,653</u>	<u>44,567</u>	<u>172,335</u>
Fund balance (deficit) - December 31	<u>\$2,843,548</u>	<u>\$40,077</u>	<u>\$310,880</u>

The accompanying notes are an integral part of these financial statements.

270 - Development	242 - Whispering Oaks TIF	243 - Red Oak Preserve - Oakdale	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds	
					2009	2008
\$ -	\$ -	\$166,746	\$210,000	\$ -	\$1,695,064	\$1,642,092
-	\$2,509	-	-	-	2,509	-
-	-	-	912,597	-	4,322,548	3,608,450
-	-	-	-	-	5,729	10,729
-	-	-	430,183	-	738,984	666,140
-	-	-	1,547	-	1,547	1,765
25,229	74	409	3,863	-	63,254	172,187
11,415	-	8,909	24,008	-	44,926	17,160
36,644	2,583	176,064	1,582,198	0	6,874,561	6,118,523
-	-	-	-	-	562,508	590,594
126,819	-	41,561	1,396,400	-	5,148,648	5,404,673
-	266,082	-	-	-	266,082	314,644
2,200,000	-	160,000	-	-	2,360,000	-
113,029	-	49,279	-	-	162,308	168,460
2,439,848	266,082	250,840	1,396,400	0	8,499,546	6,478,371
(2,403,204)	(263,499)	(74,776)	185,798	0	(1,624,985)	(359,848)
850,000	-	-	1,253,746	(2,103,746)	-	-
-	-	-	-	-	1,560,000	500,000
(120,862)	(2,200,000)	-	-	4,424,608	-	-
2,200,000	-	120,862	-	(2,320,862)	-	-
-	-	-	(390,000)	-	(425,000)	(681,607)
-	2,200,000	-	-	-	2,200,000	-
2,929,138	0	120,862	863,746	0	3,335,000	(181,607)
525,934	(263,499)	46,086	1,049,544	0	1,710,015	(541,455)
3,712,632	(2,327,224)	103,459	2,363,546	-	6,694,968	7,236,423
(225,447)	-	-	-	-	(225,447)	-
3,487,185	(2,327,224)	103,459	2,363,546	0	6,469,521	7,236,423
\$4,013,119	(\$2,590,723)	\$149,545	\$3,413,090	\$0	\$8,179,536	\$6,694,968

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009

Statement 5

	<u>2009</u>	<u>2008</u>
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	\$1,710,015	(\$541,455)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(9,390)	(10,727)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
- Property taxes	23,086	25,278
- Interest accrued on long-term receivable	22,054	16,012
- Property held for resale	114,939	-
- Issuance of debt	(2,200,000)	-
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items.		
- Principal payment on long-term debt	2,360,000	-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(13,816)</u>	<u>(17,610)</u>
Change in net assets of governmental activities (Statement 2)	<u><u>\$2,006,888</u></u>	<u><u>(\$528,502)</u></u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

December 31, 2009

Statement 6

Page 1 of 4

	601 - Oakhill Cottages	602 - Muller Manor	604 - Woodland Park	605 - Briar Pond
Assets:				
Current assets:				
Cash and cash equivalents	\$11,105	\$1,071	\$892	\$131,639
Restricted cash and investments	505,670	779,670	3,680,643	788,554
Due from other funds	-	-	-	35,545
Accrued interest	-	135	1,982	2,626
Accounts receivable - tenants	-	6	3,343	1,035
Accounts receivable - other	-	-	59,440	-
Allowance for doubtful accounts	-	-	-	-
Property taxes receivable:				
Delinquent	-	-	-	-
Due from county	-	-	-	-
Prepaid items	9,261	6,543	50,754	80,635
Capital lease receivable	-	-	-	-
Total current assets	<u>526,036</u>	<u>787,425</u>	<u>3,797,054</u>	<u>1,040,034</u>
Noncurrent assets:				
Other assets:				
Capital lease receivable - long term	-	-	-	-
Unamortized bond issuance costs	18,606	36,097	311,664	242,576
Deferred loss on refunding	131,839	47,892	-	-
Total other assets	<u>150,445</u>	<u>83,989</u>	<u>311,664</u>	<u>242,576</u>
Capital assets:				
Land	115,000	110,946	422,638	447,868
Projects in process	-	-	-	-
Buildings and structures	2,024,723	1,793,667	10,819,217	12,057,570
Furniture and fixtures	11,870	15,460	114,943	138,666
Total capital assets	<u>2,151,593</u>	<u>1,920,073</u>	<u>11,356,798</u>	<u>12,644,104</u>
Less: Accumulated depreciation	<u>(831,208)</u>	<u>(706,415)</u>	<u>(5,267,860)</u>	<u>(5,322,627)</u>
Net capital assets	<u>1,320,385</u>	<u>1,213,658</u>	<u>6,088,938</u>	<u>7,321,477</u>
Total noncurrent assets	<u>1,470,830</u>	<u>1,297,647</u>	<u>6,400,602</u>	<u>7,564,053</u>
Total assets	<u>1,996,866</u>	<u>2,085,072</u>	<u>10,197,656</u>	<u>8,604,087</u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

	606 - Parkside	607 - Park Place I	609 - Ann Bodlovick	612 - John Jergens Estates	613 - Pioneer Elderly
Assets:					
Current assets:					
Cash and cash equivalents	\$54,657	\$386	\$1,001	\$404	\$486
Restricted cash and investments	363,964	143,897	660,792	174,682	84,847
Due from other funds	-	-	-	-	-
Accrued interest	246	93	248	117	-
Accounts receivable - tenants	2,217	2,465	-	30	-
Accounts receivable - other	-	-	18,640	-	-
Allowance for doubtful accounts	-	-	-	-	-
Property taxes receivable:					
Delinquent	-	-	-	-	-
Due from county	-	-	-	-	-
Prepaid items	29,152	8,091	13,889	10,200	5,008
Capital lease receivable	-	-	-	-	-
Total current assets	<u>450,236</u>	<u>154,932</u>	<u>694,570</u>	<u>185,433</u>	<u>90,341</u>
Noncurrent assets:					
Other assets:					
Capital lease receivable - long term	-	-	-	-	-
Unamortized bond issuance costs	72,073	27,132	77,505	34,408	8,434
Deferred loss on refunding	95,624	35,999	51,338	45,653	69,957
Total other assets	<u>167,697</u>	<u>63,131</u>	<u>128,843</u>	<u>80,061</u>	<u>78,391</u>
Capital assets:					
Land	144,000	72,000	62,732	115,000	50,000
Projects in process	-	-	64,813	-	-
Buildings and structures	4,750,673	1,360,545	2,590,610	1,908,187	900,834
Furniture and fixtures	62,939	-	20,101	-	10,173
Total capital assets	<u>4,957,612</u>	<u>1,432,545</u>	<u>2,738,256</u>	<u>2,023,187</u>	<u>961,007</u>
Less: Accumulated depreciation	<u>(1,656,809)</u>	<u>(627,018)</u>	<u>(1,169,261)</u>	<u>(745,773)</u>	<u>(410,654)</u>
Net capital assets	<u>3,300,803</u>	<u>805,527</u>	<u>1,568,995</u>	<u>1,277,414</u>	<u>550,353</u>
Total noncurrent assets	<u>3,468,500</u>	<u>868,658</u>	<u>1,697,838</u>	<u>1,357,475</u>	<u>628,744</u>
Total assets	<u>3,918,736</u>	<u>1,023,590</u>	<u>2,392,408</u>	<u>1,542,908</u>	<u>719,085</u>

The accompanying notes are an integral part of these financial statements.

614 - Cobble Hill	616 - Transitional Housing	617 - Raymie Johnson Estates	619 - Landfall	620 - Park Place II	626 - Brick Pond	635 - HUD- MHOP Homes	Totals	
							2009	2008
\$567	\$724	\$61,164	\$553	\$382	\$222,331	\$3,061	\$490,423	\$193,458
333,041	421	1,271,401	665,517	3,589	452,501	65,523	9,974,712	10,968,769
-	-	-	-	-	-	-	35,545	-
227	-	-	-	-	-	-	5,674	44,151
31	-	3,960	-	1,364	-	5,320	19,771	23,191
-	65,538	6,122	-	-	-	-	149,740	1,227
-	-	-	-	-	-	(1,300)	(1,300)	(6,200)
-	-	-	4,269	-	-	-	4,269	5,262
-	-	-	344	-	-	-	344	23
15,749	768	40,581	-	1,404	15,762	15,110	302,907	325,740
-	-	-	174,472	-	-	-	174,472	165,512
349,615	67,451	1,383,228	845,155	6,739	690,594	87,714	11,156,557	11,721,133
-	-	-	4,781,241	-	-	-	4,781,241	4,955,717
66,526	-	52,350	75,509	-	10,653	-	1,033,533	1,082,493
88,265	-	501,743	86,070	-	88,371	-	1,242,751	1,363,280
154,791	0	554,093	4,942,820	0	99,024	0	7,057,525	7,401,490
122,090	31,775	510,000	-	12,000	360,000	927,004	3,503,053	3,503,053
-	-	-	-	-	-	386,803	451,616	-
2,181,623	451,848	5,700,709	-	191,493	1,089,325	6,193,144	54,014,168	52,672,327
15,654	-	53,814	-	-	10,973	-	454,593	454,593
2,319,367	483,623	6,264,523	0	203,493	1,460,298	7,506,951	58,423,430	56,629,973
(952,037)	(53,290)	(2,344,249)	-	(75,884)	(275,437)	(1,877,423)	(22,315,945)	(20,913,579)
1,367,330	430,333	3,920,274	0	127,609	1,184,861	5,629,528	36,107,485	35,716,394
1,522,121	430,333	4,474,367	4,942,820	127,609	1,283,885	5,629,528	43,165,010	43,117,884
1,871,736	497,784	5,857,595	5,787,975	134,348	1,974,479	5,717,242	54,321,567	54,839,017

The accompanying notes are an integral part of these financial statements.

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WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

Statement 6
Page 3 of 4

	601 - Oakhill Cottages	602 - Muller Manor	604 - Woodland Park	605 - Briar Pond
Liabilities:				
Current liabilities:				
Due to other funds	\$ -	\$ -	\$35,545	\$ -
Accounts payable	8,751	8,235	133,112	54,930
Due to other governmental units	15,599	8,636	67,691	93,090
Unearned revenue	-	-	178	2
Current liabilities payable from restricted assets:				
Accrued interest payable	32,385	31,249	166,542	227,465
Security deposits payable	17,550	12,939	79,660	91,385
Contracts payable	-	-	17,530	-
Current portion of long-term debt	122,950	29,796	390,000	190,000
Total current liabilities payable from restricted assets	172,885	73,984	653,732	508,850
Total current liabilities	197,235	90,855	890,258	656,872
Noncurrent liabilities:				
Deferred gain on sale of property	-	-	-	-
Deferred gain on refunding	-	-	1,210,886	-
Notes and mortgages payable	-	-	-	-
Bonds payable	1,541,632	1,294,214	14,301,455	10,504,318
Total noncurrent liabilities	1,541,632	1,294,214	15,512,341	10,504,318
Total liabilities	1,738,867	1,385,069	16,402,599	11,161,190
Net assets:				
Invested in capital assets, net of related debt	(193,752)	(26,363)	(9,501,739)	(3,130,265)
Restricted for bond indenture purposes	505,670	779,670	3,680,643	788,554
Unrestricted	(53,919)	(53,304)	(383,847)	(215,392)
Total net assets	\$257,999	\$700,003	(\$6,204,943)	(\$2,557,103)

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

	606 - Parkside	607 - Park Place I	609 - Ann Bodlovick	612 - John Jergens Estates	613 - Pioneer Elderly
Liabilities:					
Current liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	32,517	21,435	35,312	10,501	9,524
Due to other governmental units	23,411	8,970	18,589	11,218	4,673
Unearned revenue	167	80	-	10	-
Current liabilities payable from restricted assets:					
Accrued interest payable	62,396	23,487	50,818	29,780	14,677
Security deposits payable	23,084	13,656	22,301	12,585	6,408
Contracts payable	-	-	5,314	-	-
Current portion of long-term debt	59,493	22,396	65,000	33,402	55,722
Total current liabilities payable from restricted assets	144,973	59,539	143,433	75,767	76,807
Total current liabilities	201,068	90,024	197,334	97,496	91,004
Noncurrent liabilities:					
Deferred gain on sale of property	-	-	-	-	-
Deferred gain on refunding	-	-	-	-	-
Notes and mortgages payable	375,000	-	-	15,000	-
Bonds payable	2,584,107	972,777	2,269,812	1,233,653	698,672
Total noncurrent liabilities	2,959,107	972,777	2,269,812	1,248,653	698,672
Total liabilities	3,160,175	1,062,801	2,467,146	1,346,149	789,676
Net assets:					
Invested in capital assets, net of related debt	449,900	(126,515)	(636,974)	75,420	(125,650)
Restricted for bond indenture purposes	363,964	143,897	660,792	174,682	84,847
Unrestricted	(55,303)	(56,593)	(98,556)	(53,343)	(29,788)
Total net assets	\$758,561	(\$39,211)	(\$74,738)	\$196,759	(\$70,591)

The accompanying notes are an integral part of these financial statements.

614 - Cobble Hill	616 - Transitional Housing	617 - Raymie Johnson Estates	619 - Landfall	620 - Park Place II	626 - Brick Pond	635 - HUD- MHOP Homes	Totals	
							2009	2008
\$ -	\$253,000	\$ -	\$ -	\$ -	\$ -	\$26,000	\$314,545	\$ -
12,538	1,025	51,675	-	2,383	241,709	65,514	689,161	329,439
18,022	620	44,807	-	1,849	20,801	7,681	345,657	337,918
-	-	2,064	-	-	3,443	44,451	50,395	3,449
57,472	-	91,118	101,473	-	18,358	-	907,220	931,327
20,276	300	29,556	-	3,128	16,500	55,045	404,373	433,316
-	19,735	-	-	-	39,812	27,428	109,819	42,097
54,914	-	345,927	145,000	-	70,400	-	1,585,000	1,525,000
132,662	20,035	466,601	246,473	3,128	145,070	82,473	3,006,412	2,931,740
163,222	274,680	565,147	246,473	7,360	411,023	226,119	4,406,170	3,602,546
-	-	-	717,427	-	-	-	717,427	741,403
-	-	-	107,020	-	-	-	1,317,906	1,442,301
-	106,600	-	-	-	-	-	496,600	501,600
2,385,232	-	4,337,440	4,404,488	-	882,723	-	47,410,523	48,974,701
2,385,232	106,600	4,337,440	5,228,935	0	882,723	0	49,942,456	51,660,005
2,548,454	381,280	4,902,587	5,475,408	7,360	1,293,746	226,119	54,348,626	55,262,551
(918,025)	323,733	(209,000)	-	127,609	330,762	5,629,528	(7,931,331)	(9,658,692)
333,041	421	1,271,401	665,517	3,589	452,501	65,523	9,974,712	10,968,769
(91,734)	(207,650)	(107,393)	(352,950)	(4,210)	(102,530)	(203,928)	(2,070,440)	(1,733,611)
(\$676,718)	\$116,504	\$955,008	\$312,567	\$126,988	\$680,733	\$5,491,123	(\$27,059)	(\$423,534)

The accompanying notes are an integral part of these financial statements.

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WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended December 31, 2009

Statement 7
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	601 - Oakhill Cottages	602 - Muller Manor	604 - Woodland Park	605 - Briar Pond	606 - Parkside
Operating revenues:					
Rental income	\$335,184	\$199,927	\$1,544,344	\$2,033,228	\$524,909
Service income	-	-	-	-	15,511
HUD rent subsidies	-	-	-	-	-
Other	545	556	41,274	22,492	24,688
Total operating revenues	<u>335,729</u>	<u>200,483</u>	<u>1,585,618</u>	<u>2,055,720</u>	<u>565,108</u>
Operating expenses:					
Marketing	8,847	5,481	25,603	22,733	15,659
Management fee	29,875	19,091	141,103	156,832	56,395
Legal	-	361	16,876	1,547	11,380
Salaries and wages	-	-	-	-	-
Administrative	932	1,966	25,344	27,417	19,403
Operating	11,543	11,506	40,611	30,249	8,768
Maintenance	82,637	47,961	540,437	355,791	187,125
Utilities	6,596	19,920	208,973	176,286	84,908
Insurance	8,438	6,484	54,138	49,378	32,371
Property taxes	15,423	8,720	69,326	93,678	24,077
Depreciation	52,314	45,949	273,499	304,170	122,734
Total operating expenses	<u>216,605</u>	<u>167,439</u>	<u>1,395,910</u>	<u>1,218,081</u>	<u>562,820</u>
Operating income (loss)	<u>119,124</u>	<u>33,044</u>	<u>189,708</u>	<u>837,639</u>	<u>2,288</u>
Nonoperating revenues (expenses):					
Investment income	190	3,891	39,941	7,158	7,072
Gain (loss) on asset disposition	-	-	-	-	-
Insurance recoveries	-	-	193,439	-	-
Financial expense	(3,176)	(3,744)	(22,866)	(40,496)	(5,617)
Amortization of deferred gain (loss) on refunding	(9,326)	(5,290)	117,180	-	(10,563)
Interest expense	(64,608)	(74,845)	(668,056)	(675,242)	(149,440)
Property taxes	-	114,318	605,000	-	228,254
Other	(276)	(209)	(853)	(922)	(325)
Total nonoperating revenues (expenses)	<u>(77,196)</u>	<u>34,121</u>	<u>263,785</u>	<u>(709,502)</u>	<u>69,381</u>
Income (loss) before transfers	<u>41,928</u>	<u>67,165</u>	<u>453,493</u>	<u>128,137</u>	<u>71,669</u>
Capital contributions	-	-	-	-	-
Transfers:					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	(117,000)	(220,000)	(136,000)	(150,000)
Total transfers	<u>0</u>	<u>(117,000)</u>	<u>(220,000)</u>	<u>(136,000)</u>	<u>(150,000)</u>
Change in net assets	<u>41,928</u>	<u>(49,835)</u>	<u>233,493</u>	<u>(7,863)</u>	<u>(78,331)</u>
Net assets - January 1	<u>216,071</u>	<u>749,838</u>	<u>(6,438,436)</u>	<u>(2,549,240)</u>	<u>836,892</u>
Net assets - December 31	<u>\$257,999</u>	<u>\$700,003</u>	<u>(\$6,204,943)</u>	<u>(\$2,557,103)</u>	<u>\$758,561</u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended December 31, 2009

	607 - Park Place I	609 - Ann Bodlovick	612 - John Jergens Estates	613 - Pioneer Elderly	614 - Cobble Hill
Operating revenues:					
Rental income	\$206,826	\$429,646	\$263,288	\$123,959	\$404,132
Service income	-	5,621	-	-	5,936
HUD rent subsidies	-	-	-	-	-
Other	18,157	20,202	455	554	692
Total operating revenues	224,983	455,469	263,743	124,513	410,760
Operating expenses:					
Marketing	11,862	6,391	10,324	2,085	9,389
Management fee	23,800	39,262	23,380	11,852	35,204
Legal	6,880	7,108	-	-	-
Salaries and wages	-	-	-	1,739	-
Administrative	813	25,120	641	1,966	3,102
Operating	7,587	11,606	2,132	6,820	8,144
Maintenance	110,633	117,267	52,747	50,924	63,174
Utilities	36,346	42,042	27,455	30,541	31,020
Insurance	7,635	14,932	11,263	6,655	17,152
Property taxes	9,078	18,739	11,308	4,727	18,022
Depreciation	34,013	65,718	45,330	23,254	56,677
Total operating expenses	248,647	348,185	184,580	140,563	241,884
Operating income (loss)	(23,664)	107,284	79,163	(16,050)	168,876
Nonoperating revenues (expenses):					
Investment income	2,756	6,357	3,506	60	6,763
Gain (loss) on asset disposition	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Financial expense	(2,113)	(5,974)	(2,674)	(1,444)	(5,062)
Amortization of deferred gain (loss) on refunding	(3,976)	(2,675)	(5,043)	(6,047)	(9,750)
Interest expense	(56,256)	(121,693)	(71,343)	(29,281)	(137,939)
Property taxes	85,925	229,939	108,969	-	210,688
Other	(169)	(207)	(249)	(346)	(27)
Total nonoperating revenues (expenses)	26,167	105,747	33,166	(37,058)	64,673
Income (loss) before transfers	2,503	213,031	112,329	(53,108)	233,549
Capital contributions	-	36,825	-	-	-
Transfers:					
Transfers from other funds	-	-	-	35,000	-
Transfers to other funds	(70,000)	(156,000)	(83,000)	-	(326,000)
Total transfers	(70,000)	(156,000)	(83,000)	35,000	(326,000)
Change in net assets	(67,497)	93,856	29,329	(18,108)	(92,451)
Net assets - January 1	28,286	(168,594)	167,430	(52,483)	(584,267)
Net assets - December 31	(\$39,211)	(\$74,738)	\$196,759	(\$70,591)	(\$676,718)

The accompanying notes are an integral part of these financial statements.

616 - Transitional Housing	617 - Raymie Johnson Estates	619 - Landfall	620 - Park Place II	626 - Brick Pond	635 - HUD- MHOP Homes	Intra Activity Elimination	Totals	
							2009	2008
\$14,850	\$318,367	\$ -	\$43,449	\$287,786	\$135,036	\$ -	\$6,864,931	\$6,852,309
-	11,170	-	998	5,511	-	-	44,747	46,369
-	641,148	-	-	-	147,011	-	788,159	770,971
-	2,389	18,904	1,387	5,508	8,926	-	166,729	201,452
14,850	973,074	18,904	45,834	298,805	290,973	0	7,864,566	7,871,101
-	80	-	3,672	20,084	-	-	142,210	194,399
3,633	87,228	-	3,943	29,640	67,822	-	729,060	711,804
1,045	7,600	5,453	-	1,491	6,038	-	65,779	38,479
-	-	-	-	-	-	-	1,739	326
100	18,186	-	162	2,772	5,565	-	133,489	132,558
2,833	14,463	-	1,440	4,137	122,165	-	284,004	288,668
4,634	289,416	5,218	16,098	111,528	137,810	-	2,173,400	2,043,785
2,450	60,404	-	5,362	34,689	8,086	-	775,078	881,769
878	42,939	-	1,491	17,112	15,299	-	286,165	282,309
620	45,527	-	1,867	23,992	9,702	-	354,806	344,977
4,511	145,699	-	4,788	17,313	206,398	-	1,402,367	1,391,611
20,704	711,542	10,671	38,823	262,758	578,885	0	6,348,097	6,310,685
(5,854)	261,532	8,233	7,011	36,047	(287,912)	0	1,516,469	1,560,416
1	513	266,724	26	145	339	-	345,442	487,922
-	-	23,976	-	-	-	-	23,976	22,695
-	6,122	-	-	-	-	-	199,561	131,220
-	(8,943)	(6,577)	-	(1,821)	-	-	(110,507)	(101,628)
-	(52,395)	(610)	-	(7,639)	-	-	3,866	3,866
-	(181,777)	(244,075)	-	(36,808)	(52)	-	(2,511,415)	(2,571,459)
-	-	-	-	-	-	-	1,583,093	1,472,093
-	(8,550)	-	(69)	(132)	(28,117)	-	(40,451)	(32,197)
1	(245,030)	39,438	(43)	(46,255)	(27,830)	0	(506,435)	(587,488)
(5,853)	16,502	47,671	6,968	(10,208)	(315,742)	0	1,010,034	972,928
65,538	10,221	-	-	20,854	388,003	-	521,441	-
-	-	-	-	390,000	-	-	425,000	681,607
-	-	(286,000)	(16,000)	-	-	-	(1,560,000)	(500,000)
0	0	(286,000)	(16,000)	390,000	0	0	(1,135,000)	181,607
59,685	26,723	(238,329)	(9,032)	400,646	72,261	0	396,475	1,154,535
56,819	928,285	550,896	136,020	280,087	5,418,862	-	(423,534)	(1,578,069)
\$116,504	\$955,008	\$312,567	\$126,988	\$680,733	\$5,491,123	\$0	(\$27,059)	(\$423,534)

The accompanying notes are an integral part of these financial statements.

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WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2009

Statement 8
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	601 - Oakhill Cottages	602 - Muller Manor	604 - Woodland Park	605 - Briar Pond	606 - Parkside
Cash flows from operating activities:					
Receipts from customers and users	\$335,184	\$199,921	\$1,485,525	\$2,033,020	\$527,261
Payment to suppliers for goods and services	(162,642)	(143,248)	(1,030,300)	(942,524)	(437,532)
Miscellaneous income (loss)	545	556	41,274	21,570	39,874
Net cash flows from operating activities	<u>173,087</u>	<u>57,229</u>	<u>496,499</u>	<u>1,112,066</u>	<u>129,603</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	-	-	-
Transfers out	-	(117,000)	(220,000)	(136,000)	(150,000)
Advances to/from other funds - net change	-	-	35,545	(35,545)	-
Property taxes	-	114,318	605,000	-	228,254
Net cash flows from noncapital financing activities	<u>0</u>	<u>(2,682)</u>	<u>420,545</u>	<u>(171,545)</u>	<u>78,254</u>
Cash flows from capital and related financing activities:					
Insurance proceeds on damage to capital assets	-	-	193,439	-	-
Principal receipts on capital lease receivable	-	-	-	-	-
Fiscal agent costs	(1,340)	(1,554)	(5,935)	(27,189)	(1,247)
Capital contributions	-	-	-	-	-
Purchase of capital assets	-	-	(83,771)	(375,901)	-
Interest paid on long-term debt	(66,557)	(75,504)	(671,010)	(678,577)	(150,752)
Principal payments on long-term debt	(119,851)	(28,268)	(380,000)	(180,000)	(56,442)
Net cash flows from capital and related financing activities	<u>(187,748)</u>	<u>(105,326)</u>	<u>(947,277)</u>	<u>(1,261,667)</u>	<u>(208,441)</u>
Cash flows from investing activities:					
Investment income	<u>190</u>	<u>6,805</u>	<u>51,680</u>	<u>9,992</u>	<u>12,617</u>
Net increase (decrease) in cash and cash equivalents	<u>(14,471)</u>	<u>(43,974)</u>	<u>21,447</u>	<u>(311,154)</u>	<u>12,033</u>
Cash and cash equivalents - January 1	<u>531,246</u>	<u>824,715</u>	<u>3,660,088</u>	<u>1,231,347</u>	<u>406,588</u>
Cash and cash equivalents - December 31	<u><u>\$516,775</u></u>	<u><u>\$780,741</u></u>	<u><u>\$3,681,535</u></u>	<u><u>\$920,193</u></u>	<u><u>\$418,621</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	<u>\$119,124</u>	<u>\$33,044</u>	<u>\$189,708</u>	<u>\$837,639</u>	<u>\$2,288</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	52,314	45,949	273,499	304,170	122,734
Bad debt	-	557	18,446	4,860	28,217
Miscellaneous income (loss)	(276)	(209)	(853)	(922)	(325)
Changes in assets and liabilities:					
Decrease (increase) in receivables	-	(563)	(76,412)	(5,068)	(25,865)
Decrease (increase) prepaid items	(621)	114	4,169	4,382	2,506
Increase (decrease) accounts payable	1,826	(20,544)	91,453	(30,590)	3,627
Increase (decrease) security deposits payable	788	(541)	(3,743)	(6,104)	(4,500)
Increase (decrease) due to other governments	(63)	(39)	506	3,782	1,010
Increase (decrease) deferred revenue	(5)	(539)	(274)	(83)	(89)
Total adjustments	<u>53,963</u>	<u>24,185</u>	<u>306,791</u>	<u>274,427</u>	<u>127,315</u>
Net cash provided by operating activities	<u><u>\$173,087</u></u>	<u><u>\$57,229</u></u>	<u><u>\$496,499</u></u>	<u><u>\$1,112,066</u></u>	<u><u>\$129,603</u></u>
Noncash investing, capital and financing activities:					
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2009

	607 - Park Place I	609 - Ann Bodlovick	612 - John Jergens Estates	613 - Pioneer Elderly	614 - Cobble Hill
Cash flows from operating activities:					
Receipts from customers and users	\$205,966	\$429,686	\$263,258	\$123,966	\$404,101
Payment to suppliers for goods and services	(212,344)	(251,274)	(137,004)	(123,200)	(179,415)
Miscellaneous income (loss)	17,988	25,616	206	208	6,601
Net cash flows from operating activities	11,610	204,028	126,460	974	231,287
Cash flows from noncapital financing activities:					
Transfers in	-	-	-	35,000	-
Transfers out	(70,000)	(156,000)	(83,000)	-	(326,000)
Advances to/from other funds - net change	-	-	-	-	-
Property taxes	85,925	211,299	108,969	-	210,688
Net cash flows from noncapital financing activities	15,925	55,299	25,969	35,000	(115,312)
Cash flows from capital and related financing activities:					
Insurance proceeds on damage to capital assets	-	-	-	-	-
Principal receipts on capital lease receivable	-	-	-	-	-
Fiscal agent costs	(469)	(1,217)	(588)	(611)	(1,028)
Capital contributions	-	36,825	-	-	-
Purchase of capital assets	-	(84,896)	(95,009)	-	(6,800)
Interest paid on long-term debt	(56,752)	(122,768)	(71,977)	(30,164)	(139,271)
Principal payments on long-term debt	(21,247)	(60,000)	(31,945)	(54,317)	(52,098)
Net cash flows from capital and related financing activities	(78,468)	(232,056)	(199,519)	(85,092)	(199,197)
Cash flows from investing activities:					
Investment income	4,844	11,942	6,153	60	11,881
Net increase (decrease) in cash and cash equivalents	(46,089)	39,213	(40,937)	(49,058)	(71,341)
Cash and cash equivalents - January 1	190,372	622,580	216,023	134,391	404,949
Cash and cash equivalents - December 31	\$144,283	\$661,793	\$175,086	\$85,333	\$333,608
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(\$23,664)	\$107,284	\$79,163	(\$16,050)	\$168,876
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	34,013	65,718	45,330	23,254	56,677
Bad debt	8,852	909	-	-	-
Miscellaneous income (loss)	(169)	(207)	(249)	(346)	(27)
Changes in assets and liabilities:					
Decrease (increase) in receivables	(9,712)	(869)	(30)	7	(31)
Decrease (increase) prepaid items	(266)	1,139	863	1,668	1,331
Increase (decrease) accounts payable	7,084	29,649	860	(5,908)	2,267
Increase (decrease) security deposits payable	(2,966)	145	100	(1,750)	500
Increase (decrease) due to other governments	(1,625)	317	420	99	1,717
Increase (decrease) deferred revenue	63	(57)	3	-	(23)
Total adjustments	35,274	96,744	47,297	17,024	62,411
Net cash provided by operating activities	\$11,610	\$204,028	\$126,460	\$974	\$231,287
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

616 - Transitional Housing	617 - Raymie Johnson Estates	619 - Landfall	620 - Park Place II	626 - Brick Pond	635 - HUD- MHOP Homes	Totals	
						2009	2008
\$14,850	\$963,613	\$ -	\$43,437	\$293,297	\$281,016	\$7,604,101	\$7,870,950
(15,458)	(539,159)	(10,671)	(35,241)	(248,062)	(367,310)	(4,835,384)	(4,810,129)
-	(6,161)	19,576	1,318	5,376	(19,191)	155,356	(32,200)
(608)	418,293	8,905	9,514	50,611	(105,485)	2,924,073	3,028,621
-	-	-	-	390,000	-	425,000	681,607
-	-	(286,000)	(16,000)	-	-	(1,560,000)	(500,000)
253,000	-	-	-	-	26,000	279,000	(86,793)
-	-	-	-	-	-	1,564,453	1,482,179
253,000	0	(286,000)	(16,000)	390,000	26,000	708,453	1,576,993
-	6,122	-	-	-	-	199,561	131,220
-	-	165,516	-	-	-	165,516	157,020
-	(3,778)	(1)	-	(768)	-	(45,725)	(36,850)
-	-	-	-	20,854	388,003	445,682	-
(251,668)	(49,844)	-	-	(148,609)	(321,550)	(1,418,048)	(822,063)
-	(187,256)	(246,775)	-	(38,109)	(52)	(2,535,524)	(2,606,968)
-	(337,206)	(135,000)	-	(68,626)	-	(1,525,000)	(1,665,000)
(251,668)	(571,962)	(216,260)	0	(235,258)	66,401	(4,713,538)	(4,842,641)
1	518	266,727	26	145	339	383,920	507,376
725	(153,151)	(226,628)	(6,460)	205,498	(12,745)	(697,092)	270,349
420	1,485,716	892,698	10,431	469,334	81,329	11,162,227	10,891,878
\$1,145	\$1,332,565	\$666,070	\$3,971	\$674,832	\$68,584	\$10,465,135	\$11,162,227
(\$5,854)	\$261,532	\$8,233	\$7,011	\$36,047	(\$287,912)	\$1,516,469	\$1,560,416
4,511	145,699	-	4,788	17,313	206,398	1,402,367	1,391,611
-	2,527	-	-	2,959	3,797	71,124	76,122
-	(8,550)	-	(69)	(132)	(28,117)	(40,451)	(32,200)
-	(9,599)	672	(1,010)	(2,959)	(4,828)	(136,267)	(67,103)
70	2,638	-	113	1,352	3,375	22,833	(27,277)
685	23,395	-	(1,051)	(8,629)	(31,868)	62,256	93,433
-	(44)	-	(262)	(2,047)	(8,519)	(28,943)	28,254
(20)	202	-	(6)	3,307	(1,868)	7,739	14,535
-	493	-	-	3,400	44,057	46,946	(9,170)
5,246	156,761	672	2,503	14,564	182,427	1,407,604	1,468,205
(\$608)	\$418,293	\$8,905	\$9,514	\$50,611	(\$105,485)	\$2,924,073	\$3,028,621
\$65,538	\$10,221	\$ -	\$ -	\$ -	\$ -	\$75,759	\$ -

The accompanying notes are an integral part of these financial statements.

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WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Washington County Housing and Redevelopment Authority (the HRA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. FINANCIAL REPORTING ENTITY

The Washington County Housing and Redevelopment Authority, St. Paul Park, Minnesota, (HRA) operates as a local government unit for the purpose of providing housing and redevelopment services to the Washington County, Minnesota, area. The governing body of the HRA consists of a seven member board of commissioners (Board) appointed by the county commissioners to serve three-year terms.

Several of the HRA's bond issues have been backed by the full faith and credit of the County. This general obligation pledge has allowed the HRA to obtain lower borrowing costs for the purpose of financing the construction of housing facilities within the County. GASB Statement No. 14, *The Financial Reporting Entity*, states that a primary government that appoints a voting majority of an organization's officials and is obligated in some manner for the debt of that organization is financially accountable for that organization. Based on this criterion, the HRA is considered a discretely presented component unit of the County and is included in the County's basic financial statements.

There are no component units of the HRA.

In 2004 the HRA formed WCHRA, LLC as permitted by Minnesota Statutes Section 469.012(33). The LLC was formed to provide the HRA with a means to participate as a general partner in affordable housing developments financed through the Low Income Housing Tax Credit Program. The financial activity is reported in the WCHRA, LLC Fund.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the HRA considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the HRA.

The HRA reports the following major governmental funds:

The *General Fund* accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Section 8 – Portability Fund* was established to account for the transactions associated with those households that “port” into Washington County with the Section 8 Housing Choice Voucher.

The *Section 8 – Housing Choice Vouchers* accounts for the Section 8 Housing Choice Voucher and Family Self Sufficiency programs.

The *Development Fund* accounts for related expenses to HRA constructed housing developments, assisting developers with new affordable housing developments, various housing programs of the HRA, or other expenses related to assisting cities with affordable housing developments.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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The *Whispering Oaks TIF Fund* accounts for the eligible expenses under state law for tax increment financing districts. The Whispering Oaks TIF District is a redevelopment district. Whispering Oaks is the name of the once HRA-owned manufactured home park. The City of Oakdale approved a redevelopment plan in 2006 for the property for a unit mixed housing type, mixed income development known as Red Oak Preserve.

The *Red Oak Preserve - Oakdale Fund* accounts for the non-TIF activity of the Red Oak Preserve Development. Expenses include payments to the City of Oakdale for public improvements (the City issued a special assessment bond) and to the developer for reimbursement of expenses for site improvements as regulated by the Contract for Private Redevelopment dated June, 2007.

The HRA reports the following major proprietary funds:

Oakhill Cottages – was established to account for the operations of this rental property.
Muller Manor – was established to account for the operations of this rental property.
Woodland Park – was established to account for the operations of this rental property.
Briar Pond – was established to account for the operations of this rental property.
Parkside – was established to account for the operations of this rental property.
Park Place I – was established to account for the operations of this rental property.
Ann Bodlovick – was established to account for the operations of this rental property.
John Jergens Estates – was established to account for the operations of this rental property.
Pioneer Elderly – was established to account for the operations of this rental property.
Cobble Hill – was established to account for the operations of this rental property.
Transitional Housing – was established to account for the operations of this rental property.
Raymie Johnson Estates – was established to account for the operations of this rental property.
Landfall – was established to account for the operations of this rental property.
Park Place II – was established to account for the operations of this rental property.
Brick Pond – was established to account for the operations of this rental property.
HUD-MHOP Homes – was established to account for the operations of this rental property.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary-fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The HRA has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the HRA. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise funds are tenant rents. Operating expenses for enterprise funds include the cost of maintenance services, utilities and insurance costs, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for an allowable use, it is the HRA's policy to use restricted resources first, then unrestricted resources as they are needed.

D. BUDGETS

Budget requests are submitted by the HRA's Controller to the Board. The budget is adopted at a public meeting by the Board prior to certification of tax levies to the County Auditor. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for all funds, except for the following Special Revenue Funds:

- HOME
- Newport Town Center
- National Foreclosure Mitigation Counseling
- WCHRA, LLC
- Neighborhood Stabilization Program
- Strategic Acquisition Program
- Homeless Prevention – Rapid Rehousing Program for Transition Age Youth
- St. Paul Foundation – Transition Age Youth Program
- East Metro Rehousing Grant
- NFMC – Program Related Support
- Land Initiative
- Foreclosure Prevention Assistance Program

Budgeted expenditure appropriations lapse at year end.

Encumbrances represent outstanding purchase orders and unfulfilled commitments that are issued to outside vendors and budgeted in the current year but do not include amounts that are set up as liabilities, amounts for personal services to be performed by HRA employees and purchase orders applicable to the subsequent year's budget. Encumbrances lapse at year end.

As of December 31, 2009, no outstanding encumbrances existed.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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E. LEGAL COMPLIANCE - BUDGETS

The HRA follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The HRA Controller submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Board reviews the proposed budget and makes appropriate changes.
3. Public meetings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through passage of a resolution on a fund basis and can be expended by each fund based upon detailed budget estimates for individual expenditure accounts.
5. The Executive Director and Controller are authorized to transfer appropriations within any department budget. Interdepartmental or interfund appropriations and deletions are authorized by the Board with fund contingency reserves or additional revenues.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Enterprise Funds.
7. The legal level of budgetary control is at the fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services; materials and supplies; contractual services; and capital outlay) within each program. All amounts over budget have been approved by the Board through the disbursement process.

The following is a listing of funds whose expenditures exceed budget appropriations:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Over Budget</u>
Nonmajor Funds:			
Special Revenue Funds:			
Section 8 Project Based	\$23,495	\$33,530	(\$10,035)
Bridges 1	104,500	111,072	(6,572)
Bridges 2	46,940	48,319	(1,379)
Multi Family Projects - LIHTC	92,900	100,180	(7,280)

In the nonmajor funds, the expenditures are related to the various program activities of the HRA and in most cases are fully reimbursed by offsetting revenues in the current year from the various funding agencies.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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F. INVESTMENTS

Investments are stated at fair value, based upon quoted market prices. Investment income is accrued at the balance sheet date.

G. CASH AND INVESTMENTS - RESTRICTED

Certain proceeds of the HRA's enterprise fund bond issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. For the purpose of the statement of cash flows, the proprietary funds treat restricted cash and cash equivalents the same as investments.

H. PROPERTY TAX REVENUE RECOGNITION

The Board annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the HRA, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the HRA at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the HRA on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The HRA has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

Government-Wide Financial Statements

The HRA recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

Governmental Fund Financial Statements

The HRA recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the HRA in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the HRA the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the HRA in January is fully offset by deferred revenue because they are not available to finance current expenditures.

I. INVENTORIES

Governmental Funds and Proprietary Funds

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventories.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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J. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

K. CAPITAL ASSETS

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the HRA as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2009, no interest was capitalized in connection with construction in progress.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	
Buildings and structures	40 years
Buildings and structures – HUD	30 years
Furniture and fixtures	7 years
Data processing	7 years

L. TENANT RECEIVABLES

Tenant receivables are shown net of an allowance for doubtful accounts. Tenant receivables in excess of 60 days comprise the tenant receivable allowance. The amount at December 31, 2009 was \$1,300.

M. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as “due to/from other funds.” All short-term interfund receivables and payables at December 31, 2009 are planned to be eliminated in 2010. Long-term interfund loans are classified as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes and tenant receivables have been reported net of estimated uncollectible accounts. (See Note 1.H and 1.L) Uncollectible amounts are not material for other receivables and have not been reported.

N. COMPENSATED ABSENCES

It is the HRA's policy to permit employees to accumulate earned but unused Planned Time Off (PTO) benefits. All PTO pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The HRA converted to the PTO system, combining the former vacation and sick leave benefits, in 2005. As part of that conversion, employees with sick leave balances as of December 31, 2005 were permitted to convert time accrued to an Extended Sick Leave Bank (ESLB). New hires after this date do not have this benefit. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive ESLB benefits.

O. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

Q. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

R. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect the amounts reported within financial statements during the reporting period. Actual results could differ from such estimates.

S. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS.

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$6,020,121) difference are as follows:

	2009	2008
Loan payable	\$ -	(\$2,200,000)
Due to primary government	(2,200,000)	-
Interest payable	(11,577)	-
Other long term payables	(3,736,746)	(3,829,220)
Compensated absences	(71,798)	(69,559)
	<u>(6,020,121)</u>	<u>(6,098,779)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>(\$6,020,121)</u>	<u>(\$6,098,779)</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES.

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$9,390) difference are as follows:

	2009	2008
Depreciation expense	(\$9,390)	(\$10,727)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	(\$9,390)	(\$10,727)

Another element of that reconciliation states that “revenues on the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The detail of this \$160,079 difference is as follows:

	2009	2008
General property taxes deferred revenue:		
At beginning of year	(\$96,642)	(\$71,364)
At end of year	119,728	96,642
Property held for resale:		
At beginning of year	-	-
At end of year	114,939	-
Note receivable deferred revenue:		
At beginning of year	(541,093)	(525,081)
At end of year	563,147	541,093
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$160,079	\$41,290

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The detail of this (\$13,816) difference is as follows:

	<u>2009</u>	<u>2008</u>
Interest payable	(\$11,577)	\$ -
Compensated absences	<u>(2,239)</u>	<u>(17,610)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>(\$13,816)</u></u>	<u><u>(\$17,610)</u></u>

Note 2 DEFICIT FUND BALANCES / NET ASSETS

The following major and nonmajor funds had deficit fund balances at December 31, 2009:

Major Funds:	
Whispering Oaks TIF	\$2,590,723
Special Revenue Funds:	
Newport Town Center	30,985
Bridges Long Term Homeless	144
Shelter Plus Care	105
Shelter Plus Care - Forest Lake	30
Housing Trust Fund	173
Forest Lake Trailside Senior Living TIF	8,238
Land Initiative	11,113
Homeless Prevention-Rapid Rehousing Program for Transition Age Youth	<u>2,075</u>
	<u><u>\$2,643,586</u></u>

Note 3 DEPOSITS AND INVESTMENTS

For purpose of the statement of cash flows for the enterprise funds, the HRA considers unrestricted cash and highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

The HRA invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under joint powers agreement pursuant to Minnesota Statute 471.59 and regulated by Minnesota State Statutes. The MAGIC fund is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Therefore, the fair value of the HRA’s position in the pool is the same as the value of the pool shares. A copy of the funds statement is available at www.magicfund.org.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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DEPOSITS

Minnesota Statutes require that all deposits with financial institutions must be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance. Deposits include checking, savings and certificates of deposits.

The December 31, 2009 carrying amount of the HRA's deposits with financial institutions was \$147,588, all of which is covered by FDIC insurance.

INVESTMENTS

The HRA may also invest funds as authorized by Minnesota Statutes, as follows:

- a) Direct obligations or obligations guaranteed by the United States or its agencies.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in a) above.
- c) General obligations of the State of Minnesota or any of its municipalities.
- d) Bankers' acceptances of United States banks.
- e) Commercial paper, issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve system with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities in the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- g) Guaranteed investment contracts (GIC) issued or guaranteed by a United States commercial bank or domestic branch of a foreign bank or a United States insurance company or its Canadian or United States subsidiary.
- h) Mortgage-backed securities that are direct obligations or guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.

As of December 31, 2009 the HRA had the following investments and maturities:

	Investment Maturities (in Years)			Fair Value
	Less than 1	1-5	Over 5	
Guaranteed investment contract - IXIS Fundings Corp.	\$ -	\$ -	\$280,800	\$280,800
Escrow account	313,752	-	-	313,752
Brokered certificates of deposit	-	1,961,158	-	1,961,158
External investment pools	15,177,163	-	-	15,177,163
Total investments	<u>\$15,490,915</u>	<u>\$1,961,158</u>	<u>\$280,800</u>	17,732,873
Deposits				147,588
Total cash and investments				<u>\$17,880,461</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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These amounts are presented on the statement of net assets as follows:

Cash and investments	\$7,905,749
Restricted cash and investments	<u>9,974,712</u>
	<u><u>\$17,880,461</u></u>

Interest Rate Risk – The HRA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments in commercial paper that is rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated “A” or better by a national bond rating service for general obligation and rated “AA” or better for a revenue obligation. State law also limits any general obligation of the Minnesota Housing Finance Agency that is rated “A” or better by a national bond rating agency. The HRA does not have a formal investment policy that further limits the ratings of their investments. The HRA also holds guaranteed investment contracts, which are rated AAA.

Concentration of Credit Risk – The HRA places no limit on the amount the HRA may invest in any one issuer. More than 5 percent of the HRA’s investments are in First American Treasury Obligations. These investments are 60.1% of the HRA’s total investments.

Custodial Credit Risk – For investments in securities, custodial credit risk is the risk that, in the event of the failure of the counterparty, the HRA will not be able to recover the value of its investment securities that are in the possession of an outside party. As of December 31, 2009, certain investments were held in trust per an indenture of trust agreement.

Note 4 RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2009 are as follows:

	<u>Nonmajor Funds</u>	<u>Major Fund</u>
Note receivable	\$1,027,180	\$ -
Red Oak Preserve	-	427,577
Development	<u>-</u>	<u>367,921</u>
Total	<u><u>\$1,027,180</u></u>	<u><u>\$795,498</u></u>

The \$1,027,180 receivable relates to several deferred loans the HRA has made to finance privately-owned affordable housing projects. A majority of the funding for the loans come from federal programs.

The \$2,636,720 receivable in the Red Oak Preserve Fund is related to the sale of Whispering Oaks. It is due from the developer on September 1, 2014.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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Should the developer's valuation targets be reached, this receivable may be off-set with the payable to developer as discussed in Note 8A.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$119,728	\$ -
Receivable related to sale of Whispering Oaks (Red Oak Preserve)	2,636,720	-
Note receivable (Nonmajor Funds)	554,276	-
Unearned grant receipts (Nonmajor Funds)	-	264,399
Accrued interest receivable (Nonmajor Funds)	8,871	
Property held for resale	<u>114,939</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u><u>\$3,434,534</u></u>	<u><u>\$264,399</u></u>

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Capital assets, being depreciated:				
Buildings and structures	281,696	-	-	281,696
Furniture and fixtures	<u>9,354</u>	<u>-</u>	<u>-</u>	<u>9,354</u>
Total capital assets, being depreciated	<u>291,050</u>	<u>0</u>	<u>0</u>	<u>291,050</u>
Less accumulated depreciation for:				
Buildings and structures	180,242	9,390	-	189,632
Furniture and fixtures	<u>9,354</u>	<u>-</u>	<u>-</u>	<u>9,354</u>
Total accumulated depreciation	<u>189,596</u>	<u>9,390</u>	<u>0</u>	<u>198,986</u>
Total capital assets being depreciated - net	<u>101,454</u>	<u>(9,390)</u>	<u>-</u>	<u>92,064</u>
Governmental activities capital assets - net	<u><u>\$101,454</u></u>	<u><u>(\$9,390)</u></u>	<u><u>\$0</u></u>	<u><u>\$92,064</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$3,503,053	\$ -	\$ -	\$3,503,053
Construction in progress	-	451,616	-	451,616
Total capital assets, not being depreciated	<u>3,503,053</u>	<u>451,616</u>	<u>0</u>	<u>3,954,669</u>
Capital assets, being depreciated:				
Buildings and structures	52,672,327	1,341,841	-	54,014,168
Furniture and fixtures	454,593	-	-	454,593
Total capital assets, being depreciated	<u>53,126,920</u>	<u>1,341,841</u>	<u>0</u>	<u>54,468,761</u>
Less accumulated depreciation for:				
Buildings and structures	20,549,519	1,371,030	-	21,920,549
Furniture and fixtures	364,060	31,336	-	395,396
Total accumulated depreciation	<u>20,913,579</u>	<u>1,402,366</u>	<u>0</u>	<u>22,315,945</u>
Total capital assets being depreciated - net	<u>32,213,341</u>	<u>(60,525)</u>	<u>0</u>	<u>32,152,816</u>
Business-type activities capital assets - net	<u>\$35,716,394</u>	<u>(\$60,525)</u>	<u>\$0</u>	<u>\$36,107,485</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	<u>\$9,390</u>
Total depreciation expense - governmental activities	<u>\$9,390</u>
Business-type activities:	
Housing	<u>\$1,402,366</u>
Total depreciation expense - business-type activities	<u>\$1,402,366</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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Note 6 INTERFUND RECEIVABLES, PAYABLES, LOANS AND TRANSFERS

The composition of interfund balances as of December 31, 2009, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Newport Town Center	\$30,985
	Shelter Plus Care	3,651
	Shelter Plus Care - Forest Lake	2,373
	Transitional Housing	253,000
	HUD MHOP Homes	26,000
	Multi Family Projects - LIHTC	30,290
	Forest Lake Trailside Senior Living TIF	6,738
	Neighborhood Stabilization Program I	66,447
	Homeless Prevention-Rapid Rehousing	
	Program for Transition Age Youth	828
Briar Pond	Woodland Park	<u>35,545</u>
Total		<u><u>\$455,857</u></u>

The above balances are representative of lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year. The above balances are expected to be eliminated within one year of December 31, 2009.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Development	Whispering Oaks TIF	<u>\$2,567,089</u>
Total		<u><u>\$2,567,089</u></u>

The above balances are for preliminary funding of development costs prior to reimbursement. The funds will be repaid as tax increment receipts and developer contributions are received. These advances are not expected to be eliminated within one year of December 31, 2009.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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Interfund transfers:

	Transfer In						Total
	General Fund	Nonmajor Governmental Funds	Red Oak Preserve	Development	Pioneer Elderly	Brick Pond	
Transfers out:							
General	\$ -	\$1,253,746	\$ -	\$850,000	\$35,000	\$ -	\$2,138,746
Long - Term Capital Reserve	-	-	-	-	-	390,000	390,000
Whispering Oaks TIF	-	-	-	2,200,000	-	-	2,200,000
Development	-	-	120,862	-	-	-	120,862
Muller Manor	117,000	-	-	-	-	-	117,000
Woodland Park	220,000	-	-	-	-	-	220,000
Briar Pond	136,000	-	-	-	-	-	136,000
Parkside	150,000	-	-	-	-	-	150,000
Park Place I	70,000	-	-	-	-	-	70,000
Ann Bodlovick	156,000	-	-	-	-	-	156,000
John Jergens Estates	83,000	-	-	-	-	-	83,000
Cobble Hill	326,000	-	-	-	-	-	326,000
Landfall	286,000	-	-	-	-	-	286,000
Park Place II	16,000	-	-	-	-	-	16,000
Total transfers	<u>\$1,560,000</u>	<u>\$1,253,746</u>	<u>\$120,862</u>	<u>\$3,050,000</u>	<u>\$35,000</u>	<u>\$390,000</u>	<u>\$6,409,608</u>

Interfund transfers allow the HRA to allocate financial resources. The HRA's special benefit property taxes are required to be deposited in a Special Tax Fund held by a Deposit Agent (currently the HRA's bond trustee). Portions of the special benefit property tax levy are pledged to debt service, operating expenses and reserves for certain properties, and are transferred from the Special Tax Fund to the appropriate trust accounts for the applicable properties. The balance of the special benefit property taxes in the Special Tax Fund, and amounts, if any, remaining after the various trust account requirements for the applicable properties have been met, are released by the bond trustee and transferred to the General Fund.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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Note 7 LEASES

A. CAPITAL LEASE RECEIVABLE

The HRA disposed of its Landfall capital assets in exchange for a capital lease receivable. The lease bears an effective interest rate of 5.281% and has monthly principal and interest payments of \$36,000 through August, 2027. Future minimum lease payments receivable for each of the years ending December 31 are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$432,000
2011	432,000
2012	432,000
2013	432,000
2014	432,000
2015	432,000
2016	432,000
2017	432,000
2018	432,000
2019	432,000
2020	432,000
2021	432,000
2022	432,000
2023	432,000
2024	432,000
2025	432,000
2026	432,000
2027	<u>288,000</u>
Total minimum lease payments	7,632,000
Amounts representing interest	<u>(2,676,287)</u>
Present value of net minimum lease payments	<u><u>\$4,955,713</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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B. OPERATING LEASE

In March 2007, the HRA entered into two 60 month leases for a copier and color printer. Monthly payments for the copier lease are \$542 per month. Lease payments for the color printer are \$209 per month. These leases are considered, for accounting purposes, to be operating leases. Lease expenditures for the year ended December 31, 2009 amounted to \$9,012. Future minimum lease payments for these leases are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$9,012
2011	9,012
2012	<u>1,502</u>
Total	<u><u>\$19,526</u></u>

Note 8 LONG-TERM DEBT

The HRA issues long-term debt to finance the acquisition and construction of housing developments. The reporting entity's long-term debt is segregated between the amount to be repaid from governmental activities and amounts to be repaid from business-type activities.

A. GOVERNMENTAL ACTIVITIES

Changes in governmental activities long-term debt were as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance 12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/09</u>	<u>Due Within One Year</u>
Compensated absences	N/A	N/A	\$69,559	\$88,404	(\$86,165)	\$71,798	\$7,180
Prosperan Bank loan	300 basis pt over Federal Home Loan Index	11/1/2009	2,200,000	-	(2,200,000)	-	-
Due to Washington County:							
Tax Increment Revenue Note	5.000%	1/15/2035	-	1,587,577	-	1,587,577	-
County Loan	5.000%	1/15/2020	-	612,423	-	612,423	19,300
Due to City of Oakdale	4.371%	2/1/2023	1,260,026	-	(160,000)	1,100,026	165,000
Payable to developer	0.000%	9/1/2011	<u>2,636,720</u>	<u>-</u>	<u>-</u>	<u>2,636,720</u>	<u>-</u>
Total			<u><u>\$6,166,305</u></u>	<u><u>\$2,288,404</u></u>	<u><u>(\$2,446,165)</u></u>	<u><u>\$6,008,544</u></u>	<u><u>\$191,480</u></u>

Compensated absences are generally liquidated by the General Fund. It is not practicable to determine the specific year for payment of long-term accrued compensated absences.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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The HRA and Washington County entered into an agreement dated July 24, 2007 relating to the refinancing of the Prosperan Bank loan. Section 3.2 of the agreement provided for the County to issue a loan to the HRA in an amount not-to-exceed \$2,200,000. In 2009, the County issued to the HRA the \$1,587,577 Tax Increment Revenue note and the \$612,423 loan.

Due to the City of Oakdale - the City of Oakdale issued \$2,385,000 G.O. Improvement Bonds, Series 2007A. The HRA is responsible for 50% of the debt service after City special assessments are applied, and a portion related to tax increment.

Payable to developer - in conjunction with the sale of Whispering Oaks, the HRA has agreed to make prepayments to the developer for increased assessed value resulting from redevelopment. The agreement was amended in 2009. The amended agreement requires the HRA to pay the developer, on or before September 1, 2014, an amount equal to \$118,000 per \$1,000,000 increase in assessed value compared to January 2, 2007. The total of repayments shall not exceed \$2,636,720.

Annual debt service requirements to maturity for the above liabilities (excluding forgivable loans) are as follows:

Year	Due to the City of Oakdale		Due to Developer		Washington County Tax Increment Revenue Note		Washington County Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$165,000	\$43,039	\$ -	\$ -	(\$43,530)	\$52,618	\$19,300	\$20,298
2011	57,500	36,521	-	-	(44,472)	82,348	50,158	29,037
2012	60,744	34,221	-	-	(16,654)	84,106	52,697	26,498
2013	64,669	32,270	-	-	6,887	84,703	55,365	23,830
2014	68,509	30,326	2,636,720	-	27,047	83,998	58,167	21,027
2015	72,266	28,383	-	-	38,571	82,498	61,112	18,082
2016	75,943	26,434	-	-	46,280	80,425	64,206	14,989
2017	79,545	24,511	-	-	50,269	78,062	67,456	11,738
2018	83,076	22,573	-	-	54,501	75,497	70,871	8,323
2019	89,039	20,618	-	-	58,609	72,716	74,459	4,735
2020	92,437	18,532	-	-	62,073	69,737	38,632	966
2021	95,773	16,418	-	-	65,216	66,595	-	-
2022	95,525	14,313	-	-	68,517	63,293	-	-
2023	-	-	-	-	71,986	59,824	-	-
2024	-	-	-	-	75,630	56,180	-	-
2025	-	-	-	-	79,459	52,351	-	-
2026	-	-	-	-	83,482	48,329	-	-
2027	-	-	-	-	87,708	44,102	-	-
2028	-	-	-	-	92,148	39,662	-	-
2029	-	-	-	-	96,813	34,997	-	-
2030	-	-	-	-	101,714	30,096	-	-
2031	-	-	-	-	106,864	24,947	-	-
2032	-	-	-	-	112,274	19,537	-	-
2033	-	-	-	-	117,957	13,853	-	-
2034	-	-	-	-	123,929	7,881	-	-
2035	-	-	-	-	64,298	1,607	-	-
Total	<u>\$1,100,026</u>	<u>\$348,159</u>	<u>\$2,636,720</u>	<u>\$0</u>	<u>\$1,587,577</u>	<u>\$1,409,963</u>	<u>\$612,423</u>	<u>\$179,523</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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B. BUSINESS-TYPE ACTIVITIES

Notes, Loans, and Mortgages Payable

Notes, loans, and mortgages payable at December 31, 2009 are as follows:

Property (Fund)	Lender	Interest Rate	Maturity Date	Original Amount	Balance 12/31/08	Additions	Reductions	Balance 12/31/09	Due Within One Year
John Jergens	District Memorial Hospital	0.0%	07/01/13	\$115,000	\$25,000	\$ -	(\$5,000)	\$20,000	\$5,000
Transitional Housing	MHFA	0.0%	12/06/16	76,000	76,000	-	-	76,000	- *
Transitional Housing	MHFA	0.0%	12/17/16	30,600	30,600	-	-	30,600	- *
Parkside	Federal Home Loan Bank	0.0%	07/16/17	200,000	200,000	-	-	200,000	- *
Parkside	Family Housing Fund	0.0%	01/01/22	175,000	175,000	-	-	175,000	-
					<u>\$506,600</u>	<u>\$0</u>	<u>(\$5,000)</u>	<u>\$501,600</u>	<u>\$5,000</u>

*Loans forgiven at maturity if the HRA continues to own and operate the property in accordance with provisions of the debt agreements.

Annual debt service requirements to maturity for the above mortgages (excluding forgivable loans) are as follows:

Year	District Memorial Hospital Note		Family Housing Fund Note	
	Principal	Interest	Principal	Interest
2010	\$5,000	\$ -	\$ -	\$ -
2011	5,000	-	-	-
2012	5,000	-	-	-
2013	5,000	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	175,000	-
Total	<u>\$20,000</u>	<u>\$0</u>	<u>\$175,000</u>	<u>\$0</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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Revenue Bonds

Changes in revenue bonds were as follows:

Property (Fund)	Lender	Interest Rate	Maturity Date	Original Amount	Balance 12/31/08	Additions	Reductions	Balance 12/31/09	Due Within One Year
2002 Pooled	Annual Appropriation Limited Tax and Gross Revenue Refunding Bonds, Series 2002B	5.5 - 6.0%	02/01/32	\$9,875,000	\$8,930,000	\$ -	(\$185,000)	\$8,745,000	\$195,000
Landfall	Governmental Housing Revenue Bonds 1997 Refunding	3.90 - 5.40%	08/01/27	7,200,000	4,725,000	-	(135,000)	4,590,000	145,000
Ann Bodlovick	Annual Appropriation Limited Tax and Gross Revenue Refunding Bonds, Series 2002A	2.25 - 5.3%	02/01/32	3,035,000	2,410,000	-	(60,000)	2,350,000	\$65,000
Woodland Park	Governmental Housing Revenue Refunding Bonds, Series 2002	2.0 - 4.7%	10/01/32	17,225,000	15,145,000	-	(380,000)	14,765,000	390,000
Briar Pond	Governmental Housing Revenue Refunding Bonds, Series 1999A	3.80-5.60%	08/20/34	10,300,000	9,205,000	-	(160,000)	9,045,000	170,000
Briar Pond	Subordinate Government Housing Revenue Refunding Bonds, Series 1999B	7.13%	08/20/34	905,000	820,000	-	(10,000)	810,000	10,000
Briar Pond	Surplus Cash Governmental Housing Revenue Refunding Bonds, Series 1999C	7.25%	08/20/34	1,020,000	935,000	-	(10,000)	925,000	10,000
2003 Pooled	Pooled Governmental Housing Revenue Bonds, 2003 Refunding	3.00 - 4.40%	07/01/24	9,760,000	8,670,000	-	(580,000)	8,090,000	595,000
Subtotal					50,840,000	\$0	(\$1,520,000)	49,320,000	\$1,580,000
Unamortized discount on bonds					(345,299)			(329,477)	
Total					<u>\$50,494,701</u>			<u>\$48,990,523</u>	

The notes, loans, mortgages, and bonds issued contain various covenants and escrow reserve requirements. As of December 31, 2009, the HRA was in compliance with all such covenant and reserve requirements.

The 1999 Bonds are secured primarily by a fully-modified pass-through mortgaged-backed security issued by the lender, guaranteed as to principal and interest by GNMA and backed by a mortgage loan. The 1999 Bonds are payable from net revenues of the Briar Pond facility. Total principal and interest remaining to be paid on the bonds is \$16,919,473. For the current year, principal and interest paid and total net revenues were \$813,138 and \$1,141,809.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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The annual debt service requirements to maturity for the business-type activities bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$1,580,000	\$2,429,190	\$4,009,190
2011	1,620,000	2,364,428	3,984,428
2012	1,685,000	2,296,387	3,981,387
2013	1,755,000	2,223,029	3,978,029
2014	1,815,000	2,143,166	3,958,166
2015	1,885,000	2,059,271	3,944,271
2016	1,960,000	1,971,004	3,931,004
2017	2,030,000	1,878,240	3,908,240
2018	2,125,000	1,780,963	3,905,963
2019	2,205,000	1,677,193	3,882,193
2020	1,910,000	1,572,326	3,482,326
2021	2,065,000	1,473,305	3,538,305
2022	1,935,000	1,369,749	3,304,749
2023	2,045,000	1,267,764	3,312,764
2024	2,795,000	1,152,645	3,947,645
2025	2,085,000	1,019,546	3,104,546
2026	2,200,000	907,536	3,107,536
2027	2,790,000	789,438	3,579,438
2028	2,075,000	649,369	2,724,369
2029	2,190,000	538,240	2,728,240
2030	2,310,000	420,816	2,730,816
2031	2,310,000	300,299	2,610,299
2032	2,375,000	178,003	2,553,003
2033	760,000	81,640	841,640
2034	815,000	36,231	851,231
	<u>\$49,320,000</u>	<u>\$32,579,778</u>	<u>\$81,899,778</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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Prior Refundings

In prior years, the HRA refunded certain bonds by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the bonds are considered defeased for financial reporting purposes. The trust account assets and the liabilities for the refunded bonds are not included in the HRA's financial statements. On December 31, 2009, the bonds considered defeased were as follows:

<u>Bond Issue</u>	<u>Balance on Defeased Debt As of 12/31/09</u>	<u>Schedule Maturity/ Call Date</u>
Series 1994B - CAB Portion	\$705,000	1/1/17

The amount of outstanding defeased debt for the above bond issues continue to be held in escrow.

C. REVENUES PLEDGED

The HRA and Washington County entered into an agreement dated July 24, 2007 relating to the refinancing of the Prosperan Bank loan. Pursuant to Section 3.2 of the agreement, the County issued the \$1,587,577 Tax Increment Revenue Note and the \$612,423 loan. The proceeds of which were used to retire the Prosperan Bank Loan. The HRA has pledged future tax increment revenues from TIF District 2.1 for the repayment of the loan. TIF collections in 2009 totaled \$2,509.

The HRA has pledged a portion of future tax increment revenues from TIF District 2.1 to repay a portion of the \$1,100,026 payable to the City of Oakdale. Tax increment revenues were projected to provide \$114,002 for debt service. The total principal and interest remaining on the payable to the City of Oakdale is \$1,448,185. For the current year, no principal and interest was paid and no tax increment revenues collected were \$2,509.

The 2002A and 2002B Annual Appropriation Limited Tax and Gross Revenue Refunding Bonds are limited obligations of the HRA. They are secured by a special benefit tax which is limited to a rate of 0.0185% of market value of taxable property in the County and is subject annually to approval by the County Board. The 2002A Bonds are payable from net revenues of the Ann Bodlovick facility and property tax revenues. The total principal and interest remaining to be paid on the bonds is \$3,898,971. For the current year, principal and interest paid, total net revenues, and property tax revenue were \$182,768, \$173,002 and \$229,939, respectively. The 2002B Bonds are payable from net revenues of the Muller Manor, Parkside, Park Place I, John Jergens and Cobble Hill facilities and property tax revenues. Principal and interest remaining to be paid on the bonds is \$15,439,956. For the current year, principal and interest paid, total net revenues and property tax revenue were \$679,258, \$564,401 and \$748,154, respectively.

The 2002 Housing Revenue Refunding Bonds (Woodland Park Project) Limited Obligations of the HRA are payable solely from pledged revenues (net revenues and property taxes). However, Washington County has provided a general obligation pledge. The total principal and interest remaining to be paid on the bonds is \$24,123,813. For the current year, principal and interest paid total net revenues and property tax revenue were \$1,051,001, \$463,207 and \$605,000, respectively.

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The 2003 Governmental Housing Bonds are special obligations of the HRA, payable solely from pledged revenues. However, Washington County has provided a general obligation pledge. The 2003 Bonds are payable from net revenues of the Oakhill Cottages, Pioneer Elderly, Brick Pond and Raymie Johnson Estates facilities and property tax revenues. Total principal and interest remaining to be paid on the bonds is \$10,405,101. For the current year, principal and interest paid, total net revenues and property tax revenue were \$902,085, \$639,233 and \$0, respectively.

Note 9 EMPLOYEE RETIREMENT PLANS

The HRA and its full-time employees do not participate in social security. The HRA does provide a defined contribution pension plan to substantially all of its employees administered by Nationwide Retirement Solutions. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Employees are not required to contribute to the plan. The HRA contributes 9% of annual base salary. Plan provisions and contribution requirements are established and may be amended by the HRA's Board of Commissioners. Total contributions made in 2009 were \$101,518, of which \$71,732 was employer contributions and \$29,786 was employee contributions.

In 2004, the HRA amended its Personnel Policies and Procedures manual and the Labor Agreement with AFSCME Union Local 517 to require participation in the Minnesota State Retirement System Health Care Savings Plan program. The Health Care Savings Plan is an employer-sponsored program that allows employees to save money, tax-free, to use upon termination of employment to pay for eligible health care expenses. The collective bargaining agreement requires each employee to contribute \$20/month to his/her individual account. Non-bargaining unit employees are mandated to contribute to the program based on the amount of sick leave accrued at the end of the previous fiscal year.

Note 10 MUNICIPAL SERVICE CHARGE AGREEMENTS

Under Minnesota Statutes, the HRA is required to make payments in lieu of taxes (P.I.L.O.T.) on the rental properties accounted for in enterprise funds equal to 5% of net sheltered rents. These expenses are included in the HRA annual operating budget and financial statements as operating expenses. In addition, the HRA executed an agreement with the City of St. Paul Park to pay the amount of property taxes which would be charged if the property were not tax exempt. This amount is deferred until the time of sale of the property and is not to exceed 50 percent of the net proceeds from the sale of the property. As the payment of these deferred charges is contingent upon a future event (i.e., the sale of the property) and the availability, if any, of net proceeds sufficient to repay the deferred charges, deferred amounts are not recorded in the accompanying financial statements. As of December 31, 2009, approximately \$89,377 has been deferred under this agreement pertaining to the properties of Park Place I and Park Place II.

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December 31, 2009

Note 11 RISK MANAGEMENT

The HRA is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The HRA purchases commercial insurance for all risks of loss. There were no significant reductions in insurance from the previous year. Settled claims have not exceeded this commercial coverage for the last three years.

Note 12 COMMITMENTS AND CONTINGENCIES

A. ARBITRAGE REBATE LIABILITY

The Tax Reform Act of 1986 requires governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986.

Management does not expect to incur significant arbitrage rebate liability on any outstanding debt.

B. PROGRAM COMPLIANCE

Federal program activities are subject to financial and compliance regulation. To the extent that any expenditures are disallowed or other compliance features are not met, a liability to the respective grantor agency could result.

C. LEGAL CLAIMS

The HRA is subject to certain legal claims in the normal course of business. Management does not expect the ultimate resolution of these claims will have a material impact on the HRA's financial condition or results of operations.

D. FEDERAL AND STATE FUNDS

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the HRA expects such amounts, if any, to be immaterial.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

E. COMMITTED CONTRACTS

The HRA has entered into several contracts for various improvements at the rental properties. Construction commitments at December 31, 2009 were composed of the following:

Description	Contract Authorized	Expended as of 12/31/09	Remaining Contract Commitment
Ann Bodlovick Elevator Replacement	\$131,874	\$43,880	\$87,994
MHOP - Energy Efficiency Project	597,754	404,027	193,727

F. NET DEBT SERVICE COMMITMENT

During 2007, the City of Oakdale, Minnesota issued its \$2,385,000 G.O. Improvement Bonds, Series 2007A relating to the Red Oak Preserve Project. In conjunction with this bond issue, the HRA and the City of Oakdale, Minnesota entered into a financing agreement dated June 12, 2007. Pursuant to Section 3.4(1) of the agreement, the HRA is responsible for 50% of the debt service less special assessments received by the City. This amount is reported as long-term debt of the HRA. Section 3.4(4) of the agreement states that when the bonds are paid in full, the City shall calculate the City's net debt service over the term of the bonds. If the net debt service is a sum greater than \$600,000, the HRA shall pay the City the amount of net debt service in excess of \$600,000. The amount of net debt service in excess of \$600,000, if any, is not determinable and therefore is not reflected in these financial statements.

Note 13 CONDUIT DEBT OBLIGATIONS

From time to time, the HRA has issued Revenue Bonds to provide financial assistance to private-sector and other governmental entities for the acquisition and construction of industrial, commercial and housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The HRA is not obligated, in any manner, for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2009, there were four series of Revenue Bonds outstanding, the aggregate principal amount payable is not available.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

Note 14 RESERVATIONS AND DESIGNATIONS OF FUND EQUITY

At December 31, 2009 and 2008, the HRA had designated portions of its various fund equities through Board authorization and legal restrictions. Major fund equity appropriations at December 31, 2009 and 2008 are shown on the various balance sheets as segregations of the fund equity. A summary of such reservations and designations is as follows:

	December 31,	
	2009	2008
General Fund:		
Reserved for prepaid items	\$5,205	\$5,297
Designated for general contingency	1,239,407	1,248,222
Section 8 Portability:		
Reserved for prepaid items	911	932
Designated for grant programs	39,166	43,635
Section 8 Housing Choice Vouchers:		
Reserved for prepaid items	100	102
Designated for grant programs	310,780	172,233
Development:		
Reserved for prepaid items	329	1,110
Reserved for advances to other funds	2,567,089	2,297,843
Designated for development purposes	1,445,701	1,413,679
Red Oak Preserve - Oakdale:		
Designated for development purposes	149,545	103,459
Nonmajor Governmental Funds:		
Reserved for prepaid items	677	268
Reserved for long-term receivables	472,904	700,000
Designated for capital purposes	1,292,426	1,000,239
Designated for grant programs	24,537	32,119
Designated for gap financing	1,535,219	796,954
	<u>\$9,083,996</u>	<u>\$7,816,092</u>

Note 15 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The HRA does not provide post employment benefits other than permitting retired employees to continue in the HRA's group health insurance plan, as required by Minnesota Statutes. The retiree is required to pay 100% of the premium. The premium charged is a single common premium for both active and retired employees. This practice has the potential to create an OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees (implicit rate subsidy).

The HRA has determined the liability resulting from an implicit rate subsidy is not material and therefore not included in these financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

Note 16 PRIOR PERIOD ADJUSTMENT

In the prior year, the receivable in the Development Fund was overstated by \$225,447 and the payable to the City of Oakdale was understated by \$67,526. Both fund balance and net assets have been corrected as shown below:

	<u>Fund Balance</u> Government Funds	<u>Net Assets</u> Governmental Activities
Balance - January 1, 2009, as previously reported	\$6,694,968	\$3,972,098
Prior period adjustment - receivable correction	(225,447)	(225,447)
Prior period adjustment - payable correction	<u>-</u>	<u>(67,526)</u>
Balance - January 1, 2009, as restated	<u><u>\$6,469,521</u></u>	<u><u>\$3,679,125</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Statement 9

BUDGETARY COMPARISON SCHEDULE - 101 - GENERAL FUND

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	Budgeted Amounts		2009 Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
	Original	Final	Amounts		Amounts
Revenues:					
Taxes	\$1,551,346	\$1,551,346	\$1,318,318	(\$233,028)	\$1,304,092
Conduit financing fees	10,000	10,000	5,729	(4,271)	10,729
Administrative fees	1,000	1,000	1,418	418	1,910
Investment income	110,000	110,000	33,150	(76,850)	72,691
Other	-	-	534	534	-
Total revenues	<u>1,672,346</u>	<u>1,672,346</u>	<u>1,359,149</u>	<u>(313,197)</u>	<u>1,389,422</u>
Expenditures:					
Administrative salaries and benefits	247,800	247,800	278,906	(31,106)	283,653
Administrative travel and per diems	40,100	40,100	16,824	23,276	20,227
Administrative legal	45,000	45,000	32,135	12,865	29,040
Administrative sundry	42,600	42,600	41,269	1,331	43,668
Accounting and auditing	62,400	62,400	58,484	3,916	54,526
General insurance	2,300	2,300	2,213	87	2,008
Professional services	150,300	150,300	89,688	60,612	106,309
Other utilities and maintenance	24,500	24,500	21,585	2,915	21,921
Equipment leases	20,600	20,600	19,746	854	18,221
Capital outlay	1,500	1,500	990	510	1,727
Financing fee	900	900	465	435	642
Other	4,200	4,200	203	3,997	8,652
Total expenditures	<u>642,200</u>	<u>642,200</u>	<u>562,508</u>	<u>79,692</u>	<u>590,594</u>
Revenues over (under) expenditures	<u>1,030,146</u>	<u>1,030,146</u>	<u>796,641</u>	<u>(233,505)</u>	<u>798,828</u>
Other financing sources (uses):					
Transfers from Enterprise Funds	-	-	1,560,000	1,560,000	500,000
Transfers to Special Revenue Funds	(1,285,366)	(1,285,366)	(2,103,746)	(818,380)	(421,109)
Transfers to Enterprise Funds	-	-	(35,000)	(35,000)	(681,607)
Total other financing sources (uses)	<u>(1,285,366)</u>	<u>(1,285,366)</u>	<u>(578,746)</u>	<u>706,620</u>	<u>(602,716)</u>
Net change in fund balance	<u>(\$255,220)</u>	<u>(\$255,220)</u>	217,895	<u>\$473,115</u>	196,112
Fund balance - January 1			<u>2,625,653</u>		<u>2,429,541</u>
Fund balance - December 31			<u>\$2,843,548</u>		<u>\$2,625,653</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Statement 10

BUDGETARY COMPARISON SCHEDULE - 210 - SECTION 8 PORTABILITY

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	Budgeted Amounts		2009 Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
	Original	Final	Amounts		Amounts
Revenues:					
Intergovernmental:					
Section 8 subsidies	\$2,928,000	\$2,928,000	\$2,642,772	(\$285,228)	\$2,802,860
Administrative fees	220,800	220,800	219,489	(1,311)	212,797
Investment income	2,000	2,000	145	(1,855)	2,257
Other	-	-	60	60	-
Total revenues	<u>3,150,800</u>	<u>3,150,800</u>	<u>2,862,466</u>	<u>(288,334)</u>	<u>3,017,914</u>
Expenditures:					
Administrative salaries and benefits	171,400	171,400	175,426	(4,026)	161,572
Administrative legal	5,000	5,000	4,575	425	5,941
Administrative sundry	16,400	16,400	16,479	(79)	16,035
Professional services	23,000	23,000	26,877	(3,877)	25,737
Housing assistance payments	2,928,000	2,928,000	2,642,771	285,229	2,802,860
Other	7,000	7,000	828	6,172	3,322
Total expenditures	<u>3,150,800</u>	<u>3,150,800</u>	<u>2,866,956</u>	<u>283,844</u>	<u>3,015,467</u>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	<u>(4,490)</u>	<u>(\$4,490)</u>	<u>2,447</u>
Fund balance - January 1			<u>44,567</u>		<u>42,120</u>
Fund balance - December 31			<u>\$40,077</u>		<u>\$44,567</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Statement 11

BUDGETARY COMPARISON SCHEDULE - 212 - SECTION 8 HOUSING CHOICE VOUCHERS

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	Budgeted Amounts		2009 Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
	Original	Final	Amounts		Amounts
Revenues:					
Intergovernmental:					
HUD annual contribution	\$660,000	\$660,000	\$767,179	\$107,179	\$215,784
Charges for services - administrative fees	104,200	104,200	87,894	(16,306)	101,020
Investment income	20,000	20,000	384	(19,616)	11,462
Other	-	-	-	-	4,660
Total revenues	<u>784,200</u>	<u>784,200</u>	<u>855,457</u>	<u>71,257</u>	<u>332,926</u>
Expenditures:					
Administrative salaries and benefits	95,900	95,900	87,985	7,915	88,046
Administrative sundry	300	300	707	(407)	2,747
Professional services	4,900	4,900	4,005	895	3,845
Housing assistance payments	660,000	660,000	622,619	37,381	593,989
Other	9,600	9,600	1,596	8,004	2,735
Total expenditures	<u>770,700</u>	<u>770,700</u>	<u>716,912</u>	<u>53,788</u>	<u>691,362</u>
Revenues over (under) expenditures	<u>\$13,500</u>	<u>\$13,500</u>	138,545	<u>\$125,045</u>	(358,436)
Fund balance - January 1			<u>172,335</u>		<u>530,771</u>
Fund balance - December 31			<u>\$310,880</u>		<u>\$172,335</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Statement 12

BUDGETARY COMPARISON SCHEDULE - 270 - DEVELOPMENT

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	Budgeted Amounts		2009 Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
	Original	Final	Amounts		Amounts
Revenues:					
Intergovernmental:					
State grant	\$ -	\$ -	\$ -	\$ -	\$121,000
Charges for services - administrative fees	-	-	-	-	3,160
Investment income	98,300	98,300	25,229	(73,071)	47,069
Other	-	-	11,415	11,415	-
Total revenues	98,300	98,300	36,644	(61,656)	171,229
Expenditures:					
Administrative salaries and benefits	72,100	72,100	69,148	2,952	102,367
Administrative travel and per diems	1,000	1,000	557	443	1,360
Administrative legal	-	-	-	-	49,895
Administrative sundry	7,200	7,200	9,748	(2,548)	46,881
Professional services	22,500	22,500	7,366	15,134	7,529
Loan assistance payments	-	-	40,000	(40,000)	-
Financing fee	-	-	-	-	720
Debt service:					
Principal	-	-	2,200,000	(2,200,000)	-
Interest	308,233	308,233	113,029	195,204	168,460
Total expenditures	411,033	411,033	2,439,848	(2,028,815)	377,212
Revenues over (under) expenditures	(312,733)	(312,733)	(2,403,204)	(2,090,471)	(205,983)
Other financing sources (uses):					
Transfers from General Fund	-	-	850,000	850,000	-
Transfers from Special Revenue Fund	-	-	2,200,000	2,200,000	-
Transfers to Special Revenue Fund	-	-	(120,862)	(120,862)	-
Total other financing sources (uses)	0	0	2,929,138	2,929,138	0
Net change in fund balance	(\$312,733)	(\$312,733)	525,934	\$838,667	(205,983)
Fund balance - January 1, as previously reported			3,712,632		3,918,615
Prior period adjustment			(225,447)		-
Fund balance - January 1, as restated			3,487,185		3,918,615
Fund balance - December 31			\$4,013,119		\$3,712,632

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Statement 13

BUDGETARY COMPARISON SCHEDULE - 242 - WHISPERING OAKS TIF

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	Budgeted Amounts		2009 Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
	Original	Final	Amounts		Amounts
Revenues:					
Tax increments	\$ -	\$ -	\$2,509	\$2,509	\$ -
Investment income	-	-	74	74	-
Total revenues	<u>0</u>	<u>0</u>	<u>2,583</u>	<u>2,583</u>	<u>0</u>
Expenditures:					
Administrative salaries and benefits	6,600	6,600	2,546	4,054	7,554
Administrative travel and per diems	100	100	-	100	308
Administrative sundry	1,200	1,200	64	1,136	134
Professional services	20,000	20,000	105,083	(85,083)	259,878
Project costs	-	-	122,452	(122,452)	1,300
Relocation fees	-	-	-	-	28,169
Debt service:					
Interest on interfund loan	18,300	18,300	22,978	(4,678)	17,301
Interest on county loan	-	-	12,959	(12,959)	-
Total expenditures	<u>46,200</u>	<u>46,200</u>	<u>266,082</u>	<u>(219,882)</u>	<u>314,644</u>
Revenues over (under) expenditures	<u>(46,200)</u>	<u>(46,200)</u>	<u>(263,499)</u>	<u>(217,299)</u>	<u>(314,644)</u>
Other financing sources (uses):					
Transfers to Special Revenue Funds	-	-	(2,200,000)	(2,200,000)	-
Debt issuance	-	-	2,200,000	2,200,000	-
Total other financial sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>(\$46,200)</u>	<u>(\$46,200)</u>	<u>(263,499)</u>	<u>(\$217,299)</u>	<u>(314,644)</u>
Fund balance (deficit) - January 1			<u>(2,327,224)</u>		<u>(2,012,580)</u>
Fund balance (deficit)- December 31			<u>(\$2,590,723)</u>		<u>(\$2,327,224)</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - 243 - RED OAK PRESERVE - OAKDALE
For The Year Ended December 31, 2009
With Comparative Actual Amounts For The Year Ended December 31, 2008

Statement 14

	Budgeted Amounts		2009 Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
	Original	Final	Amounts		Amounts
Revenues:					
Property taxes	\$166,746	\$166,746	\$166,746	\$ -	\$138,000
Investment income	-	-	409	409	1,994
Other	-	-	8,909	8,909	-
Total revenues	<u>166,746</u>	<u>166,746</u>	<u>176,064</u>	<u>9,318</u>	<u>139,994</u>
Expenditures:					
Project costs	-	-	39,999	(39,999)	235,261
Miscellaneous	-	-	1,562	(1,562)	69,812
Debt service:					
Principal	135,063	135,063	160,000	(24,937)	-
Interest	31,683	31,683	49,279	(17,596)	-
Total expenditures	<u>166,746</u>	<u>166,746</u>	<u>250,840</u>	<u>(84,094)</u>	<u>305,073</u>
Revenues over (under) expenditures	0	0	(74,776)	(74,776)	(165,079)
Other financing sources (uses):					
Transfers in	<u>-</u>	<u>-</u>	<u>120,862</u>	<u>120,862</u>	<u>-</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	46,086	<u>\$46,086</u>	(165,079)
Fund balance - January 1			<u>103,459</u>		<u>268,538</u>
Fund balance - December 31			<u>\$149,545</u>		<u>\$103,459</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
December 31, 2009

Note A BUDGETS

The General Fund, Section 8 Portability, Section 8 Housing Choice Vouchers, Development, Whispering Oaks TIF and Red Oak Preserve – Oakdale Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for all Funds. The budget variance for property tax revenue in the General Fund is the result of property tax revenue reported directly in the WCHRA, LLC Special Revenue Fund.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. The maintains the following Special Revenue Funds:

Section 8 Project Based- to account for Project Based assistance at Sierre Ridge.

Bridges – to account for the Bridges program which provides assistance specifically to handicapped individuals with mental health issues. This program is funded by MHFA.

Bridges 2 – to account for the program administered through Washington County.

Multi Family Projects-LIHTC – to account for the Low Income Housing Tax Credit Program and for conduit bond projects.

HOME – to account for federal funds provided for land acquisition, site improvement, and other eligible activities.

Property Management – to account for the property management activities of HRA staff of the Washington County Housing and Redevelopment Authority (does not include costs associated with the property management firm contracted by the HRA).

Newport Town Center – to account for pre-development expenses for property received from the City of Newport.

Long-Term Capital Reserve – to account for funds reserved for capital improvements in the property fund.

Bridges-Long Term Homeless – to account for the program that provides rental assistance to individuals with mental health issues that have been homeless for more than a year. This program is funded by MHFA.

Shelter Plus Care – to account for the federal funded program that provides rental assistance to homeless adults with disabilities.

National Foreclosure Mitigation Counseling- to account for the federal funded program that funds the Authority's Foreclosure Counseling Program.

Resident Opportunities and Self Sufficiency Program Grant (Public Housing FSS) – to account for the federal grant to assist Public Housing residents in gaining stability and self-reliance.

Raymie Service Coordinator – to account for the federal funded program that provides service coordination at Raymie Johnson senior property.

GAP Financing Fund – to account for funds loaned or granted to developers to finance the capital costs for the construction of affordable housing, referred to as the GROW Fund (Gap Financing for Rental and Owner Occupied Housing Opportunities in Washington County).

Shelter Plus Care Forest Lake Fund – to account for the federal funded program that provides rental assistance to homeless adults with disabilities for 3 units at Forest Ridge Townhomes.

Housing Trust Fund – to account for the state funded program that provides rental assistance to homeless adults with disabilities for 4 units at Forest Ridge Townhomes.

Neighborhood Stabilization Program – to account for the federally funded program that provides funding to the Authority to acquire, rehabilitate and sell and/or rent foreclosed properties in certain areas of the County.

WCHRA, LLC Fund – to account for the development and operating activities by the LLC in its role as general partner in a limited partnership, which may own an affordable housing project financed with Low Income Housing Tax Credits.

Strategic Acquisition Program – to account for funds used by the HRA to pursue the acquisition of properties that provide affordable housing and positive cash flow.

Homeless Prevention – Rapid Rehousing Program for Transition Age Youth – to account for grant funds that provide rental assistance for transition age youth, ages 16-21. The funds for this grant program were made available by the American Recovery and Reinvestment Act of 2009 to Human Services, Inc. (HSI). The HRA entered into a contract with HSI to provide the rental assistance services.

St. Paul Foundation – Transition Age Youth Program – to account for funds received from the St. Paul Foundation to assist transition age youth, ages 16-21, with preventing and episode of homelessness.

East Metro Rehousing Grant – to account for a foundation funded program to assist families being displaced by foreclosure to relocate and secure alternative housing.

National Foreclosure Mitigation Counseling (NFMC)– Program Related Support – to account for the portion of funds from the federally funded program used to pay costs associated with training, administration, marketing, outreach and other efforts to support the Authority's Foreclosure Counseling Program.

Home Ownership Program – to account for State grant funds and expenditures related to the implementation of the Home Stretch home buyer program and pre-purchase counseling activities.

Forest Lake – Trailside Senior Living TIF – to account for expenditures related to the Housing Tax Increment Financing District, which includes TrailSide Senior Living, a 70 unit affordable senior housing development in Forest Lake.

Foreclosure Counseling and Grant – to account for expenses related to the foreclosure counseling and administration activities related to the Homeownership Education, Counseling and Training (HECAT) program, which is a program funded by the State.

LAND Initiative – The Metropolitan Council initiated this program to provide 0% interest loans to jurisdictions to acquire property for future affordable housing development (either affordable rental or affordable home ownership). This program is not a grant, and the loan must be repaid.

Foreclosure Prevention Assistance Program - to account for expenses and loan funds related to the Foreclosure Prevention Assistance Program, which is a deferred loan program intended to provide financial assistance to households to avoid foreclosure.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2009

With Comparative Totals For December 31, 2008

Statement 15

Page 1 of 3

	211 - Section 8 Project Based	213 - Bridges	215 - Bridges 2	230 - Multi Family Projects - LIHTC	280 - HOME
Assets					
Cash, cash equivalents and investments	\$2,212	\$10,185	\$12,497	\$ -	\$ -
Due from other governmental units	-	-	-	57,988	-
Accrued interest receivable	-	-	-	-	-
Accounts receivable	-	-	1,592	52,654	-
Prepaid items	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	554,276
Total assets	\$2,212	\$10,185	\$14,089	\$110,642	\$554,276
Liabilities and Fund Balance					
Liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$30,290	\$ -
Accounts payable	-	722	-	4,121	-
Accrued wages and benefits	-	331	329	777	-
Deferred revenue	-	-	6	-	554,276
Total liabilities	0	1,053	335	35,188	554,276
Fund balance:					
Reserved for prepaid items	-	-	-	-	-
Reserved for long term notes receivable	-	-	-	-	-
Unreserved:					
Designated for grant programs	1,651	9,132	13,754	-	-
Designated for gap financing	-	-	-	-	-
Designated for capital purposes	-	-	-	-	-
Undesignated	561	-	-	75,454	-
Total fund balance	2,212	9,132	13,754	75,454	0
Total liabilities and fund balance	\$2,212	\$10,185	\$14,089	\$110,642	\$554,276

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2009

With Comparative Totals For December 31, 2008

	742 - Property Management	255 - Newport Town Center	275 - Long- Term Capital Reserve	217 - Bridges - Long Term Homeless	218 - Shelter Plus Care
Assets					
Cash, cash equivalents and investments	\$17,041	\$ -	\$1,292,426	\$281	\$ -
Due from other governmental units	-	-	-	-	3,651
Accrued interest receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid items	265	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Total assets	\$17,306	\$0	\$1,292,426	\$281	\$3,651
Liabilities and Fund Balance					
Liabilities:					
Due to other funds	\$ -	\$30,985	\$ -	\$ -	\$3,651
Accounts payable	7,410	-	-	90	45
Accrued wages and benefits	9,896	-	-	335	60
Deferred revenue	-	-	-	-	-
Total liabilities	17,306	30,985	0	425	3,756
Fund balance:					
Reserved for prepaid items	265	-	-	-	-
Reserved for long term notes receivable	-	-	-	-	-
Unreserved:					
Designated for grant programs	-	-	-	-	-
Designated for gap financing	-	-	-	-	-
Designated for capital purposes	-	-	1,292,426	-	-
Undesignated	(265)	(30,985)	-	(144)	(105)
Total fund balance	0	(30,985)	1,292,426	(144)	(105)
Total liabilities and fund balance	\$17,306	\$0	\$1,292,426	\$281	\$3,651

272 - National Foreclosure Mitigation Counseling	263 - FSS - Public Housing	268 - Raymie Service Coordinator	271 - GAP Financing Fund	219 - Shelter Plus Care - Forest Lake Fund	221 - Housing Trust Fund	279 - Neighborhood Stabilization Program	281 - WCHRA, LLC
\$32,666	\$ -	\$ -	\$1,535,219	\$ -	\$31	\$ -	\$39,159
-	2,297	2,736	-	2,373	-	98,735	-
-	-	-	8,871	-	-	-	-
-	-	-	-	-	-	-	-
412	-	-	-	-	-	-	-
-	-	-	-	-	-	114,939	-
-	-	-	472,904	-	-	-	-
<u>\$33,078</u>	<u>\$2,297</u>	<u>\$2,736</u>	<u>\$2,016,994</u>	<u>\$2,373</u>	<u>\$31</u>	<u>\$213,674</u>	<u>\$39,159</u>
\$ -	\$ -	\$ -	\$ -	\$2,373	\$ -	\$66,447	\$ -
2,620	2,297	2,736	-	-	90	31,286	9,927
5,584	-	-	-	30	114	1,002	-
24,874	-	-	8,871	-	-	114,939	-
<u>33,078</u>	<u>2,297</u>	<u>2,736</u>	<u>8,871</u>	<u>2,403</u>	<u>204</u>	<u>213,674</u>	<u>9,927</u>
412	-	-	-	-	-	-	-
-	-	-	472,904	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,535,219	-	-	-	-
-	-	-	-	-	-	-	-
(412)	-	-	-	(30)	(173)	-	29,232
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,008,123</u>	<u>(30)</u>	<u>(173)</u>	<u>0</u>	<u>29,232</u>
<u>\$33,078</u>	<u>\$2,297</u>	<u>\$2,736</u>	<u>\$2,016,994</u>	<u>\$2,373</u>	<u>\$31</u>	<u>\$213,674</u>	<u>\$39,159</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2009

With Comparative Totals For December 31, 2008

	283 - Strategic Acquisition Program	285 - Homeless Prevention - Rapid Rehousing Program for Transition Age Youth	287 - St Paul Foundation - Transition Age Youth Program	288 - East Metro Rehousing Grant	289 - NFMC - Program Related Support
Assets					
Cash, cash equivalents and investments	\$35,578	\$ -	\$155,041	\$ -	\$8,171
Due from other governmental units	-	1,066	-	-	-
Accrued interest receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Total assets	\$35,578	\$1,066	\$155,041	\$0	\$8,171
Liabilities and Fund Balance					
Liabilities:					
Due to other funds	\$ -	\$828	\$ -	\$ -	\$ -
Accounts payable	-	1,800	-	-	10
Accrued wages and benefits	-	513	-	-	2,380
Deferred revenue	-	-	155,000	-	5,781
Total liabilities	0	3,141	155,000	0	8,171
Fund balance:					
Reserved for prepaid items	-	-	-	-	-
Reserved for long term notes receivable	-	-	-	-	-
Unreserved:					
Designated for grant programs	-	-	-	-	-
Designated for gap financing	-	-	-	-	-
Designated for capital purposes	-	-	-	-	-
Undesignated	35,578	(2,075)	41	-	-
Total fund balance	35,578	(2,075)	41	0	0
Total liabilities and fund balance	\$35,578	\$1,066	\$155,041	\$0	\$8,171

273 - Home Ownership Program	274 - Forest Lake Trailside Senior Living TIF	276 - Foreclosure Counseling and Grant	277 - LAND Initiative	278 - Foreclosure Prevention Assistance Program	Totals Nonmajor Special Revenue Funds	
					2009	2008
\$10,986	\$ -	\$1,997	\$ -	\$10,894	\$3,164,384	\$2,015,932
-	-	-	-	-	168,846	9,840
-	-	-	-	-	8,871	1,938
-	-	-	-	-	54,246	4,483
-	-	-	-	-	677	268
-	-	-	-	-	114,939	-
-	-	-	-	-	1,027,180	1,239,155
<u>\$10,986</u>	<u>\$0</u>	<u>\$1,997</u>	<u>\$0</u>	<u>\$10,894</u>	<u>\$4,539,143</u>	<u>\$3,271,616</u>
\$ -	\$6,738	\$ -	\$ -	\$ -	\$141,312	\$212,994
57	1,500	-	11,072	13	75,796	38,486
921	-	966	41	41	23,320	6,408
10,008	-	1,031	-	10,839	885,625	650,182
<u>10,986</u>	<u>8,238</u>	<u>1,997</u>	<u>11,113</u>	<u>10,893</u>	<u>1,126,053</u>	<u>908,070</u>
-	-	-	-	-	677	268
-	-	-	-	-	472,904	700,000
-	-	-	-	-	24,537	32,119
-	-	-	-	-	1,535,219	796,954
-	-	-	-	-	1,292,426	1,000,239
-	(8,238)	-	(11,113)	1	87,327	(166,034)
<u>0</u>	<u>(8,238)</u>	<u>0</u>	<u>(11,113)</u>	<u>1</u>	<u>3,413,090</u>	<u>2,363,546</u>
<u>\$10,986</u>	<u>\$0</u>	<u>\$1,997</u>	<u>\$0</u>	<u>\$10,894</u>	<u>\$4,539,143</u>	<u>\$3,271,616</u>

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WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended December 31, 2009

With Comparative Totals For The Year Ended December 31, 2008

Statement 16

Page 1 of 3

	211 - Section 8 Project Based	213 - Bridges	215 - Bridges 2	230 - Multi Family Projects - LIHTC	280 - HOME
Revenues:					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	32,906	96,054	41,034	-	-
Administrative fees	2,275	10,033	5,401	108,075	-
Origination fees	-	-	-	1,547	-
Investment income	-	24	35	37	-
Other	-	-	-	24,008	-
Total revenues	<u>35,181</u>	<u>106,111</u>	<u>46,470</u>	<u>133,667</u>	<u>0</u>
Expenditures:					
Housing and redevelopment/ tax increment financing:					
Administrative salaries and benefits	578	9,032	5,292	10,867	-
Administrative travel and per diems	-	-	-	12	-
Administrative legal	-	2,251	935	70,837	-
Administrative sundry	-	47	-	1,249	-
Professional services	46	3,660	1,058	17,215	-
Housing assistance payments	32,906	96,054	41,034	-	-
Relocation fees	-	-	-	-	-
Financing fee	-	-	-	-	-
Other	-	28	-	-	-
Total expenditures	<u>33,530</u>	<u>111,072</u>	<u>48,319</u>	<u>100,180</u>	<u>0</u>
Revenues over (under) expenditures	<u>1,651</u>	<u>(4,961)</u>	<u>(1,849)</u>	<u>33,487</u>	<u>0</u>
Other financing sources (uses):					
Transfers from General Fund	-	-	-	-	2,736
Transfers to Enterprise Fund	-	-	-	-	-
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,736</u>
Net change in fund balance	1,651	(4,961)	(1,849)	33,487	2,736
Fund balance (deficit) - January 1	<u>561</u>	<u>14,093</u>	<u>15,603</u>	<u>41,967</u>	<u>(2,736)</u>
Fund balance (deficit) - December 31	<u>\$2,212</u>	<u>\$9,132</u>	<u>\$13,754</u>	<u>\$75,454</u>	<u>\$0</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended December 31, 2009

With Comparative Totals For The Year Ended December 31, 2008

	742 - Property Management	255 - Newport Town Center	275 - Long- Term Capital Reserve	217 - Bridges - Long Term Homeless	218 - Shelter Plus Care
Revenues:					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	50,413	52,312
Administrative fees	286,215	-	-	4,455	-
Origination fees	-	-	-	-	-
Investment income	-	-	2,187	4	-
Other	-	-	-	-	-
Total revenues	<u>286,215</u>	<u>0</u>	<u>2,187</u>	<u>54,872</u>	<u>52,312</u>
Expenditures:					
Housing and redevelopment/ tax increment financing:					
Administrative salaries and benefits	197,142	-	-	6,105	3,386
Administrative travel and per diems	3,118	-	-	-	293
Administrative legal	14,396	-	-	-	-
Administrative sundry	5,382	-	-	-	-
Professional services	64,859	-	-	360	-
Housing assistance payments	-	-	-	50,413	48,530
Relocation fees	-	-	-	-	-
Financing fee	465	-	-	-	-
Other	853	-	-	-	-
Total expenditures	<u>286,215</u>	<u>0</u>	<u>0</u>	<u>56,878</u>	<u>52,209</u>
Revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>2,187</u>	<u>(2,006)</u>	<u>103</u>
Other financing sources (uses):					
Transfers from General Fund	-	-	680,000	-	2,607
Transfers to Enterprise Fund	-	-	(390,000)	-	-
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>290,000</u>	<u>0</u>	<u>2,607</u>
Net change in fund balance	0	0	292,187	(2,006)	2,710
Fund balance (deficit) - January 1	<u>-</u>	<u>(30,985)</u>	<u>1,000,239</u>	<u>1,862</u>	<u>(2,815)</u>
Fund balance (deficit) - December 31	<u>\$0</u>	<u>(\$30,985)</u>	<u>\$1,292,426</u>	<u>(\$144)</u>	<u>(\$105)</u>

272 - National Foreclosure Mitigation Counseling	263 - FSS - Public Housing	268 - Raymie Service Coordinator	271 - GAP Financing Fund	219 - Shelter Plus Care - Forest Lake Fund	221 - Housing Trust Fund	279 - Neighborhood Stabilization Program	281 - WCHRA, LLC
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$210,000
233,679	27,368	33,954	-	36,914	19,310	235,974	-
-	-	-	-	-	1,868	-	-
-	-	-	-	-	-	-	-
168	-	-	1,340	-	-	1	-
-	-	-	-	-	-	-	-
233,847	27,368	33,954	1,340	36,914	21,178	235,975	210,000
134,807	-	-	-	-	1,933	13,121	-
243	-	-	-	-	-	94	-
61,115	-	-	2,759	-	-	13,658	54
20,320	-	577	-	10	-	1,177	-
15,646	27,368	33,035	-	-	315	164,102	10,081
-	-	-	-	-	18,388	-	-
-	-	-	-	37,043	-	-	-
-	-	-	-	-	-	-	-
1,716	-	342	-	13	791	43,823	-
233,847	27,368	33,954	2,759	37,066	21,427	235,975	10,135
0	0	0	(1,419)	(152)	(249)	0	199,865
-	-	-	512,588	762	-	-	-
-	-	-	-	-	-	-	-
0	0	0	512,588	762	0	0	0
0	0	0	511,169	610	(249)	0	199,865
-	-	-	1,496,954	(640)	76	-	(170,633)
\$0	\$0	\$0	\$2,008,123	(\$30)	(\$173)	\$0	\$29,232

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended December 31, 2009

With Comparative Totals For The Year Ended December 31, 2008

	283 - Strategic Acquisition Program	285 - Homeless Prevention - Rapid Rehousing Program for Transition Age Youth	287 - St Paul Foundation - Transition Age Youth Program	288 - East Metro Rehousing Grant	289 - NFMC - Program Related Support
Revenues:					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,065	-	2,500	14,534
Administrative fees	-	-	-	-	-
Origination fees	-	-	-	-	-
Investment income	-	-	41	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>0</u>	<u>1,065</u>	<u>41</u>	<u>2,500</u>	<u>14,534</u>
Expenditures:					
Housing and redevelopment/ tax increment financing:					
Administrative salaries and benefits	-	1,343	-	-	11,024
Administrative travel and per diems	-	126	-	-	10
Administrative legal	-	-	-	-	-
Administrative sundry	-	1,252	-	-	100
Professional services	-	-	-	-	3,400
Housing assistance payments	-	419	-	2,500	-
Relocation fees	-	-	-	-	-
Financing fee	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	<u>0</u>	<u>3,140</u>	<u>0</u>	<u>2,500</u>	<u>14,534</u>
Revenues over (under) expenditures	<u>0</u>	<u>(2,075)</u>	<u>41</u>	<u>0</u>	<u>0</u>
Other financing sources (uses):					
Transfers from General Fund	35,578	-	-	-	-
Transfers to Enterprise Fund	-	-	-	-	-
Total other financing sources (uses)	<u>35,578</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	35,578	(2,075)	41	0	0
Fund balance (deficit) - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - December 31	<u>\$35,578</u>	<u>(\$2,075)</u>	<u>\$41</u>	<u>\$0</u>	<u>\$0</u>

273 - Home Ownership Program	274 - Forest Lake Trailside Senior Living TIF	276 - Foreclosure Counseling and Grant	277 - LAND Initiative	278 - Foreclosure Prevention Assistance Program	Totals Nonmajor Special Revenue Funds	
					2009	2008
\$ -	\$ -	\$ -	\$ -	\$ -	\$210,000	\$200,000
8,992	-	25,588	-	-	912,597	468,806
2,700	-	-	-	9,161	430,183	347,253
-	-	-	-	-	1,547	1,765
25	-	-	-	1	3,863	36,714
-	-	-	-	-	24,008	12,500
<u>11,717</u>	<u>0</u>	<u>25,588</u>	<u>0</u>	<u>9,162</u>	<u>1,582,198</u>	<u>1,067,038</u>
8,155	1,232	10,112	204	6,633	420,966	263,233
568	13	241	-	13	4,731	8,982
-	4,263	-	23,001	2,434	195,703	94,315
1,032	-	15,235	105	81	46,567	21,947
1,578	2,730	-	7,278	-	352,731	476,592
-	-	-	-	-	290,244	289,407
-	-	-	-	-	37,043	28,346
-	-	-	-	-	465	492
384	-	-	-	-	47,950	705
<u>11,717</u>	<u>8,238</u>	<u>25,588</u>	<u>30,588</u>	<u>9,161</u>	<u>1,396,400</u>	<u>1,184,019</u>
<u>0</u>	<u>(8,238)</u>	<u>0</u>	<u>(30,588)</u>	<u>1</u>	<u>185,798</u>	<u>(116,981)</u>
-	-	-	19,475	-	1,253,746	421,109
-	-	-	-	-	(390,000)	-
<u>0</u>	<u>0</u>	<u>0</u>	<u>19,475</u>	<u>0</u>	<u>863,746</u>	<u>421,109</u>
0	(8,238)	0	(11,113)	1	1,049,544	304,128
-	-	-	-	-	2,363,546	2,059,418
<u>\$0</u>	<u>(\$8,238)</u>	<u>\$0</u>	<u>(\$11,113)</u>	<u>\$1</u>	<u>\$3,413,090</u>	<u>\$2,363,546</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 211 - SECTION 8 PROJECT BASED

Statement 17

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			
	Budgeted Amounts			2008
	Original	Final	Actual	Actual
Revenues:				
Intergovernmental	\$21,960	\$21,960	\$32,906	\$14,573
Administrative fees	1,535	1,535	2,275	1,109
Investment income	-	-	-	3
Total revenues	23,495	23,495	35,181	15,685
Expenditures:				
Housing and redevelopment:				
Administrative salaries and benefits	1,200	1,200	578	371
Professional services	-	-	46	180
Housing assistance payments	22,295	22,295	32,906	14,573
Total expenditures	23,495	23,495	33,530	15,124
Revenues over expenditures	\$0	\$0	1,651	561
Fund balance - January 1			561	-
Fund balance - December 31			\$2,212	\$561

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 213 - BRIDGES

Statement 18**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			2008 Actual
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$94,280	\$94,280	\$96,054	\$111,372
Charges for services	9,720	9,720	10,033	10,322
Investment income	500	500	24	278
Total revenues	104,500	104,500	106,111	121,972
Expenditures:				
Housing and redevelopment:				
Administrative salaries and benefits	7,800	7,800	9,032	7,919
Administrative legal	-	-	2,251	-
Administrative sundry	-	-	47	-
Professional services	2,420	2,420	3,660	3,390
Housing assistance payments	94,280	94,280	96,054	111,372
Other	-	-	28	-
Total expenditures	104,500	104,500	111,072	122,681
Revenues over (under) expenditures	\$0	\$0	(4,961)	(709)
Fund balance - January 1			14,093	14,802
Fund balance - December 31			\$9,132	\$14,093

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 215 - BRIDGES 2

Statement 19**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			2008 Actual
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$43,140	\$43,140	\$41,034	\$40,540
Charges for services	3,300	3,300	5,401	6,040
Investment income	500	500	35	302
Total revenues	46,940	46,940	46,470	46,882
Expenditures:				
Housing and redevelopment:				
Administrative salaries and benefits	2,400	2,400	5,292	4,288
Administrative legal	-	-	935	-
Professional services	1,400	1,400	1,058	1,318
Housing assistance payments	43,140	43,140	41,034	42,882
Total expenditures	46,940	46,940	48,319	48,488
Revenues over (under) expenditures	\$0	\$0	(1,849)	(1,606)
Fund balance - January 1			15,603	17,209
Fund balance - December 31			\$13,754	\$15,603

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 230 - MULTI FAMILY PROJECTS - LIHTC

Statement 20**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			2008
	Budgeted Amounts			Actual
	Original	Final	Actual	
Revenues:				
Administrative fees	\$50,000	\$50,000	\$108,075	\$50,038
Bond issuance, origination fees	-	-	1,547	1,765
Investment income	-	-	37	884
Other	7,500	7,500	24,008	12,500
Total revenues	57,500	57,500	133,667	65,187
Expenditures:				
Housing and redevelopment:				
Administrative salaries and benefits	14,000	14,000	10,867	9,352
Administrative travel and per diems	100	100	12	97
Administrative legal	5,000	5,000	70,837	44,946
Administrative sundry	800	800	1,249	859
Professional services	22,000	22,000	17,215	22,716
Financing fee/other	51,000	51,000	-	-
Total expenditures	92,900	92,900	100,180	77,970
Revenues over (under) expenditures	(\$35,400)	(\$35,400)	33,487	(12,783)
Fund balance - January 1			41,967	54,750
Fund balance - December 31			\$75,454	\$41,967

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 280 - HOME

Statement 21**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	<u>2009</u>	<u>2008</u>
Revenues	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Revenues over expenditures	0	0
Other financing sources:		
Transfers from General Fund	<u>2,736</u>	<u>-</u>
Net change in fund balance	2,736	0
Fund balance (deficit) - January 1	<u>(2,736)</u>	<u>(2,736)</u>
Fund balance (deficit) - December 31	<u><u>\$0</u></u>	<u><u>(\$2,736)</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 742 - PROPERTY MANAGEMENT

Statement 22**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			2008 Actual
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Administrative fees	\$294,000	\$294,000	\$286,215	\$272,895
Expenditures:				
Housing and redevelopment:				
Administrative salaries and benefits	191,000	191,000	197,142	151,107
Administrative travel and per diems	2,100	2,100	3,118	8,364
Administrative legal	4,000	4,000	14,396	12,433
Administrative sundry	6,200	6,200	5,382	6,373
Professional services	90,000	90,000	64,859	94,126
Financing fee	300	300	465	492
Other	400	400	853	-
Total expenditures	294,000	294,000	286,215	272,895
Revenues over expenditures	\$0	\$0	0	0
Fund balance - January 1			-	-
Fund balance - December 31			\$0	\$0

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 255 - NEWPORT TOWN CENTER

Statement 23**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	<u>2009</u>	<u>2008</u>
Revenues	<u>\$ -</u>	<u>\$ -</u>
Expenditures	<u>-</u>	<u>-</u>
Revenues over expenditures	0	0
Fund balance (deficit) - January 1	<u>(30,985)</u>	<u>(30,985)</u>
Fund balance (deficit) - December 31	<u><u>(\$30,985)</u></u>	<u><u>(\$30,985)</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 275 - LONG-TERM CAPITAL RESERVE

Statement 24**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009		
	Budgeted Amounts		2008
	Original	Final	Actual
Revenues:			
Investment income	\$30,000	\$30,000	\$2,187
Expenditures	-	-	-
Revenues over expenditures	30,000	30,000	2,187
Other financing sources (uses):			
Transfers in	-	-	680,000
Transfers out	-	-	(390,000)
Total other financing sources (uses)	0	0	290,000
Net change in fund balance	\$30,000	\$30,000	292,187
Fund balance - January 1			1,000,239
Fund balance - December 31			\$1,292,426

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 217 - BRIDGES - LONG TERM HOMELESS

Statement 25**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			2008 Actual
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$51,600	\$51,600	\$50,413	\$52,996
Administrative fees	5,400	5,400	4,455	4,599
Investment income	100	100	4	115
Total revenues	<u>57,100</u>	<u>57,100</u>	<u>54,872</u>	<u>57,710</u>
Expenditures:				
Housing and redevelopment:				
Administrative salaries and benefits	5,100	5,100	6,105	6,053
Professional services	400	400	360	453
Housing assistance payments	<u>51,600</u>	<u>51,600</u>	<u>50,413</u>	<u>52,996</u>
Total expenditures	<u>57,100</u>	<u>57,100</u>	<u>56,878</u>	<u>59,502</u>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	(2,006)	(1,792)
Fund balance - January 1			<u>1,862</u>	<u>3,654</u>
Fund balance (deficit) - December 31			<u>(\$144)</u>	<u>\$1,862</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 218 - SHELTER PLUS CARE

Statement 26**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			2008
	Budgeted Amounts			Actual
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$44,650	\$44,650	\$52,312	\$48,228
Expenditures:				
Housing and redevelopment:				
Administrative salaries and benefits	2,900	2,900	3,386	3,053
Administrative travel and per diems	450	450	293	457
Housing assistance payments	41,300	41,300	48,530	44,718
Total expenditures	44,650	44,650	52,209	48,228
Revenues over expenditures	0	0	103	0
Other financing sources:				
Transfers from General Fund	-	-	2,607	-
Net change in fund balance	\$0	\$0	2,710	0
Fund balance (deficit) - January 1			(2,815)	(2,815)
Fund balance (deficit) - December 31			(\$105)	(\$2,815)

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 272 - NATIONAL FORECLOSURE MITIGATION COUNSELING
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 2009
With Comparative Actual Amounts For The Year Ended December 31, 2008

Statement 27

	<u>2009</u>	<u>2008</u>
Revenues:		
Intergovernmental	\$233,679	\$92,871
Investment income	168	291
Total revenues	<u>233,847</u>	<u>93,162</u>
Expenditures:		
Housing and redevelopment:		
Administrative salaries and benefits	134,807	79,303
Administrative travel and per diems	243	-
Administrative legal	61,115	-
Administrative sundry	20,320	13,859
Professional services	15,646	-
Other	1,716	-
Total expenditures	<u>233,847</u>	<u>93,162</u>
Revenues over expenditures	0	0
Fund balance - January 1	<u>-</u>	<u>-</u>
Fund balance - December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 263 - FSS - PUBLIC HOUSING

Statement 28**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			
	Budgeted Amounts			2008
	Original	Final	Actual	Actual
Revenues:				
Intergovernmental	\$27,000	\$27,000	\$27,368	\$26,571
Expenditures:				
Housing and redevelopment:				
Professional services	27,000	27,000	27,368	26,571
Revenues over expenditures	\$0	\$0	0	0
Fund balance - January 1			-	-
Fund balance - December 31			\$0	\$0

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 268 - RAYMIE SERVICE COORDINATOR

Statement 29**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			
	Budgeted Amounts			2008
	Original	Final	Actual	Actual
Revenues:				
Intergovernmental	\$31,900	\$31,900	\$33,954	\$29,639
Expenditures:				
Housing and redevelopment:				
Administrative sundry	900	900	577	684
Professional services	31,000	31,000	33,035	28,955
Other	-	-	342	-
Total expenditures	31,900	31,900	33,954	29,639
Revenues over expenditures	\$0	\$0	0	0
Fund balance - January 1			-	-
Fund balance - December 31			\$0	\$0

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 271 - GAP FINANCING FUND

Statement 30

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009		
	Budgeted Amounts		2008
	Original	Final	Actual
Revenues:			
Investment income	\$25,200	\$25,200	\$1,340
Expenditures:			
Administrative legal	-	-	2,759
Revenues over (under) expenditures	25,200	25,200	(1,419)
Other financing sources:			
Transfers from General Fund	-	-	512,588
Net change in fund balance	\$25,200	\$25,200	511,169
Fund balance - January 1			1,496,954
Fund balance - December 31			\$2,008,123

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 219 - SHELTER PLUS CARE - FOREST LAKE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2009
With Comparative Actual Amounts For The Year Ended December 31, 2008

Statement 31

	2009			2008
	Budgeted Amounts			Actual
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$29,280	\$29,280	\$36,914	\$28,445
Expenditures:				
Housing and redevelopment:				
Administrative sundry	-	-	10	107
Housing assistance payments	29,280	29,280	37,043	28,346
Other	-	-	13	-
Total expenditures	29,280	29,280	37,066	28,453
Revenues over (under) expenditures	0	0	(152)	(8)
Other financing sources:				
Transfers in	-	-	762	-
Net change in fund balance	\$0	\$0	610	(8)
Fund balance (deficit) - January 1			(640)	(632)
Fund balance (deficit) - December 31			(\$30)	(\$640)

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 221 - HOUSING TRUST FUND

Statement 32

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	2009			2008
	Budgeted Amounts			
	Original	Final	Actual	Actual
Revenues:				
Intergovernmental	\$21,300	\$21,300	\$19,310	\$23,571
Administrative fees	700	700	1,868	2,250
Total revenues	700	700	21,178	25,821
Expenditures:				
Housing and redevelopment:				
Administrative salaries and benefits	700	700	1,933	1,787
Professional services	-	-	315	221
Housing assistance payments	21,000	21,000	18,388	22,866
Other	300	300	791	705
Total expenditures	22,000	22,000	21,427	25,579
Revenue over (under) expenditures	(\$21,300)	(\$21,300)	(249)	242
Fund balance (deficit) - January 1			76	(166)
Fund balance (deficit) - December 31			(\$173)	\$76

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 279 - NEIGHBORHOOD STABILIZATION PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 2009

Statement 33

	<u>2009</u>
Revenues:	
Intergovernmental	\$235,974
Investment income	<u>1</u>
Total revenues	<u>235,975</u>
Expenditures:	
Housing and redevelopment:	
Administrative salaries and benefits	13,121
Administrative travel and per diems	94
Administrative legal	13,658
Administrative sundry	1,177
Professional services	164,102
Other	<u>43,823</u>
Total expenditures	<u>235,975</u>
Revenues over expenditures	0
Fund balance - January 1	<u>-</u>
Fund balance - December 31	<u><u>\$0</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 281 - WCHRA, LLC

Statement 34**SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE**

For The Year Ended December 31, 2009

With Comparative Actual Amounts For The Year Ended December 31, 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Property taxes	<u>\$210,000</u>	<u>\$200,000</u>
Expenditures:		
Housing and redevelopment:		
Administrative travel and per diems	-	64
Administrative legal	54	13,145
Administrative sundry	-	65
Professional services	<u>10,081</u>	<u>298,662</u>
Total expenditures	<u>10,135</u>	<u>311,936</u>
Revenues over (under) expenditures	199,865	(111,936)
Fund balance (deficit) - January 1	<u>(170,633)</u>	<u>(58,697)</u>
Fund balance (deficit) - December 31	<u><u>\$29,232</u></u>	<u><u>(\$170,633)</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 283 - STRATEGIC ACQUISITION PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 2009

Statement 35

	<u>2009</u>
Revenues	\$ -
Expenditures	<u>-</u>
Revenues over expenditures	0
Other financing sources:	
Transfers from General Fund	<u>35,578</u>
Net change in fund balance	35,578
Fund balance - January 1	<u>-</u>
Fund balance - December 31	<u><u>\$35,578</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITYSPECIAL REVENUE FUND - 285 - HOMELESS PREVENTION - RAPID REHOUSING PROGRAM FOR
TRANSITION AGE YOUTH**Statement 36**

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE

For The Year Ended December 31, 2009

	<u>2009</u>
Revenues:	
Intergovernmental	<u>\$1,065</u>
Expenditures:	
Housing and redevelopment:	
Administrative salaries and benefits	1,343
Administrative travel and per diems	126
Administrative sundry	1,252
Housing assistance payments	<u>419</u>
Total expenditures	<u>3,140</u>
Revenues over (under) expenditures	(2,075)
Fund balance - January 1	<u>-</u>
Fund balance (deficit) - December 31	<u><u>(\$2,075)</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 287 - ST PAUL FOUNDATION - TRANSITION AGE YOUTH
PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 2009

Statement 37

	<u>2009</u>
Revenues:	
Investment income	\$41
Expenditures	<u>-</u>
Revenues over expenditures	41
Fund balance - January 1	<u>-</u>
Fund balance - December 31	<u><u>\$41</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 288 - EAST METRO REHOUSING GRANT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 2009

Statement 38

	<u>2009</u>
Revenues:	
Intergovernmental	\$2,500
Expenditures:	
Housing and redevelopment:	
Housing assistance payments	<u>2,500</u>
Revenues over expenditures	0
Fund balance - January 1	<u>-</u>
Fund balance - December 31	<u><u>\$0</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 289 - NFMC - PROGRAM RELATED SUPPORT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 2009

Statement 39

	<u>2009</u>
Revenues:	
Intergovernmental	<u>\$14,534</u>
Expenditures:	
Housing and redevelopment:	
Administrative salaries and benefits	11,024
Administrative travel and per diems	10
Administrative sundry	100
Professional services	<u>3,400</u>
Total expenditures	<u>14,534</u>
Revenues over expenditures	0
Fund balance - January 1	<u>-</u>
Fund balance - December 31	<u><u>\$0</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 273 - HOME OWNERSHIP PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2009

Statement 40

	2009		
	Budgeted Amounts		
	Original	Final	Actual
Revenues:			
Intergovernmental	\$20,000	\$20,000	\$8,992
Administrative fees	6,500	6,500	2,700
Investment income	-	-	25
Total revenues	26,500	26,500	11,717
Expenditures:			
Housing and redevelopment:			
Administrative salaries and benefits	41,300	41,300	8,155
Administrative travel and per diems	900	900	568
Administrative legal	-	-	-
Administrative sundry	13,900	13,900	1,032
Professional services	63,300	63,300	1,578
Financing fee/other	3,000	3,000	384
Total expenditures	122,400	122,400	11,717
Revenues over (under) expenditures	(\$95,900)	(\$95,900)	0
Fund balance - January 1			-
Fund balance - December 31			\$0

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 274 - FOREST LAKE TRAILSIDE SENIOR LIVING TIF
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2009

Statement 41

	2009		
	Budgeted Amounts		Actual
	Original	Final	
Revenues	\$ -	\$ -	\$ -
Expenditures:			
Housing and redevelopment:			
Administrative salaries and benefits	57,500	57,500	1,232
Administrative travel and per diems	-	-	13
Administrative legal	25,000	25,000	4,263
Administrative sundry	1,200	1,200	-
Professional services	-	-	2,730
Total expenditures	83,700	83,700	8,238
Revenues over (under) expenditures	(\$83,700)	(\$83,700)	(8,238)
Fund balance - January 1			-
Fund balance (deficit) - December 31			(\$8,238)

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 276 - FORECLOSURE COUNSELING AND GRANT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2009

Statement 42

	2009		
	Budgeted Amounts		
	Original	Final	Actual
Revenues:			
Intergovernmental	\$165,000	\$165,000	\$25,588
Expenditures:			
Housing and redevelopment:			
Administrative salaries and benefits	102,800	102,800	10,112
Administrative travel and per diems	900	900	241
Administrative sundry	114,750	114,750	15,235
Total expenditures	218,450	218,450	25,588
Revenues over (under) expenditures	(\$53,450)	(\$53,450)	0
Fund balance - January 1			-
Fund balance - December 31			\$0

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 277 - LAND INITIATIVE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 2009

Statement 43

	<u>2009</u>
Revenues	<u>\$ -</u>
Expenditures:	
Housing and redevelopment:	
Administrative salaries and benefits	204
Administrative legal	23,001
Administrative sundry	105
Professional services	<u>7,278</u>
Total expenditures	<u>30,588</u>
Revenues over (under) expenditures	(30,588)
Other financing sources:	
Transfers from General Fund	<u>19,475</u>
Net change in fund balance	(11,113)
Fund balance - January 1	<u>-</u>
Fund balance (deficit) - December 31	<u><u>(\$11,113)</u></u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 278 - FORECLOSURE PREVENTION ASSISTANCE PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 2009

Statement 44

	<u>2009</u>
Revenues:	
Administrative fees	\$9,161
Investment income	<u>1</u>
Total revenues	<u>9,162</u>
Expenditures:	
Housing and redevelopment:	
Administrative salaries and benefits	6,633
Administrative travel and per diems	13
Administrative legal	2,434
Administrative sundry	<u>81</u>
Total expenditures	<u>9,161</u>
Revenues over expenditures	1
Fund balance - January 1	<u>-</u>
Fund balance - December 31	<u><u>\$1</u></u>

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III. STATISTICAL SECTION (UNAUDITED)

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III. STATISTICAL SECTION (UNAUDITED)

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about overall financial health. The following are the categories of the various schedules that are included in this section.

Financial Trends	Pages
These schedules contain trend information to help the reader understand how the HRA's financial performance and well-being have changed over time.	144-155
Revenue Capacity	
These schedules contain information to help the reader assess the HRA's most significant revenue source.	158-160
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the HRA's financial activities take place.	162-163
Debt Capacity	
These schedules present information to help the reader assess the affordability of the HRA's current levels of outstanding debt and the HRA's ability to issue additional debt in the future.	166-167
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the HRA's financial report relates to the services the HRA provides and the activities it performs.	170-171

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SCHEDULES OF FINANCIAL TRENDS

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**NET ASSETS BY COMPONENT**Last Eight Fiscal Years⁽¹⁾

(Accrual Basis of Accounting)

	2002	2003	2004
Governmental activities net assets:			
Invested in capital assets, net of related debt	(\$847,816)	\$155,085	\$144,359
Restricted	1,734,955	1,417,767	1,173,918
Unrestricted	6,060,105	5,955,325	4,653,798
Total governmental activities net assets	<u>\$6,947,244</u>	<u>\$7,528,177</u>	<u>\$5,972,075</u>
Business-type activities net assets:			
Invested in capital assets, net of related debt	(\$12,987,312)	(\$10,889,234)	(\$11,346,691)
Restricted	10,938,658	8,969,534	9,355,988
Unrestricted	(4,173,138)	(2,920,253)	(1,346,793)
Total business-type activities net assets	<u>(\$6,221,792)</u>	<u>(\$4,839,953)</u>	<u>(\$3,337,496)</u>
Primary government net assets:			
Invested in capital assets, net of related debt	(\$13,835,128)	(\$10,734,149)	(\$11,202,332)
Restricted	12,673,613	10,387,301	10,529,906
Unrestricted	1,886,967	3,035,072	3,307,005
Total primary government net assets	<u>\$725,452</u>	<u>\$2,688,224</u>	<u>\$2,634,579</u>

⁽¹⁾The Authority implemented GASB Statement No. 34 for the fiscal year ended December 31, 2002. Therefore, information for years prior to 2002 is not available.

Table 1

2005	2006	2007	2008	2009
\$133,633	\$122,907	\$112,181	\$101,454	\$92,064
470,138	526,772	608,556	361,655	375,535
6,493,733	7,062,872	3,779,863	3,508,989	5,218,414
<u>\$7,097,504</u>	<u>\$7,712,551</u>	<u>\$4,500,600</u>	<u>\$3,972,098</u>	<u>\$5,686,013</u>
(\$11,625,127)	(\$11,964,747)	(\$10,160,152)	(\$9,658,692)	(\$7,931,331)
9,669,714	10,238,225	10,475,407	10,968,769	9,974,712
(2,286,639)	(2,064,365)	(1,893,324)	(1,733,611)	(2,070,440)
<u>(\$4,242,052)</u>	<u>(\$3,790,887)</u>	<u>(\$1,578,069)</u>	<u>(\$423,534)</u>	<u>(\$27,059)</u>
(\$11,491,494)	(\$11,841,840)	(\$10,047,971)	(\$9,557,238)	(\$7,839,267)
10,139,852	10,764,997	11,083,963	11,330,424	10,350,247
4,207,094	4,998,507	1,886,539	1,775,378	3,147,974
<u>\$2,855,452</u>	<u>\$3,921,664</u>	<u>\$2,922,531</u>	<u>\$3,548,564</u>	<u>\$5,658,954</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES**Last Eight Fiscal Years⁽¹⁾

(Accrual Basis of Accounting)

	2002	2003	2004
Expenses			
Governmental activities:			
General government	\$559,581	\$596,864	\$524,402
Housing and redevelopment	3,495,857	4,499,025	5,059,311
Tax increment financing	875,913	387,489	269,917
Interest on long-term debt	71,600	67,639	-
Total governmental activities expenses	<u>5,002,951</u>	<u>5,551,017</u>	<u>5,853,630</u>
Program revenues			
Governmental activities:			
Charges for services:			
Administrative fees	-	262,744	394,520
Conduit financing fees	134,011	119,931	134,763
Other activities	6,265	-	-
Operating grants and contributions	3,717,355	4,363,966	4,191,756
Capital grants and contributions	-	-	85,000
Total governmental activities program revenues	<u>3,857,631</u>	<u>4,746,641</u>	<u>4,806,039</u>
Net (expense) revenue	<u>(1,145,320)</u>	<u>(804,376)</u>	<u>(1,047,591)</u>
General revenues and other changes in net assets			
General property taxes	287,542	491,295	515,193
Tax increments	-	-	-
Investment earnings	41,437	30,632	43,539
Miscellaneous	(30,296)	(65,381)	-
Special item	-	-	-
Transfers	2,184,513	928,733	(1,327,000)
Total general revenues and other changes	<u>2,483,196</u>	<u>1,385,279</u>	<u>(768,268)</u>
Change in net assets	<u>\$1,337,876</u>	<u>\$580,903</u>	<u>(\$1,815,859)</u>

⁽¹⁾The Authority implemented GASB Statement No. 34 for the fiscal year ended December 31, 2002. Therefore, information for years prior to 2002 is not available.

Table 2

2005	2006	2007	2008	2009
\$496,211	\$535,514	\$556,278	\$618,931	\$574,137
4,662,403	4,367,862	5,224,623	5,334,861	5,033,709
685,465	216,549	1,915,367	384,456	266,082
-	-	93,731	168,460	173,885
<u>5,844,079</u>	<u>5,119,925</u>	<u>7,789,999</u>	<u>6,506,708</u>	<u>6,047,813</u>
404,076	512,421	575,019	666,140	738,984
11,458	7,729	61,294	10,729	5,729
-	26,628	139,023	58,508	52,497
4,228,766	3,910,744	4,092,780	3,584,879	4,316,524
-	-	-	-	-
<u>4,644,300</u>	<u>4,457,522</u>	<u>4,868,116</u>	<u>4,320,256</u>	<u>5,113,734</u>
<u>(1,199,779)</u>	<u>(662,403)</u>	<u>(2,921,883)</u>	<u>(2,186,452)</u>	<u>(934,079)</u>
647,031	872,217	1,206,467	1,667,370	1,718,150
-	-	-	-	2,509
124,589	276,066	342,433	172,187	85,308
-	-	-	-	-
-	-	(2,200,000)	-	-
<u>1,526,374</u>	<u>129,167</u>	<u>361,032</u>	<u>(181,607)</u>	<u>1,135,000</u>
<u>2,297,994</u>	<u>1,277,450</u>	<u>(290,068)</u>	<u>1,657,950</u>	<u>2,940,967</u>
<u>\$1,098,215</u>	<u>\$615,047</u>	<u>(\$3,211,951)</u>	<u>(\$528,502)</u>	<u>\$2,006,888</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
CHANGES IN NET ASSETS - BUSINESS-TYPE ACTIVITIES

Last Eight Fiscal Years⁽¹⁾
(Accrual Basis of Accounting)

	2002	2003	2004
Operating revenue:			
Rental income	\$6,809,766	\$6,535,314	\$5,781,068
Service income	47,084	42,438	40,328
HUD rent subsidies	673,479	773,722	812,119
Other	224,143	248,537	279,516
Total operating revenue	7,754,472	7,600,011	6,913,031
Operating expenses:			
Marketing	40,421	63,894	105,561
Management fee	534,808	549,917	581,572
Legal	-	-	-
Salaries and wages	2,814	2,509	2,307
Medicare and pension contributions	458	223	121
Administrative	81,137	124,302	142,933
Operating	292,149	258,592	337,334
Maintenance	1,299,222	1,920,956	2,010,729
Utilities	662,221	758,937	814,532
Insurance	180,864	270,303	306,485
Property taxes	362,909	322,083	299,476
Bad debts	108,415	143,879	124,830
Depreciation	151,924	1,355,515	1,383,791
Total operating expenses	3,717,342	5,771,110	6,109,671
Operating income (loss)	4,037,130	1,828,901	803,360
Nonoperating revenue (expenses):			
Investment income	697,047	584,938	507,547
Gain (loss) on asset disposition	(3,879)	15,943	18,403
Insurance recoveries	-	-	-
Financial expense	(114,305)	(137,023)	(130,133)
Amortization of deferred gain (loss) on refunding	(5,094)	54,780	(11,925)
Interest expense	(4,164,075)	(3,299,111)	(2,963,111)
Property taxes	1,711,024	1,717,796	1,948,675
Intergovernmental	7,412	428,767	357,243
Other	(2,039)	(449,101)	(369,352)
Total nonoperating revenue (expenses)	(1,873,909)	(1,083,011)	(642,653)
Income (loss) before contributions and transfers	2,163,221	745,890	160,707
Capital contributions	158,450	1,556,284	14,750
Special item	-	-	-
Transfers:			
Transfers in	831,267	315,487	2,487,000
Transfers out	(1,760,000)	(2,500,000)	(1,160,000)
Total transfers	(928,733)	(2,184,513)	1,327,000
Changes in net assets	\$1,392,938	\$117,661	\$1,502,457

⁽¹⁾The Authority implemented GASB Statement No. 34 for the fiscal year ended December 31, 2002. Therefore, information for years prior to 2002 is not available.

Table 3

2005	2006	2007	2008	2009
\$5,878,530	\$6,090,318	\$6,535,497	\$6,852,309	\$6,864,931
38,071	40,732	39,805	46,369	44,747
828,939	792,213	797,493	770,971	788,159
207,367	243,790	237,917	201,452	166,729
6,952,907	7,167,053	7,610,712	7,871,101	7,864,566
126,095	109,238	203,478	194,399	142,210
618,624	679,273	686,377	711,804	729,060
117,562	96,553	29,105	38,479	65,779
770	406	330	326	1,739
71	42	25	-	-
93,175	98,360	140,774	132,558	133,489
219,275	253,486	264,502	288,668	284,004
1,895,407	2,161,063	1,942,413	2,043,785	2,173,400
754,348	820,645	870,506	881,769	775,078
322,109	332,559	294,394	282,309	286,165
314,314	310,676	334,260	344,977	354,806
90,714	121,617	149,135	-	-
1,370,547	1,343,384	1,366,785	1,391,611	1,402,367
5,923,011	6,327,302	6,282,084	6,310,685	6,348,097
1,029,896	839,751	1,328,628	1,560,416	1,516,469
618,996	698,028	742,802	487,922	345,442
14,028	20,448	(1,073,298)	22,695	23,976
-	73,048	15,979	131,220	199,561
(118,163)	(115,009)	(113,568)	(101,628)	(110,507)
(11,214)	(10,218)	(3,176)	3,866	3,866
(2,906,802)	(2,820,029)	(2,718,050)	(2,571,459)	(2,511,415)
2,002,851	1,924,778	1,789,386	1,472,093	1,583,093
-	-	-	-	-
(36,627)	(30,465)	(34,853)	(32,197)	(40,451)
(436,931)	(259,419)	(1,394,778)	(587,488)	(506,435)
592,965	580,332	(66,150)	972,928	1,010,034
28,856	-	440,000	-	521,441
-	-	2,200,000	-	-
11,000	495,833	2,704,854	681,607	425,000
(1,537,374)	(625,000)	(3,065,886)	(500,000)	(1,560,000)
(1,526,374)	(129,167)	(361,032)	181,607	(1,135,000)
(\$904,553)	\$451,165	\$2,212,818	\$1,154,535	\$396,475

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
CHANGES IN CASH AND CASH EQUIVALENTS - BUSINESS-TYPE ACTIVITIES

Last Eight Fiscal Years⁽¹⁾
(Accrual Basis of Accounting)

	2002	2003	2004
Cash flows from operating activities:			
Receipts from customers and users	\$7,748,533	\$7,636,156	\$7,007,904
Payment to suppliers for goods and services	(3,500,469)	(4,516,071)	(4,703,181)
Miscellaneous income (loss)	(87,189)	(61,404)	(73,297)
Net cash flows from operating activities	<u>4,160,875</u>	<u>3,058,681</u>	<u>2,231,426</u>
Cash flows from noncapital financing activities:			
Transfers in	316,304	-	2,487,000
Transfers out	(2,500,817)	(1,760,000)	(1,160,000)
Advances to/from other funds - net change	-	420,792	(2,114,020)
Property taxes	<u>1,736,267</u>	<u>1,718,505</u>	<u>1,948,675</u>
Net cash flows from noncapital financing activities	<u>(448,246)</u>	<u>379,297</u>	<u>1,161,655</u>
Cash flows from capital and related financing activities:			
Insurance proceeds on damage to capital assets	456,047	-	19,470
Principal receipts on capital lease receivable	114,458	120,652	127,179
Interest receipts on capital lease receivable	317,542	311,348	304,821
Fiscal agent costs	-	-	-
Net proceeds from long-term debt	29,908,425	11,910,667	-
Bond issuance costs	(845,200)	(98,289)	(30,061)
Payment to refunding escrow	(29,055,392)	(12,865,498)	-
Capital contributions	197,108	14,129	-
Purchase of capital assets	(1,628,699)	(496,579)	(254,450)
Interest paid on long-term debt	(3,254,102)	(3,184,734)	(2,823,880)
Principal payments on notes payable	(8,874)	(148,360)	(5,000)
Principal payments on long-term debt	<u>(903,688)</u>	<u>(1,226,770)</u>	<u>(965,000)</u>
Net cash flows from capital and related financing activities	<u>(4,702,375)</u>	<u>(5,663,434)</u>	<u>(3,626,921)</u>
Cash flows from investing activities:			
Investment income	<u>426,992</u>	<u>338,336</u>	<u>201,269</u>
Net increase (decrease) in cash and cash equivalents	<u><u>(\$562,754)</u></u>	<u><u>(\$1,887,120)</u></u>	<u><u>(\$32,571)</u></u>

⁽¹⁾The Authority implemented GASB Statement No. 34 for the fiscal year ended December 31, 2002. Therefore, information for years prior to 2002 is not available.

Table 4

2005	2006	2007	2008	2009
\$7,084,056	\$6,929,402	\$7,396,624	\$7,870,950	\$7,604,101
(4,677,014)	(4,621,074)	(4,693,829)	(4,810,129)	(4,835,384)
(86,837)	(30,461)	(34,851)	(32,197)	155,356
2,320,205	2,277,867	2,667,944	3,028,624	2,924,073
11,000	495,833	2,704,854	681,607	425,000
(1,537,374)	(625,000)	(3,065,886)	(500,000)	(1,560,000)
455,852	(335,637)	(138,930)	(86,793)	279,000
2,002,851	1,924,829	1,788,136	1,482,179	1,564,453
932,329	1,460,025	1,288,174	1,576,993	708,453
-	73,048	15,979	131,220	199,561
134,061	141,314	148,960	157,020	165,516
297,939	290,686	283,040	-	-
-	(49,086)	(48,789)	(36,850)	(45,725)
-	-	895,332	-	-
-	-	-	-	-
-	-	-	-	-
28,856	-	440,000	-	445,682
1,080,880	(363,618)	(1,767,330)	(822,063)	(1,418,048)
(2,951,475)	(2,834,672)	(2,738,464)	(2,606,968)	(2,535,524)
(380,000)	(5,000)	-	-	-
(2,118,353)	(1,000,004)	(1,545,000)	(1,665,000)	(1,525,000)
(3,908,092)	(3,747,332)	(4,316,272)	(4,842,641)	(4,713,538)
313,015	392,948	436,027	507,376	383,920
(\$342,543)	\$383,508	\$75,873	\$270,352	(\$697,092)

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**FUND BALANCES - GOVERNMENTAL FUNDS**Last Eight Fiscal Years⁽¹⁾

(Modified Accrual Basis of Accounting)

	2002	2003	2004
General fund:			
Reserved	\$3,192,610	\$2,264,705	\$171,253
Unreserved:			
Designated for general contingency	1,049,093	1,057,814	1,068,803
Designated for development and programs	213,770	-	-
Designated for long-term capital improvements	350,000	-	-
Undesignated	853,992	894,266	1,248,875
Total general fund	<u>\$5,659,465</u>	<u>\$4,216,785</u>	<u>\$2,488,931</u>
All other governmental funds:			
Reserved	\$1,032	\$1,735	\$1,783
Unreserved:			
Designated for development purposes	-	489,672	573,353
Designated for capital purposes	-	759,000	1,102,693
Designated for grant programs	229,697	274,668	293,851
Designated for tax increment activities	1,318,566	941,617	680,995
Designated for gap financing	-	-	-
Undesignated	215,270	195,774	192,869
Total all other governmental funds	<u>\$1,764,565</u>	<u>\$2,662,466</u>	<u>\$2,845,544</u>

⁽¹⁾The Authority implemented GASB Statement No. 34 for the fiscal year ended December 31, 2002. Therefore, information for years prior to 2002 is not available.

Table 5

2005	2006	2007	2008	2009
\$5,061	\$5,649	\$4,948	\$5,297	\$5,205
1,078,563	1,151,632	1,208,559	1,248,222	1,239,407
-	-	-	-	-
-	-	-	-	-
1,671,322	1,327,731	1,216,034	1,372,134	1,598,936
<u>\$2,754,946</u>	<u>\$2,485,012</u>	<u>\$2,429,541</u>	<u>\$2,625,653</u>	<u>\$2,843,548</u>
\$317,851	\$530,048	\$1,889,518	\$3,000,255	\$3,042,010
1,434,667	1,521,593	1,998,612	1,517,138	1,595,246
1,602,635	1,870,924	981,251	1,000,239	1,292,426
485,694	525,684	1,057,742	247,987	335,173
-	-	-	-	-
-	636,105	933,783	796,954	1,535,219
(149,164)	(501,734)	(2,054,024)	(2,493,258)	(2,464,086)
<u>\$3,691,683</u>	<u>\$4,582,620</u>	<u>\$4,806,882</u>	<u>\$4,069,315</u>	<u>\$5,335,988</u>

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Revenues:	2000	2001	2002
General property taxes	\$23,032	\$181,215	\$271,870
Tax increment taxes	764,661	823,964	-
Intergovernmental	2,837,846	3,193,701	3,721,620
Charges for services:			
Conduit financing fees	-	-	-
Administrative fees	96,536	118,327	134,011
Bond issuance, origination fees	194,188	22,447	18,092
Investment income	217,695	161,171	72,172
Other	67,892	67,713	18,169
Total revenues	<u>4,201,850</u>	<u>4,568,538</u>	<u>4,235,934</u>
Expenditures:			
Current:			
General government	578,475	526,972	548,129
Housing and redevelopment	2,955,556	3,286,345	3,894,681
Tax increment financing	205,421	1,192,136	560,426
Debt service:			
Principal	12,474	14,393	16,311
Interest	73,321	72,541	71,600
Advance refunding escrow	-	-	-
Total expenditures	<u>3,825,247</u>	<u>5,092,387</u>	<u>5,091,147</u>
Revenues over (under) expenditures	<u>376,603</u>	<u>(523,849)</u>	<u>(855,213)</u>
Other financing sources (uses):			
Transfer from General Fund	-	-	-
Transfer from Special Revenue Funds	-	-	-
Transfer from Enterprise Funds	1,371,347	914,000	2,500,000
Transfer to Special Revenue Funds	(102,159)	-	-
Transfer to General Fund	-	-	-
Transfer to Enterprise Funds	-	-	(315,487)
Debt issuance	-	-	-
Total other financing sources (uses)	<u>1,269,188</u>	<u>914,000</u>	<u>2,184,513</u>
Net change in fund balance	<u>\$1,645,791</u>	<u>\$390,151</u>	<u>\$1,329,300</u>
Debt service as a percentage of noncapital expenditures	2.2%	1.7%	1.7%
Debt service as a percentage of total expenditures	2.2%	1.7%	1.7%

Table 6

2003	2004	2005	2006	2007	2008	2009
\$469,911	\$524,931	\$639,438	\$863,570	\$1,178,661	\$1,642,092	\$1,695,064
-	-	-	-	-	-	2,509
4,371,794	4,454,221	4,318,510	3,910,744	4,095,425	3,608,450	4,322,548
262,744	134,763	11,458	7,729	61,294	10,729	5,729
119,931	394,520	404,076	512,421	575,019	666,140	738,984
8,388	4,303	2,870	2,215	1,978	1,765	1,547
41,172	52,834	129,059	276,066	328,117	172,187	63,254
44,377	70,162	45,205	11,081	134,400	17,160	44,926
5,318,317	5,635,734	5,550,616	5,583,826	6,374,894	6,118,523	6,874,561
584,285	510,526	489,097	507,579	525,914	590,594	562,508
4,681,427	5,073,067	4,817,488	4,367,862	5,224,623	5,404,673	5,148,648
387,489	269,917	685,465	216,549	1,915,367	314,644	266,082
18,230	-	-	-	-	-	2,360,000
67,639	-	-	-	93,731	168,460	162,308
1,052,759	-	-	-	-	-	-
6,791,829	5,853,510	5,992,050	5,091,990	7,759,635	6,478,371	8,499,546
(1,473,512)	(217,776)	(441,434)	491,836	(1,384,741)	(359,848)	(1,624,985)
-	-	-	1,120,216	-	-	2,103,746
-	-	-	267,506	-	-	2,320,862
1,760,000	1,160,000	1,537,374	625,000	3,065,886	500,000	1,560,000
-	-	-	(1,151,279)	-	-	(4,424,608)
-	-	-	(236,443)	-	-	-
(831,487)	(2,487,000)	(11,000)	(495,833)	(2,704,854)	(681,607)	(425,000)
-	-	-	-	1,192,500	-	2,200,000
928,513	(1,327,000)	1,526,374	129,167	1,553,532	(181,607)	3,335,000
(\$544,999)	(\$1,544,776)	\$1,084,940	\$621,003	\$168,791	(\$541,455)	\$1,710,015
16.8%	0.0%	0.0%	0.0%	1.2%	2.6%	29.7%
16.8%	0.0%	0.0%	0.0%	1.2%	2.6%	29.7%

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SCHEDULES OF REVENUE CAPACITY

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

RENTAL RATES BY PROPERTY

Table 7

Last Ten Fiscal Years
(Unaudited)

Property	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Ann Bodlovick	\$690	\$720	\$735	\$742	\$742	\$749	\$756	\$772	\$780	\$803
Briar Pond	775	810	845	862	871	871	871	884	893	902
Brick Pond	700	725	740	747	754	754	762	770	778	778
Cobble Hill	720	750	765	773	781	789	797	805	813	821
East Metro Place	697	717	717	765	765	765	N/A	N/A	N/A	N/A
HUD-MHOP Homes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Jergens	675	705	720	727	734	741	748	755	763	771
Muller Manor	545	570	582	588	594	600	606	612	618	624
Oakhill Cottages	625	650	663	670	677	684	691	698	705	712
Park Place I	575	600	612	618	624	630	636	642	648	661
Park Place II	575	600	612	618	624	630	636	642	648	661
Parkside	800	830	847	856	865	865	865	808	797	805
Pioneer Elderly	525	545	556	587	587	593	599	605	611	617
Raymie Johnson	N/A	N/A	670	677	733	733	733	733	733	747
Whispering Oaks ⁽¹⁾	263	266	290	290	293	296	299	302	N/A	N/A
Woodland Park	760	790	814	830	839	839	839	852	861	870

⁽¹⁾Whispering Oaks was a manufactured home park that officially closed on August 15, 2007.

Source: Washington County HRA Finance Department

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

OPERATING REVENUE BY PROPERTY

Table 8

Last Ten Fiscal Years

(Unaudited)

Property	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Ann Bodlovick	\$401,737	\$417,336	\$429,728	\$428,813	\$431,398	\$431,349	\$426,784	\$441,660	\$436,863	\$455,469
Briar Pond	1,747,595	1,802,467	1,796,183	1,554,163	1,228,607	1,526,866	1,692,239	1,946,490	2,033,845	2,055,720
Brick Pond	300,246	315,550	303,256	273,251	234,389	250,897	276,352	272,569	301,591	298,805
Cobble Hill	343,261	354,255	371,404	361,942	374,066	383,924	386,249	389,518	386,874	410,760
Transitional Housing	-	-	-	-	-	-	-	15,300	16,604	14,850
East Metro Place	178,157	185,005	174,882	193,925	214,424	60,165	-	-	-	-
HUD-MHOP Homes	85,062	175,955	261,799	377,223	364,025	320,905	305,390	340,720	301,632	290,973
John Jergens	216,349	229,079	238,508	232,454	225,896	242,274	247,920	236,544	257,873	263,743
Landfall	-	-	-	-	-	-	-	-	-	18,904
Muller Manor	164,016	180,956	186,553	179,048	176,723	188,501	195,452	198,722	205,372	200,483
Oakhill Cottages	266,809	278,639	290,938	290,966	288,787	307,290	301,165	297,091	333,448	335,729
Park Place I	226,810	233,525	242,980	249,377	219,296	225,399	222,290	255,122	260,538	224,983
Park Place II	39,437	39,111	41,447	39,404	34,482	41,462	45,576	43,166	45,444	45,834
Parkside	614,489	639,082	598,654	543,655	416,508	307,384	354,625	499,904	591,543	565,108
Pioneer Elderly	101,717	109,047	112,659	113,863	109,249	109,340	110,173	117,018	123,855	124,513
Raymie Johnson	836,531	831,920	833,520	877,002	934,999	972,126	961,856	962,802	972,641	973,074
Whispering Oaks	301,920	289,626	271,700	267,682	239,093	207,147	169,327	45,180	-	-
Woodland Park	1,485,072	1,550,391	1,538,871	1,596,918	1,404,210	1,350,671	1,448,727	1,541,254	1,600,485	1,585,618
Total	<u>\$7,309,208</u>	<u>\$7,631,944</u>	<u>\$7,693,082</u>	<u>\$7,579,686</u>	<u>\$6,896,152</u>	<u>\$6,925,700</u>	<u>\$7,144,125</u>	<u>7,603,060</u>	<u>7,868,608</u>	<u>7,864,566</u>

Source: Washington County HRA Finance Department

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

VACANCY BY PROPERTY

Last Ten Fiscal Years

(Unaudited)

Table 9

Property	Number of Units	Number of Months Units Available	Total Months of Vacancies									
			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Ann Bodlovick	50	600	2	-	-	14	15	37	19	19	19	12
Briar Pond	196	2,352	28	46	146	485	819	434	265	111	40	45
Brick Pond	40	480	10	8	38	87	132	103	78	89	53	62
Cobble Hill	45	540	-	5	2	27	16	12	16	26	27	7
East Metro Place	20	240	12	9	38	26	20	4	N/A	N/A	N/A	N/A
HUD-MHOP Homes	56	672	26	11	44	41	92	19	36	22	11	18
John Jergens	30	360	5	-	3	17	28	15	11	29	5	2
Muller Manor	28	336	20	6	4	20	28	20	7	17	5	16
Oakhill Cottages	40	480	1	1	1	10	22	2	21	39	-	4
Park Place I	36	432	17	42	33	41	97	70	97	61	32	94
Park Place II	6	72	3	7	4	7	9	5	1	5	2	4
Parkside	72	864	29	70	134	220	381	488	415	281	153	150
Pioneer Elderly	18	216	7	2	-	1	12	15	14	12	1	6
Raymie Johnson	120	1,440	35	46	62	41	24	10	37	28	18	18
Whispering Oaks	73	876	52	102	190	218	298	424	573	N/A	N/A	N/A
Woodland Park	180	2,160	126	145	221	207	523	490	360	332	271	297
Total	1,010	12,120	372	500	920	1,462	2,516	2,148	1,950	1,052	637	735

Source: Washington County HRA Finance Department

SCHEDULES OF DEMOGRAPHIC AND ECONOMIC INFORMATION

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**RATIOS OF OUTSTANDING DEBT BY TYPE****Table 10**

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Revenue Bonds	Notes	Loans	Total	
				Amount	Per Unit
2000	\$61,835,820	\$1,077,407	\$ -	\$62,913,227	32,033
2001	61,578,731	1,068,834	-	62,647,565	31,897
2002	61,324,013	1,059,960	-	62,383,973	61,766
2003	58,125,000	906,600	2,200,000	61,231,600	60,625
2004	57,160,000	901,600	2,200,000	60,261,600	59,665
2005	55,040,000	521,600	2,200,000	57,761,600	57,190
2006	54,040,000	516,600	2,200,000	56,756,600	57,330
2007	52,500,000	511,600	-	53,011,600	57,810
2008	50,840,000	506,600	-	51,346,600	55,994
2009	49,320,000	501,600	2,200,000	52,021,600	56,730

Notes: Details regarding the HRA's outstanding debt can be found in the notes to the financial statements.

Source: Washington County HRA Finance Department

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Table 11

Fiscal Year	Gross Revenue				Operating Expenses ⁽¹⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
	Operating Revenue	Property Tax Revenue	Investment Income	Total			Principal ⁽²⁾	Interest ⁽²⁾	Total	
2000	\$7,321,928	\$1,608,936	\$572,241	\$9,503,105	\$2,943,949	\$6,559,156	\$842,910	\$4,037,281	\$4,880,191	1.34
2001	7,644,664	1,607,123	522,224	9,774,011	3,295,734	6,478,277	915,498	3,910,657	4,826,155	1.34
2002	7,754,472	1,711,024	697,047	10,162,543	3,565,418	6,597,125	903,688	3,254,102	4,157,790	1.59
2003	7,600,011	1,717,796	584,938	9,902,745	4,415,595	5,487,150	1,226,770	3,184,734	4,411,504	1.24
2004	6,913,031	1,948,675	507,547	9,369,253	4,725,880	4,643,373	965,000	2,778,007	3,743,007	1.24
2005	6,952,907	2,002,851	618,996	9,574,754	4,552,464	5,022,290	990,000	2,765,549	3,755,549	1.34
2006	7,167,053	1,924,778	698,028	9,789,859	4,983,918	4,805,941	1,000,000	2,820,029	3,820,029	1.26
2007	7,461,577	1,789,386	742,802	9,993,765	4,766,164	5,227,601	1,545,000	2,718,050	4,263,050	1.23
2008	7,871,101	1,472,093	487,922	9,831,116	4,919,074	4,912,042	1,660,000	2,571,459	4,231,459	1.16
2009	7,864,566	1,583,093	345,442	9,793,101	4,945,730	4,847,371	1,580,000	2,429,190	4,009,190	1.21

Notes:

⁽¹⁾Operating expenses excludes depreciation.

⁽²⁾Principal and interest is presented on the cash basis.

Source: Washington County HRA Finance Department

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SCHEDULES OF DEBT CAPACITY

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**DEMOGRAPHIC AND ECONOMIC STATISTICS****Table 12**

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Estimated Population	Area (Sq. Mi.)	Density (Person/ Sq. Mi.)	Number of Households	Personal Income (amounts expressed in thousands)	Per Capita Income	Unemployment Rate
2000	201,130	423	475	71,462	\$7,382,981	\$35,326	2.3%
2001	206,027	423	487	73,515	7,761,302	37,554	2.7%
2002	210,724	423	498	76,069	7,988,565	38,175	3.6%
2003	214,054	423	506	77,456	8,365,011	39,379	4.1%
2004	217,435	423	514	79,321	9,066,913	42,363	4.0%
2005	224,857	423	532	79,694	9,354,992	42,990	3.4%
2006	228,103	423	539	84,554	9,905,571	44,618	3.5%
2007	233,104	423	551	87,037	10,488,554	46,308	4.1%
2008	238,215	423	563	88,606	11,105,847	48,061	5.4%
2009	235,599	423	557	89,760	12,319,294	52,563	7.4%

Sources: Washington County, Minnesota Comprehensive Annual Financial Report.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**PRINCIPAL EMPLOYERS****Table 13**

Current Year and Nine Years Ago

(Unaudited)

Employer	2009		2000	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Andersen Corporation - Bayport	4,000	3.10%	4,847	4.11%
Independent School District 833 - South Washington County	2,300	1.78%	2,400	2.03%
Washington County Government	1,312	1.02%	1,123	0.95%
Independent School District 831 - Forest Lake Area	1,200	0.93%	1,242	1.05%
3M Chemolite (Cottage Grove)	1,000	0.78%	1,000	0.85%
Independent School District 834 - Stillwater Area	1,000	0.78%	1,140	0.97%
Cub Foods, Inc.	918	0.71%	-	0.00%
MN Correctional Facility (Bayport and Oak Park Heights)	909	0.71%	-	0.00%
Lakeview Hospital	863	0.67%	-	0.00%
The Hartford (known as Fortis in 2000)	800	0.62%	1,300	1.10%
State Farm Insurance (Woodbury)	-	0.00%	1,700	1.44%
UFE Incorporated (Stillwater)	-	0.00%	860	0.73%
Independent School District 916	-	0.00%	800	0.68%
Total	14,302	11.10%	16,412	13.91%

Sources: (a) Department of Administration, survey of individual employers

(b) Washington County Budget Book

(c) MN Dept of Employment and Economic Development www.mnpro.com

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SCHEDULES OF OPERATING INFORMATION

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**FULL-TIME EQUIVALENT HRA EMPLOYEES BY FUNCTION/PROGRAM****Table 14**

Last Ten Fiscal Years

(Unaudited)

Function/Program	Full-Time Equivalent Employees as of December 31,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Administration	2	2	2	3	3	3	3	3	4	7
Finance	3	3	3	3	3	3	3	3	3	3
Housing Programs	3	3	3	3	3	3	3	3	3	4
Property Management ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	<u>8</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>12</u>	<u>14</u>

⁽¹⁾Effective 1/1/98, the HRA contracted with a private company for property management services.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
HOUSING UNITS ASSISTED
Last Ten Fiscal Years
(Unaudited)

Table 15

Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Section 8 - Vouchers	27	30	28	33	97	75	90	88	85	85
Section 8 - Portables	368	423	458	465	444	428	397	403	397	382
RAFS	43	45	38	23	6	2	-	-	-	-
Bridges I	12	15	19	18	17	15	12	14	18	20
Bridges II	11	10	9	10	7	5	10	10	14	12
HOME	20	16	-	-	-	-	-	-	-	-
Shelter Plus Care	-	-	-	-	-	3	4	6	12	14
Bridges-Long Term Homeless	-	-	-	-	-	3	6	8	22	20
Average units assisted per month	<u>481</u>	<u>539</u>	<u>552</u>	<u>549</u>	<u>571</u>	<u>531</u>	<u>519</u>	<u>529</u>	<u>548</u>	<u>533</u>

Source: Washington County HRA Finance Department.

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IV. SINGLE AUDIT AND OTHER REQUIRED REPORTS

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Tautges Redpath, Ltd.

Certified Public Accountants and Consultants

**REPORT ON COMPLIANCE WITH MINNESOTA LEGAL COMPLIANCE
AUDIT GUIDE FOR LOCAL GOVERNMENT**

To The Board of Commissioners
Washington County Housing and Redevelopment Authority
(a component unit of Washington County)

We have audited the basic financial statements of the Washington County Housing and Redevelopment Authority, a component unit of Washington County, as of and for the year ended December 31, 2009, and have issued our report thereon dated April 12, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government* promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Government* covers seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions and tax increment financing. Our study included all of the above listed categories, except for claims and disbursement testing, as the statute is not applicable to housing and redevelopment authorities.

The results of our tests indicate that for the items tested, the Washington County Housing and Redevelopment Authority complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of the Washington County Housing and Redevelopment Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

HLB Tautges Redpath, Ltd.

HLB TAUTGES REDPATH, LTD.
White Bear Lake, Minnesota

April 12, 2010

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Tautges Redpath, Ltd.

Certified Public Accountants and Consultants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To The Board of Commissioners
Washington County Housing and Redevelopment Authority
(a component unit of Washington County)

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Washington County Housing and Redevelopment Authority, a component unit of Washington County, as of and for the year ended December 31, 2009 which collectively comprise the Washington County Housing and Redevelopment Authority's basic financial statements, and have issued our report thereon, dated April 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Washington County Housing and Redevelopment Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Washington County Housing and Redevelopment Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Washington County Housing and Redevelopment Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Report on Internal Control over Financial Reporting
And on Compliance and Other Matters

However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as finding 2009-1, which we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington County Housing and Redevelopment Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2009-2.

Washington County Housing and Redevelopment Authority's response to findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Washington County Housing and Redevelopment Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners of the Washington County Housing and Redevelopment Authority and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

HLB Tautges Redpath, LTD.

HLB TAUTGES REDPATH, LTD.
White Bear Lake, Minnesota

April 12, 2010



Tautges Redpath, Ltd.

Certified Public Accountants and Consultants

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To The Board of Commissioners
Washington County Housing and Redevelopment Authority
(a component unit of Washington County)

Compliance

We have audited the compliance of the Washington County Housing and Redevelopment Authority, a component unit of Washington County, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The Washington County Housing and Redevelopment Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Washington County Housing and Redevelopment Authority's management. Our responsibility is to express an opinion on the Washington County Housing and Redevelopment Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Washington County Housing and Redevelopment Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Washington County Housing and Redevelopment Authority's compliance with those requirements.

In our opinion, the Washington County Housing and Redevelopment Authority, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, that is

Report on Compliance with Requirements Applicable
to each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133

required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2009-2.

Internal Control Over Compliance

The management of the Washington County Housing and Redevelopment Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Washington County Housing and Redevelopment Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Washington County Housing and Redevelopment Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2009-2. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal over compliance, yet important enough to merit attention by those charged with governance.

Report on Compliance with Requirements Applicable
to each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Housing and Redevelopment Authority as of and for the year ended December 31, 2009, and have issued our report thereon dated April 12, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Washington County Housing and Redevelopment Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Washington County Housing and Redevelopment Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Washington County Housing and Redevelopment Authority's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Commissioners of the Washington County Housing and Redevelopment Authority and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

HLB Tautges Redpath, Ltd.

HLB TAUTGES REDPATH, LTD.
White Bear Lake, Minnesota

April 12, 2010

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal- Expenditures
U.S. Department of Housing and Urban Development:		
Direct:		
N/C S/R Section 8 - Programs Raymie Johnson Estates	14.182	\$641,148
Section 8 Housing Choice Vouchers	14.871	716,910
Resident Opportunity and Supportive Services - Service Coordinators	14.870	27,368
Multi-Family Housing Services Coordinators	14.191	33,954
Low Rent Public Housing - Metropolitan Housing Opportunities Program - Operating Subsidy	14.850	147,011
Low Rent Public Housing - Metropolitan Housing Opportunities Program - Capital Funds Program	14.872	71,487
ARRA Low Rent Public Housing - Metropolitan Housing Opportunities Program - Capital Funds Program	14.885	90,488
Shelter Plus Care (MN46C312001)	14.238	89,121
Briar Pond Insured Mortgage (Project Number 09211176) - Principal Balance (Note 3)	14.134	9,045,000
Passed through Washington County:		
ARRA Neighborhood Stabilization Program	14.256	235,974
ARRA Community Development Block Grant	14.253	112,584
Community Development Block Grant	14.218	20,854
U.S. Department of the Treasury:		
Passed through Minnesota Housing Finance Agency:		
National Foreclosure Mitigation Counseling	21.000	248,381
Total Expenditures of Federal Awards		\$11,480,280

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

Notes to the schedule of expenditures of federal awards

Note 1. Basis of Presentation

The financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Washington County Housing and Redevelopment Authority, a component unit of Washington County, follow generally accepted accounting principles. The government-wide and the proprietary financial statements are reported using the accrual basis of accounting. The governmental fund financial statements are reported using the modified accrual basis of accounting as disclosed in the financial statement footnotes. The above schedule of expenditures of federal awards includes the federal grant activity of the Washington County Housing and Redevelopment Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the Washington County Housing and Redevelopment Authority provided federal awards to subrecipients as follows:

<i>Program Title</i>	<i>Federal CFDA Number</i>	<i>Amount Provided to Subrecipients</i>
Metropolitan Housing Opportunities Program - Operating Subsidy	14.850	\$20,355

Note 3. Briar Pond Insured Mortgage

Washington County HRA's Governmental Housing Revenue Refunding Bonds, Series 1999A in the amount of \$9,500,000 for the Briar Pond property (Project Number 09211176) are insured by HUD.*

**The amount presented above is the total unpaid principal balance, thus it is the balance insured by HUD and is considered a major program. This amount does not represent any actual or anticipated cash funding from HUD.*

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2009

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

- A. Type of auditors' report issued: Unqualified
- B. Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ None reported
- C. Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

- D. Internal control over major programs:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- E. Type of auditors' report issued on compliance for major programs: Unqualified
- F. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☒ Yes ☐ None reported
- G. Identification of major programs:

Name of Federal Program	CFDA Number
Briar Pond Insured Mortgage-Project 09211176	14.134
N/C S/R Section 8 – Programs Raymie Johnson Estates	14.182
Section 8 Housing Choice Vouchers	14.871

- H. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
- I. Auditee qualified as a low-risk auditee ☒ Yes ☐ No

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS
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2009-1 Audit Adjustments

Criteria: Audit standards specify that a correction of any magnitude that could occur and not be detected by the HRA's controls be considered a significant deficiency in internal control.

Condition: During the course of our audit, audit staff detected that a grant receivable totaling \$84,178 regarding to CDBG projects was not recorded at year end. Additionally, property held for resale totaling \$114,939 was not recorded. Audit adjustments were made for both items.

Cause: The year-end closing process did not identify these adjustments prior to the audit.

Effect: There is an increased risk that financial statement misstatements may occur and not be detected prior to issuing the financial statements.

Recommendation: We recommend that the HRA continue efforts to assure that all adjustments are identified during its year-end closing process.

Management Response: The HRA Finance Staff will review all Grant funded programs and projects prior to closing the books for the year to ensure that all expenditures that are to be reimbursed have been accounted for. All Grant programs will be reviewed with HRA staff responsible for these programs to ensure that we have recorded all receivables of funds that are to be requested in the have been recorded in the year expenses were made. This will added to our internal control procedures for Grant accounting.

If the future the HRA Controller will review all property purchased to ensure that it is to be resold at a later date to properly record this type of transaction.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2009

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2009-2 Insured Mortgage – CFDA No. 14.134; Project No. 09211176

Condition: During the course of our audit, audit staff detected that HUD forms 93479, 93480 and 93481 were not submitted in a timely manner. The HRA prepared and submitted all 2009 reports in March 2010.

Criteria: The HRA is required to submit HUD forms 93479, 93480 and 93481 on a monthly basis. The reports calculate net income to be reported for the Briar Pond Property and are due on the tenth of the month following the month of activity.

Questioned Costs: There were no questioned costs as a result of this finding.

Cause: The HRA's controls did not detect that these reports were not being completed and submitted in a timely manner.

Effect: Not known.

Recommendation: We recommend that the HRA put procedures in place to ensure that all required reporting is completed and submitted in accordance with established due dates.

Views of Responsible Officials and Corrective Action Plan: This reporting that was not done was an oversight in training when we had a turnover in the Accounting Department about a year ago. The Controller will prepare a master list of all required reporting and follow through on a monthly basis to ensure that all reporting is done on a timely basis.

IV – PRIOR YEAR FINDINGS

No prior year findings.