

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, 2010



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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, 2010

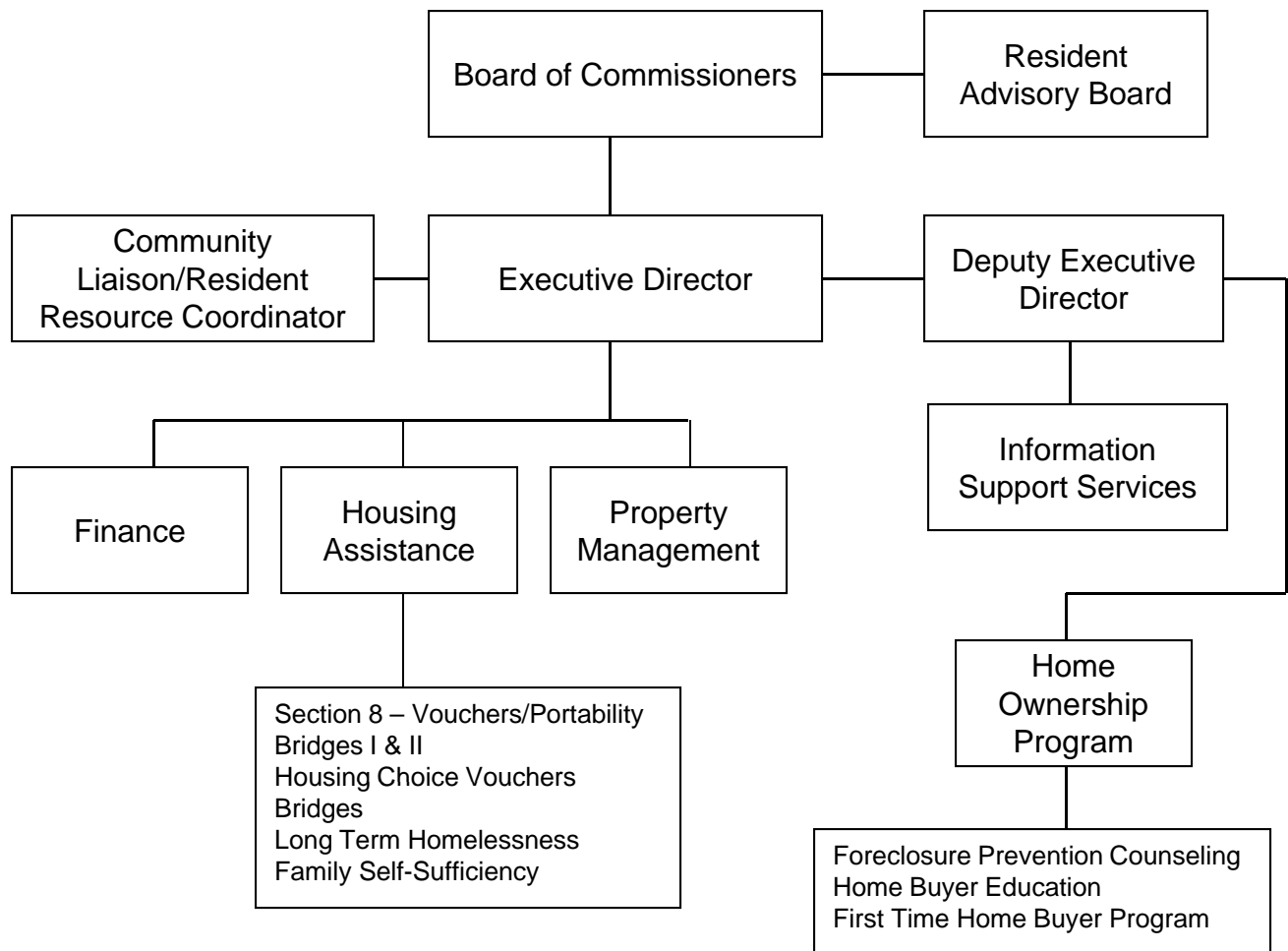
BOARD OF COMMISSIONERS

| <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, 2013 |
| District 4 | Richard Hammero | December 31, 2012 |
| District 5 | Barry Johnson | December 31, 2011 |
| Resident At-Large | Katoria Kennedy | December 31, 2013 |
| County Commissioner At-Large | Dennis Hegberg | December 31, 2011 |
| County Administrator | James Schug | Ex-Officio Member |

Executive Director

Barbara Dacy

**Washington County Housing and Redevelopment Authority
Organizational Chart
December 31, 2010**





April 11, 2011

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, 2010. 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, 2010 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, 2010 are fairly presented in conformity with Generally Accepted Accounting Principles (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 CAFR.

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 2010 population of the County was 239,552. 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, development finance programs for affordable rental housing and various community development programs.

The Authority is authorized under State Statute to issue governmental housing bonds to finance the cost of development of projects to provide affordable rental housing for low and moderate income persons and families. The Authority developed a bond financing program to construct and or acquire and rehabilitate 861 units of housing. The Authority owns and operates this affordable housing portfolio consisting of fourteen developments in nine different cities throughout the County. The Authority also owns and operates a 56-unit scattered site public housing program and 3 units of transitional housing in partnership with Human Services Inc. (HSI) as service provider. The Authority's total rental housing portfolio includes 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. The Executive Director is responsible to oversee the planning, direction and implementation of all programs and policies of the Authority.

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. Most bonds carry a general obligation pledge or annual appropriation limited tax pledge of the County, which enables the Authority to obtain lower borrowing costs for the purpose of financing affordable senior and family housing within the County. The bonds are also secured by the pooled rent receipts of the properties, certain other revenues and funds held with the bond trustee, and the Authority's Special Benefit Levy, which collectively are considered sufficient to meet all current and future Authority debt service obligations.



The County's general obligation pledge has not been called upon to make debt service payments on any Authority bond issues.

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. The Authority has structured its operations 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, 2010, the Authority owns and operates a total of 15 housing developments in 9 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 60% of the Authority's annual revenue came from the Authority's property portfolio in 2010.

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 governmental housing bonds with the County's general obligation pledge and/or annual appropriation limited tax pledge as credit enhancement tools. The Authority has 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. The remaining 20% of the properties were financed with federal grant funds.

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 2010, the Authority initiated several capital improvement projects totaling \$1.2 million. Improvements included elevator modernization and replacement, siding and roof repair and replacement, storm water improvements, and parking lot improvements. The Authority obtained approximately \$469,000 in federal and local grant funds to help pay for these projects.

The Authority also receives income from a Special Benefit Tax Levy that represents about 17% of the Authority's total revenue. In 2010 the amount levied totaled \$3,332,236. 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 Special Benefit Levy to pay debt service on its bond debt as well as to fund capital improvements and to provide operating support to the Authority's housing portfolio. The Special Benefit 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 to be allocated in adequate amounts to fund the Authority's operations.

Occupancy Rates. Occupancy rates were at 97% at December 31, 2010. The Authority's senior housing developments continue to be very successful with a 2010 vacancy rate of 2.5%.

Long-Term Financial Planning. The Authority continues to fund established reserves. The Authority increased the operating reserve to \$1,240,600, and maintains a balance of \$16,526,307 in restricted funds primarily for the property portfolio. The Authority also increased its Long Term Capital Reserve Fund which has a balance of \$1,733,901 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 2002 Annual Appropriation Limited Tax A and B Bond Series, the 2002 Woodland Park General Obligation Bonds, the 1999 Briar Pond Bonds, 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, 2010. 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

TrailSide Senior Living. In 2010, the Authority broke ground on a new affordable housing development. TrailSide Senior Living is a 70 unit development located in a master planned community known as Headwaters of Forest Lake. Located west of Highway 61 on Forest Road North, TrailSide has three



stories, underground parking, and immediate access to a coordinated system of sidewalks and bike trails connecting to the Forest Lake Transit Station, Hardwood Creek Regional Trail, nearby local businesses and the Hardwood Creek Library. Rent levels will range from \$435 to \$976 and 20% of the units will be targeted to households earning 30% of area median income. Six accessible units are available, and each unit has energy efficient appliances, a washer and dryer, a balcony and dishwasher.

Financing for the \$10.9 million project was provided by several sources including the issuance of General Obligation Tax Exempt and Taxable Recovery Zone Economic Development Bonds, Met Council Livable Community Funds, federal CDBG and HOME funds allocated by Washington County, and funding from the City of Forest Lake and the Washington County HRA GROW program. The development will also be supported on an annual basis by a portion of the annual HRA Special Benefit Levy and interest subsidy payments through the Recovery Zone Economic Development bond program, which will preserve affordability for the long term. TrailSide Senior Living is the eighth affordable senior housing development owned and operated by the HRA. It is expected to be completed in August 2011.

Red Oak Preserve. Since 2007, the Authority has undertaken a significant redevelopment project at a twenty acre site near I-694 and Hadley Avenue, now known as Red Oak Preserve (the site was once owned by the Authority as a manufactured home park). Red Oak Preserve demonstrates a very unique partnership of public, non profit and private sectors, each bringing their resources and skills to provide a variety of housing options for County residents. The site now contains a total of 126 housing units available to people of all incomes, with two thirds of the development available to households at 50% of the area median income or about \$42,000 for a family of four. Further, there are different styles of housing available to people at different stages of their lives appealing to young people just starting out, families who work in the area, or area seniors seeking an affordable apartment. The Authority committed its resources to relocation activities, soil remediation, infrastructure improvements and to assist in creating the newly constructed affordable housing.

G.R.O.W. Fund. The Authority created a gap financing program in 2005 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), by leveraging other public and private sector funds. Eligible activities include new construction, and acquisition and rehabilitation of affordable rental housing, or home ownership opportunities. The Authority has issued four loans which have assisted the development of 178 units of affordable workforce housing developments. At year-end 2010, the G.R.O.W. Fund has a cash balance of \$272,270.

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, 2010, the fund balance is \$4,692,256. This



fund will be used for various housing and community development programs, for interfund loans to other funds including Authority administered tax increment districts, repayment of Authority debt, and pre-development costs for new affordable housing project.

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 Authority has received several awards and acknowledgements recognizing its outstanding service delivery. 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 2009. Also, since 2004 the Authority has 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 "High Performer" rating from HUD in 2010 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), and the Deputy Executive Director won this same award



in 2010. Finally, the Authority won the “Excellence in Service” award from the Minnesota Home Ownership Center for outstanding foreclosure prevention counseling services.

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, 2009

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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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, 2010, 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. The prior year partial comparative information has been derived from the Washington County Housing and Redevelopment Authority's 2009 financial statements and, in our report dated April 12, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

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, 2010, 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 11, 2011 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 financial statements as a whole. 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.


HLB TAUTGES REDPATH, LTD.
White Bear Lake, Minnesota

April 11, 2011

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2010**

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, 2010. 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 \$5,299,254 from the 2009 year end net assets. The HRA increased its existing operating reserve to \$1,240,600.

Net Assets. The total net assets of the HRA exceeded its liabilities at the close of the year by \$10,958,208. The primary factors that contributed to the increase in net assets are as follows:

| | |
|---|---------------------------|
| - Increase in net assets before transfers on HRA Properties | \$3,278,886 |
| - Increase in net assets before transfers for Governmental | <u>2,020,368</u> |
| Total increase in net assets | <u><u>\$5,299,254</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 \$299 in 2001 to \$235 in 2010, a 21% reduction.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2010**

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, 2010 totals \$1,240,600. This represents about three months of operating expenses. In addition, the HRA has a Long-Term Capital Reserve Fund of \$1,733,901 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, 2010 the fund balance for this fund is \$4,692,256.

The net assets for the Proprietary Funds increased by \$3,057,934 as a result of income before transfers and capital contributions of \$1,832,911. 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 97% in the portfolio at December 31, 2010 enabling the HRA to generate positive net income.

The governmental funds reported combined ending fund balances of \$9,153,582, an increase of \$974,046 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, 2010**

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, Red Oak Preserve Fund, and TCAP Kilkenny/Granada, which are considered to be major funds.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2010**

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 seventeen 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 14 through 45 of this report.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2010**

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 \$10,958,208 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 | |
|---|-------------------------|--------------------|--------------------------|--------------------|---------------------|--------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$14,581,746 | \$12,047,887 | \$24,061,030 | \$17,899,537 | \$38,642,776 | \$29,947,424 |
| Capital assets | 82,674 | 92,064 | 40,734,175 | 36,107,485 | 40,816,849 | 36,199,549 |
| Total assets | <u>14,664,420</u> | <u>12,139,951</u> | <u>64,795,205</u> | <u>54,007,022</u> | <u>79,459,625</u> | <u>66,146,973</u> |
| Long-term liabilities outstanding | 6,298,153 | 6,008,544 | 58,500,654 | 51,527,456 | 64,798,807 | 57,536,000 |
| Other liabilities | 438,934 | 445,394 | 3,263,676 | 2,506,625 | 3,702,610 | 2,952,019 |
| Total liabilities | <u>6,737,087</u> | <u>6,453,938</u> | <u>61,764,330</u> | <u>54,034,081</u> | <u>68,501,417</u> | <u>60,488,019</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 82,674 | 92,064 | (6,734,819) | (7,931,331) | (6,652,145) | (7,839,267) |
| Restricted | 344,544 | 375,535 | 10,811,204 | 9,974,712 | 11,155,748 | 10,350,247 |
| Unrestricted | <u>7,500,115</u> | <u>5,218,414</u> | <u>(1,045,510)</u> | <u>(2,070,440)</u> | <u>6,454,605</u> | <u>3,147,974</u> |
| Total net assets | <u>\$7,927,333</u> | <u>\$5,686,013</u> | <u>\$3,030,875</u> | <u>(\$27,059)</u> | <u>\$10,958,208</u> | <u>\$5,658,954</u> |

The HRA's net assets increased by \$5,299,254 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 \$2,241,320. Key elements of this increase are as follows:

| | |
|---|---------------------------|
| MHFA Funding of Kilkenny and Granada | \$1,243,000 |
| Budgeted increase in General Fund (before transfers to Development and Long-Term Capital) | 650,000 |
| Other | <u>348,320</u> |
| Total increase in net assets | <u><u>\$2,241,320</u></u> |

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2010**

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

| | Governmental Activities | | Business-Type Activities | | Totals | |
|--|-------------------------|--------------------|--------------------------|-------------------|---------------------|--------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$895,892 | \$797,210 | \$7,355,724 | \$7,080,656 | \$8,251,616 | \$7,877,866 |
| Operating grants and contributions | 5,445,784 | 4,316,524 | 899,650 | 783,910 | 6,345,434 | 5,100,434 |
| Capital grants and contributions | - | - | 1,832,911 | 521,441 | 1,832,911 | 521,441 |
| General revenues: | | | | | | |
| Property taxes | 1,700,691 | 1,718,150 | 1,637,093 | 1,583,093 | 3,337,784 | 3,301,243 |
| Tax increments | 23,142 | 2,509 | - | - | 23,142 | 2,509 |
| Unrestricted investment earnings | 53,373 | 85,308 | 312,082 | 345,442 | 365,455 | 430,750 |
| Gain on disposal of assets | - | - | 29,554 | 23,976 | 29,554 | 23,976 |
| Total revenues | <u>8,118,882</u> | <u>6,919,701</u> | <u>12,067,014</u> | <u>10,338,518</u> | <u>20,185,896</u> | <u>17,258,219</u> |
| Expenses: | | | | | | |
| General government | 581,671 | 574,137 | - | - | 581,671 | 574,137 |
| Housing and redevelopment | 5,313,092 | 5,033,709 | 8,788,128 | 8,807,043 | 14,101,220 | 13,840,752 |
| Tax increment financing | 23,154 | 266,082 | - | - | 23,154 | 266,082 |
| Interest on debt | 180,597 | 173,885 | - | - | 180,597 | 173,885 |
| Total expenses | <u>6,098,514</u> | <u>6,047,813</u> | <u>8,788,128</u> | <u>8,807,043</u> | <u>14,886,642</u> | <u>14,854,856</u> |
| Increase (decrease) in net assets before transfers | 2,020,368 | 871,888 | 3,278,886 | 1,531,475 | 5,299,254 | 2,403,363 |
| Transfers | 220,952 | 1,135,000 | (220,952) | (1,135,000) | - | (1,355,952) |
| Increase (decrease) in net assets | <u>2,241,320</u> | <u>2,006,888</u> | <u>3,057,934</u> | <u>396,475</u> | <u>5,299,254</u> | <u>2,403,363</u> |
| Net assets - beginning, as previously reported | 5,686,013 | 3,972,098 | (27,059) | (423,534) | 5,658,954 | 3,548,564 |
| Prior period adjustment | - | (292,973) | - | - | - | (292,973) |
| Net assets - beginning, as restated | <u>5,686,013</u> | <u>3,679,125</u> | <u>(27,059)</u> | <u>(423,534)</u> | <u>5,658,954</u> | <u>3,255,591</u> |
| Net assets - ending | <u>\$7,927,333</u> | <u>\$5,686,013</u> | <u>\$3,030,875</u> | <u>(\$27,059)</u> | <u>\$10,958,208</u> | <u>\$5,658,954</u> |

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2010**

Business-Type Activities. Business-type activities increased net assets by \$3,057,934. Key elements of this increase are as follows:

| | |
|--|---------------------------|
| Operating income | \$2,026,754 |
| Investment income | 312,082 |
| Other income (expense) | (126,326) |
| Interest expense | (2,403,628) |
| Property tax revenue | 1,637,093 |
| Capital contributions | 1,832,911 |
| Subtotal | <u>3,278,886</u> |
| Net transfers to governmental activities | <u>(220,952)</u> |
| Total increase in net assets | <u><u>\$3,057,934</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 \$9,153,582. A summary of fund balance reservations and designations are as follows:

| | General | Section 8 | Section 8 | Red Oak | TCAP | Other | Total |
|--------------------------------------|--------------------|-----------------|----------------------------|-----------------------|----------------------|-----------------------|--------------------|
| | Fund | Portability | Housing Choice Vouchers | Preserve - Oakdale | Kilkenny/ Granada | Governmental Funds | |
| Reserved for prepaid items | \$7,113 | \$705 | \$3,121 | \$372 | \$ - | \$970 | \$12,281 |
| Reserved for long-term receivables | - | - | - | - | - | 1,350,320 | 1,350,320 |
| Reserved for advances to other funds | - | - | - | 2,600,778 | - | 440,385 | 3,041,163 |
| Designated for general contingency | 1,240,600 | - | - | - | - | - | 1,240,600 |
| Designated for grant funded programs | - | 33,400 | 282,308 | - | 180,465 | 1,500 | 522,683 |
| Designated for development purposes | - | - | - | 2,091,106 | - | - | 2,091,106 |
| Designated for capital purposes | - | - | - | - | - | 1,733,901 | 1,733,901 |
| Designated for gap financing | - | - | - | - | - | 272,270 | 272,270 |
| Undesignated | 1,424,138 | - | - | - | - | (2,534,880) | (1,110,742) |
| Total | <u>\$2,671,851</u> | <u>\$34,105</u> | <u>\$285,429</u> | <u>\$4,692,256</u> | <u>\$180,465</u> | <u>\$1,500</u> | <u>\$9,153,582</u> |

The General Fund had a fund balance of \$2,671,851, a decrease of \$171,697.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2010**

The Section 8 Portability Fund balance was \$34,105, representing a nominal decrease of \$5,972.

The Section 8 Housing Choice Voucher Fund balance was \$285,429, a decrease of \$25,451.

The Development Fund balance was \$4,692,256, an increase of \$679,137.

The Red Oak Preserve – Oakdale Fund balance was \$180,465 an increase of \$30,920.

The non-major special revenue funds increased by \$465,609 for 2010. The Long-Term Capital Fund increased by \$441,475.

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 \$1,445,975.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2010**

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

| | <u>2010</u> | <u>2009</u> | Increase (Decrease) |
|-----------------------------------|--------------------|-------------------|------------------------|
| Assets: | | | |
| Cash and cash equivalents | \$362,071 | \$490,423 | (\$128,352) |
| Restricted cash and investments | 16,526,307 | 9,974,712 | 6,551,595 |
| Other current assets | 568,255 | 516,950 | 51,305 |
| Capital lease receivable | 4,751,472 | 4,955,713 | (204,241) |
| Capital assets | 40,734,175 | 36,107,485 | 4,626,690 |
| Other noncurrent assets | <u>2,368,736</u> | <u>2,276,284</u> | <u>92,452</u> |
| Total assets | <u>65,311,016</u> | <u>54,321,567</u> | <u>10,989,449</u> |
| Liabilities: | | | |
| Current portion of long-term debt | 1,690,000 | 1,585,000 | 105,000 |
| Other current liabilities | 3,779,487 | 2,821,170 | 958,317 |
| Long-term debt | 55,029,075 | 47,907,123 | 7,121,952 |
| Other noncurrent liabilities | <u>1,781,579</u> | <u>2,035,333</u> | <u>(253,754)</u> |
| Total liabilities | <u>62,280,141</u> | <u>54,348,626</u> | <u>7,931,515</u> |
| Net assets | <u>\$3,030,875</u> | <u>(\$27,059)</u> | <u>\$3,057,934</u> |

Budgetary Highlights

General Fund. Total revenue was less than budget by \$36,176. This was primarily due to \$22,137 less in property taxes received than was projected in property taxes being allocated to the WCHRA LLC instead of the General Fund and interest income being \$13,810 less than projected.

**Washington County Housing and Redevelopment Authority
Management's Discussion and Analysis
Year Ended December 31, 2010**

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, 2010 amounts to \$40,816,849 (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 | <u>291,050</u> | <u>0</u> | <u>0</u> | <u>291,050</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and structures | 189,632 | 9,390 | - | 199,022 |
| Furniture and fixtures | 9,354 | - | - | 9,354 |
| Total accumulated depreciation | <u>198,986</u> | <u>9,390</u> | <u>0</u> | <u>208,376</u> |
| Total capital assets being depreciated - net | <u>92,064</u> | <u>(9,390)</u> | <u>-</u> | <u>82,674</u> |
| Governmental activities capital assets - net | <u>\$92,064</u> | <u>(\$9,390)</u> | <u>\$0</u> | <u>\$82,674</u> |
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$3,503,053 | \$885,000 | \$ - | \$4,388,053 |
| Construction in progress | 451,616 | 4,440,415 | (451,616) | 4,440,415 |
| Total capital assets, not being depreciated | <u>3,954,669</u> | <u>5,325,415</u> | <u>(451,616)</u> | <u>8,828,468</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and structures | 54,014,168 | 1,196,862 | - | 55,211,030 |
| Furniture and fixtures | 454,593 | - | - | 454,593 |
| Total capital assets, being depreciated | <u>54,468,761</u> | <u>1,196,862</u> | <u>0</u> | <u>55,665,623</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and structures | 21,920,549 | 1,416,957 | - | 23,337,506 |
| Furniture and fixtures | 395,396 | 27,014 | - | 422,410 |
| Total accumulated depreciation | <u>22,315,945</u> | <u>1,443,971</u> | <u>0</u> | <u>23,759,916</u> |
| Total capital assets being depreciated - net | <u>32,152,816</u> | <u>(247,109)</u> | <u>0</u> | <u>31,905,707</u> |
| Business-type activities capital assets - net | <u>\$36,107,485</u> | <u>\$637,891</u> | <u>\$0</u> | <u>\$40,734,175</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, 2010**

Long-term debt. At the end of the current fiscal year, the HRA had total long-term debt outstanding of \$63,133,414. This represents an increase of \$7,632,747 over 2009 and is due to the issuance of bonds for the Trailside Senior Living Project.

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

| | Governmental Activities | | Business-Type Activities | | Totals | |
|----------------------------|-------------------------|-------------|--------------------------|--------------|--------------|--------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Notes, loans and mortgages | \$6,339,477 | \$5,936,746 | \$693,610 | \$501,600 | \$7,033,087 | \$6,438,346 |
| Revenue bonds | - | - | 56,025,465 | 48,990,523 | 56,025,465 | 48,990,523 |
| Compensated absences | 74,862 | 71,798 | - | - | 74,862 | 71,798 |
| Total | \$6,414,339 | \$6,008,544 | \$56,719,075 | \$49,492,123 | \$63,133,414 | \$55,500,667 |

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

Statement 1

December 31, 2010

With Comparative Totals For December 31, 2009

| | Governmental Activities | Business-Type Activities | Totals | |
|---|----------------------------|-----------------------------|---------------------|--------------------|
| | | | 2010 | 2009 |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$7,436,161 | \$362,071 | \$7,798,232 | \$7,905,749 |
| Restricted cash and investments | - | 16,526,307 | 16,526,307 | 9,974,712 |
| Accrued interest | 14,434 | 37,428 | 51,862 | 14,575 |
| Internal balances | 515,811 | (515,811) | - | - |
| Due from other governmental units | 37,844 | 167,494 | 205,338 | 266,450 |
| Accounts receivable - net | 2,649,694 | 45,934 | 2,695,628 | 2,910,581 |
| Property taxes receivable | 208,728 | 4,269 | 212,997 | 191,112 |
| Prepaid items | 12,281 | 313,130 | 325,411 | 310,129 |
| Property held for resale | 543,500 | - | 543,500 | 114,939 |
| Notes and mortgages receivable: | | | | |
| Current | - | 272,156 | 272,156 | 174,472 |
| Long-term | 3,163,293 | 4,479,316 | 7,642,609 | 5,808,421 |
| Unamortized bond issuance costs | - | 1,209,670 | 1,209,670 | 1,033,533 |
| Deferred loss on refunding | - | 1,159,066 | 1,159,066 | 1,242,751 |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | - | 4,388,053 | 4,388,053 | 3,503,053 |
| Construction in progress | - | 4,440,415 | 4,440,415 | 451,616 |
| Building and structures | 82,674 | 31,873,524 | 31,956,198 | 32,185,683 |
| Furniture and fixtures | - | 32,183 | 32,183 | 59,197 |
| Total assets | <u>14,664,420</u> | <u>64,795,205</u> | <u>79,459,625</u> | <u>66,146,973</u> |
| Liabilities: | | | | |
| Accounts payable | 41,493 | 491,836 | 533,329 | 793,978 |
| Accrued interest payable | 51,035 | 1,040,456 | 1,091,491 | 918,797 |
| Security deposits payable | 9,594 | 398,758 | 408,352 | 406,513 |
| Contracts payable | - | 964,021 | 964,021 | 109,819 |
| Due to other governmental units | 15,459 | 358,721 | 374,180 | 358,616 |
| Accrued wages and benefits | 17,542 | - | 17,542 | 49,502 |
| Unearned revenue | 187,625 | 9,884 | 197,509 | 314,794 |
| Compensated absences payable: | | | | |
| Due within one year | 8,528 | - | 8,528 | 7,180 |
| Due in more than one year | 66,334 | - | 66,334 | 64,618 |
| Deferred gain on sale of property | - | 687,873 | 687,873 | 717,427 |
| Deferred gain on refunding | - | 1,093,706 | 1,093,706 | 1,317,906 |
| Due to primary government: | | | | |
| Due within one year | 50,158 | - | 50,158 | - |
| Due in more than one year | 2,174,073 | - | 2,174,073 | 2,200,000 |
| Notes and mortgages payable: | | | | |
| Due within one year | 57,500 | 5,000 | 62,500 | 170,000 |
| Due in more than one year | 4,057,746 | 688,610 | 4,746,356 | 4,068,346 |
| Bonds payable: | | | | |
| Due within one year | - | 1,685,000 | 1,685,000 | 1,580,000 |
| Due in more than one year | - | 54,340,465 | 54,340,465 | 47,410,523 |
| Total liabilities | <u>6,737,087</u> | <u>61,764,330</u> | <u>68,501,417</u> | <u>60,488,019</u> |
| Net assets: | | | | |
| Invested in capital assets, net of related debt | 82,674 | (6,734,819) | (6,652,145) | (7,839,267) |
| Restricted for: | | | | |
| Bond indenture purposes | - | 10,811,204 | 10,811,204 | 9,974,712 |
| Grant funded housing purposes | 344,544 | - | 344,544 | 375,535 |
| Unrestricted | 7,500,115 | (1,045,510) | 6,454,605 | 3,147,974 |
| Total net assets | <u>\$7,927,333</u> | <u>\$3,030,875</u> | <u>\$10,958,208</u> | <u>\$5,658,954</u> |

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

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES

Statement 2

For The Year Ended December 31, 2010

| 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 | \$581,671 | \$6,571 | \$ - | \$ - | (\$575,100) | \$ - | (\$575,100) |
| Housing and redevelopment | 5,313,092 | 889,321 | 5,445,784 | - | 1,022,013 | - | 1,022,013 |
| Tax increment financing | 23,154 | - | - | - | (23,154) | - | (23,154) |
| Interest on debt | 180,597 | - | - | - | (180,597) | - | (180,597) |
| Total governmental activities | <u>6,098,514</u> | <u>895,892</u> | <u>5,445,784</u> | <u>0</u> | <u>243,162</u> | <u>0</u> | <u>243,162</u> |
| Business-type activities: | | | | | | | |
| Housing | <u>8,788,128</u> | <u>7,355,724</u> | <u>899,650</u> | <u>1,832,911</u> | <u>-</u> | <u>1,300,157</u> | <u>1,300,157</u> |
| Total government | <u>\$14,886,642</u> | <u>\$8,251,616</u> | <u>\$6,345,434</u> | <u>\$1,832,911</u> | <u>243,162</u> | <u>1,300,157</u> | <u>1,543,319</u> |
| General revenues: | | | | | | | |
| General property taxes | | | | | 1,700,691 | 1,637,093 | 3,337,784 |
| Tax increments | | | | | 23,142 | - | 23,142 |
| Unrestricted investment earnings | | | | | 53,373 | 312,082 | 365,455 |
| Gain on disposal of capital assets | | | | | - | 29,554 | 29,554 |
| Transfers | | | | | 220,952 | (220,952) | - |
| Total general revenues and transfers | | | | | <u>1,998,158</u> | <u>1,757,777</u> | <u>3,755,935</u> |
| Change in net assets | | | | | 2,241,320 | 3,057,934 | 5,299,254 |
| Net assets - January 1 | | | | | <u>5,686,013</u> | <u>(27,059)</u> | <u>5,658,954</u> |
| Net assets - December 31 | | | | | <u>\$7,927,333</u> | <u>\$3,030,875</u> | <u>\$10,958,208</u> |

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

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2010

With Comparative Totals For December 31, 2009

| | 101 - General Fund | 210 - Section 8 Portability | 212 - Section 8 Housing Choice Vouchers |
|--|-----------------------|--------------------------------|---|
| Assets | | | |
| Cash, cash equivalents and investments | \$2,460,648 | \$41,304 | \$294,176 |
| Due from other funds | 160,018 | - | - |
| Due from other governmental units | - | 1,152 | - |
| Accrued interest receivable | - | - | - |
| Accounts receivable - net | 85 | 1,052 | - |
| Property taxes receivable: | | | |
| Delinquent | 147,413 | - | - |
| Due from county | 59,904 | - | - |
| Prepaid items | 7,113 | 705 | 3,121 |
| Advances to other funds | - | - | - |
| Property held for resale | - | - | - |
| Note receivable | - | - | - |
| Total assets | <u>\$2,835,181</u> | <u>\$44,213</u> | <u>\$297,297</u> |
| Liabilities and Fund Balance | | | |
| Liabilities: | | | |
| Due to other funds | \$ - | \$ - | \$ - |
| Accounts payable | 11,509 | 8,675 | 1,005 |
| Security deposits payable | - | - | 9,594 |
| Due to other governmental units | - | - | - |
| Accrued wages and benefits | 4,408 | 1,433 | 1,269 |
| Deferred revenue | 147,413 | - | - |
| Advances from other funds | - | - | - |
| Total liabilities | <u>163,330</u> | <u>10,108</u> | <u>11,868</u> |
| Fund balance: | | | |
| Reserved for: | | | |
| Prepaid items | 7,113 | 705 | 3,121 |
| Advances to other funds | - | - | - |
| Long term receivables | - | - | - |
| Unreserved reported in: | | | |
| General Fund - designated | 1,240,600 | - | - |
| General Fund - undesignated | 1,424,138 | - | - |
| Special Revenue Funds - designated | - | 33,400 | 282,308 |
| Special Revenue Funds - undesignated | - | - | - |
| Total fund balance | <u>2,671,851</u> | <u>34,105</u> | <u>285,429</u> |
| Total liabilities and fund balance | <u>\$2,835,181</u> | <u>\$44,213</u> | <u>\$297,297</u> |

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.

| 270 - Development | 243 - Red Oak Preserve - Oakdale | 231 and 232 - TCAP - Kilkenny / Granada | Other Governmental Funds | Intra-Activity Eliminations | Total Governmental Funds | |
|----------------------|--|--|--------------------------------|--------------------------------|--------------------------|---------------------|
| | | | | | 2010 | 2009 |
| \$2,093,447 | \$184,988 | \$3,000 | \$2,358,598 | \$ - | \$7,436,161 | \$7,415,326 |
| - | - | - | - | (84,592) | 75,426 | 279,000 |
| - | - | - | 36,692 | - | 37,844 | 181,928 |
| - | - | - | 14,434 | - | 14,434 | 8,901 |
| - | 2,636,720 | - | 11,837 | - | 2,649,694 | 2,826,548 |
| - | - | - | 1,411 | - | 148,824 | 119,728 |
| - | - | - | - | - | 59,904 | 67,115 |
| 372 | - | - | 970 | - | 12,281 | 7,222 |
| 2,600,778 | - | - | 440,385 | (2,600,778) | 440,385 | - |
| - | - | - | 543,500 | - | 543,500 | 114,939 |
| - | - | 1,242,913 | 1,920,380 | - | 3,163,293 | 1,027,180 |
| <u>\$4,694,597</u> | <u>\$2,821,708</u> | <u>\$1,245,913</u> | <u>\$5,328,207</u> | <u>(\$2,685,370)</u> | <u>\$14,581,746</u> | <u>\$12,047,887</u> |
| \$ - | \$ - | \$ - | \$84,592 | (\$84,592) | \$ - | \$ - |
| 482 | 4,523 | 1,500 | 13,799 | - | 41,493 | 104,817 |
| - | - | - | - | - | 9,594 | 2,140 |
| - | - | - | 15,459 | - | 15,459 | 12,959 |
| 1,859 | - | - | 8,573 | - | 17,542 | 49,502 |
| - | 2,636,720 | 1,242,913 | 1,317,030 | - | 5,344,076 | 3,698,933 |
| - | - | - | 2,600,778 | (2,600,778) | - | - |
| <u>2,341</u> | <u>2,641,243</u> | <u>1,244,413</u> | <u>4,040,231</u> | <u>(2,685,370)</u> | <u>5,428,164</u> | <u>3,868,351</u> |
| 372 | - | - | 970 | - | 12,281 | 7,222 |
| 2,600,778 | - | - | 440,385 | - | 3,041,163 | 2,567,089 |
| - | - | - | 1,350,320 | - | 1,350,320 | 472,904 |
| - | - | - | - | - | 1,240,600 | 1,239,407 |
| - | - | - | - | - | 1,424,138 | 1,598,936 |
| 2,091,106 | 180,465 | 1,500 | 2,031,181 | - | 4,619,960 | 4,797,374 |
| - | - | - | (2,534,880) | - | (2,534,880) | (2,503,396) |
| <u>4,692,256</u> | <u>180,465</u> | <u>1,500</u> | <u>1,287,976</u> | <u>0</u> | <u>9,153,582</u> | <u>8,179,536</u> |
| <u>\$4,694,597</u> | <u>\$2,821,708</u> | <u>\$1,245,913</u> | <u>\$5,328,207</u> | <u>(\$2,685,370)</u> | <u>\$14,581,746</u> | <u>\$12,047,887</u> |
| | | | | | \$9,153,582 | \$8,179,536 |
| | | | | | 82,674 | 92,064 |
| | | | | | 5,156,451 | 3,434,534 |
| | | | | | (6,465,374) | (6,020,121) |
| | | | | | <u>\$7,927,333</u> | <u>\$5,686,013</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, 2010

With Comparative Totals For The Year Ended December 31, 2009

| | 101 - General Fund | 210 - Section 8 Portability | 212 - Section 8 Housing Choice Vouchers |
|--|---------------------------|--------------------------------|---|
| Revenues: | | | |
| General property taxes | \$1,259,463 | \$ - | \$ - |
| Tax increments | - | - | - |
| Intergovernmental | - | 2,647,598 | 633,091 |
| Charges for services: | | | |
| Conduit financing fees | 3,500 | - | - |
| Administrative fees | 3,071 | 215,817 | 116,849 |
| Bond issuance, origination fees | - | - | - |
| Investment income | 2,190 | 90 | 340 |
| Program income | - | - | - |
| Other | - | 149 | 106 |
| Total revenues | <u>1,268,224</u> | <u>2,863,654</u> | <u>750,386</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 569,217 | - | - |
| Housing and redevelopment | - | 2,869,626 | 775,837 |
| Tax increment financing | - | - | - |
| Debt service: | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Total expenditures | <u>569,217</u> | <u>2,869,626</u> | <u>775,837</u> |
| Revenues over (under) expenditures | <u>699,007</u> | <u>(5,972)</u> | <u>(25,451)</u> |
| Other financing sources (uses): | | | |
| Transfer from other fund | 1,905,107 | - | - |
| Transfer to other fund | (2,775,811) | - | - |
| Debt issuance | - | - | - |
| Total other financing sources (uses) | <u>(870,704)</u> | <u>0</u> | <u>0</u> |
| Net change in fund balance | (171,697) | (5,972) | (25,451) |
| Fund balance (deficit) - January 1, as previously reported | 2,843,548 | 40,077 | 310,880 |
| Prior period adjustment | - | - | - |
| Fund balance (deficit) - January 1, as restated | <u>2,843,548</u> | <u>40,077</u> | <u>310,880</u> |
| Fund balance (deficit) - December 31 | <u><u>\$2,671,851</u></u> | <u><u>\$34,105</u></u> | <u><u>\$285,429</u></u> |

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

| 270 - Development | 243 - Red Oak Preserve - Oakdale | 231 and 232 - TCAP - Kilkenny / Granada | Other Governmental Funds | Intra-Activity Eliminations | Total Governmental Funds | |
|----------------------|--|--|--------------------------------|--------------------------------|--------------------------|--------------------|
| | | | | | 2010 | 2009 |
| \$ - | \$121,036 | \$ - | \$292,507 | \$ - | \$1,673,006 | \$1,695,064 |
| - | - | - | 21,731 | - | 21,731 | 2,509 |
| - | - | 1,242,913 | 766,957 | - | 5,290,559 | 4,322,548 |
| - | - | - | - | - | 3,500 | 5,729 |
| - | - | 3,000 | 391,172 | - | 729,909 | 738,984 |
| - | - | - | 23,270 | - | 23,270 | 1,547 |
| 26,169 | 262 | - | 2,975 | - | 32,026 | 63,254 |
| - | - | - | 162,750 | - | 162,750 | - |
| - | 57,383 | - | 74,050 | - | 131,688 | 44,926 |
| <u>26,169</u> | <u>178,681</u> | <u>1,245,913</u> | <u>1,735,412</u> | <u>0</u> | <u>8,068,439</u> | <u>6,874,561</u> |
| - | - | - | - | - | 569,217 | 562,508 |
| 131,926 | 15,231 | 1,244,413 | 1,947,533 | - | 6,984,566 | 5,148,648 |
| - | - | - | 23,154 | - | 23,154 | 266,082 |
| - | 189,165 | - | - | - | 189,165 | 2,360,000 |
| - | 58,471 | - | 34,272 | - | 92,743 | 162,308 |
| <u>131,926</u> | <u>262,867</u> | <u>1,244,413</u> | <u>2,004,959</u> | <u>0</u> | <u>7,858,845</u> | <u>8,499,546</u> |
| <u>(105,757)</u> | <u>(84,186)</u> | <u>1,500</u> | <u>(269,547)</u> | <u>0</u> | <u>209,594</u> | <u>(1,624,985)</u> |
| 900,000 | 115,106 | - | 855,763 | (3,555,024) | 220,952 | 1,560,000 |
| (115,106) | - | - | (664,107) | 3,555,024 | - | (425,000) |
| - | - | - | 543,500 | - | 543,500 | 2,200,000 |
| <u>784,894</u> | <u>115,106</u> | <u>0</u> | <u>735,156</u> | <u>0</u> | <u>764,452</u> | <u>3,335,000</u> |
| 679,137 | 30,920 | 1,500 | 465,609 | 0 | 974,046 | 1,710,015 |
| 4,013,119 | 149,545 | - | 822,367 | - | 8,179,536 | 6,694,968 |
| - | - | - | - | - | - | (225,447) |
| <u>4,013,119</u> | <u>149,545</u> | <u>-</u> | <u>822,367</u> | <u>-</u> | <u>8,179,536</u> | <u>6,469,521</u> |
| <u>\$4,692,256</u> | <u>\$180,465</u> | <u>\$1,500</u> | <u>\$1,287,976</u> | <u>\$0</u> | <u>\$9,153,582</u> | <u>\$8,179,536</u> |

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, 2010

Statement 5

| | <u>2010</u> | <u>2009</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) | \$974,046 | \$1,710,015 |
| 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) | (9,390) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| - Property taxes | 29,096 | 23,086 |
| - Interest accrued on long term receivable | 21,347 | 22,054 |
| - Property held for resale | 428,561 | 114,939 |
| - Issuance of long term loan receivable | 1,242,913 | - |
| 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 | 189,165 | 2,360,000 |
| - Issuance of debt | (543,500) | (2,200,000) |
| 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>(90,918)</u> | <u>(13,816)</u> |
| Change in net assets of governmental activities (Statement 2) | <u><u>\$2,241,320</u></u> | <u><u>\$2,006,888</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, 2010

With Comparative Totals For December 31, 2009

Statement 6

Page 1 of 4

| | 601 - Oakhill Cottages | 602 - Muller Manor | 604 - Woodland Park | 605 - Briar Pond | 606 - Parkside | 607 - Park Place I |
|--------------------------------------|------------------------------|-----------------------|---------------------------|---------------------|-------------------|-----------------------|
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$178,952 | \$325 | \$1,940 | \$148,621 | \$1,346 | \$13,366 |
| Restricted cash and investments | 542,627 | 793,846 | 4,004,201 | 689,733 | 383,892 | 154,180 |
| Due from other funds | - | 6,811 | - | - | 13,600 | 5,119 |
| Due from other governments | - | - | - | - | - | - |
| Accrued interest | - | 136 | 1,980 | 2,560 | 232 | 87 |
| Accounts receivable - tenants | 788 | - | 2,999 | - | 3,944 | 1,293 |
| Accounts receivable - other | - | - | - | - | - | - |
| Allowance for doubtful accounts | - | - | - | - | - | - |
| Property taxes receivable: | | | | | | |
| Delinquent | - | - | - | - | - | - |
| Due from county | - | - | - | - | - | - |
| Prepaid items | 14,595 | 5,962 | 39,876 | 78,088 | 41,122 | 12,239 |
| Capital lease receivable | - | - | - | - | - | - |
| Total current assets | 736,962 | 807,080 | 4,050,996 | 919,002 | 444,136 | 186,284 |
| Noncurrent assets: | | | | | | |
| Other assets: | | | | | | |
| Capital lease receivable - long term | - | - | - | - | - | - |
| Unamortized bond issuance costs | 17,280 | 34,463 | 297,964 | 232,742 | 68,810 | 25,903 |
| Deferred loss on refunding | 122,513 | 42,602 | - | - | 85,061 | 32,023 |
| Total other assets | 139,793 | 77,065 | 297,964 | 232,742 | 153,871 | 57,926 |
| Capital assets: | | | | | | |
| Land | 115,000 | 110,946 | 422,638 | 447,868 | 144,000 | 72,000 |
| Projects in process | 759,790 | - | 50,548 | - | - | 123,289 |
| Buildings and structures | 2,024,723 | 1,793,667 | 10,840,001 | 12,057,570 | 4,750,673 | 1,360,545 |
| Furniture and fixtures | 11,870 | 15,460 | 114,943 | 138,666 | 62,939 | - |
| Total capital assets | 2,911,383 | 1,920,073 | 11,428,130 | 12,644,104 | 4,957,612 | 1,555,834 |
| Less: Accumulated depreciation | (883,522) | (751,256) | (5,543,360) | (5,634,339) | (1,779,543) | (661,032) |
| Net capital assets | 2,027,861 | 1,168,817 | 5,884,770 | 7,009,765 | 3,178,069 | 894,802 |
| Total noncurrent assets | 2,167,654 | 1,245,882 | 6,182,734 | 7,242,507 | 3,331,940 | 952,728 |
| Total assets | 2,904,616 | 2,052,962 | 10,233,730 | 8,161,509 | 3,776,076 | 1,139,012 |

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, 2010

With Comparative Totals For December 31, 2009

| | 609 - Ann Bodlovick | 610 - Trailside | 612 - John Jergens Estates | 613 - Pioneer Elderly | 614 - Cobble Hill | 616 - Transitional Housing |
|--------------------------------------|------------------------|--------------------|----------------------------------|--------------------------|----------------------|----------------------------------|
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$11,620 | \$1,067 | \$208 | \$444 | \$383 | \$60 |
| Restricted cash and investments | 717,458 | 6,185,829 | 181,614 | 49,544 | 346,505 | 421 |
| Due from other funds | - | - | 6,493 | - | 12,554 | - |
| Due from other governments | - | 94,334 | - | - | - | - |
| Accrued interest | 234 | 31,873 | 111 | - | 215 | - |
| Accounts receivable - tenants | - | - | - | - | - | - |
| Accounts receivable - other | - | - | - | - | - | - |
| Allowance for doubtful accounts | - | - | - | - | - | - |
| Property taxes receivable: | | | | | | |
| Delinquent | - | - | - | - | - | - |
| Due from county | - | - | - | - | - | - |
| Prepaid items | 19,314 | - | 7,872 | 4,425 | 11,315 | 2,373 |
| Capital lease receivable | - | - | - | - | - | - |
| Total current assets | <u>748,626</u> | <u>6,313,103</u> | <u>196,298</u> | <u>54,413</u> | <u>370,972</u> | <u>2,854</u> |
| Noncurrent assets: | | | | | | |
| Other assets: | | | | | | |
| Capital lease receivable - long term | - | - | - | - | - | - |
| Unamortized bond issuance costs | 73,468 | 229,406 | 32,850 | 7,833 | 63,514 | - |
| Deferred loss on refunding | 48,663 | - | 40,610 | 63,910 | 78,515 | - |
| Total other assets | <u>122,131</u> | <u>229,406</u> | <u>73,460</u> | <u>71,743</u> | <u>142,029</u> | <u>0</u> |
| Capital assets: | | | | | | |
| Land | 62,732 | 885,000 | 115,000 | 50,000 | 122,090 | 31,775 |
| Projects in process | - | 3,428,782 | - | - | 30,200 | - |
| Buildings and structures | 2,885,326 | - | 1,908,187 | 900,834 | 2,181,623 | 451,848 |
| Furniture and fixtures | 20,101 | - | - | 10,173 | 15,654 | - |
| Total capital assets | <u>2,968,159</u> | <u>4,313,782</u> | <u>2,023,187</u> | <u>961,007</u> | <u>2,349,567</u> | <u>483,623</u> |
| Less: Accumulated depreciation | <u>(1,237,166)</u> | <u>-</u> | <u>(793,478)</u> | <u>(433,174)</u> | <u>(1,008,814)</u> | <u>(64,587)</u> |
| Net capital assets | <u>1,730,993</u> | <u>4,313,782</u> | <u>1,229,709</u> | <u>527,833</u> | <u>1,340,753</u> | <u>419,036</u> |
| Total noncurrent assets | <u>1,853,124</u> | <u>4,543,188</u> | <u>1,303,169</u> | <u>599,576</u> | <u>1,482,782</u> | <u>419,036</u> |
| Total assets | <u>2,601,750</u> | <u>10,856,291</u> | <u>1,499,467</u> | <u>653,989</u> | <u>1,853,754</u> | <u>421,890</u> |

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

| 617 - Raymie Johnson Estates | 619 - Landfall | 620 - Park Place II | 626 - Brick Pond | 635 - HUD- MHOP Homes | Intra-Activity Eliminations | Totals | |
|------------------------------------|------------------|------------------------|---------------------|--------------------------|--------------------------------|-------------------|-------------------|
| | | | | | | 2010 | 2009 |
| \$378 | \$496 | \$2,075 | \$790 | \$ - | \$ - | \$362,071 | \$490,423 |
| 1,228,180 | 722,088 | 4,193 | 452,805 | 69,191 | - | 16,526,307 | 9,974,712 |
| - | - | - | - | - | (44,577) | - | 35,545 |
| - | - | - | - | 73,160 | - | 167,494 | - |
| - | - | - | - | - | - | 37,428 | 5,674 |
| 28,683 | - | 234 | 281 | 9,012 | - | 47,234 | 19,771 |
| - | - | - | - | - | - | - | 149,740 |
| - | - | - | - | (1,300) | - | (1,300) | (1,300) |
| - | 4,269 | - | - | - | - | 4,269 | 4,269 |
| - | - | - | - | - | - | - | 344 |
| 29,513 | - | 2,453 | 17,052 | 26,931 | - | 313,130 | 302,907 |
| - | 272,156 | - | - | - | - | 272,156 | 174,472 |
| <u>1,286,754</u> | <u>999,009</u> | <u>8,955</u> | <u>470,928</u> | <u>176,994</u> | <u>(44,577)</u> | <u>17,728,789</u> | <u>11,156,557</u> |
| - | 4,479,316 | - | - | - | - | 4,479,316 | 4,781,241 |
| 48,619 | 66,924 | - | 9,894 | - | - | 1,209,670 | 1,033,533 |
| 449,348 | 115,089 | - | 80,732 | - | - | 1,159,066 | 1,242,751 |
| <u>497,967</u> | <u>4,661,329</u> | <u>0</u> | <u>90,626</u> | <u>0</u> | <u>0</u> | <u>6,848,052</u> | <u>7,057,525</u> |
| 510,000 | - | 12,000 | 360,000 | 927,004 | - | 4,388,053 | 3,503,053 |
| 1,522 | - | 15,460 | 30,824 | - | - | 4,440,415 | 451,616 |
| 5,966,373 | - | 191,493 | 1,089,325 | 6,808,842 | - | 55,211,030 | 54,014,168 |
| 53,814 | - | - | 10,973 | - | - | 454,593 | 454,593 |
| 6,531,709 | 0 | 218,953 | 1,491,122 | 7,735,846 | 0 | 64,494,091 | 58,423,430 |
| (2,492,222) | - | (80,670) | (302,670) | (2,094,083) | - | (23,759,916) | (22,315,945) |
| 4,039,487 | 0 | 138,283 | 1,188,452 | 5,641,763 | 0 | 40,734,175 | 36,107,485 |
| 4,537,454 | 4,661,329 | 138,283 | 1,279,078 | 5,641,763 | 0 | 47,582,227 | 43,165,010 |
| 5,824,208 | 5,660,338 | 147,238 | 1,750,006 | 5,818,757 | (44,577) | 65,311,016 | 54,321,567 |

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, 2010

With Comparative Totals For December 31, 2009

Statement 6

Page 3 of 4

| | 601 - Oakhill Cottages | 602 - Muller Manor | 604 - Woodland Park | 605 - Briar Pond | 606 - Parkside | 607 - Park Place I |
|---|------------------------------|-----------------------|---------------------------|----------------------|-------------------|-----------------------|
| Liabilities: | | | | | | |
| Current liabilities: | | | | | | |
| Due to other funds | \$ - | \$ - | \$44,577 | \$ - | \$ - | \$ - |
| Accounts payable | 116,741 | 9,849 | 96,509 | 54,134 | 35,020 | 16,050 |
| Due to other governmental units | 15,261 | 8,928 | 73,641 | 93,090 | 26,289 | 10,894 |
| Unearned revenue | - | 88 | 863 | 5 | 2,080 | 676 |
| Current liabilities payable from restricted assets: | | | | | | |
| Accrued interest payable | 29,919 | 30,554 | 163,324 | 223,373 | 61,011 | 22,964 |
| Security deposits payable | 16,950 | 13,939 | 78,753 | 82,585 | 26,044 | 13,556 |
| Contracts payable | 74,845 | - | - | - | - | 11,449 |
| Current portion of long-term debt | 122,951 | 31,324 | 405,000 | 200,000 | 62,544 | 23,544 |
| Total current liabilities payable from restricted assets | <u>244,665</u> | <u>75,817</u> | <u>647,077</u> | <u>505,958</u> | <u>149,599</u> | <u>71,513</u> |
| Total current liabilities | <u>376,667</u> | <u>94,682</u> | <u>862,667</u> | <u>653,187</u> | <u>212,988</u> | <u>99,133</u> |
| Noncurrent liabilities: | | | | | | |
| Deferred gain on sale of property | - | - | - | - | - | - |
| Deferred gain on refunding | - | - | 1,093,706 | - | - | - |
| Notes and mortgages payable | - | - | - | - | 375,000 | - |
| Bonds payable | <u>1,419,190</u> | <u>1,263,443</u> | <u>13,899,688</u> | <u>10,307,792</u> | <u>2,522,669</u> | <u>949,650</u> |
| Total noncurrent liabilities | <u>1,419,190</u> | <u>1,263,443</u> | <u>14,993,394</u> | <u>10,307,792</u> | <u>2,897,669</u> | <u>949,650</u> |
| Total liabilities | <u>1,795,857</u> | <u>1,358,125</u> | <u>15,856,061</u> | <u>10,960,979</u> | <u>3,110,657</u> | <u>1,048,783</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 533,388 | (83,348) | (9,513,624) | (3,498,027) | 302,917 | (57,818) |
| Restricted for bond indenture purposes | 542,627 | 793,846 | 4,004,201 | 689,733 | 383,892 | 154,180 |
| Unrestricted | <u>32,744</u> | <u>(15,661)</u> | <u>(112,908)</u> | <u>8,824</u> | <u>(21,390)</u> | <u>(6,133)</u> |
| Total net assets | <u>\$1,108,759</u> | <u>\$694,837</u> | <u>(\$5,622,331)</u> | <u>(\$2,799,470)</u> | <u>\$665,419</u> | <u>\$90,229</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, 2010

With Comparative Totals For December 31, 2009

| | 609 - Ann Bodlovick | 610 - Trailside | 612 - John Jergens Estates | 613 - Pioneer Elderly | 614 - Cobble Hill | 616 - Transitional Housing |
|---|------------------------|--------------------|----------------------------------|--------------------------|----------------------|----------------------------------|
| Liabilities: | | | | | | |
| Current liabilities: | | | | | | |
| Due to other funds | \$ - | \$440,385 | \$ - | \$ - | \$ - | \$3,000 |
| Accounts payable | 14,888 | 17,426 | 16,983 | 6,801 | 27,641 | 554 |
| Due to other governmental units | 18,931 | - | 11,294 | 4,619 | 17,719 | 676 |
| Unearned revenue | 67 | - | 145 | - | 169 | - |
| Current liabilities payable from restricted assets: | | | | | | |
| Accrued interest payable | 49,658 | 217,370 | 29,111 | 13,564 | 56,193 | - |
| Security deposits payable | 22,545 | - | 13,485 | 7,708 | 19,676 | 300 |
| Contracts payable | 10,316 | 865,466 | - | - | - | - |
| Current portion of long-term debt | 65,000 | - | 34,858 | 55,722 | 57,730 | - |
| Total current liabilities payable from restricted assets | <u>147,519</u> | <u>1,082,836</u> | <u>77,454</u> | <u>76,994</u> | <u>133,599</u> | <u>300</u> |
| Total current liabilities | <u>181,405</u> | <u>1,540,647</u> | <u>105,876</u> | <u>88,414</u> | <u>179,128</u> | <u>4,530</u> |
| Noncurrent liabilities: | | | | | | |
| Deferred gain on sale of property | - | - | - | - | - | - |
| Deferred gain on refunding | - | - | - | - | - | - |
| Notes and mortgages payable | - | - | 10,000 | - | - | 303,610 |
| Bonds payable | 2,205,533 | 8,457,182 | 1,204,324 | 643,182 | 2,328,523 | - |
| Total noncurrent liabilities | <u>2,205,533</u> | <u>8,457,182</u> | <u>1,214,324</u> | <u>643,182</u> | <u>2,328,523</u> | <u>303,610</u> |
| Total liabilities | <u>2,386,938</u> | <u>9,997,829</u> | <u>1,320,200</u> | <u>731,596</u> | <u>2,507,651</u> | <u>308,140</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | (501,193) | 706,237 | 21,137 | (107,161) | (966,985) | 115,426 |
| Restricted for bond indenture purposes | 717,458 | 470,726 | 181,614 | 49,544 | 346,505 | 421 |
| Unrestricted | (1,453) | (318,501) | (23,484) | (19,990) | (33,417) | (2,097) |
| Total net assets | <u>\$214,812</u> | <u>\$858,462</u> | <u>\$179,267</u> | <u>(\$77,607)</u> | <u>(\$653,897)</u> | <u>\$113,750</u> |

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

| 617 - Raymie Johnson Estates | 619 - Landfall | 620 - Park Place II | 626 - Brick Pond | 635 - HUD- MHOP Homes | Intra-Activity Eliminations | Totals | |
|------------------------------------|----------------|------------------------|---------------------|--------------------------|--------------------------------|-------------|-------------|
| | | | | | | 2010 | 2009 |
| \$ - | \$ - | \$ - | \$ - | \$72,426 | (\$44,577) | \$515,811 | \$314,545 |
| 40,309 | - | 4,509 | 26,118 | 8,304 | - | 491,836 | 689,161 |
| 45,236 | - | 1,841 | 22,932 | 7,370 | - | 358,721 | 345,657 |
| 5,392 | - | - | 51 | 348 | - | 9,884 | 50,395 |
| 84,188 | 42,093 | - | 17,134 | - | - | 1,040,456 | 907,220 |
| 30,793 | - | 1,478 | 15,160 | 55,786 | - | 398,758 | 404,373 |
| 549 | - | 1,396 | - | - | - | 964,021 | 109,819 |
| 345,927 | 215,000 | - | 70,400 | - | - | 1,690,000 | 1,585,000 |
| 461,457 | 257,093 | 2,874 | 102,694 | 55,786 | - | 4,093,235 | 3,006,412 |
| 552,394 | 257,093 | 9,224 | 151,795 | 144,234 | (44,577) | 5,469,487 | 4,406,170 |
| - | 687,873 | - | - | - | - | 687,873 | 717,427 |
| - | - | - | - | - | - | 1,093,706 | 1,317,906 |
| - | - | - | - | - | - | 688,610 | 496,600 |
| 3,992,947 | 4,333,728 | - | 812,614 | - | - | 54,340,465 | 47,410,523 |
| 3,992,947 | 5,021,601 | 0 | 812,614 | 0 | 0 | 56,810,654 | 49,942,456 |
| 4,545,341 | 5,278,694 | 9,224 | 964,409 | 144,234 | (44,577) | 62,280,141 | 54,348,626 |
| 149,412 | - | 136,887 | 386,170 | 5,641,763 | - | (6,734,819) | (7,931,331) |
| 1,228,180 | 722,088 | 4,193 | 452,805 | 69,191 | - | 10,811,204 | 9,974,712 |
| (98,725) | (340,444) | (3,066) | (53,378) | (36,431) | - | (1,045,510) | (2,070,440) |
| \$1,278,867 | \$381,644 | \$138,014 | \$785,597 | \$5,674,523 | \$0 | \$3,030,875 | (\$27,059) |

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, 2010
With Comparative Totals For The Year Ended December 31, 2009

| | 601 - Oakhill Cottages | 602 - Muller Manor | 604 - Woodland Park | 605 - Briar Pond | 606 - Parkside |
|---|---------------------------|-----------------------|---------------------------|----------------------|------------------|
| Operating revenues: | | | | | |
| Rental income | \$327,449 | \$202,877 | \$1,665,861 | \$2,024,149 | \$606,119 |
| Service income | - | - | - | - | 16,134 |
| HUD rent subsidies | - | - | - | - | - |
| Other | 1,465 | 2,679 | 44,999 | 40,750 | 22,772 |
| Total operating revenues | <u>328,914</u> | <u>205,556</u> | <u>1,710,860</u> | <u>2,064,899</u> | <u>645,025</u> |
| Operating expenses: | | | | | |
| Marketing | 14,196 | 8,209 | 35,207 | 27,283 | 25,128 |
| Management fee | 28,171 | 18,810 | 139,346 | 154,868 | 55,674 |
| Legal | - | 328 | 14,002 | 4,979 | 7,963 |
| Salaries and wages | - | - | - | - | - |
| Administrative | 1,601 | 2,097 | 26,075 | 23,532 | 21,100 |
| Operating | 10,295 | 11,449 | 28,274 | 32,425 | 12,655 |
| Maintenance | 102,891 | 54,647 | 391,669 | 363,830 | 220,512 |
| Utilities | 7,219 | 19,766 | 202,932 | 168,223 | 86,460 |
| Insurance | 8,024 | 5,023 | 38,378 | 31,177 | 25,836 |
| Property taxes | 15,261 | 9,012 | 75,485 | 93,678 | 27,041 |
| Depreciation | 52,314 | 44,841 | 275,500 | 311,712 | 122,734 |
| Total operating expenses | <u>239,972</u> | <u>174,182</u> | <u>1,226,868</u> | <u>1,211,707</u> | <u>605,103</u> |
| Operating income (loss) | <u>88,942</u> | <u>31,374</u> | <u>483,992</u> | <u>853,192</u> | <u>39,922</u> |
| Nonoperating revenues (expenses): | | | | | |
| Investment income | 32 | 3,211 | 47,665 | 9,542 | 6,037 |
| Gain (loss) on asset disposition | - | - | - | - | - |
| Insurance recoveries | - | - | 3,724 | - | - |
| Financial expense | (2,705) | (3,563) | (22,721) | (39,748) | (5,617) |
| Amortization of deferred gain (loss) on refunding | (9,326) | (5,290) | 117,180 | - | (10,563) |
| Interest expense | (60,646) | (73,139) | (655,731) | (664,420) | (146,034) |
| Property taxes | - | 114,318 | 659,000 | - | 228,254 |
| Other | (327) | (77) | (497) | (933) | (141) |
| Total nonoperating revenues (expenses) | <u>(72,972)</u> | <u>35,460</u> | <u>148,620</u> | <u>(695,559)</u> | <u>71,936</u> |
| Income (loss) before contributions and transfers | <u>15,970</u> | <u>66,834</u> | <u>632,612</u> | <u>157,633</u> | <u>111,858</u> |
| Capital contributions | <u>235,900</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Transfers: | | | | | |
| Transfers from other funds | 598,890 | - | - | - | - |
| Transfers to other funds | - | (72,000) | (50,000) | (400,000) | (205,000) |
| Total transfers | <u>598,890</u> | <u>(72,000)</u> | <u>(50,000)</u> | <u>(400,000)</u> | <u>(205,000)</u> |
| Change in net assets | <u>850,760</u> | <u>(5,166)</u> | <u>582,612</u> | <u>(242,367)</u> | <u>(93,142)</u> |
| Net assets - January 1 | <u>257,999</u> | <u>700,003</u> | <u>(6,204,943)</u> | <u>(2,557,103)</u> | <u>758,561</u> |
| Net assets - December 31 | <u>\$1,108,759</u> | <u>\$694,837</u> | <u>(\$5,622,331)</u> | <u>(\$2,799,470)</u> | <u>\$665,419</u> |

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

| 607 - Park Place I | 609 - Ann Bodlovick | 610 - Trailside | 612 - John Jergens Estates | 613 - Pioneer Elderly | 614 - Cobble Hill |
|--------------------|---------------------|------------------|----------------------------|-----------------------|--------------------|
| \$243,874 | \$432,915 | \$ - | \$263,830 | \$119,887 | \$398,157 |
| - | 6,159 | - | - | - | 5,432 |
| - | - | - | - | - | - |
| 14,614 | 14,920 | - | 370 | 180 | 455 |
| <u>258,488</u> | <u>453,994</u> | <u>0</u> | <u>264,200</u> | <u>120,067</u> | <u>404,044</u> |
| 12,571 | 7,002 | - | 13,998 | 1,442 | 9,324 |
| 23,448 | 37,002 | - | 22,028 | 11,671 | 34,753 |
| 5,380 | - | - | - | - | - |
| - | - | - | - | - | - |
| 767 | 24,006 | - | 825 | 2,461 | 3,384 |
| 7,476 | 10,094 | - | 1,664 | 5,620 | 9,811 |
| 103,357 | 117,956 | - | 68,876 | 49,421 | 84,503 |
| 36,448 | 39,145 | - | 26,469 | 27,516 | 31,178 |
| 6,892 | 11,790 | - | 8,198 | 3,933 | 12,097 |
| 11,002 | 18,931 | - | 11,295 | 4,673 | 17,720 |
| 34,013 | 67,906 | - | 47,705 | 22,521 | 56,777 |
| <u>241,354</u> | <u>333,832</u> | <u>-</u> | <u>201,058</u> | <u>129,258</u> | <u>259,547</u> |
| <u>17,134</u> | <u>120,162</u> | <u>0</u> | <u>63,142</u> | <u>(9,191)</u> | <u>144,497</u> |
| 2,249 | 5,997 | 818 | 2,886 | 10 | 5,557 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (2,113) | (6,150) | (7,991) | (2,674) | (1,239) | (5,184) |
| (3,976) | (2,675) | - | (5,043) | (6,047) | (9,750) |
| (54,974) | (118,856) | - | (69,717) | (27,485) | (134,795) |
| 85,925 | 229,939 | - | 108,969 | - | 210,688 |
| <u>(94)</u> | <u>(130)</u> | <u>-</u> | <u>(55)</u> | <u>(64)</u> | <u>(192)</u> |
| <u>27,017</u> | <u>108,125</u> | <u>(7,173)</u> | <u>34,366</u> | <u>(34,825)</u> | <u>66,324</u> |
| <u>44,151</u> | <u>228,287</u> | <u>(7,173)</u> | <u>97,508</u> | <u>(44,016)</u> | <u>210,821</u> |
| <u>-</u> | <u>88,175</u> | <u>1,204,359</u> | <u>15,000</u> | <u>-</u> | <u>-</u> |
| 123,289 | 123,088 | - | - | 37,000 | - |
| (38,000) | (150,000) | (338,724) | (130,000) | - | (188,000) |
| <u>85,289</u> | <u>(26,912)</u> | <u>(338,724)</u> | <u>(130,000)</u> | <u>37,000</u> | <u>(188,000)</u> |
| 129,440 | 289,550 | 858,462 | (17,492) | (7,016) | 22,821 |
| (39,211) | (74,738) | - | 196,759 | (70,591) | (676,718) |
| <u>\$90,229</u> | <u>\$214,812</u> | <u>\$858,462</u> | <u>\$179,267</u> | <u>(\$77,607)</u> | <u>(\$653,897)</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, 2010
With Comparative Totals For The Year Ended December 31, 2009

| | 616 - Transitional Housing | 617 - Raymie Johnson Estates | 619 - Landfall | 620 - Park Place II |
|---|----------------------------------|---------------------------------|------------------|------------------------|
| Operating revenues: | | | | |
| Rental income | \$15,535 | \$322,529 | \$ - | \$39,262 |
| Service income | - | 9,468 | - | 558 |
| HUD rent subsidies | - | 645,216 | - | - |
| Other | - | 12,385 | 18,973 | 4,825 |
| Total operating revenues | <u>15,535</u> | <u>989,598</u> | <u>18,973</u> | <u>44,645</u> |
| Operating expenses: | | | | |
| Marketing | - | 4,621 | - | 4,507 |
| Management fee | 3,603 | 86,026 | - | 3,884 |
| Legal | - | 3,359 | 5,630 | 61 |
| Salaries and wages | - | - | - | - |
| Administrative | - | 16,940 | - | 300 |
| Operating | 5,591 | 11,011 | - | 1,188 |
| Maintenance | 3,721 | 279,430 | - | 15,273 |
| Utilities | 2,279 | 60,827 | - | 5,486 |
| Insurance | 873 | 30,929 | - | 1,252 |
| Property taxes | 4,942 | 47,685 | - | 1,859 |
| Depreciation | 11,296 | 147,973 | - | 4,788 |
| Total operating expenses | <u>32,305</u> | <u>688,801</u> | <u>5,630</u> | <u>38,598</u> |
| Operating income (loss) | <u>(16,770)</u> | <u>300,797</u> | <u>13,343</u> | <u>6,047</u> |
| Nonoperating revenues (expenses): | | | | |
| Investment income | 122 | 83 | 227,766 | 9 |
| Gain (loss) on asset disposition | - | - | 29,554 | - |
| Insurance recoveries | - | - | - | - |
| Financial expense | - | (7,634) | (5,749) | - |
| Amortization of deferred gain (loss) on refunding | - | (52,395) | (3,412) | - |
| Interest expense | - | (170,629) | (192,425) | - |
| Property taxes | - | - | - | - |
| Other | - | (8,031) | - | (2,490) |
| Total nonoperating revenues (expenses) | <u>122</u> | <u>(238,606)</u> | <u>55,734</u> | <u>(2,481)</u> |
| Income (loss) before contributions and transfers | <u>(16,648)</u> | <u>62,191</u> | <u>69,077</u> | <u>3,566</u> |
| Capital contributions | <u>13,894</u> | <u>126,668</u> | <u>-</u> | <u>-</u> |
| Transfers: | | | | |
| Transfers from other funds | - | 135,000 | - | 15,460 |
| Transfers to other funds | - | - | - | (8,000) |
| Total transfers | <u>0</u> | <u>135,000</u> | <u>0</u> | <u>7,460</u> |
| Change in net assets | <u>(2,754)</u> | <u>323,859</u> | <u>69,077</u> | <u>11,026</u> |
| Net assets - January 1 | <u>116,504</u> | <u>955,008</u> | <u>312,567</u> | <u>126,988</u> |
| Net assets - December 31 | <u>\$113,750</u> | <u>\$1,278,867</u> | <u>\$381,644</u> | <u>\$138,014</u> |

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

| 626 - Brick Pond | 635 - HUD-MHOP Homes | Intra Activity Elimination | Totals | |
|------------------|-------------------------|-------------------------------|--------------------|--------------------|
| | | | 2010 | 2009 |
| \$323,890 | \$106,101 | \$ - | \$7,092,435 | \$6,864,931 |
| 6,391 | - | - | 44,142 | 44,747 |
| - | 254,434 | - | 899,650 | 788,159 |
| 3,930 | 32,629 | - | 215,946 | 166,729 |
| <u>334,211</u> | <u>393,164</u> | <u>0</u> | <u>8,252,173</u> | <u>7,864,566</u> |
| 28,685 | - | - | 192,173 | 142,210 |
| 30,602 | 67,256 | - | 717,142 | 729,060 |
| 317 | 9,690 | - | 51,709 | 65,779 |
| - | - | - | - | 1,739 |
| 2,955 | 4,319 | - | 130,362 | 133,489 |
| 4,196 | 103,955 | - | 255,704 | 284,004 |
| 107,422 | 133,558 | - | 2,097,066 | 2,173,400 |
| 32,692 | 7,957 | - | 754,597 | 775,078 |
| 12,816 | 14,583 | - | 211,801 | 286,165 |
| 23,052 | 9,258 | - | 370,894 | 354,806 |
| 27,233 | 216,658 | - | 1,443,971 | 1,402,367 |
| <u>269,970</u> | <u>567,234</u> | <u>0</u> | <u>6,225,419</u> | <u>6,348,097</u> |
| <u>64,241</u> | <u>(174,070)</u> | <u>0</u> | <u>2,026,754</u> | <u>1,516,469</u> |
| 65 | 33 | - | 312,082 | 345,442 |
| - | - | - | 29,554 | 23,976 |
| - | 2,145 | - | 5,869 | 199,561 |
| (1,742) | - | - | (114,830) | (110,507) |
| (7,639) | - | - | 1,064 | 3,866 |
| (34,725) | (52) | - | (2,403,628) | (2,511,415) |
| - | - | - | 1,637,093 | 1,583,093 |
| <u>(104)</u> | <u>(34,848)</u> | <u>-</u> | <u>(47,983)</u> | <u>(40,451)</u> |
| <u>(44,145)</u> | <u>(32,722)</u> | <u>0</u> | <u>(580,779)</u> | <u>(506,435)</u> |
| <u>20,096</u> | <u>(206,792)</u> | <u>0</u> | <u>1,445,975</u> | <u>1,010,034</u> |
| <u>3,445</u> | <u>145,470</u> | <u>-</u> | <u>1,832,911</u> | <u>521,441</u> |
| 81,323 | 244,722 | - | 1,358,772 | 425,000 |
| - | - | - | (1,579,724) | (1,560,000) |
| <u>81,323</u> | <u>244,722</u> | <u>0</u> | <u>(220,952)</u> | <u>(1,135,000)</u> |
| 104,864 | 183,400 | 0 | 3,057,934 | 396,475 |
| 680,733 | 5,491,123 | - | (27,059) | (423,534) |
| <u>\$785,597</u> | <u>\$5,674,523</u> | <u>\$0</u> | <u>\$3,030,875</u> | <u>(\$27,059)</u> |

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, 2010

With Comparative Totals For The Year Ended December 31, 2009

Statement 8

Page 1 of 2

| | 601 - Oakhill Cottages | 602 - Muller Manor | 604 - Woodland Park | 605 - Briar Pond | 606 - Parkside |
|---|---------------------------|-----------------------|------------------------|---------------------|------------------|
| Cash flows from operating activities: | | | | | |
| Receipts from customers and users | \$326,061 | \$203,971 | \$1,725,423 | \$2,016,387 | \$625,399 |
| Payment to suppliers for goods and services | (85,340) | (126,854) | (988,673) | (898,244) | (488,958) |
| Miscellaneous income (loss) | 1,138 | 2,602 | 44,502 | 39,817 | 22,631 |
| Net cash flows from operating activities | <u>241,859</u> | <u>79,719</u> | <u>781,252</u> | <u>1,157,960</u> | <u>159,072</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers in | 523,890 | - | - | - | - |
| Transfers out | - | (72,000) | (50,000) | (400,000) | (205,000) |
| Advances to/from other funds - net change | - | (6,811) | 9,032 | 35,545 | (13,600) |
| Net cash flows from noncapital financing activities | <u>523,890</u> | <u>(78,811)</u> | <u>(40,968)</u> | <u>(364,455)</u> | <u>(218,600)</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Property taxes | - | 114,318 | 659,000 | - | 228,254 |
| Transfers in | 75,000 | - | - | - | - |
| Proceeds from debt | - | - | - | - | - |
| Insurance proceeds on damage to capital assets | - | - | 3,724 | - | - |
| Principal receipts on capital lease receivable | - | - | - | - | - |
| Fiscal agent costs and other debt related fees | (869) | (1,375) | (5,788) | (26,440) | (1,249) |
| Capital contributions | 235,900 | - | - | - | - |
| Purchase of capital assets | (684,945) | - | (71,332) | - | - |
| Interest paid on long-term debt | (63,112) | (73,834) | (658,949) | (668,512) | (147,419) |
| Principal payments on long-term debt | (122,951) | (29,797) | (390,000) | (190,000) | (59,492) |
| Net cash flows from capital and related financing activities | <u>(560,977)</u> | <u>9,312</u> | <u>(463,345)</u> | <u>(884,952)</u> | <u>20,094</u> |
| Cash flows from investing activities: | | | | | |
| Investment income | 32 | 3,210 | 47,667 | 9,608 | 6,051 |
| Net increase (decrease) in cash and cash equivalents | 204,804 | 13,430 | 324,606 | (81,839) | (33,383) |
| Cash and cash equivalents - January 1 | 516,775 | 780,741 | 3,681,535 | 920,193 | 418,621 |
| Cash and cash equivalents - December 31 | <u>\$721,579</u> | <u>\$794,171</u> | <u>\$4,006,141</u> | <u>\$838,354</u> | <u>\$385,238</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$88,942 | \$31,374 | \$483,992 | \$853,192 | \$39,922 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | | |
| Depreciation | 52,314 | 44,841 | 275,500 | 311,712 | 122,734 |
| Bad debt | - | 2,075 | 9,896 | 5,866 | 6,120 |
| Miscellaneous income (loss) | (327) | (77) | (497) | (933) | (141) |
| Changes in assets and liabilities: | | | | | |
| Decrease (increase) in receivables | (788) | (2,069) | 49,888 | (4,831) | (7,847) |
| Decrease (increase) prepaid items | (5,334) | 581 | 10,878 | 2,547 | (11,970) |
| Increase (decrease) accounts payable | 107,990 | 1,614 | (54,133) | (796) | 2,503 |
| Increase (decrease) security deposits payable | (600) | 1,000 | (907) | (8,800) | 2,960 |
| Increase (decrease) due to other governments | (338) | 292 | 5,950 | - | 2,878 |
| Increase (decrease) deferred revenue | - | 88 | 685 | 3 | 1,913 |
| Total adjustments | <u>152,917</u> | <u>48,345</u> | <u>297,260</u> | <u>304,768</u> | <u>119,150</u> |
| Net cash provided by operating activities | <u>\$241,859</u> | <u>\$79,719</u> | <u>\$781,252</u> | <u>\$1,157,960</u> | <u>\$159,072</u> |
| Noncash investing, capital and financing activities: | | | | | |
| Contributions of capital assets | \$0 | \$0 | \$0 | \$0 | \$0 |

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, 2010
With Comparative Totals For The Year Ended December 31, 2009

| | 607 - Park Place I | 609 - Ann Bodlovick | 610 - Trailside | 612 - John Jergens Estates | 613 - Pioneer Elderly |
|---|-----------------------|------------------------|--------------------|-------------------------------|--------------------------|
| Cash flows from operating activities: | | | | | |
| Receipts from customers and users | \$245,542 | \$458,025 | \$ - | \$264,895 | \$121,187 |
| Payment to suppliers for goods and services | (214,950) | (296,747) | - | (144,467) | (108,931) |
| Miscellaneous income (loss) | 14,520 | 14,790 | - | 315 | 116 |
| Net cash flows from operating activities | <u>45,112</u> | <u>176,068</u> | <u>0</u> | <u>120,743</u> | <u>12,372</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers in | 123,289 | 123,088 | - | - | - |
| Transfers out | (38,000) | (150,000) | (338,724) | (130,000) | - |
| Advances to/from other funds - net change | (5,119) | - | 440,385 | (6,493) | - |
| Net cash flows from noncapital financing activities | <u>80,170</u> | <u>(26,912)</u> | <u>101,661</u> | <u>(136,493)</u> | <u>0</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Property taxes | 85,925 | 229,939 | - | 108,969 | - |
| Transfers in | - | - | - | - | 37,000 |
| Proceeds from debt | - | - | 8,457,338 | - | - |
| Insurance proceeds on damage to capital assets | - | - | - | - | - |
| Principal receipts on capital lease receivable | - | - | - | - | - |
| Fiscal agent costs and other debt related fees | (468) | (1,392) | (237,553) | (586) | (408) |
| Capital contributions | - | 88,175 | 1,204,359 | 15,000 | - |
| Purchase of capital assets | (111,839) | (219,588) | (3,339,727) | - | - |
| Interest paid on long-term debt | (55,497) | (120,016) | - | (70,386) | (28,598) |
| Principal payments on long-term debt | (22,395) | (65,000) | - | (33,403) | (55,721) |
| Net cash flows from capital and related financing activities | <u>(104,274)</u> | <u>(87,882)</u> | <u>6,084,417</u> | <u>19,594</u> | <u>(47,727)</u> |
| Cash flows from investing activities: | | | | | |
| Investment income | 2,255 | 6,011 | 818 | 2,892 | 10 |
| Net increase (decrease) in cash and cash equivalents | 23,263 | 67,285 | 6,186,896 | 6,736 | (35,345) |
| Cash and cash equivalents - January 1 | 144,283 | 661,793 | - | 175,086 | 85,333 |
| Cash and cash equivalents - December 31 | <u>\$167,546</u> | <u>\$729,078</u> | <u>\$6,186,896</u> | <u>\$181,822</u> | <u>\$49,988</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$17,134 | \$120,162 | \$ - | \$63,142 | (\$9,191) |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | | |
| Depreciation | 34,013 | 67,906 | - | 47,705 | 22,521 |
| Bad debt | 10,458 | - | - | - | - |
| Miscellaneous income (loss) | (94) | (130) | - | (55) | (64) |
| Changes in assets and liabilities: | | | | | |
| Decrease (increase) in receivables | (9,286) | 18,640 | - | 30 | - |
| Decrease (increase) prepaid items | (4,148) | (5,425) | - | 2,328 | 583 |
| Increase (decrease) accounts payable | (5,385) | (25,738) | - | 6,482 | (2,723) |
| Increase (decrease) security deposits payable | (100) | 244 | - | 900 | 1,300 |
| Increase (decrease) due to other governments | 1,924 | 342 | - | 76 | (54) |
| Increase (decrease) deferred revenue | 596 | 67 | - | 135 | - |
| Total adjustments | <u>27,978</u> | <u>55,906</u> | <u>0</u> | <u>57,601</u> | <u>21,563</u> |
| Net cash provided by operating activities | <u>\$45,112</u> | <u>\$176,068</u> | <u>\$0</u> | <u>\$120,743</u> | <u>\$12,372</u> |
| Noncash investing, capital and financing activities: | | | | | |
| Contributions of capital assets | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</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 | |
|-------------------|----------------------------|------------------------------|----------------|---------------------|------------------|----------------------|--------------|--------------|
| | | | | | | | 2010 | 2009 |
| \$403,189 | \$15,535 | \$963,177 | \$4,613 | \$39,300 | \$325,268 | \$240,321 | \$7,978,293 | \$7,604,101 |
| (183,536) | (23,029) | (540,697) | (5,630) | (32,741) | (243,948) | (419,918) | (4,802,663) | (4,835,384) |
| 263 | - | 4,354 | 18,973 | 2,335 | 3,826 | (2,219) | 167,963 | 155,356 |
| 219,916 | (7,494) | 426,834 | 17,956 | 8,894 | 85,146 | (181,816) | 3,343,593 | 2,924,073 |
| - | - | - | - | 15,460 | 15,323 | 112,722 | 913,772 | 425,000 |
| (188,000) | - | - | - | (8,000) | - | - | (1,579,724) | (1,560,000) |
| (12,554) | (250,000) | - | - | - | - | 46,426 | 236,811 | 279,000 |
| (200,554) | (250,000) | 0 | 0 | 7,460 | 15,323 | 159,148 | (429,141) | (856,000) |
| 210,688 | - | - | - | - | - | - | 1,637,093 | 1,564,453 |
| - | - | 135,000 | - | - | 66,000 | 132,000 | 445,000 | - |
| - | 197,010 | - | 4,583,279 | - | - | - | 13,237,627 | - |
| - | - | - | - | - | - | 2,145 | 5,869 | 199,561 |
| - | - | - | 204,241 | - | - | - | 204,241 | 165,516 |
| (1,152) | - | (2,469) | (134,923) | - | (691) | - | (415,363) | (45,725) |
| - | 79,432 | 126,668 | - | - | 3,445 | 145,470 | 1,898,449 | 445,682 |
| (30,200) | (19,734) | (266,637) | - | (14,066) | (284,175) | (256,321) | (5,298,564) | (1,418,048) |
| (136,074) | - | (177,559) | (251,805) | - | (35,949) | (52) | (2,487,762) | (2,535,524) |
| (54,913) | - | (345,927) | (4,590,000) | - | (70,401) | - | (6,030,000) | (1,525,000) |
| (11,651) | 256,708 | (530,924) | (189,208) | (14,066) | (321,771) | 23,242 | 3,196,590 | (3,149,085) |
| 5,569 | 122 | 83 | 227,766 | 9 | 65 | 33 | 312,201 | 383,920 |
| 13,280 | (664) | (104,007) | 56,514 | 2,297 | (221,237) | 607 | 6,423,243 | (697,092) |
| 333,608 | 1,145 | 1,332,565 | 666,070 | 3,971 | 674,832 | 68,584 | 10,465,135 | 11,162,227 |
| \$346,888 | \$481 | \$1,228,558 | \$722,584 | \$6,268 | \$453,595 | \$69,191 | \$16,888,378 | \$10,465,135 |
| \$144,497 | (\$16,770) | \$300,797 | \$13,343 | \$6,047 | \$64,241 | (\$174,070) | \$2,026,754 | \$1,516,469 |
| 56,777 | 11,296 | 147,973 | - | 4,788 | 27,233 | 216,658 | 1,443,971 | 1,402,367 |
| 256 | - | 6,864 | - | 4,142 | 6,094 | - | 51,771 | 71,124 |
| (192) | - | (8,031) | - | (2,490) | (104) | (34,848) | (47,983) | (40,451) |
| (225) | - | (25,465) | 4,613 | (3,012) | (6,375) | (76,852) | (63,579) | (136,267) |
| 4,434 | (1,605) | 11,068 | - | (1,049) | (1,290) | (11,821) | (10,223) | 22,833 |
| 15,103 | (471) | (11,366) | - | 2,126 | (2,052) | (57,210) | (24,056) | 62,256 |
| (600) | - | 1,237 | - | (1,650) | (1,340) | 741 | (5,615) | (28,943) |
| (303) | 56 | 429 | - | (8) | 2,131 | (311) | 13,064 | 7,739 |
| 169 | - | 3,328 | - | - | (3,392) | (44,103) | (40,511) | 46,946 |
| 75,419 | 9,276 | 126,037 | 4,613 | 2,847 | 20,905 | (7,746) | 1,316,839 | 1,407,604 |
| \$219,916 | (\$7,494) | \$426,834 | \$17,956 | \$8,894 | \$85,146 | (\$181,816) | \$3,343,593 | \$2,924,073 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$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, 2010

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*.

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 a 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
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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 *TCAP – Kilkenny/Granada Fund* (Tax Credit Assistance Program) accounts for funds allocated by the United States Department of Housing and Urban Development (HUD) under Title XII of the American Recovery and Reinvestment Act of 2009 (ARRA). TCAP funds were allocated by HUD to Minnesota Housing, who in turn allocated \$1,243,913 of TCAP funds to the HRA as a suballocator of housing tax credits for allocation of TCAP funds to eligible projects in Washington County.

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.
Trailside Senior Living – 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
December 31, 2010

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 after sending 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
- East Metro Rehousing Grant
- NFMC – Program Related Support
- Foreclosure Counseling and Grant
- Transition Foreclosure 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, 2010, no outstanding encumbrances existed.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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 | \$23,170 | \$38,049 | (\$14,879) |
| Bridges Long Term Homeless | 57,700 | 59,706 | (2,006) |
| Shelter Plus Care- Home Free | 43,650 | 63,129 | (19,479) |
| Shelter Plus Care- Forest Lake | 33,500 | 63,744 | (30,244) |
| Multi Family Projects - LIHTC | 49,600 | 104,937 | (55,337) |
| Whispering Oaks-TIF | 15,888 | 44,317 | (28,429) |
| FSS - Public Housing | 27,000 | 30,893 | (3,893) |
| Raymie Service Coordinator | 30,900 | 36,011 | (5,111) |
| Neighborhood Stabilization Program I | 24,300 | 193,776 | (169,476) |
| Land Initiative | 75,600 | 579,733 | (504,133) |

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.

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F. INVESTMENTS

Investments are stated at fair value, based upon quoted market prices, except for investments in 2a7-like external investment pools, which are stated at amortized cost which approximates fair value. 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 request and submits it to the County in December for final certification (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 (purchase method). These funds do not maintain material amounts of inventories.

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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. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

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, 2010, \$123,036 of interest was capitalized in connection with construction in progress in Trailside.

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

| <u>Assets</u> | |
|--------------------------------|----------|
| 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, 2010 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, 2010 are planned to be eliminated in 2011. 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.”

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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.

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. COMPARATIVE TOTALS

The basic financial statements and combining and individual fund financial statements and schedules include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the HRA's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

T. COMPARATIVE NUMBERS

Certain prior year numbers have been reclassified to conform to current year presentation.

U. 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 (\$6,465,374) difference are as follows:

| | <u>2010</u> | <u>2009</u> |
|--|-----------------------------|-----------------------------|
| Due to primary government | (\$2,224,231) | (\$2,200,000) |
| Interest payable | (51,035) | (11,577) |
| Other long term payables | (4,115,246) | (3,736,746) |
| Compensated absences | <u>(74,862)</u> | <u>(71,798)</u> |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities | <u><u>(\$6,465,374)</u></u> | <u><u>(\$6,020,121)</u></u> |

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:

| | <u>2010</u> | <u>2009</u> |
|--|-------------------------|-------------------------|
| Depreciation expense | <u>(\$9,390)</u> | <u>(\$9,390)</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>(\$9,390)</u></u> | <u><u>(\$9,390)</u></u> |

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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 \$1,721,917 difference is as follows:

| | <u>2010</u> | <u>2009</u> |
|---|--------------------|------------------|
| General property taxes deferred revenue: | | |
| At beginning of year | (\$123,997) | (\$96,642) |
| At end of year | 153,093 | 119,728 |
| Property held for resale: | | |
| At beginning of year | (114,939) | - |
| At end of year | 543,500 | 114,939 |
| Note receivable deferred revenue: | | |
| At beginning of year | (563,147) | (541,093) |
| At end of year | <u>1,827,407</u> | <u>563,147</u> |
| Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$1,721,917</u> | <u>\$160,079</u> |

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 (\$90,918) difference is as follows:

| | <u>2010</u> | <u>2009</u> |
|--|-------------------|-------------------|
| Interest payable | (\$87,854) | (\$11,577) |
| Compensated absences | <u>(3,064)</u> | <u>(2,239)</u> |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>(\$90,918)</u> | <u>(\$13,816)</u> |

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Note 2 DEFICIT FUND BALANCES / NET ASSETS

The following nonmajor funds had deficit fund balances at December 31, 2010:

| | |
|---|--------------------|
| Special Revenue Funds: | |
| Whispering Oaks TIF | \$2,613,309 |
| Newport Town Center | 30,985 |
| Forest Lake Trailside Senior Living TIF | 13,109 |
| Land Initiative | 89 |
| | <u>\$2,657,492</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 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.

A. 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, 2010 carrying amount of the HRA's deposits with financial institutions was \$2,265,284, all of which is covered by FDIC insurance or secured by pledged collateral or letter of credit.

B. INVESTMENTS

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

- a) Subd. 2. **United States securities.** Public funds may be invested in governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.
- b) Subd. 3. **State and local securities.** Funds may be invested in the following:
 - 1) Any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
 - 2) Any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and

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- 3) A general obligation of the Minnesota Housing Financing Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
- c) Subd. 4. **Commercial papers.** Funds may be invested in commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less.
- d) Subd. 5. **Time deposits.** Funds may be invested in time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States banks.
- e) Subd. 6. **High-risk mortgage-backed securities.** For the purpose of this section and section 118A.05, "high-risk mortgage-backed securities" are:
- 1) Interest-only or principal-only mortgage-backed securities; and
 - 2) Any mortgage derivative security that:
 - a) Will extend by more than four years as the result of an immediate and sustained parallel shift in the yield curve of plus 300 basis points; or
 - b) Will shorten by more than six years as the result of an immediate and sustained parallel shift in the yield curve of minus 300 basis points; or
 - 3) Will have an estimated change in price of more than 17 percent as the result of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.
- f) Subd. 7. **Temporary general obligation bonds.** Funds may be invested in general obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7, 469.178, subdivision 5, or 475.61, subdivision 6.

As of December 31, 2010 the HRA had the following investments and maturities:

| | Rating | Investment Maturities (in Years) | | | Fair Value |
|--|-------------------------|----------------------------------|------------|------------------|---------------------|
| | | Less than 1 | 1-5 | Over 5 | |
| Guaranteed investment contract - IXIS Fundings Corp. | A+ | \$ - | \$ - | \$279,843 | \$279,843 |
| Commercial paper | A-1 | 528,696 | - | - | 528,696 |
| Escrow account | N/R | 215,984 | - | - | 215,984 |
| Brokered certificates of deposit | A2 | 2,457,587 | - | - | 2,457,587 |
| Municipal bonds | Aa3, Aaa, Aa1, Aa2, AA- | 2,453,332 | - | - | 2,453,332 |
| Federal National Mortgage Association notes | Aaa | 25,088 | - | - | 25,088 |
| Mutual fund | AAAm | 7,830,122 | - | - | 7,830,122 |
| External investment pools | N/R | 8,268,603 | - | - | 8,268,603 |
| Total investments | | <u>\$21,779,412</u> | <u>\$0</u> | <u>\$279,843</u> | 22,059,255 |
| Deposits | N/R | | | | 2,265,284 |
| Total cash and investments | | | | | <u>\$24,324,539</u> |

N/R = not rated

These amounts are presented on the statement of net assets as follows:

| | |
|---------------------------------|---------------------|
| Cash and investments | \$7,798,232 |
| Restricted cash and investments | <u>16,526,307</u> |
| Total cash and investments | <u>\$24,324,539</u> |

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C. INVESTMENT RISKS

Custodial credit risk – investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the HRA will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures.

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. 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 – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to those listed in footnote 2.B. 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 – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. 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 33.6% of the HRA’s total investments.

Note 4 RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2010 are as follows:

| | Nonmajor Funds | Major Fund |
|------------------|--------------------|--------------------|
| Note receivable | \$1,920,380 | \$1,242,913 |
| Red Oak Preserve | - | 2,636,720 |
| Development | 2,600,778 | - |
| Total | <u>\$4,521,158</u> | <u>\$3,879,633</u> |

The \$3,163,293 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. 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:

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| | <u>Unavailable</u> | <u>Unearned</u> |
|--|-------------------------------|-----------------------------|
| Delinquent property taxes receivable (General Fund) | \$147,413 | \$ - |
| Delinquent property taxes receivable (Nonmajor Fund) | \$1,411 | - |
| Receivable related to sale of Whispering Oaks (Red Oak Preserve) | 2,636,720 | - |
| Note receivable (TCAP) | 1,242,913 | - |
| Note receivable (Nonmajor Funds) | 570,060 | - |
| Unearned grant receipts (Nonmajor Funds) | - | 187,625 |
| Accrued interest receivable (Nonmajor Funds) | 14,434 | - |
| Property held for resale (Nonmajor Funds) | <u>543,500</u> | <u>-</u> |
| Total deferred/unearned revenue for governmental funds | <u><u>\$5,156,451</u></u> | <u><u>\$187,625</u></u> |

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 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 | \$ - | - | - | \$ - |
| Capital assets, being depreciated: | | | | |
| Buildings and structures | 281,696 | - | - | 281,696 |
| Furniture and fixtures | 9,354 | - | - | 9,354 |
| 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 | 189,632 | 9,390 | - | 199,022 |
| Furniture and fixtures | 9,354 | - | - | 9,354 |
| Total accumulated depreciation | <u>198,986</u> | <u>9,390</u> | <u>0</u> | <u>208,376</u> |
| Total capital assets being depreciated - net | <u>92,064</u> | <u>(9,390)</u> | <u>-</u> | <u>82,674</u> |
| Governmental activities capital assets - net | <u><u>\$92,064</u></u> | <u><u>(\$9,390)</u></u> | <u><u>\$0</u></u> | <u><u>\$82,674</u></u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
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| | Beginning Balance | Increase | Decrease | Ending Balance |
|---|----------------------|------------------|------------------|---------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$3,503,053 | \$885,000 | \$ - | \$4,388,053 |
| Construction in progress | 451,616 | 4,440,415 | (451,616) | 4,440,415 |
| Total capital assets, not being depreciated | <u>3,954,669</u> | <u>5,325,415</u> | <u>(451,616)</u> | <u>8,828,468</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and structures | 54,014,168 | 1,196,862 | - | 55,211,030 |
| Furniture and fixtures | 454,593 | - | - | 454,593 |
| Total capital assets, being depreciated | <u>54,468,761</u> | <u>1,196,862</u> | <u>0</u> | <u>55,665,623</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and structures | 21,920,549 | 1,416,957 | - | 23,337,506 |
| Furniture and fixtures | 395,396 | 27,014 | - | 422,410 |
| Total accumulated depreciation | <u>22,315,945</u> | <u>1,443,971</u> | <u>0</u> | <u>23,759,916</u> |
| Total capital assets being depreciated - net | <u>32,152,816</u> | <u>(247,109)</u> | <u>0</u> | <u>31,905,707</u> |
| Business-type activities capital assets - net | <u>\$36,107,485</u> | <u>\$637,891</u> | <u>\$0</u> | <u>\$40,734,175</u> |

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

| | |
|---|--------------------|
| Governmental activities: | |
| General government | \$9,390 |
| Total depreciation expense - governmental activities | <u>\$9,390</u> |
| Business-type activities: | |
| Housing | \$1,443,971 |
| Total depreciation expense - business-type activities | <u>\$1,443,971</u> |

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Note 6 INTERFUND RECEIVABLES, PAYABLES, LOANS AND TRANSFERS

The composition of interfund balances as of December 31, 2010, 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 |
| General | FSS Public Housing | 1,224 |
| General | Shelter Plus Care | 1,174 |
| General | Shelter Plus Care - Forest Lake | 1,224 |
| General | Transitional Housing | 3,000 |
| General | HUD MHOP Homes | 72,426 |
| General | Brideges - Long Term Homeless | 42 |
| General | Forest Lake Trailside Senior Living TIF | 12,941 |
| General | Transition Foreclosure Program | 11,981 |
| General | East Metro Rehousing Grant | 13,569 |
| General | Homeless Prevention-Rapid Rehousing Program for Transition Age Youth | 11,452 |
| Mueller Manor | Woodland Park | 6,811 |
| Parkside | Woodland Park | 13,600 |
| Park Place I | Woodland Park | 5,119 |
| John Jergens Estate | Woodland Park | 6,493 |
| Cobble Hill | Woodland Park | 12,554 |
| Total | | <u>\$204,595</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, 2010.

Advances to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------|--------------------|
| Development | Whispering Oaks TIF | \$2,600,778 |
| GAP Financing | Trailside | 440,385 |
| Total | | <u>\$3,041,163</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, 2010.

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Interfund transfers:

| | Transfer In | | | | | | | | | | | | Total |
|-------------------------------|--------------|------------------|-----------------------------|-----------------|----------------|------------|-----------|-----------|--------------|---------------|---------------|-------------|-------------|
| | General Fund | Red Oak Preserve | Nonmajor Governmental Funds | Pioneer Elderly | Raymie Johnson | Brick Pond | Oak Hill | MHOP | Park Place I | Ann Bodlovick | Park Place II | Development | |
| Transfers out: | | | | | | | | | | | | | |
| General | \$ - | \$ - | \$517,039 | \$37,000 | \$135,000 | \$81,323 | \$598,890 | \$244,722 | \$123,289 | \$123,088 | \$15,460 | \$900,000 | \$2,775,811 |
| WCHRA, LLC | 578,018 | - | - | - | - | - | - | - | - | - | - | - | 578,018 |
| Strategic Acquisition Program | 86,089 | - | - | - | - | - | - | - | - | - | - | - | 86,089 |
| Muller Manor | 72,000 | - | - | - | - | - | - | - | - | - | - | - | 72,000 |
| Woodland Park | 50,000 | - | - | - | - | - | - | - | - | - | - | - | 50,000 |
| Briar Pond | 400,000 | - | - | - | - | - | - | - | - | - | - | - | 400,000 |
| Parkside | 205,000 | - | - | - | - | - | - | - | - | - | - | - | 205,000 |
| Park Place I | 38,000 | - | - | - | - | - | - | - | - | - | - | - | 38,000 |
| Ann Bodlovick | 150,000 | - | - | - | - | - | - | - | - | - | - | - | 150,000 |
| John Jergens Estates | 130,000 | - | - | - | - | - | - | - | - | - | - | - | 130,000 |
| Cobble Hill | 188,000 | - | - | - | - | - | - | - | - | - | - | - | 188,000 |
| Park Place II | 8,000 | - | - | - | - | - | - | - | - | - | - | - | 8,000 |
| Trailside | - | - | 338,724 | - | - | - | - | - | - | - | - | - | 338,724 |
| Development | - | 115,106 | - | - | - | - | - | - | - | - | - | - | 115,106 |
| Total transfers | \$1,905,107 | \$115,106 | \$855,763 | \$37,000 | \$135,000 | \$81,323 | \$598,890 | \$244,722 | \$123,289 | \$123,088 | \$15,460 | \$900,000 | \$5,134,748 |

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.

In the year ended December 31, 2010, the HRA made the following one-time transfers:

- A transfer of \$338,724 from Trailside Fund to WCHRA, LLC Fund as a reimbursement of prior year costs.
- A permanent transfer of \$445,000 from the General Fund to various property funds to fund cash deficits.
- A transfer of \$913,772 from the General Fund to various property funds for capital purchases made during 2010.

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. In conjunction with Landfall debt refunding in 2010, the terms of the lease were updated to these reflected here. The lease bears an effective interest rate of 3.45% and has monthly principal and interest payments of \$36,000 through January 1, 2024. Future minimum lease payments receivable for each of the years ending December 31 are as follows:

| <u>Year</u> | <u>Amount</u> |
|--|---------------------------|
| 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 | <u>22,034</u> |
| Total minimum lease payments | 5,638,034 |
| Amounts representing interest | <u>(886,562)</u> |
| Present value of net minimum lease payments | <u><u>\$4,751,472</u></u> |

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B. OPERATING LEASE

In January 2010, the HRA entered into a 60 month lease for a copier, color copier and fax. Monthly payments for the lease are \$1,221 per month. This lease is considered, for accounting purposes, to be an operating lease. Lease expenditures for the year ended December 31, 2010 amounted to \$13,947. Future minimum lease payments for these leases are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------------|
| 2011 | \$14,652 |
| 2012 | 14,652 |
| 2013 | 14,652 |
| 2014 | 14,652 |
| 2015 | <u>1,832</u> |
| Total | <u><u>\$60,440</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 12/31/09</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/10</u> | <u>Due Within One Year</u> |
|----------------------------|--------------------------|--------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|--------------------------------|
| Compensated absences | N/A | N/A | \$71,798 | \$108,335 | (\$105,271) | \$74,862 | \$8,528 |
| Metropolitan Council | 0.000% | 4/29/2015 | - | 543,500 | - | 543,500 | - |
| Due to Washington County: | | | | | | | |
| Tax Increment Revenue Note | 5.000% | 1/15/2035 | 1,587,577 | 43,530 | - | 1,631,107 | - |
| County Loan | 5.000% | 1/15/2020 | 612,423 | 4,866 | (24,165) | 593,124 | 50,158 |
| Due to City of Oakdale | 4.371% | 2/1/2023 | 1,100,026 | - | (165,000) | 935,026 | 57,500 |
| 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>\$6,008,544</u></u> | <u><u>\$700,231</u></u> | <u><u>(\$294,436)</u></u> | <u><u>\$6,414,339</u></u> | <u><u>\$116,186</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.

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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.

Metropolitan Council – on April 29, 2010, the HRA and Metropolitan Council entered into a mortgage note payable. The note is payable upon the earlier of the sale of the property held for resale or April 29, 2015.

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 | | Metropolitan Council | |
|-------|----------------------------|------------------|--------------------|------------|---|--------------------|------------------------|------------------|----------------------|------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 | 543,500 | - |
| 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 | 38,633 | 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>\$935,026</u> | <u>\$305,120</u> | <u>\$2,636,720</u> | <u>\$0</u> | <u>\$1,631,107</u> | <u>\$1,357,345</u> | <u>\$593,124</u> | <u>\$159,225</u> | <u>\$543,500</u> | <u>\$0</u> |

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B. BUSINESS-TYPE ACTIVITIES

Notes, Loans, and Mortgages Payable

Notes, loans, and mortgages payable at December 31, 2010 are as follows:

| Property (Fund) | Lender | Interest Rate | Maturity Date | Original Amount | Balance 12/31/09 | Additions | Reductions | Balance 12/31/10 | Due Within One Year |
|----------------------|----------------------------|---------------|---------------|-----------------|------------------|------------------|------------------|------------------|---------------------|
| John Jergens | District Memorial Hospital | 0.0% | 07/01/13 | \$115,000 | \$20,000 | \$ - | (\$5,000) | \$15,000 | \$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 | - * |
| Transitional Housing | MHFA | 0.0% | 06/28/40 | 197,010 | - | 197,010 | - | 197,010 | - |
| 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>\$501,600</u> | <u>\$197,010</u> | <u>(\$5,000)</u> | <u>\$693,610</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 | | MHFA Fund Note | |
|-------|---------------------------------|------------|--------------------------|------------|------------------|------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2011 | \$5,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2012 | 5,000 | - | - | - | - | - |
| 2013 | 5,000 | - | - | - | - | - |
| 2014 | - | - | - | - | - | - |
| 2015 | - | - | - | - | - | - |
| 2016 | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - |
| 2018 | - | - | - | - | - | - |
| 2019 | - | - | - | - | - | - |
| 2020 | - | - | - | - | - | - |
| 2021 | - | - | - | - | - | - |
| 2022 | - | - | 175,000 | - | - | - |
| 2023 | - | - | - | - | - | - |
| 2024 | - | - | - | - | - | - |
| 2025 | - | - | - | - | - | - |
| 2026 | - | - | - | - | - | - |
| 2027 | - | - | - | - | - | - |
| 2028 | - | - | - | - | - | - |
| 2029 | - | - | - | - | - | - |
| 2030 | - | - | - | - | - | - |
| 2031 | - | - | - | - | - | - |
| 2032 | - | - | - | - | - | - |
| 2033 | - | - | - | - | - | - |
| 2034 | - | - | - | - | - | - |
| 2035 | - | - | - | - | - | - |
| 2036 | - | - | - | - | - | - |
| 2037 | - | - | - | - | - | - |
| 2038 | - | - | - | - | - | - |
| 2039 | - | - | - | - | - | - |
| 2040 | - | - | - | - | 197,010 | - |
| Total | <u>\$15,000</u> | <u>\$0</u> | <u>\$175,000</u> | <u>\$0</u> | <u>\$197,010</u> | <u>\$0</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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Revenue Bonds

Changes in revenue bonds were as follows:

| Property (Fund) | Lender | Interest Rate | Maturity Date | Original Amount | Balance 12/31/09 | Additions | Reductions | Balance 12/31/10 | 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 | \$8,745,000 | \$ - | (\$195,000) | \$8,550,000 | \$205,000 |
| Landfall | Governmental Housing Revenue Bonds 1997 Refunding | 3.90 - 5.40% | 08/01/27 | 7,200,000 | 4,590,000 | - | (4,590,000) | - | - |
| Landfall | G.O. Housing Revenue Refunding Bonds, Series 2010C | 2.0 - 3.3% | 02/01/25 | 4,545,000 | - | 4,545,000 | - | 4,545,000 | 215,000 |
| Ann Bodlovick | Annual Appropriation Limited Tax and Gross Revenue Refunding Bonds, Series 2002A | 2.25 - 5.3% | 02/01/32 | 3,035,000 | 2,350,000 | - | (65,000) | 2,285,000 | 65,000 |
| Woodland Park | Governmental Housing Revenue Refunding Bonds, Series 2002 | 2.0 - 4.7% | 10/01/32 | 17,225,000 | 14,765,000 | - | (390,000) | 14,375,000 | 405,000 |
| Briar Pond | Governmental Housing Revenue Refunding Bonds, Series 1999A | 3.80-5.60% | 08/20/34 | 10,300,000 | 9,045,000 | - | (170,000) | 8,875,000 | 180,000 |
| Briar Pond | Subordinate Government Housing Revenue Refunding Bonds, Series 1999B | 7.13% | 08/20/34 | 905,000 | 810,000 | - | (10,000) | 800,000 | 10,000 |
| Briar Pond | Surplus Cash Governmental Housing Revenue Refunding Bonds, Series 1999C | 7.25% | 08/20/34 | 1,020,000 | 925,000 | - | (10,000) | 915,000 | 10,000 |
| 2003 Pooled | Pooled Governmental Housing Revenue Bonds, 2003 Refunding | 3.00 - 4.40% | 07/01/24 | 9,760,000 | 8,090,000 | - | (595,000) | 7,495,000 | 595,000 |
| Trailside | Government Housing Revenue Bonds, Series 2010A | 2.0 - 2.75% | 01/01/18 | 685,000 | - | 685,000 | - | 685,000 | - |
| Trailside | Government Taxable Housing Revenue Bonds, Series 2010B | 2.1 - 5.9% | 07/01/31 | 7,770,000 | - | 7,770,000 | - | 7,770,000 | - |
| | Subtotal | | | | 49,320,000 | \$13,000,000 | (\$6,025,000) | 56,295,000 | \$1,685,000 |
| | Unamortized discount on bonds | | | | (329,477) | | | (271,719) | |
| | Unamortized premium on bonds | | | | - | | | 2,184 | |
| | Total | | | | \$48,990,523 | | | \$56,025,465 | |

The notes, loans, mortgages, and bonds issued contain various covenants and escrow reserve requirements. As of December 31, 2010, 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 \$16,250,163. For the current year, principal and interest paid and total net revenues were \$669,310 and \$1,235,074.

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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> |
|-------------|---------------------|---------------------|---------------------|
| 2011 | \$1,685,000 | \$2,673,208 | \$4,358,208 |
| 2012 | 1,800,000 | 2,613,376 | 4,413,376 |
| 2013 | 1,935,000 | 2,541,985 | 4,476,985 |
| 2014 | 2,120,000 | 2,462,458 | 4,582,458 |
| 2015 | 2,200,000 | 2,377,861 | 4,577,861 |
| 2016 | 2,285,000 | 2,288,620 | 4,573,620 |
| 2017 | 2,355,000 | 2,194,402 | 4,549,402 |
| 2018 | 2,445,000 | 2,094,818 | 4,539,818 |
| 2019 | 2,530,000 | 1,986,887 | 4,516,887 |
| 2020 | 2,235,000 | 1,876,256 | 4,111,256 |
| 2021 | 2,395,000 | 1,770,367 | 4,165,367 |
| 2022 | 2,270,000 | 1,659,187 | 3,929,187 |
| 2023 | 2,380,000 | 1,549,324 | 3,929,324 |
| 2024 | 3,130,000 | 1,425,913 | 4,555,913 |
| 2025 | 2,360,000 | 1,284,824 | 3,644,824 |
| 2026 | 2,160,000 | 1,170,606 | 3,330,606 |
| 2027 | 2,270,000 | 1,055,587 | 3,325,587 |
| 2028 | 2,380,000 | 934,082 | 3,314,082 |
| 2029 | 2,500,000 | 805,808 | 3,305,808 |
| 2030 | 2,630,000 | 670,346 | 3,300,346 |
| 2031 | 2,640,000 | 530,814 | 3,170,814 |
| 2032 | 2,715,000 | 388,583 | 3,103,583 |
| 2033 | 1,115,000 | 271,370 | 1,386,370 |
| 2034 | 1,180,000 | 204,270 | 1,384,270 |
| 2035 | 375,000 | 145,654 | 520,654 |
| 2036 | 390,000 | 122,513 | 512,513 |
| 2037 | 400,000 | 98,515 | 498,515 |
| 2038 | 415,000 | 73,658 | 488,658 |
| 2039 | 430,000 | 47,885 | 477,885 |
| 2040 | 570,000 | 17,385 | 587,385 |
| | <u>\$56,295,000</u> | <u>\$37,336,560</u> | <u>\$93,631,560</u> |

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Current Refunding

On August 18, 2010, the HRA issued the \$4,545,000 General Obligation Housing Revenue Refunding Bonds, Series 2010C with an average interest rate of 2.773% to refund the 2011 through 2027 maturities aggregating \$4,445,000 principal amount of the HRA's \$7,200,000 General Obligation Housing Revenue Refunding Bonds, Series 1997 with an average interest rate of 5.371%. The net proceeds of \$4,545,000 (after payment of \$66,000 of issuance costs and deposit to Debt Service Reserve Fund of \$385,005) plus \$390,000 from the prior issue debt service fund was used to retire all outstanding principal of the refunded bonds of October 1, 2010 (the call date).

The HRA refunded the 1997 Bonds to reduce its total debt service payments over the next seven years by \$1,395,973 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$915,469.

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, 2010, the bonds considered defeased were as follows:

| <u>Bond Issue</u> | <u>Balance on Defeased Debt As of 12/31/10</u> | <u>Schedule Maturity/ Call Date</u> |
|----------------------------|--|---|
| Series 1994B - CAB Portion | \$620,000 | 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 2010 totaled \$21,731.

The HRA has pledged a portion of future tax increment revenues from TIF District 2.1 to repay a portion of the \$935,026 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 \$1,240,146. For the current year, principal and interest paid totaled \$165,000 and \$43,039 and tax increment revenues collected were \$21,371.

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 \$3,713,923. For the current year, principal and interest paid, total net revenues, and property tax revenue were \$185,048, \$188,068 and \$229,939, respectively. The 2002B Bonds are payable from net

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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 \$14,761,625. For the current year, principal and interest paid, total net revenues and property tax revenue were \$678,331, \$602,139 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 \$23,074,864. For the current year, principal and interest paid total net revenues and property tax revenue were \$1,048,949, \$759,492 and \$659,000, respectively.

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 \$9,506,948. For the current year, principal and interest paid, total net revenues and property tax revenue were \$898,155, \$694,830 and \$0, respectively.

The 2010A and 2010B Government Housing Revenue Bonds are special obligations of the HRA, payable solely from pledged revenues. However, Washington County has provided a general obligation pledge. The 2010 Bonds are payable from net revenues of the Trailside Senior Living facility and property tax revenues. Total principal and interest remaining to be paid on the bonds is \$17,154,550. For the current year, principal and interest paid, total net revenues and property tax revenue were \$0, \$0 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 2010 were \$116,001, of which \$81,551 was employer contributions and \$34,450 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, 2010, approximately \$92,765 has been deferred under this agreement pertaining to the properties of Park Place I and Park Place II.

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.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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.

E. COMMITTED CONTRACTS

The HRA has entered into several contracts for various improvements at the rental properties. Construction commitments at December 31, 2010 were composed of the following:

| <u>Description</u> | <u>Contract Authorized</u> | <u>Expended as of 12/31/10</u> | <u>Remaining Contract Commitment</u> |
|-------------------------|--------------------------------|--|--|
| Trailside Senior Living | \$7,160,117 | \$2,798,603 | \$4,361,514 |
| Raymie Johnson - Senior | 3,301 | 2,071 | 1,230 |

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.

G. TAX INCREMENT DISTRICTS

The HRA's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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, 2010, there were three series of Revenue Bonds outstanding, the aggregate principal amount payable is \$38,125,000.

Note 14 RESERVATIONS AND DESIGNATIONS OF FUND EQUITY

At December 31, 2010 and 2009, the HRA had designated portions of its various fund equities through Board authorization and legal restrictions. Major fund equity appropriations at December 31, 2010 and 2009 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, | |
|--------------------------------------|---------------------|--------------------|
| | 2010 | 2009 |
| General Fund: | | |
| Reserved for prepaid items | \$7,113 | \$5,205 |
| Designated for general contingency | 1,240,600 | 1,239,407 |
| Section 8 Portability: | | |
| Reserved for prepaid items | 705 | 911 |
| Designated for grant programs | 33,400 | 39,166 |
| Section 8 Housing Choice Vouchers: | | |
| Reserved for prepaid items | 3,121 | 100 |
| Designated for grant programs | 282,308 | 310,780 |
| Development: | | |
| Reserved for prepaid items | 372 | 329 |
| Reserved for advances to other funds | 2,600,778 | 2,567,089 |
| Designated for development purposes | 2,091,106 | 1,445,701 |
| Red Oak Preserve - Oakdale: | | |
| Designated for development purposes | 180,465 | 149,545 |
| TCAP Kilkenny / Granada: | | |
| Designated for grant programs | 1,500 | - |
| Nonmajor Governmental Funds: | | |
| Reserved for prepaid items | 970 | 677 |
| Reserved for advances to other funds | 440,385 | - |
| Reserved for long-term receivables | 1,350,320 | 472,904 |
| Designated for capital purposes | 1,733,901 | 1,292,426 |
| Designated for grant programs | 25,010 | 24,537 |
| Designated for gap financing | 272,270 | 1,535,219 |
| | <u>\$10,264,324</u> | <u>\$9,083,996</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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.

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 | - | (67,526) |
| Balance - January 1, 2009, as restated | <u>\$6,469,521</u> | <u>\$3,679,125</u> |

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, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | Budgeted Amounts | | 2010 Actual Amounts | Variance with Final Budget - Positive (Negative) | 2009 Actual Amounts |
|--|------------------|------------------|------------------------|---|------------------------|
| | Original | Final | | | |
| Revenues: | | | | | |
| Taxes | \$1,281,600 | \$1,281,600 | \$1,259,463 | (\$22,137) | \$1,318,318 |
| Conduit financing fees | 5,800 | 5,800 | 3,500 | (2,300) | 5,729 |
| Administrative fees | 1,000 | 1,000 | 3,071 | 2,071 | 1,418 |
| Investment income | 16,000 | 16,000 | 2,190 | (13,810) | 33,150 |
| Other | - | - | - | - | 534 |
| Total revenues | <u>1,304,400</u> | <u>1,304,400</u> | <u>1,268,224</u> | <u>(36,176)</u> | <u>1,359,149</u> |
| Expenditures: | | | | | |
| Administrative salaries and benefits | 243,400 | 243,400 | 246,783 | (3,383) | 278,906 |
| Administrative travel and per diems | 27,100 | 27,100 | 14,945 | 12,155 | 16,824 |
| Administrative legal | 50,000 | 50,000 | 32,122 | 17,878 | 32,135 |
| Administrative sundry | 45,900 | 45,900 | 39,464 | 6,436 | 41,269 |
| Accounting and auditing | 65,900 | 65,900 | 62,823 | 3,077 | 58,484 |
| General insurance | 2,200 | 2,200 | 1,848 | 352 | 2,213 |
| Professional services | 165,800 | 165,800 | 122,874 | 42,926 | 89,688 |
| Other utilities and maintenance | 26,300 | 26,300 | 22,154 | 4,146 | 21,585 |
| Equipment leases | 21,700 | 21,700 | 20,844 | 856 | 19,746 |
| Capital outlay | 1,800 | 1,800 | 3,964 | (2,164) | 990 |
| Financing fee | 800 | 800 | 451 | 349 | 465 |
| Other | 4,100 | 4,100 | 945 | 3,155 | 203 |
| Total expenditures | <u>655,000</u> | <u>655,000</u> | <u>569,217</u> | <u>85,783</u> | <u>562,508</u> |
| Revenues over expenditures | <u>649,400</u> | <u>649,400</u> | <u>699,007</u> | <u>49,607</u> | <u>796,641</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | - | - | 1,905,107 | 1,905,107 | 1,560,000 |
| Transfers to other funds | - | - | (2,775,811) | (2,775,811) | (2,138,746) |
| Total other financing sources (uses) | <u>0</u> | <u>0</u> | <u>(870,704)</u> | <u>(870,704)</u> | <u>(578,746)</u> |
| Net change in fund balance | <u>\$649,400</u> | <u>\$649,400</u> | <u>(171,697)</u> | <u>(\$821,097)</u> | <u>217,895</u> |
| Fund balance - January 1 | | | <u>2,843,548</u> | | <u>2,625,653</u> |
| Fund balance - December 31 | | | <u>\$2,671,851</u> | | <u>\$2,843,548</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, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | Budgeted Amounts | | 2010 Actual Amounts | Variance with Final Budget - Positive (Negative) | 2009 Actual Amounts |
|--------------------------------------|------------------|------------------|------------------------|---|------------------------|
| | Original | Final | | | |
| Revenues: | | | | | |
| Intergovernmental: | | | | | |
| Section 8 subsidies | \$2,976,000 | \$2,976,000 | \$2,647,598 | (\$328,402) | \$2,642,772 |
| Administrative fees | 235,200 | 235,200 | 215,817 | (19,383) | 219,489 |
| Investment income | 600 | 600 | 90 | (510) | 145 |
| Other | - | - | 149 | 149 | 60 |
| Total revenues | <u>3,211,800</u> | <u>3,211,800</u> | <u>2,863,654</u> | <u>(348,146)</u> | <u>2,862,466</u> |
| Expenditures: | | | | | |
| Administrative salaries and benefits | 179,000 | 179,000 | 177,900 | 1,100 | 175,426 |
| Administrative legal | 10,000 | 10,000 | 2,737 | 7,263 | 4,575 |
| Administrative sundry | 19,400 | 19,400 | 17,282 | 2,118 | 16,479 |
| Professional services | 30,500 | 30,500 | 20,387 | 10,113 | 26,877 |
| Housing assistance payments | 2,976,000 | 2,976,000 | 2,647,598 | 328,402 | 2,642,771 |
| Other | 5,400 | 5,400 | 3,722 | 1,678 | 828 |
| Total expenditures | <u>3,220,300</u> | <u>3,220,300</u> | <u>2,869,626</u> | <u>350,674</u> | <u>2,866,956</u> |
| Revenues over (under) expenditures | <u>(\$8,500)</u> | <u>(\$8,500)</u> | (5,972) | <u>\$2,528</u> | (4,490) |
| Fund balance - January 1 | | | <u>40,077</u> | | <u>44,567</u> |
| Fund balance - December 31 | | | <u>\$34,105</u> | | <u>\$40,077</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - 212 - SECTION 8 HOUSING CHOICE VOUCHERS
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 11

| | Budgeted Amounts | | 2010 Actual Amounts | Variance with Final Budget - Positive (Negative) | 2009 Actual Amounts |
|--|------------------|------------------|------------------------|---|------------------------|
| | Original | Final | | | |
| Revenues: | | | | | |
| Intergovernmental: | | | | | |
| HUD annual contribution | \$669,600 | \$669,600 | \$633,091 | (\$36,509) | \$767,179 |
| Charges for services - administrative fees | 91,740 | 91,740 | 116,849 | 25,109 | 87,894 |
| Investment income | 1,500 | 1,500 | 340 | (1,160) | 384 |
| Other | - | - | 106 | 106 | - |
| Total revenues | <u>762,840</u> | <u>762,840</u> | <u>750,386</u> | <u>(12,454)</u> | <u>855,457</u> |
| Expenditures: | | | | | |
| Administrative salaries and benefits | 83,700 | 83,700 | 86,567 | (2,867) | 87,985 |
| Administrative sundry | 2,800 | 2,800 | 1,610 | 1,190 | 707 |
| Professional services | 7,900 | 7,900 | 5,045 | 2,855 | 4,005 |
| Housing assistance payments | 669,600 | 669,600 | 680,181 | (10,581) | 622,619 |
| Other | 5,200 | 5,200 | 2,434 | 2,766 | 1,596 |
| Total expenditures | <u>769,200</u> | <u>769,200</u> | <u>775,837</u> | <u>(6,637)</u> | <u>716,912</u> |
| Revenues over (under) expenditures | <u>(\$6,360)</u> | <u>(\$6,360)</u> | (25,451) | <u>(\$19,091)</u> | 138,545 |
| Fund balance - January 1 | | | <u>310,880</u> | | <u>172,335</u> |
| Fund balance - December 31 | | | <u>\$285,429</u> | | <u>\$310,880</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Statement 12

BUDGETARY COMPARISON SCHEDULE - 270 - DEVELOPMENT

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | Budgeted Amounts | | 2010 Actual Amounts | Variance with Final Budget - Positive (Negative) | 2009 Actual Amounts |
|--|--------------------|--------------------|------------------------|---|------------------------|
| | Original | Final | | | |
| Revenues: | | | | | |
| Investment income | \$37,500 | \$37,500 | \$26,169 | (\$11,331) | \$25,229 |
| Other | - | - | - | - | 11,415 |
| Total revenues | <u>37,500</u> | <u>37,500</u> | <u>26,169</u> | <u>(11,331)</u> | <u>36,644</u> |
| Expenditures: | | | | | |
| Administrative salaries and benefits | 106,000 | 106,000 | 106,709 | (709) | 69,148 |
| Administrative travel and per diems | 500 | 500 | 1,090 | (590) | 557 |
| Administrative legal | 25,000 | 25,000 | - | 25,000 | - |
| Administrative sundry | 12,500 | 12,500 | 8,885 | 3,615 | 9,748 |
| Professional services | 25,000 | 25,000 | 15,242 | 9,758 | 7,366 |
| Loan assistance payments | - | - | - | - | 40,000 |
| Debt service: | | | | | |
| Principal | - | - | - | - | 2,200,000 |
| Interest | - | - | - | - | 113,029 |
| Total expenditures | <u>169,000</u> | <u>169,000</u> | <u>131,926</u> | <u>37,074</u> | <u>2,439,848</u> |
| Revenues over (under) expenditures | <u>(131,500)</u> | <u>(131,500)</u> | <u>(105,757)</u> | <u>25,743</u> | <u>(2,403,204)</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other fund | - | - | 900,000 | 900,000 | 3,050,000 |
| Transfers to other fund | - | - | (115,106) | (115,106) | (120,862) |
| Total other financing sources (uses) | <u>0</u> | <u>0</u> | <u>784,894</u> | <u>784,894</u> | <u>2,929,138</u> |
| Net change in fund balance | <u>(\$131,500)</u> | <u>(\$131,500)</u> | <u>679,137</u> | <u>\$810,637</u> | <u>525,934</u> |
| Fund balance - January 1, as previously reported | | | 4,013,119 | | 3,712,632 |
| Prior period adjustment | | | - | | (225,447) |
| Fund balance - January 1, as restated | | | <u>4,013,119</u> | | <u>3,487,185</u> |
| Fund balance - December 31 | | | <u>\$4,692,256</u> | | <u>\$4,013,119</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - 243 - RED OAK PRESERVE - OAKDALE
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 13

| | Budgeted Amounts | | 2010 Actual Amounts | Variance with Final Budget - Positive (Negative) | 2009 Actual Amounts |
|--|------------------|----------------|------------------------|---|------------------------|
| | Original | Final | | | |
| Revenues: | | | | | |
| Property taxes | \$121,036 | \$121,036 | \$121,036 | \$ - | \$166,746 |
| Investment income | - | - | 262 | 262 | 409 |
| Other | - | - | 57,383 | 57,383 | 8,909 |
| Total revenues | <u>121,036</u> | <u>121,036</u> | <u>178,681</u> | <u>57,645</u> | <u>176,064</u> |
| Expenditures: | | | | | |
| Project costs | - | - | 15,231 | (15,231) | 39,999 |
| Miscellaneous | - | - | - | - | 1,562 |
| Debt service: | | | | | |
| Principal | 24,165 | 24,165 | 189,165 | (165,000) | 160,000 |
| Interest | 88,417 | 88,417 | 58,471 | 29,946 | 49,279 |
| Total expenditures | <u>112,582</u> | <u>112,582</u> | <u>262,867</u> | <u>(150,285)</u> | <u>250,840</u> |
| Revenues over (under) expenditures | 8,454 | 8,454 | (84,186) | (92,640) | (74,776) |
| Other financing sources (uses): | | | | | |
| Transfers in | - | - | 115,106 | 115,106 | 120,862 |
| Net change in fund balance | <u>\$8,454</u> | <u>\$8,454</u> | 30,920 | <u>\$22,466</u> | 46,086 |
| Fund balance - January 1 | | | <u>149,545</u> | | <u>103,459</u> |
| Fund balance - December 31 | | | <u>\$180,465</u> | | <u>\$149,545</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
December 31, 2010

Note A BUDGETS

The General Fund, Section 8 Portability, Section 8 Housing Choice Vouchers, Development, 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. TCAP Kilkenny/Granada did not have a legally adopted budget.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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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 Washington County Housing and Redevelopment Authority 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 HRA'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 HRA 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 an 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 HRA’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 expenditures to provide foreclosure counseling prevention counseling services to homeowners. The source of this grant is the St. Paul and Bigelow Foundations.

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.

Whispering Oaks TIF Fund - to account 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.

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

Transition Foreclosure Program – to account for expenditures to provide foreclosure counseling preventing counseling services and related outreach and administrative support. The source of this grant is the Minnesota Home Ownership Center.

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WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010
 With Comparative Totals For December 31, 2009

Statement 14
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 | \$3,030 | \$11,937 | \$14,400 | \$126,597 | \$ - |
| Due from other governmental units | - | - | - | - | - |
| Accrued interest receivable | - | - | - | - | - |
| Accounts receivable | - | - | - | - | - |
| Property taxes receivable delinquent | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Advances to other funds | - | - | - | - | - |
| Property held for resale | - | - | - | - | - |
| Note receivable | - | - | - | - | 570,060 |
| Total assets | \$3,030 | \$11,937 | \$14,400 | \$126,597 | \$570,060 |
| Liabilities and Fund Balance | | | | | |
| Liabilities: | | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | - | 1,539 | 495 | 1,637 | - |
| Due to other governmental units | 836 | 1,665 | - | - | - |
| Accrued wages and benefits | - | 54 | 185 | 1,378 | - |
| Deferred revenue | - | - | - | - | 570,060 |
| Advances from other funds | - | - | - | - | - |
| Total liabilities | 836 | 3,258 | 680 | 3,015 | 570,060 |
| Fund balance: | | | | | |
| Reserved for prepaid items | - | - | - | - | - |
| Reserved for advances to other funds | - | - | - | - | - |
| Reserved for long term notes receivable | - | - | - | - | - |
| Unreserved: | | | | | |
| Designated for grant programs | 2,194 | 8,679 | 13,720 | - | - |
| Designated for gap financing | - | - | - | - | - |
| Designated for capital purposes | - | - | - | - | - |
| Undesignated | - | - | - | 123,582 | - |
| Total fund balance | 2,194 | 8,679 | 13,720 | 123,582 | 0 |
| Total liabilities and fund balance | \$3,030 | \$11,937 | \$14,400 | \$126,597 | \$570,060 |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With Comparative Totals For December 31, 2009

| | 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 | \$2,865 | \$ - | \$1,733,901 | \$ - | \$ - |
| Due from other governmental units | - | - | - | 493 | 1,519 |
| Accrued interest receivable | - | - | - | - | - |
| Accounts receivable | - | - | - | - | - |
| Property taxes receivable delinquent | - | - | - | - | - |
| Prepaid items | 344 | - | - | - | - |
| Advances to other funds | - | - | - | - | - |
| Property held for resale | - | - | - | - | - |
| Note receivable | - | - | - | - | - |
| Total assets | \$3,209 | \$0 | \$1,733,901 | \$493 | \$1,519 |
| Liabilities and Fund Balance | | | | | |
| Liabilities: | | | | | |
| Due to other funds | \$ - | \$30,985 | \$ - | \$42 | \$1,174 |
| Accounts payable | 231 | - | - | 48 | 285 |
| Due to other governmental units | - | - | - | - | - |
| Accrued wages and benefits | 2,978 | - | - | 27 | 60 |
| Deferred revenue | - | - | - | - | - |
| Advances from other funds | - | - | - | - | - |
| Total liabilities | 3,209 | 30,985 | 0 | 117 | 1,519 |
| Fund balance: | | | | | |
| Reserved for prepaid items | 344 | - | - | - | - |
| Reserved for advances to other funds | - | - | - | - | - |
| Reserved for long term notes receivable | - | - | - | - | - |
| Unreserved: | | | | | |
| Designated for grant programs | - | - | - | 376 | - |
| Designated for gap financing | - | - | - | - | - |
| Designated for capital purposes | - | - | 1,733,901 | - | - |
| Undesignated | (344) | (30,985) | - | - | - |
| Total fund balance | 0 | (30,985) | 1,733,901 | 376 | 0 |
| Total liabilities and fund balance | \$3,209 | \$0 | \$1,733,901 | \$493 | \$1,519 |

| 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 |
|---|----------------------------------|--|--------------------------------|---|-----------------------------|---|------------------------|
| \$ - | \$ - | \$ - | \$272,270 | \$ - | \$ - | \$ - | \$ - |
| - | 1,759 | 3,333 | - | 1,379 | - | - | - |
| - | - | - | 14,434 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 85 | - | - | - | - | - | - |
| - | - | - | 440,385 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | 1,350,320 | - | - | - | - |
| <u>\$0</u> | <u>\$1,844</u> | <u>\$3,333</u> | <u>\$2,077,409</u> | <u>\$1,379</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$ - | \$1,224 | \$ - | \$ - | \$1,224 | \$ - | \$ - | \$ - |
| - | 40 | 3,333 | - | 95 | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 580 | - | - | 60 | - | - | - |
| - | - | - | 14,434 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>0</u> | <u>1,844</u> | <u>3,333</u> | <u>14,434</u> | <u>1,379</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| - | 85 | - | - | - | - | - | - |
| - | - | - | 440,385 | - | - | - | - |
| - | - | - | 1,350,320 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | 272,270 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | (85) | - | - | - | - | - | - |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>2,062,975</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>\$0</u> | <u>\$1,844</u> | <u>\$3,333</u> | <u>\$2,077,409</u> | <u>\$1,379</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

With Comparative Totals For December 31, 2009

| | 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 | 273 - Home Ownership Program |
|---|--|---|---|---|--|------------------------------------|
| Assets | | | | | | |
| Cash, cash equivalents and investments | \$ - | \$ - | \$126,487 | \$ - | \$728 | \$17,477 |
| Due from other governmental units | - | - | - | 13,569 | - | - |
| Accrued interest receivable | - | - | - | - | - | - |
| Accounts receivable | - | 11,837 | - | - | - | - |
| Property taxes receivable delinquent | - | - | - | - | - | - |
| Prepaid items | - | 44 | - | - | - | - |
| Advances to other funds | - | - | - | - | - | - |
| Property held for resale | - | - | - | - | - | - |
| Note receivable | - | - | - | - | - | - |
| Total assets | \$0 | \$11,881 | \$126,487 | \$13,569 | \$728 | \$17,477 |
| Liabilities and Fund Balance | | | | | | |
| Liabilities: | | | | | | |
| Due to other funds | \$ - | \$11,452 | \$ - | \$13,569 | \$ - | \$ - |
| Accounts payable | - | 128 | 4,200 | - | 26 | 281 |
| Due to other governmental units | - | - | - | - | - | - |
| Accrued wages and benefits | - | 301 | - | - | 702 | 236 |
| Deferred revenue | - | - | 122,246 | - | - | 16,960 |
| Advances from other funds | - | - | - | - | - | - |
| Total liabilities | 0 | 11,881 | 126,446 | 13,569 | 728 | 17,477 |
| Fund balance: | | | | | | |
| Reserved for prepaid items | - | 44 | - | - | - | - |
| Reserved for advances to other funds | - | - | - | - | - | - |
| Reserved for long term notes receivable | - | - | - | - | - | - |
| Unreserved: | | | | | | |
| Designated for grant programs | - | - | 41 | - | - | - |
| Designated for gap financing | - | - | - | - | - | - |
| Designated for capital purposes | - | - | - | - | - | - |
| Undesignated | - | (44) | - | - | - | - |
| Total fund balance | 0 | 0 | 41 | 0 | 0 | 0 |
| Total liabilities and fund balance | \$0 | \$11,881 | \$126,487 | \$13,569 | \$728 | \$17,477 |

| 274 - Forest Lake Trailside Senior Living TIF | 276 - Foreclosure Counseling and Grant | 277 - LAND Initiative | 278 - Foreclosure Prevention Assistance Program | 242 - Whispering Oaks TIF | 292 - HECAT Foreclosure Program | 293 - Transition Foreclosure Program | Totals Nonmajor Special Revenue Funds | |
|---|---|-----------------------------|---|---------------------------------|--|---|--|--------------------|
| | | | | | | | 2010 | 2009 |
| \$ - | \$28,906 | \$ - | \$ - | \$ - | \$20,000 | \$ - | \$2,358,598 | \$3,164,384 |
| - | - | - | - | 427 | - | 14,213 | 36,692 | 170,816 |
| - | - | - | - | - | - | - | 14,434 | 8,871 |
| - | - | - | - | - | - | - | 11,837 | 54,246 |
| - | - | - | - | 1,411 | - | - | 1,411 | - |
| - | - | - | - | - | - | 497 | 970 | 677 |
| - | - | - | - | - | - | - | 440,385 | - |
| - | - | 543,500 | - | - | - | - | 543,500 | 114,939 |
| - | - | - | - | - | - | - | 1,920,380 | 1,027,180 |
| <u>\$0</u> | <u>\$28,906</u> | <u>\$543,500</u> | <u>\$0</u> | <u>\$1,838</u> | <u>\$20,000</u> | <u>\$14,710</u> | <u>\$5,328,207</u> | <u>\$4,541,113</u> |
| \$12,941 | \$ - | \$ - | \$ - | \$ - | \$ - | \$11,981 | \$84,592 | \$141,312 |
| 168 | - | 89 | - | - | - | 1,204 | 13,799 | 88,441 |
| - | - | - | - | 12,958 | - | - | 15,459 | 12,959 |
| - | 487 | - | - | - | - | 1,525 | 8,573 | 23,320 |
| - | 28,419 | 543,500 | - | 1,411 | 20,000 | - | 1,317,030 | 885,625 |
| - | - | - | - | 2,600,778 | - | - | 2,600,778 | 2,567,089 |
| <u>13,109</u> | <u>28,906</u> | <u>543,589</u> | <u>0</u> | <u>2,615,147</u> | <u>20,000</u> | <u>14,710</u> | <u>4,040,231</u> | <u>3,718,746</u> |
| - | - | - | - | - | - | 497 | 970 | 677 |
| - | - | - | - | - | - | - | 440,385 | - |
| - | - | - | - | - | - | - | 1,350,320 | 472,904 |
| - | - | - | - | - | - | - | 25,010 | 24,537 |
| - | - | - | - | - | - | - | 272,270 | 1,535,219 |
| - | - | - | - | - | - | - | 1,733,901 | 1,292,426 |
| <u>(13,109)</u> | <u>-</u> | <u>(89)</u> | <u>-</u> | <u>(2,613,309)</u> | <u>-</u> | <u>(497)</u> | <u>(2,534,880)</u> | <u>(2,503,396)</u> |
| <u>(13,109)</u> | <u>0</u> | <u>(89)</u> | <u>0</u> | <u>(2,613,309)</u> | <u>0</u> | <u>0</u> | <u>1,287,976</u> | <u>822,367</u> |
| <u>\$0</u> | <u>\$28,906</u> | <u>\$543,500</u> | <u>\$0</u> | <u>\$1,838</u> | <u>\$20,000</u> | <u>\$14,710</u> | <u>\$5,328,207</u> | <u>\$4,541,113</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, 2010

With Comparative Totals For The Year Ended December 31, 2009

| | 211 - Section 8 Project Based | 213 - Bridges | 215 - Bridges 2 | 230 - Multi Family Projects - LIHTC |
|--|----------------------------------|----------------|-----------------|---|
| Revenues: | | | | |
| General property taxes | \$ - | \$ - | \$ - | \$ - |
| Tax increments | - | - | - | - |
| Intergovernmental | 35,711 | 88,952 | 41,556 | - |
| Administrative fees | 2,317 | 10,125 | 4,890 | 81,591 |
| Origination fees | - | - | - | 23,270 |
| Investment income | 3 | 7 | 13 | 14 |
| Program income | - | - | - | - |
| Other | - | - | 75 | 48,190 |
| Total revenues | <u>38,031</u> | <u>99,084</u> | <u>46,534</u> | <u>153,065</u> |
| Expenditures: | | | | |
| Housing and redevelopment/ tax increment financing: | | | | |
| Administrative salaries and benefits | 2,162 | 6,923 | 4,052 | 31,341 |
| Administrative travel and per diems | - | - | - | 365 |
| Administrative legal | - | 404 | - | 72,244 |
| Administrative sundry | - | - | - | 987 |
| Professional services | 4 | 3,258 | 960 | - |
| Housing assistance payments | 35,883 | 88,952 | 41,556 | - |
| Relocation fees | - | - | - | - |
| Financing fee | - | - | - | - |
| TCAP expenses | - | - | - | - |
| Return of program income | - | - | - | - |
| Other | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | <u>38,049</u> | <u>99,537</u> | <u>46,568</u> | <u>104,937</u> |
| Revenues over (under) expenditures | <u>(18)</u> | <u>(453)</u> | <u>(34)</u> | <u>48,128</u> |
| Other financing sources (uses): | | | | |
| Transfers from other funds | - | - | - | - |
| Transfer to other funds | - | - | - | - |
| Debt issuance | - | - | - | - |
| Total other financing sources (uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net change in fund balance | (18) | (453) | (34) | 48,128 |
| Fund balance (deficit) - January 1 | <u>2,212</u> | <u>9,132</u> | <u>13,754</u> | <u>75,454</u> |
| Fund balance (deficit) - December 31 | <u>\$2,194</u> | <u>\$8,679</u> | <u>\$13,720</u> | <u>\$123,582</u> |

| <u>280 - HOME</u> | <u>742 - Property Management</u> | <u>255 - Newport Town Center</u> | <u>275 - Long-Term Capital Reserve</u> | <u>217 - Bridges - Long Term Homeless</u> | <u>218 - Shelter Plus Care</u> | <u>272 - National Foreclosure Mitigation Counseling</u> |
|-------------------|----------------------------------|----------------------------------|--|---|--------------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | 55,726 | 63,234 | 150,567 |
| - | 276,919 | - | - | 4,500 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 1,475 | - | - | 17 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>0</u> | <u>276,919</u> | <u>0</u> | <u>1,475</u> | <u>60,226</u> | <u>63,234</u> | <u>150,584</u> |
| - | 236,367 | - | - | 3,794 | 2,140 | 133,877 |
| - | 2,468 | - | - | - | 605 | 941 |
| - | 6,363 | - | - | - | - | 290 |
| - | 8,489 | - | - | - | - | 14,486 |
| - | 22,791 | - | - | 186 | - | - |
| - | - | - | - | 55,726 | 60,384 | - |
| - | - | - | - | - | - | - |
| - | 441 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 990 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>0</u> | <u>276,919</u> | <u>0</u> | <u>0</u> | <u>59,706</u> | <u>63,129</u> | <u>150,584</u> |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>1,475</u> | <u>520</u> | <u>105</u> | <u>0</u> |
| - | - | - | 440,000 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>440,000</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 0 | 0 | 0 | 441,475 | 520 | 105 | 0 |
| - | - | (30,985) | 1,292,426 | (144) | (105) | - |
| <u>\$0</u> | <u>\$0</u> | <u>(\$30,985)</u> | <u>\$1,733,901</u> | <u>\$376</u> | <u>\$0</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, 2010

With Comparative Totals For The Year Ended December 31, 2009

| | 263 - FSS - Public Housing | 268 - Raymie Service Coordinator | 271 - GAP Financing Fund | 219 - Shelter Plus Care - Forest Lake Fund |
|--|-------------------------------|--|-----------------------------|--|
| Revenues: | | | | |
| General property taxes | \$ - | \$ - | \$31,031 | \$ - |
| Tax increments | - | - | - | - |
| Intergovernmental | 30,893 | 36,011 | - | 63,774 |
| Administrative fees | - | - | - | - |
| Origination fees | - | - | - | - |
| Investment income | - | - | 1,148 | - |
| Program income | - | - | - | - |
| Other | - | - | 22,673 | - |
| Total revenues | <u>30,893</u> | <u>36,011</u> | <u>54,852</u> | <u>63,774</u> |
| Expenditures: | | | | |
| Housing and redevelopment/ tax increment financing: | | | | |
| Administrative salaries and benefits | 20,252 | - | - | - |
| Administrative travel and per diems | 236 | - | - | - |
| Administrative legal | - | - | - | - |
| Administrative sundry | 1,146 | 3,370 | - | 18 |
| Professional services | 9,259 | 32,427 | - | - |
| Housing assistance payments | - | - | - | - |
| Relocation fees | - | - | - | 63,715 |
| Financing fee | - | - | - | - |
| TCAP expenses | - | - | - | - |
| Return of program income | - | - | - | - |
| Other | - | 214 | - | 11 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | <u>30,893</u> | <u>36,011</u> | <u>0</u> | <u>63,744</u> |
| Revenues over (under) expenditures | <u>0</u> | <u>0</u> | <u>54,852</u> | <u>30</u> |
| Other financing sources (uses): | | | | |
| Transfers from other funds | - | - | - | - |
| Transfer to other funds | - | - | - | - |
| Debt issuance | - | - | - | - |
| Total other financing sources (uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net change in fund balance | 0 | 0 | 54,852 | 30 |
| Fund balance (deficit) - January 1 | - | - | 2,008,123 | (30) |
| Fund balance (deficit) - December 31 | <u>\$0</u> | <u>\$0</u> | <u>\$2,062,975</u> | <u>\$0</u> |

| 221 - Housing Trust Fund | 279 - Neighborhood Stabilization Program | 281 - WCHRA, LLC | 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 |
|--------------------------------|---|------------------------|---|---|---|---|---|
| \$ - | \$ - | \$210,000 | \$51,476 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| 7,745 | 27,914 | - | - | 39,042 | 32,754 | 31,005 | 17,803 |
| 750 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 58 | - | 62 | 35 | - | 113 | - | 1 |
| - | 162,750 | - | - | - | - | - | - |
| - | 3,112 | - | - | - | - | - | - |
| <u>8,553</u> | <u>193,776</u> | <u>210,062</u> | <u>51,511</u> | <u>39,042</u> | <u>32,867</u> | <u>31,005</u> | <u>17,804</u> |
| 410 | 4,038 | - | - | 8,976 | - | - | 38,309 |
| - | - | - | - | 1,177 | - | - | 159 |
| - | 7,732 | - | - | - | - | - | - |
| - | 3,403 | - | - | 91 | 27 | - | 880 |
| 225 | 12,558 | - | 1,000 | - | - | - | - |
| 7,117 | - | - | - | 26,723 | 32,500 | 31,005 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 162,750 | - | - | - | - | - | - |
| 628 | 3,295 | - | - | - | 340 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>8,380</u> | <u>193,776</u> | <u>0</u> | <u>1,000</u> | <u>36,967</u> | <u>32,867</u> | <u>31,005</u> | <u>39,348</u> |
| <u>173</u> | <u>0</u> | <u>210,062</u> | <u>50,511</u> | <u>2,075</u> | <u>0</u> | <u>0</u> | <u>(21,544)</u> |
| - | - | 338,724 | - | - | - | - | 21,544 |
| - | - | (578,018) | (86,089) | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>0</u> | <u>0</u> | <u>(239,294)</u> | <u>(86,089)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>21,544</u> |
| 173 | 0 | (29,232) | (35,578) | 2,075 | 0 | 0 | 0 |
| (173) | - | 29,232 | 35,578 | (2,075) | 41 | - | - |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$41</u> | <u>\$0</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, 2010

With Comparative Totals For The Year Ended December 31, 2009

| | 273 - Home Ownership Program | 274 - Forest Lake Trailside Senior Living TIF | 276 - Foreclosure Counseling and Grant | 277 - LAND Initiative |
|--|------------------------------------|--|--|--------------------------|
| Revenues: | | | | |
| General property taxes | \$ - | \$ - | \$ - | \$ - |
| Tax increments | - | - | - | - |
| Intergovernmental | 10,048 | - | 20,009 | - |
| Administrative fees | 4,320 | - | - | - |
| Origination fees | - | - | - | - |
| Investment income | 11 | - | 18 | - |
| Program income | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>14,379</u> | <u>0</u> | <u>20,027</u> | <u>0</u> |
| Expenditures: | | | | |
| Housing and redevelopment/ tax increment financing: | | | | |
| Administrative salaries and benefits | 12,375 | - | 19,011 | 2,659 |
| Administrative travel and per diems | 140 | - | - | 51 |
| Administrative legal | - | - | - | 24,804 |
| Administrative sundry | 1,864 | - | 1,016 | 1,389 |
| Professional services | - | 13,109 | - | 7,330 |
| Housing assistance payments | - | - | - | - |
| Relocation fees | - | - | - | - |
| Financing fee | - | - | - | - |
| TCAP expenses | - | - | - | - |
| Return of program income | - | - | - | - |
| Other | - | - | - | 543,500 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | <u>14,379</u> | <u>13,109</u> | <u>20,027</u> | <u>579,733</u> |
| Revenues over (under) expenditures | <u>0</u> | <u>(13,109)</u> | <u>0</u> | <u>(579,733)</u> |
| Other financing sources (uses): | | | | |
| Transfers from other funds | - | 8,238 | - | 47,257 |
| Transfer to other funds | - | - | - | - |
| Debt issuance | - | - | - | 543,500 |
| Total other financing sources (uses) | <u>0</u> | <u>8,238</u> | <u>0</u> | <u>590,757</u> |
| Net change in fund balance | 0 | (4,871) | 0 | 11,024 |
| Fund balance (deficit) - January 1 | - | (8,238) | - | (11,113) |
| Fund balance (deficit) - December 31 | <u>\$0</u> | <u>(\$13,109)</u> | <u>\$0</u> | <u>(\$89)</u> |

| 278 - Foreclosure Prevention Assistance Program | 242 - Whispering Oaks TIF | 292 - HECAT Foreclosure Program | 293 - Transition Foreclosure Program | Totals Nonmajor Special Revenue Funds | |
|--|------------------------------|---------------------------------------|--|---------------------------------------|------------------|
| | | | | 2010 | 2009 |
| \$ - | \$ - | \$ - | \$ - | \$292,507 | \$210,000 |
| - | 21,731 | - | - | 21,731 | 2,509 |
| - | - | - | 14,213 | 766,957 | 912,597 |
| 5,760 | - | - | - | 391,172 | 430,183 |
| - | - | - | - | 23,270 | 1,621 |
| - | - | - | - | 2,975 | 3,863 |
| - | - | - | - | 162,750 | - |
| - | - | - | - | 74,050 | 24,008 |
| <u>5,760</u> | <u>21,731</u> | <u>0</u> | <u>14,213</u> | <u>1,735,412</u> | <u>1,584,781</u> |
| - | - | - | 12,590 | 539,276 | 423,512 |
| 1 | - | - | 28 | 6,171 | 4,731 |
| - | - | - | - | 111,837 | 195,703 |
| 5,760 | - | - | 1,595 | 44,521 | 46,631 |
| - | 10,045 | - | - | 113,152 | 580,266 |
| - | - | - | - | 379,846 | 290,244 |
| - | - | - | - | 63,715 | 37,043 |
| - | - | - | - | 441 | 465 |
| - | - | - | - | - | - |
| - | - | - | - | 162,750 | - |
| - | - | - | - | 548,978 | 47,950 |
| - | - | - | - | - | - |
| - | 34,272 | - | - | 34,272 | 35,937 |
| <u>5,761</u> | <u>44,317</u> | <u>0</u> | <u>14,213</u> | <u>2,004,959</u> | <u>1,662,482</u> |
| <u>(1)</u> | <u>(22,586)</u> | <u>0</u> | <u>0</u> | <u>(269,547)</u> | <u>(77,701)</u> |
| - | - | - | - | 855,763 | (390,000) |
| - | - | - | - | (664,107) | (946,254) |
| - | - | - | - | 543,500 | 2,200,000 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>735,156</u> | <u>863,746</u> |
| (1) | (22,586) | 0 | 0 | 465,609 | 786,045 |
| 1 | (2,590,723) | - | - | 822,367 | 36,322 |
| <u>\$0</u> | <u>(\$2,613,309)</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,287,976</u> | <u>\$822,367</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 211 - SECTION 8 PROJECT BASED

Statement 16

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|---------------|----------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$22,320 | \$22,320 | \$35,711 | \$32,906 |
| Administrative fees | 1,764 | 1,764 | 2,317 | 2,275 |
| Investment income | - | - | 3 | - |
| Total revenues | <u>24,084</u> | <u>24,084</u> | <u>38,031</u> | <u>35,181</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 600 | 600 | 2,162 | 578 |
| Professional services | 150 | 150 | 4 | 46 |
| Housing assistance payments | <u>22,420</u> | <u>22,420</u> | <u>35,883</u> | <u>32,906</u> |
| Total expenditures | <u>23,170</u> | <u>23,170</u> | <u>38,049</u> | <u>33,530</u> |
| Revenues over (under) expenditures | <u>\$914</u> | <u>\$914</u> | (18) | 1,651 |
| Fund balance - January 1 | | | <u>2,212</u> | <u>561</u> |
| Fund balance - December 31 | | | <u>\$2,194</u> | <u>\$2,212</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 213 - BRIDGES

Statement 17

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|------------------|----------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$99,500 | \$99,500 | \$88,952 | \$96,054 |
| Charges for services | 9,700 | 9,700 | 10,125 | 10,033 |
| Investment income | 100 | 100 | 7 | 24 |
| Total revenues | <u>109,300</u> | <u>109,300</u> | <u>99,084</u> | <u>106,111</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 9,300 | 9,300 | 6,923 | 9,032 |
| Administrative legal | - | - | 404 | 2,251 |
| Administrative sundry | - | - | - | 47 |
| Professional services | 2,520 | 2,520 | 3,258 | 3,660 |
| Housing assistance payments | 104,000 | 104,000 | 88,952 | 96,054 |
| Other | - | - | - | 28 |
| Total expenditures | <u>115,820</u> | <u>115,820</u> | <u>99,537</u> | <u>111,072</u> |
| Revenues over (under) expenditures | <u>(\$6,520)</u> | <u>(\$6,520)</u> | (453) | (4,961) |
| Fund balance - January 1 | | | <u>9,132</u> | <u>14,093</u> |
| Fund balance - December 31 | | | <u>\$8,679</u> | <u>\$9,132</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 215 - BRIDGES 2

Statement 18

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|------------------|-----------------|-----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$43,140 | \$43,140 | \$41,556 | \$41,034 |
| Charges for services | 3,300 | 3,300 | 4,890 | 5,401 |
| Investment income | 100 | 100 | 13 | 35 |
| Other | - | - | 75 | - |
| Total revenues | <u>46,540</u> | <u>46,540</u> | <u>46,534</u> | <u>46,470</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 5,300 | 5,300 | 4,052 | 5,292 |
| Administrative legal | - | - | - | 935 |
| Professional services | 1,400 | 1,400 | 960 | 1,058 |
| Housing assistance payments | 43,140 | 43,140 | 41,556 | 41,034 |
| Total expenditures | <u>49,840</u> | <u>49,840</u> | <u>46,568</u> | <u>48,319</u> |
| Revenues over (under) expenditures | <u>(\$3,300)</u> | <u>(\$3,300)</u> | (34) | (1,849) |
| Fund balance - January 1 | | | <u>13,754</u> | <u>15,603</u> |
| Fund balance - December 31 | | | <u>\$13,720</u> | <u>\$13,754</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 230 - MULTI FAMILY PROJECTS - LIHTC

Statement 19

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|-----------------|------------------|-----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Administrative fees | \$50,000 | \$50,000 | \$81,591 | \$108,075 |
| Bond issuance, origination fees | - | - | 23,270 | 1,547 |
| Investment income | - | - | 14 | 37 |
| Other | 27,000 | 27,000 | 48,190 | 24,008 |
| Total revenues | <u>77,000</u> | <u>77,000</u> | <u>153,065</u> | <u>133,667</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 23,700 | 23,700 | 31,341 | 10,867 |
| Administrative travel and per diems | 100 | 100 | 365 | 12 |
| Administrative legal | 25,000 | 25,000 | 72,244 | 70,837 |
| Administrative sundry | 800 | 800 | 987 | 1,249 |
| Professional services | - | - | - | 17,215 |
| Total expenditures | <u>49,600</u> | <u>49,600</u> | <u>104,937</u> | <u>100,180</u> |
| Revenues over expenditures | <u>\$27,400</u> | <u>\$27,400</u> | 48,128 | 33,487 |
| Fund balance - January 1 | | | <u>75,454</u> | <u>41,967</u> |
| Fund balance - December 31 | | | <u>\$123,582</u> | <u>\$75,454</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 280 - HOME
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 20

| | <u>2010</u> | <u>2009</u> |
|------------------------------------|-------------------|-------------------|
| Revenues | \$ - | \$ - |
| Expenditures | <u>-</u> | <u>-</u> |
| Revenues over expenditures | 0 | 0 |
| Other financing sources: | | |
| Transfers from General Fund | <u>-</u> | <u>2,736</u> |
| Net change in fund balance | 0 | 2,736 |
| Fund balance (deficit) - January 1 | <u>-</u> | <u>(2,736)</u> |
| Fund balance - December 31 | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 742 - PROPERTY MANAGEMENT

Statement 21

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|-----------|-----------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Administrative fees | \$294,600 | \$294,600 | \$276,919 | \$286,215 |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 191,800 | 191,800 | 236,367 | 197,142 |
| Administrative travel and per diems | 2,000 | 2,000 | 2,468 | 3,118 |
| Administrative legal | 5,000 | 5,000 | 6,363 | 14,396 |
| Administrative sundry | 5,300 | 5,300 | 8,489 | 5,382 |
| Professional services | 90,000 | 90,000 | 22,791 | 64,859 |
| Financing fee | 500 | 500 | 441 | 465 |
| Other | - | - | - | 853 |
| Total expenditures | 294,600 | 294,600 | 276,919 | 286,215 |
| 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 22

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|----------------|-------------------|-------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures | (5,000) | (5,000) | - | - |
| Revenues over expenditures | <u>\$5,000</u> | <u>\$5,000</u> | 0 | 0 |
| Fund balance (deficit) - January 1 | | | <u>(30,985)</u> | <u>(30,985)</u> |
| Fund balance (deficit) - December 31 | | | <u>(\$30,985)</u> | <u>(\$30,985)</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 275 - LONG-TERM CAPITAL RESERVE

Statement 23

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|----------|-------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$10,000 | \$10,000 | \$1,475 | \$2,187 |
| Expenditures | - | - | - | - |
| Revenues over expenditures | 10,000 | 10,000 | 1,475 | 2,187 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 440,000 | 680,000 |
| Transfers out | - | - | - | (390,000) |
| Total other financing sources (uses) | 0 | 0 | 440,000 | 290,000 |
| Net change in fund balance | \$10,000 | \$10,000 | 441,475 | 292,187 |
| Fund balance - January 1 | | | 1,292,426 | 1,000,239 |
| Fund balance - December 31 | | | \$1,733,901 | \$1,292,426 |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 217 - BRIDGES - LONG TERM HOMELESS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 24

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|----------------|---------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$61,000 | \$61,000 | \$55,726 | \$50,413 |
| Administrative fees | 5,400 | 5,400 | 4,500 | 4,455 |
| Investment income | - | - | - | 4 |
| Total revenues | <u>66,400</u> | <u>66,400</u> | <u>60,226</u> | <u>54,872</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 5,600 | 5,600 | 3,794 | 6,105 |
| Professional services | 500 | 500 | 186 | 360 |
| Housing assistance payments | <u>51,600</u> | <u>51,600</u> | <u>55,726</u> | <u>50,413</u> |
| Total expenditures | <u>57,700</u> | <u>57,700</u> | <u>59,706</u> | <u>56,878</u> |
| Revenues over (under) expenditures | <u>\$8,700</u> | <u>\$8,700</u> | 520 | (2,006) |
| Fund balance (deficit) - January 1 | | | <u>(144)</u> | <u>1,862</u> |
| Fund balance (deficit) - December 31 | | | <u>\$376</u> | <u>(\$144)</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 218 - SHELTER PLUS CARE

Statement 25

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|----------|----------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$44,580 | \$44,580 | \$63,234 | \$52,312 |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 2,000 | 2,000 | 2,140 | 3,386 |
| Administrative travel and per diems | 350 | 350 | 605 | 293 |
| Housing assistance payments | 41,300 | 41,300 | 60,384 | 48,530 |
| Total expenditures | 43,650 | 43,650 | 63,129 | 52,209 |
| Revenues over expenditures | 930 | 930 | 105 | 103 |
| Other financing sources: | | | | |
| Transfers from General Fund | - | - | - | 2,607 |
| Net change in fund balance | \$930 | \$930 | 105 | 2,710 |
| Fund balance (deficit) - January 1 | | | (105) | (2,815) |
| Fund balance (deficit) - December 31 | | | \$0 | (\$105) |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 272 - NATIONAL FORECLOSURE MITIGATION COUNSELING
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 26

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|----------------|----------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$210,000 | \$210,000 | \$150,567 | \$233,679 |
| Investment income | 100 | 100 | 17 | 168 |
| Total revenues | <u>210,100</u> | <u>210,100</u> | <u>150,584</u> | <u>233,847</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 185,300 | 185,300 | 133,877 | 134,807 |
| Administrative travel and per diems | - | - | 941 | 243 |
| Administrative legal | - | - | 290 | 61,115 |
| Administrative sundry | 23,700 | 23,700 | 14,486 | 20,320 |
| Professional services | - | - | - | 15,646 |
| Other | 1,100 | 1,100 | 990 | 1,716 |
| Total expenditures | <u>210,100</u> | <u>210,100</u> | <u>150,584</u> | <u>233,847</u> |
| Revenues over expenditures | <u>\$0</u> | <u>\$0</u> | 0 | 0 |
| Fund balance - January 1 | | | - | - |
| Fund balance - December 31 | | | <u>\$0</u> | <u>\$0</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 263 - FSS - PUBLIC HOUSING

Statement 27

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|----------|----------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$27,000 | \$27,000 | \$30,893 | \$27,368 |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | - | - | 20,252 | - |
| Administrative travel and per diems | - | - | 236 | - |
| Administrative sundry | - | - | 1,146 | - |
| Professional services | 27,000 | 27,000 | 9,259 | 27,368 |
| Total expenditures | 27,000 | 27,000 | 30,893 | 27,368 |
| 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 28

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|----------------------------|------------------|----------|----------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$30,900 | \$30,900 | \$36,011 | \$33,954 |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative sundry | 800 | 800 | 3,370 | 577 |
| Professional services | 30,100 | 30,100 | 32,427 | 33,035 |
| Other | - | - | 214 | 342 |
| Total expenditures | 30,900 | 30,900 | 36,011 | 33,954 |
| 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 29

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|------------------------------------|------------------|----------------|--------------------|--------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$31,031 | \$31,031 | \$31,031 | \$ - |
| Investment income | 12,000 | 12,000 | 1,148 | 1,340 |
| Other | 9,000 | 9,000 | 22,673 | - |
| Total revenues | <u>52,031</u> | <u>52,031</u> | <u>54,852</u> | <u>1,340</u> |
| Expenditures: | | | | |
| Administrative legal | <u>7,500</u> | <u>7,500</u> | - | <u>2,759</u> |
| Revenues over (under) expenditures | 4,500 | 4,500 | 54,852 | (1,419) |
| Other financing sources: | | | | |
| Transfers from General Fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>512,588</u> |
| Net change in fund balance | <u>\$4,500</u> | <u>\$4,500</u> | 54,852 | 511,169 |
| Fund balance - January 1 | | | <u>2,008,123</u> | <u>1,496,954</u> |
| Fund balance - December 31 | | | <u>\$2,062,975</u> | <u>\$2,008,123</u> |

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, 2010
 With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 30

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|----------------|-------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$33,400 | \$33,400 | \$63,774 | \$36,914 |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative sundry | - | - | 18 | 10 |
| Housing assistance payments | 33,500 | 33,500 | 63,715 | 37,043 |
| Other | - | - | 11 | 13 |
| Total expenditures | 33,500 | 33,500 | 63,744 | 37,066 |
| Revenues over (under) expenditures | (100) | (100) | 30 | (152) |
| Other financing sources: | | | | |
| Transfers in | - | - | - | 762 |
| Net change in fund balance | <u>(\$100)</u> | <u>(\$100)</u> | 30 | 610 |
| Fund balance (deficit) - January 1 | | | <u>(30)</u> | <u>(640)</u> |
| Fund balance (deficit) - December 31 | | | <u>\$0</u> | <u>(\$30)</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 221 - HOUSING TRUST FUND

Statement 31

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|---------------|--------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$23,500 | \$23,500 | \$7,745 | \$19,310 |
| Administrative fees | 2,400 | 2,400 | 750 | 1,868 |
| Investment income | - | - | 58 | - |
| Total revenues | <u>25,900</u> | <u>25,900</u> | <u>8,553</u> | <u>21,178</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 1,300 | 1,300 | 410 | 1,933 |
| Professional services | - | - | 225 | 315 |
| Housing assistance payments | 23,200 | 23,200 | 7,117 | 18,388 |
| Other | 700 | 700 | 628 | 791 |
| Total expenditures | <u>25,200</u> | <u>25,200</u> | <u>8,380</u> | <u>21,427</u> |
| Revenue over (under) expenditures | <u>\$700</u> | <u>\$700</u> | 173 | (249) |
| Fund balance (deficit) - January 1 | | | <u>(173)</u> | <u>76</u> |
| Fund balance (deficit) - December 31 | | | <u>\$0</u> | <u>(\$173)</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 279 - NEIGHBORHOOD STABILIZATION PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 32

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|---------------|----------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$24,300 | \$24,300 | \$27,914 | \$235,974 |
| Investment income | - | - | - | 1 |
| Program income | - | - | 162,750 | - |
| Other | - | - | 3,112 | - |
| Total revenues | <u>24,300</u> | <u>24,300</u> | <u>193,776</u> | <u>235,975</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 24,300 | 24,300 | 4,038 | 13,121 |
| Administrative travel and per diems | - | - | - | 94 |
| Administrative legal | - | - | 7,732 | 13,658 |
| Administrative sundry | - | - | 3,403 | 1,177 |
| Professional services | - | - | 12,558 | 164,102 |
| Return of program income | - | - | 162,750 | - |
| Other | - | - | 3,295 | 43,823 |
| Total expenditures | <u>24,300</u> | <u>24,300</u> | <u>193,776</u> | <u>235,975</u> |
| Revenues over expenditures | <u>\$0</u> | <u>\$0</u> | 0 | 0 |
| Fund balance - January 1 | | | - | - |
| Fund balance - December 31 | | | <u>\$0</u> | <u>\$0</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 281 - WCHRA, LLC

Statement 33

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$210,000 | \$210,000 | \$210,000 | \$210,000 |
| Investment income | - | - | 62 | - |
| Total revenues | <u>210,000</u> | <u>210,000</u> | <u>210,062</u> | <u>210,000</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative travel and per diems | 300 | 300 | - | - |
| Administrative legal | 15,000 | 15,000 | - | 54 |
| Administrative sundry | 300 | 300 | - | - |
| Professional services | 57,500 | 57,500 | - | 10,081 |
| Total expenditures | <u>73,100</u> | <u>73,100</u> | <u>0</u> | <u>10,135</u> |
| Revenues over expenditures | <u>136,900</u> | <u>136,900</u> | <u>210,062</u> | <u>199,865</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 338,724 | - |
| Transfers out | - | - | (578,018) | - |
| Total other financing sources (uses) | <u>0</u> | <u>0</u> | <u>(239,294)</u> | <u>0</u> |
| Net change in fund balance | <u>\$136,900</u> | <u>\$136,900</u> | (29,232) | 199,865 |
| Fund balance (deficit) - January 1 | | | <u>29,232</u> | <u>(170,633)</u> |
| Fund balance - December 31 | | | <u>\$0</u> | <u>\$29,232</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 283 - STRATEGIC ACQUISITION PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 34

| | 2010 | | | 2009 Actual |
|------------------------------------|-------------------|-------------------|-----------------|-----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$51,476 | \$51,476 | \$51,476 | \$ - |
| Investment income | - | - | 35 | - |
| Total revenues | <u>51,476</u> | <u>51,476</u> | <u>51,511</u> | <u>0</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative legal | 20,000 | 20,000 | - | - |
| Professional services | <u>47,000</u> | <u>47,000</u> | <u>1,000</u> | <u>-</u> |
| Total expenditures | <u>67,000</u> | <u>67,000</u> | <u>1,000</u> | <u>0</u> |
| Revenues over (under) expenditures | <u>(15,524)</u> | <u>(15,524)</u> | <u>50,511</u> | <u>0</u> |
| Other financing sources: | | | | |
| Transfers from General Fund | - | - | - | 35,578 |
| Transfers to General Fund | <u>-</u> | <u>-</u> | <u>(86,089)</u> | <u>-</u> |
| Total other financing sources | <u>0</u> | <u>0</u> | <u>(86,089)</u> | <u>35,578</u> |
| Net change in fund balance | <u>(\$15,524)</u> | <u>(\$15,524)</u> | <u>(35,578)</u> | <u>35,578</u> |
| Fund balance - January 1 | | | <u>35,578</u> | <u>-</u> |
| Fund balance - December 31 | | | <u>\$0</u> | <u>\$35,578</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 285 - HOMELESS PREVENTION - RAPID REHOUSING PROGRAM FOR
TRANSITION AGE YOUTH
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 35

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|---------------|----------------|------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$54,000 | \$54,000 | \$39,042 | \$1,065 |
| Administrative fees | 27,700 | 27,700 | - | - |
| Total revenues | <u>81,700</u> | <u>81,700</u> | <u>39,042</u> | <u>1,065</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 25,300 | 25,300 | 8,976 | 1,343 |
| Administrative travel and per diems | 500 | 500 | 1,177 | 126 |
| Administrative sundry | 1,900 | 1,900 | 91 | 1,252 |
| Housing assistance payments | <u>54,000</u> | <u>54,000</u> | <u>26,723</u> | <u>419</u> |
| Total expenditures | <u>81,700</u> | <u>81,700</u> | <u>36,967</u> | <u>3,140</u> |
| Revenues over (under) expenditures | <u>\$0</u> | <u>\$0</u> | 2,075 | (2,075) |
| Fund balance (deficit) - January 1 | | | <u>(2,075)</u> | <u>-</u> |
| Fund balance (deficit) - December 31 | | | <u>\$0</u> | <u>(\$2,075)</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 - BUDGET AND ACTUAL
 For The Year Ended December 31, 2010
 With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 36

| | 2010 | | | 2009 Actual |
|-----------------------------|------------------|----------------|---------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$155,000 | \$155,000 | \$32,754 | \$ - |
| Investment income | - | - | 113 | 41 |
| Total revenues | <u>155,000</u> | <u>155,000</u> | <u>32,867</u> | <u>41</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative sundry | - | - | 27 | - |
| Housing assistance payments | 155,000 | 155,000 | 32,500 | - |
| Other | - | - | 340 | - |
| Total expenditures | <u>155,000</u> | <u>155,000</u> | <u>32,867</u> | <u>0</u> |
| Revenues over expenditures | <u>\$0</u> | <u>\$0</u> | 0 | 41 |
| Fund balance - January 1 | | | <u>41</u> | <u>-</u> |
| Fund balance - December 31 | | | <u>\$41</u> | <u>\$41</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, 2010
 With Comparative Amounts For The Year Ended December 31, 2009

Statement 37

| | <u>2010</u> | <u>2009</u> |
|-----------------------------|-------------------|-------------------|
| Revenues: | | |
| Intergovernmental | \$31,005 | \$2,500 |
| Expenditures: | | |
| Housing and redevelopment: | | |
| Housing assistance payments | <u>31,005</u> | <u>2,500</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 - 289 - NFMC - PROGRAM RELATED SUPPORT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 For The Year Ended December 31, 2010
 With Comparative Amounts For The Year Ended December 31, 2009

Statement 38

| | 2010 | 2009 |
|--------------------------------------|-------------------|-------------------|
| Revenues: | | |
| Intergovernmental | \$17,803 | \$14,534 |
| Investment income | 1 | - |
| Total revenues | <u>17,804</u> | <u>14,534</u> |
| Expenditures: | | |
| Housing and redevelopment: | | |
| Administrative salaries and benefits | 38,309 | 11,024 |
| Administrative travel and per diems | 159 | 10 |
| Administrative sundry | 880 | 100 |
| Professional services | - | 3,400 |
| Total expenditures | <u>39,348</u> | <u>14,534</u> |
| Revenues over (under) expenditures | (21,544) | 0 |
| Other financing sources: | | |
| Transfers from General Fund | <u>21,544</u> | - |
| Net change in fund balance | 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 - 273 - HOME OWNERSHIP PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 39

| | 2010 | | | 2009 Actual |
|--------------------------------------|-------------------|-------------------|---------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$9,000 | \$9,000 | \$10,048 | \$8,992 |
| Administrative fees | 7,000 | 7,000 | 4,320 | 2,700 |
| Investment income | - | - | 11 | 25 |
| Total revenues | <u>16,000</u> | <u>16,000</u> | <u>14,379</u> | <u>11,717</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 20,000 | 20,000 | 12,375 | 8,155 |
| Administrative travel and per diems | - | - | 140 | 568 |
| Administrative sundry | 6,000 | 6,000 | 1,864 | 1,032 |
| Professional services | - | - | - | 1,578 |
| Financing fee/other | 3,000 | 3,000 | - | 384 |
| Total expenditures | <u>29,000</u> | <u>29,000</u> | <u>14,379</u> | <u>11,717</u> |
| Revenues over (under) expenditures | <u>(\$13,000)</u> | <u>(\$13,000)</u> | 0 | 0 |
| Fund balance - January 1 | | | - | - |
| Fund balance - December 31 | | | <u>\$0</u> | <u>\$0</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 274 - FOREST LAKE TRILSIDE SENIOR LIVING TIF
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 40

| | 2010 | | Actual | 2009 Actual |
|--------------------------------------|------------------|------------|------------|----------------|
| | Budgeted Amounts | | | |
| | Original | Final | | |
| Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 25,000 | 25,000 | - | 1,232 |
| Administrative travel and per diems | - | - | - | 13 |
| Administrative legal | 5,000 | 5,000 | - | 4,263 |
| Administrative sundry | - | - | - | - |
| Professional services | 15,000 | 15,000 | 13,109 | 2,730 |
| Total expenditures | 45,000 | 45,000 | 13,109 | 8,238 |
| Revenues over (under) expenditures | (\$45,000) | (\$45,000) | (13,109) | (8,238) |
| Other financing sources (uses): | | | | |
| Transfers from General Fund | | | 8,238 | - |
| Net change in fund balance | | | (4,871) | (8,238) |
| Fund balance (deficit) - January 1 | | | (8,238) | - |
| Fund balance (deficit) - December 31 | | | (\$13,109) | (\$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
 For The Year Ended December 31, 2010
 With Comparative Amounts For The Year Ended December 31, 2009

Statement 41

| | <u>2010</u> | <u>2009</u> |
|--------------------------------------|-------------------|-------------------|
| Revenues: | | |
| Intergovernmental | \$20,009 | \$25,588 |
| Investment income | 18 | - |
| Total revenue | <u>20,027</u> | <u>25,588</u> |
| Expenditures: | | |
| Housing and redevelopment: | | |
| Administrative salaries and benefits | 19,011 | 10,112 |
| Administrative travel and per diems | - | 241 |
| Administrative sundry | <u>1,016</u> | <u>15,235</u> |
| Total expenditures | <u>20,027</u> | <u>25,588</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 - 277 - LAND INITIATIVE

Statement 42

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|-------------------|-------------------|-----------------|-------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues | \$25,000 | \$25,000 | \$0 | \$0 |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 9,600 | 9,600 | 2,659 | 204 |
| Administrative travel and per diems | - | - | 51 | - |
| Administrative legal | 25,000 | 25,000 | 24,804 | 23,001 |
| Administrative sundry | - | - | 1,389 | 105 |
| Professional services | 41,000 | 41,000 | 7,330 | 7,278 |
| Land purchase | - | - | 543,500 | - |
| Total expenditures | <u>75,600</u> | <u>75,600</u> | <u>579,733</u> | <u>30,588</u> |
| Revenues over (under) expenditures | (50,600) | (50,600) | (579,733) | (30,588) |
| Other financing sources: | | | | |
| Debt issued | - | - | 543,500 | - |
| Transfers from General Fund | - | - | 47,257 | 19,475 |
| Net change in fund balance | <u>(\$50,600)</u> | <u>(\$50,600)</u> | 11,024 | (11,113) |
| Fund balance (deficit) - January 1 | | | <u>(11,113)</u> | <u>-</u> |
| Fund balance (deficit) - December 31 | | | <u>(\$89)</u> | <u>(\$11,113)</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 278 - FORECLOSURE PREVENTION ASSISTANCE PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2010
With Comparative Actual Amounts For The Year Ended December 31, 2009

Statement 43

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|---------------|--------------|----------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Administrative fees | \$10,000 | \$10,000 | \$5,760 | \$9,161 |
| Investment income | - | - | - | 1 |
| Total revenues | <u>10,000</u> | <u>10,000</u> | <u>5,760</u> | <u>9,162</u> |
| Expenditures: | | | | |
| Housing and redevelopment: | | | | |
| Administrative salaries and benefits | 7,700 | 7,700 | - | 6,633 |
| Administrative travel and per diems | - | - | 1 | 13 |
| Administrative legal | 2,300 | 2,300 | - | 2,434 |
| Administrative sundry | - | - | 5,760 | 81 |
| Total expenditures | <u>10,000</u> | <u>10,000</u> | <u>5,761</u> | <u>9,161</u> |
| Revenues over (under) expenditures | <u>\$0</u> | <u>\$0</u> | (1) | 1 |
| Fund balance - January 1 | | | <u>1</u> | <u>-</u> |
| Fund balance - December 31 | | | <u>\$0</u> | <u>\$1</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

SPECIAL REVENUE FUND - 242 - WHISPERING OAKS TIF

Statement 44

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2010

With Comparative Actual Amounts For The Year Ended December 31, 2009

| | 2010 | | | 2009 Actual |
|--------------------------------------|------------------|----------------|----------------------|--------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Tax increments | \$21,195 | \$21,195 | \$21,731 | \$2,509 |
| Investment income | - | - | - | 74 |
| Total revenues | <u>21,195</u> | <u>21,195</u> | <u>21,731</u> | <u>2,583</u> |
| Expenditures: | | | | |
| Administrative salaries and benefits | 6,800 | 6,800 | - | 2,546 |
| Administrative sundry | - | - | - | 64 |
| Professional services | - | - | 10,045 | 105,083 |
| Project costs | - | - | - | 122,452 |
| Debt service: | | | | |
| Interest on interfund loan | - | - | 25,184 | 22,978 |
| Interest on county loan | 9,088 | 9,088 | 9,088 | 12,959 |
| Total expenditures | <u>15,888</u> | <u>15,888</u> | <u>44,317</u> | <u>266,082</u> |
| Revenues over (under) expenditures | <u>5,307</u> | <u>5,307</u> | <u>(22,586)</u> | <u>(263,499)</u> |
| Other financing sources (uses): | | | | |
| Transfers to Special Revenue Funds | - | - | - | (2,200,000) |
| Debt issuance | - | - | - | 2,200,000 |
| Total other financial sources (uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net change in fund balance | <u>\$5,307</u> | <u>\$5,307</u> | (22,586) | (263,499) |
| Fund balance (deficit) - January 1 | | | (2,590,723) | (2,327,224) |
| Fund balance (deficit) - December 31 | | | <u>(\$2,613,309)</u> | <u>(2,590,723)</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - 293 - TRANSITION FORECLOSURE PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
 For The Year Ended December 31, 2010

Statement 45

| | <u>2010</u> |
|--------------------------------------|-------------------|
| Revenues: | |
| Intergovernmental | <u>\$14,213</u> |
| Expenditures: | |
| Housing and redevelopment: | |
| Administrative salaries and benefits | 12,590 |
| Administrative travel and per diems | 28 |
| Administrative sundry | 1,595 |
| Total expenditures | <u>14,213</u> |
| Revenues over expenditures | 0 |
| Fund balance - January 1 | <u>-</u> |
| Fund balance - December 31 | <u><u>\$0</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.

| | Pages |
|--|-----------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the HRA's financial performance and well-being have changed over time. | 148 - 159 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the HRA's most significant revenue source. | 162 - 164 |
| 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 |
| 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. | 170 – 171 |
| 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. | 174 - 175 |

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SCHEDULES OF FINANCIAL TRENDS

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

(Accrual Basis of Accounting)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|---|----------------------|----------------------|----------------------|
| 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 HRA 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 | 2010 |
|----------------------|----------------------|----------------------|--------------------|--------------------|---------------------|
| \$133,633 | \$122,907 | \$112,181 | \$101,454 | \$92,064 | \$82,674 |
| 470,138 | 526,772 | 608,556 | 361,655 | 375,535 | 344,544 |
| 6,493,733 | 7,062,872 | 3,779,863 | 3,508,989 | 5,218,414 | 7,500,115 |
| <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> | <u>\$7,927,333</u> |
| (\$11,625,127) | (\$11,964,747) | (\$10,160,152) | (\$9,658,692) | (\$7,931,331) | (\$6,734,819) |
| 9,669,714 | 10,238,225 | 10,475,407 | 10,968,769 | 9,974,712 | 10,811,204 |
| (2,286,639) | (2,064,365) | (1,893,324) | (1,733,611) | (2,070,440) | (1,045,510) |
| <u>(\$4,242,052)</u> | <u>(\$3,790,887)</u> | <u>(\$1,578,069)</u> | <u>(\$423,534)</u> | <u>(\$27,059)</u> | <u>\$3,030,875</u> |
| (\$11,491,494) | (\$11,841,840) | (\$10,047,971) | (\$9,557,238) | (\$7,839,267) | (\$6,652,145) |
| 10,139,852 | 10,764,997 | 11,083,963 | 11,330,424 | 10,350,247 | 11,155,748 |
| 4,207,094 | 4,998,507 | 1,886,539 | 1,775,378 | 3,147,974 | 6,454,605 |
| <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> | <u>\$10,958,208</u> |

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

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

| | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|---|---------------------------|-------------------------|-----------------------------|
| 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><u>\$1,337,876</u></u> | <u><u>\$580,903</u></u> | <u><u>(\$1,815,859)</u></u> |

⁽¹⁾The HRA 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 | 2010 |
|--------------------|------------------|----------------------|--------------------|--------------------|--------------------|
| \$496,211 | \$535,514 | \$556,278 | \$618,931 | \$574,137 | \$581,671 |
| 4,662,403 | 4,367,862 | 5,224,623 | 5,334,861 | 5,033,709 | 5,326,201 |
| 685,465 | 216,549 | 1,915,367 | 384,456 | 266,082 | 10,045 |
| - | - | 93,731 | 168,460 | 173,885 | 180,597 |
| <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> | <u>6,098,514</u> |
| 404,076 | 512,421 | 575,019 | 666,140 | 738,984 | 729,909 |
| 11,458 | 7,729 | 61,294 | 10,729 | 5,729 | 3,500 |
| - | 26,628 | 139,023 | 58,508 | 52,497 | 162,483 |
| 4,228,766 | 3,910,744 | 4,092,780 | 3,584,879 | 4,316,524 | 5,445,784 |
| - | - | - | - | - | - |
| <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>6,341,676</u> |
| <u>(1,199,779)</u> | <u>(662,403)</u> | <u>(2,921,883)</u> | <u>(2,186,452)</u> | <u>(934,079)</u> | <u>243,162</u> |
| 647,031 | 872,217 | 1,206,467 | 1,667,370 | 1,718,150 | 1,700,691 |
| - | - | - | - | 2,509 | 23,142 |
| 124,589 | 276,066 | 342,433 | 172,187 | 85,308 | 53,373 |
| - | - | - | - | - | - |
| - | - | (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>220,952</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>1,998,158</u> |
| <u>\$1,098,215</u> | <u>\$615,047</u> | <u>(\$3,211,951)</u> | <u>(\$528,502)</u> | <u>\$2,006,888</u> | <u>\$2,241,320</u> |

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

Last Nine 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 | <u>7,754,472</u> | <u>7,600,011</u> | <u>6,913,031</u> |
| 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 | <u>3,717,342</u> | <u>5,771,110</u> | <u>6,109,671</u> |
| Operating income (loss) | <u>4,037,130</u> | <u>1,828,901</u> | <u>803,360</u> |
| 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) | <u>(1,873,909)</u> | <u>(1,083,011)</u> | <u>(642,653)</u> |
| Income (loss) before contributions and transfers | <u>2,163,221</u> | <u>745,890</u> | <u>160,707</u> |
| Capital contributions | <u>158,450</u> | <u>1,556,284</u> | <u>14,750</u> |
| Special item | <u>-</u> | <u>-</u> | <u>-</u> |
| Transfers: | | | |
| Transfers in | 831,267 | 315,487 | 2,487,000 |
| Transfers out | (1,760,000) | (2,500,000) | (1,160,000) |
| Total transfers | <u>(928,733)</u> | <u>(2,184,513)</u> | <u>1,327,000</u> |
| Changes in net assets | <u>\$1,392,938</u> | <u>\$117,661</u> | <u>\$1,502,457</u> |

⁽¹⁾The HRA 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 | 2010 |
|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| \$5,878,530 | \$6,090,318 | \$6,535,497 | \$6,852,309 | \$6,864,931 | \$7,092,435 |
| 38,071 | 40,732 | 39,805 | 46,369 | 44,747 | 44,142 |
| 828,939 | 792,213 | 797,493 | 770,971 | 788,159 | 899,650 |
| 207,367 | 243,790 | 237,917 | 201,452 | 166,729 | 215,946 |
| <u>6,952,907</u> | <u>7,167,053</u> | <u>7,610,712</u> | <u>7,871,101</u> | <u>7,864,566</u> | <u>8,252,173</u> |
| 126,095 | 109,238 | 203,478 | 194,399 | 142,210 | 192,173 |
| 618,624 | 679,273 | 686,377 | 711,804 | 729,060 | 717,142 |
| 117,562 | 96,553 | 29,105 | 38,479 | 65,779 | 51,709 |
| 770 | 406 | 330 | 326 | 1,739 | - |
| 71 | 42 | 25 | - | - | - |
| 93,175 | 98,360 | 140,774 | 132,558 | 133,489 | 130,362 |
| 219,275 | 253,486 | 264,502 | 288,668 | 284,004 | 255,702 |
| 1,895,407 | 2,161,063 | 1,942,413 | 2,043,785 | 2,173,400 | 2,097,066 |
| 754,348 | 820,645 | 870,506 | 881,769 | 775,078 | 754,597 |
| 322,109 | 332,559 | 294,394 | 282,309 | 286,165 | 211,801 |
| 314,314 | 310,676 | 334,260 | 344,977 | 354,806 | 370,894 |
| 90,714 | 121,617 | 149,135 | - | - | - |
| 1,370,547 | 1,343,384 | 1,366,785 | 1,391,611 | 1,402,367 | 1,443,973 |
| <u>5,923,011</u> | <u>6,327,302</u> | <u>6,282,084</u> | <u>6,310,685</u> | <u>6,348,097</u> | <u>6,225,419</u> |
| <u>1,029,896</u> | <u>839,751</u> | <u>1,328,628</u> | <u>1,560,416</u> | <u>1,516,469</u> | <u>2,026,754</u> |
| 618,996 | 698,028 | 742,802 | 487,922 | 345,442 | 312,082 |
| 14,028 | 20,448 | (1,073,298) | 22,695 | 23,976 | 29,554 |
| - | 73,048 | 15,979 | 131,220 | 199,561 | 5,869 |
| (118,163) | (115,009) | (113,568) | (101,628) | (110,507) | (114,830) |
| (11,214) | (10,218) | (3,176) | 3,866 | 3,866 | 1,064 |
| (2,906,802) | (2,820,029) | (2,718,050) | (2,571,459) | (2,511,415) | (2,403,628) |
| 2,002,851 | 1,924,778 | 1,789,386 | 1,472,093 | 1,583,093 | 1,637,093 |
| - | - | - | - | - | - |
| (36,627) | (30,465) | (34,853) | (32,197) | (40,451) | (47,983) |
| <u>(436,931)</u> | <u>(259,419)</u> | <u>(1,394,778)</u> | <u>(587,488)</u> | <u>(506,435)</u> | <u>(580,779)</u> |
| <u>592,965</u> | <u>580,332</u> | <u>(66,150)</u> | <u>972,928</u> | <u>1,010,034</u> | <u>1,445,975</u> |
| <u>28,856</u> | <u>-</u> | <u>440,000</u> | <u>-</u> | <u>521,441</u> | <u>1,832,911</u> |
| <u>-</u> | <u>-</u> | <u>2,200,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 11,000 | 495,833 | 2,704,854 | 681,607 | 425,000 | 1,358,772 |
| <u>(1,537,374)</u> | <u>(625,000)</u> | <u>(3,065,886)</u> | <u>(500,000)</u> | <u>(1,560,000)</u> | <u>(1,579,724)</u> |
| <u>(1,526,374)</u> | <u>(129,167)</u> | <u>(361,032)</u> | <u>181,607</u> | <u>(1,135,000)</u> | <u>(220,952)</u> |
| <u>(\$904,553)</u> | <u>\$451,165</u> | <u>\$2,212,818</u> | <u>\$1,154,535</u> | <u>\$396,475</u> | <u>\$3,057,934</u> |

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

Last Nine 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) |
| Net cash flows from noncapital financing activities | <u>(2,184,513)</u> | <u>(1,339,208)</u> | <u>(787,020)</u> |
| Cash flows from capital and related financing activities: | | | |
| Property taxes | 1,736,267 | 1,718,505 | 1,948,675 |
| Transfers in | - | - | - |
| Proceeds from debt | - | - | - |
| 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 and other debt related fees | - | - | - |
| 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 | (903,688) | (1,226,770) | (965,000) |
| Net cash flows from capital and related financing activities | <u>(2,966,108)</u> | <u>(3,944,929)</u> | <u>(1,678,246)</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 | 2010 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$7,084,056 | \$6,929,402 | \$7,396,624 | \$7,870,950 | \$7,604,101 | \$7,978,293 |
| (4,677,014) | (4,621,074) | (4,693,829) | (4,810,129) | (4,835,384) | (4,802,663) |
| (86,837) | (30,461) | (34,851) | (32,197) | 155,356 | 167,963 |
| <u>2,320,205</u> | <u>2,277,867</u> | <u>2,667,944</u> | <u>3,028,624</u> | <u>2,924,073</u> | <u>3,343,593</u> |
| 11,000 | 495,833 | 2,704,854 | 681,607 | 425,000 | 913,772 |
| (1,537,374) | (625,000) | (3,065,886) | (500,000) | (1,560,000) | (1,579,724) |
| 455,852 | (335,637) | (138,930) | (86,793) | 279,000 | 236,811 |
| <u>(1,070,522)</u> | <u>(464,804)</u> | <u>(499,962)</u> | <u>94,814</u> | <u>(856,000)</u> | <u>(429,141)</u> |
| 2,002,851 | 1,924,829 | 1,788,136 | 1,482,179 | 1,564,453 | 1,637,093 |
| - | - | - | - | - | 445,000 |
| - | - | - | - | - | 13,237,627 |
| - | 73,048 | 15,979 | 131,220 | 199,561 | 5,869 |
| 134,061 | 141,314 | 148,960 | 157,020 | 165,516 | 204,241 |
| 297,939 | 290,686 | 283,040 | - | - | - |
| - | (49,086) | (48,789) | (36,850) | (45,725) | (415,363) |
| - | - | 895,332 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 28,856 | - | 440,000 | - | 445,682 | 1,898,449 |
| 1,080,880 | (363,618) | (1,767,330) | (822,063) | (1,418,048) | (5,298,564) |
| (2,951,475) | (2,834,672) | (2,738,464) | (2,606,968) | (2,535,524) | (2,487,762) |
| (380,000) | (5,000) | - | - | - | - |
| <u>(2,118,353)</u> | <u>(1,000,004)</u> | <u>(1,545,000)</u> | <u>(1,665,000)</u> | <u>(1,525,000)</u> | <u>(6,030,000)</u> |
| <u>(1,905,241)</u> | <u>(1,822,503)</u> | <u>(2,528,136)</u> | <u>(3,360,462)</u> | <u>(3,149,085)</u> | <u>3,196,590</u> |
| 313,015 | 392,948 | 436,027 | 507,376 | 383,920 | 312,201 |
| <u>(\$342,543)</u> | <u>\$383,508</u> | <u>\$75,873</u> | <u>\$270,352</u> | <u>(\$697,092)</u> | <u>\$6,423,243</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

FUND BALANCES - GOVERNMENTAL FUNDS

Last Nine Fiscal Years⁽¹⁾

(Modified Accrual Basis of Accounting)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|---|---------------------------|---------------------------|---------------------------|
| 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 | <u>853,992</u> | <u>894,266</u> | <u>1,248,875</u> |
| Total general fund | <u><u>\$5,659,465</u></u> | <u><u>\$4,216,785</u></u> | <u><u>\$2,488,931</u></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 | <u>215,270</u> | <u>195,774</u> | <u>192,869</u> |
| Total all other governmental funds | <u><u>\$1,764,565</u></u> | <u><u>\$2,662,466</u></u> | <u><u>\$2,845,544</u></u> |

⁽¹⁾The HRA 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 | 2010 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$5,061 | \$5,649 | \$4,948 | \$5,297 | \$5,205 | \$7,113 |
| 1,078,563 | 1,151,632 | 1,208,559 | 1,248,222 | 1,239,407 | 1,240,600 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,671,322 | 1,327,731 | 1,216,034 | 1,372,134 | 1,598,936 | 1,424,138 |
| <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> | <u>\$2,671,851</u> |
| \$317,851 | \$530,048 | \$1,889,518 | \$3,000,255 | \$3,042,010 | \$4,396,651 |
| 1,434,667 | 1,521,593 | 1,998,612 | 1,517,138 | 1,595,246 | 2,271,571 |
| 1,602,635 | 1,870,924 | 981,251 | 1,000,239 | 1,292,426 | 1,733,901 |
| 485,694 | 525,684 | 1,057,742 | 247,987 | 335,173 | 342,218 |
| - | - | - | - | - | - |
| - | 636,105 | 933,783 | 796,954 | 1,535,219 | 272,270 |
| (149,164) | (501,734) | (2,054,024) | (2,493,258) | (2,464,086) | (2,534,880) |
| <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> | <u>\$6,481,731</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

| | 2001 | 2002 | 2003 |
|---|------------------|--------------------|--------------------|
| Revenues: | | | |
| General property taxes | \$181,215 | \$271,870 | \$469,911 |
| Tax increment taxes | 823,964 | - | - |
| Intergovernmental | 3,193,701 | 3,721,620 | 4,371,794 |
| Charges for services: | | | |
| Conduit financing fees | - | - | 262,744 |
| Administrative fees | 118,327 | 134,011 | 119,931 |
| Bond issuance, origination fees | 22,447 | 18,092 | 8,388 |
| Investment income | 161,171 | 72,172 | 41,172 |
| Program income | - | - | - |
| Other | 67,713 | 18,169 | 44,377 |
| Total revenues | <u>4,568,538</u> | <u>4,235,934</u> | <u>5,318,317</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 526,972 | 548,129 | 584,285 |
| Housing and redevelopment | 3,286,345 | 3,894,681 | 4,681,427 |
| Tax increment financing | 1,192,136 | 560,426 | 387,489 |
| Debt service: | | | |
| Principal | 14,393 | 16,311 | 18,230 |
| Interest | 72,541 | 71,600 | 67,639 |
| Advance refunding escrow | - | - | 1,052,759 |
| Total expenditures | <u>5,092,387</u> | <u>5,091,147</u> | <u>6,791,829</u> |
| Revenues over (under) expenditures | <u>(523,849)</u> | <u>(855,213)</u> | <u>(1,473,512)</u> |
| Other financing sources (uses): | | | |
| Transfer from General Fund | - | - | - |
| Transfer from Special Revenue Funds | - | - | - |
| Transfer from Enterprise Funds | 914,000 | 2,500,000 | 1,760,000 |
| Transfer to Special Revenue Funds | - | - | - |
| Transfer to General Fund | - | - | - |
| Transfer to Enterprise Funds | - | (315,487) | (831,487) |
| Debt issuance | - | - | - |
| Total other financing sources (uses) | <u>914,000</u> | <u>2,184,513</u> | <u>928,513</u> |
| Net change in fund balance | <u>\$390,151</u> | <u>\$1,329,300</u> | <u>(\$544,999)</u> |
| Debt service as a percentage of noncapital expenditures | 1.7% | 1.7% | 16.8% |
| Debt service as a percentage of total expenditures | 1.7% | 1.7% | 16.8% |

Table 6

| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| \$524,931 | \$639,438 | \$863,570 | \$1,178,661 | \$1,642,092 | \$1,695,064 | \$1,673,006 |
| - | - | - | - | - | 2,509 | 21,731 |
| 4,454,221 | 4,318,510 | 3,910,744 | 4,095,425 | 3,608,450 | 4,322,548 | 5,290,559 |
| 134,763 | 11,458 | 7,729 | 61,294 | 10,729 | 5,729 | 3,500 |
| 394,520 | 404,076 | 512,421 | 575,019 | 666,140 | 738,984 | 729,909 |
| 4,303 | 2,870 | 2,215 | 1,978 | 1,765 | 1,547 | 23,270 |
| 52,834 | 129,059 | 276,066 | 328,117 | 172,187 | 63,254 | 32,026 |
| - | - | - | - | - | - | 162,750 |
| 70,162 | 45,205 | 11,081 | 134,400 | 17,160 | 44,926 | 131,688 |
| <u>5,635,734</u> | <u>5,550,616</u> | <u>5,583,826</u> | <u>6,374,894</u> | <u>6,118,523</u> | <u>6,874,561</u> | <u>8,068,439</u> |
| 510,526 | 489,097 | 507,579 | 525,914 | 590,594 | 562,508 | 569,217 |
| 5,073,067 | 4,817,488 | 4,367,862 | 5,224,623 | 5,404,673 | 5,148,648 | 6,997,675 |
| 269,917 | 685,465 | 216,549 | 1,915,367 | 314,644 | 266,082 | 10,045 |
| - | - | - | - | - | 2,360,000 | 189,165 |
| - | - | - | 93,731 | 168,460 | 162,308 | 92,743 |
| - | - | - | - | - | - | - |
| <u>5,853,510</u> | <u>5,992,050</u> | <u>5,091,990</u> | <u>7,759,635</u> | <u>6,478,371</u> | <u>8,499,546</u> | <u>7,858,845</u> |
| <u>(217,776)</u> | <u>(441,434)</u> | <u>491,836</u> | <u>(1,384,741)</u> | <u>(359,848)</u> | <u>(1,624,985)</u> | <u>209,594</u> |
| - | - | 1,120,216 | - | - | 2,103,746 | 1,417,039 |
| - | - | 267,506 | - | - | 2,320,862 | 779,213 |
| 1,160,000 | 1,537,374 | 625,000 | 3,065,886 | 500,000 | 1,560,000 | 1,579,724 |
| - | - | (1,151,279) | - | - | (4,424,608) | (1,532,145) |
| - | - | (236,443) | - | - | - | (664,107) |
| (2,487,000) | (11,000) | (495,833) | (2,704,854) | (681,607) | (425,000) | (1,358,772) |
| - | - | - | 1,192,500 | - | 2,200,000 | 543,500 |
| <u>(1,327,000)</u> | <u>1,526,374</u> | <u>129,167</u> | <u>1,553,532</u> | <u>(181,607)</u> | <u>3,335,000</u> | <u>764,452</u> |
| <u>(\$1,544,776)</u> | <u>\$1,084,940</u> | <u>\$621,003</u> | <u>\$168,791</u> | <u>(\$541,455)</u> | <u>\$1,710,015</u> | <u>\$974,046</u> |
| 0.0% | 0.0% | 0.0% | 1.2% | 2.6% | 29.7% | 3.6% |
| 0.0% | 0.0% | 0.0% | 1.2% | 2.6% | 29.7% | 3.6% |

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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 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Ann Bodlovick | \$720 | \$735 | \$742 | \$742 | \$749 | \$756 | \$772 | \$780 | \$803 | \$803 |
| Briar Pond | 810 | 845 | 862 | 871 | 871 | 871 | 884 | 893 | 902 | 902 |
| Brick Pond | 725 | 740 | 747 | 754 | 754 | 762 | 770 | 778 | 786 | 786 |
| Cobble Hill | 750 | 765 | 773 | 781 | 789 | 797 | 805 | 813 | 821 | 821 |
| East Metro Place | 717 | 717 | 765 | 765 | 765 | N/A | 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 | 705 | 720 | 727 | 734 | 741 | 748 | 755 | 763 | 771 | 771 |
| Muller Manor | 570 | 582 | 588 | 594 | 600 | 606 | 612 | 618 | 624 | 624 |
| Oakhill Cottages | 650 | 663 | 670 | 677 | 684 | 691 | 698 | 705 | 712 | 712 |
| Park Place I | 600 | 612 | 618 | 624 | 630 | 636 | 642 | 648 | 661 | 661 |
| Park Place II | 600 | 612 | 618 | 624 | 630 | 636 | 642 | 648 | 661 | 661 |
| Parkside | 830 | 847 | 856 | 865 | 865 | 865 | 808 | 797 | 805 | 805 |
| Pioneer Elderly | 545 | 556 | 587 | 587 | 593 | 599 | 605 | 611 | 617 | 617 |
| Raymie Johnson | N/A | 670 | 677 | 733 | 733 | 733 | 733 | 733 | 747 | 747 |
| Whispering Oaks ⁽¹⁾ | 266 | 290 | 290 | 293 | 296 | 299 | 302 | N/A | N/A | N/A |
| Woodland Park | 790 | 814 | 830 | 839 | 839 | 839 | 852 | 861 | 870 | 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 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Ann Bodlovick | \$417,336 | \$429,728 | \$428,813 | \$431,398 | \$431,349 | \$426,784 | \$441,660 | \$436,863 | \$455,469 | \$453,994 |
| Briar Pond | 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 | 2,064,899 |
| Brick Pond | 315,550 | 303,256 | 273,251 | 234,389 | 250,897 | 276,352 | 272,569 | 301,591 | 298,805 | 334,211 |
| Cobble Hill | 354,255 | 371,404 | 361,942 | 374,066 | 383,924 | 386,249 | 389,518 | 386,874 | 410,760 | 404,044 |
| Transitional Housing | - | - | - | - | - | - | 15,300 | 16,604 | 14,850 | 15,535 |
| East Metro Place | 185,005 | 174,882 | 193,925 | 214,424 | 60,165 | - | - | - | - | - |
| HUD-MHOP Homes | 175,955 | 261,799 | 377,223 | 364,025 | 320,905 | 305,390 | 340,720 | 301,632 | 290,973 | 393,164 |
| John Jergens | 229,079 | 238,508 | 232,454 | 225,896 | 242,274 | 247,920 | 236,544 | 257,873 | 263,743 | 264,200 |
| Landfall | - | - | - | - | - | - | - | - | 18,904 | 18,973 |
| Muller Manor | 180,956 | 186,553 | 179,048 | 176,723 | 188,501 | 195,452 | 198,722 | 205,372 | 200,483 | 205,556 |
| Oakhill Cottages | 278,639 | 290,938 | 290,966 | 288,787 | 307,290 | 301,165 | 297,091 | 333,448 | 335,729 | 328,914 |
| Park Place I | 233,525 | 242,980 | 249,377 | 219,296 | 225,399 | 222,290 | 255,122 | 260,538 | 224,983 | 258,488 |
| Park Place II | 39,111 | 41,447 | 39,404 | 34,482 | 41,462 | 45,576 | 43,166 | 45,444 | 45,834 | 44,645 |
| Parkside | 639,082 | 598,654 | 543,655 | 416,508 | 307,384 | 354,625 | 499,904 | 591,543 | 565,108 | 645,025 |
| Pioneer Elderly | 109,047 | 112,659 | 113,863 | 109,249 | 109,340 | 110,173 | 117,018 | 123,855 | 124,513 | 120,067 |
| Raymie Johnson | 831,920 | 833,520 | 877,002 | 934,999 | 972,126 | 961,856 | 962,802 | 972,641 | 973,074 | 989,598 |
| Whispering Oaks | 289,626 | 271,700 | 267,682 | 239,093 | 207,147 | 169,327 | 45,180 | - | - | - |
| Woodland Park | 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 | 1,710,860 |
| Total | \$7,631,944 | \$7,693,082 | \$7,579,686 | \$6,896,152 | \$6,925,700 | \$7,144,125 | \$7,603,060 | \$7,868,608 | \$7,864,566 | \$8,252,173 |

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 | | | | | | | | | |
|------------------|-----------------|----------------------------------|---------------------------|------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|
| | | | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Ann Bodlovick | 50 | 600 | - | - | 14 | 15 | 37 | 19 | 19 | 19 | 12 | 10 |
| Briar Pond | 196 | 2,352 | 46 | 146 | 485 | 819 | 434 | 265 | 111 | 40 | 45 | 70 |
| Brick Pond | 40 | 480 | 8 | 38 | 87 | 132 | 103 | 78 | 89 | 53 | 62 | 21 |
| Cobble Hill | 45 | 540 | 5 | 2 | 27 | 16 | 12 | 16 | 26 | 27 | 7 | 19 |
| East Metro Place | 20 | 240 | 9 | 38 | 26 | 20 | 4 | N/A | N/A | N/A | N/A | N/A |
| HUD-MHOP Homes | 56 | 672 | 11 | 44 | 41 | 92 | 19 | 36 | 22 | 11 | 18 | 6 |
| John Jergens | 30 | 360 | - | 3 | 17 | 28 | 15 | 11 | 29 | 5 | 2 | 4 |
| Muller Manor | 28 | 336 | 6 | 4 | 20 | 28 | 20 | 7 | 17 | 5 | 16 | 13 |
| Oakhill Cottages | 40 | 480 | 1 | 1 | 10 | 22 | 2 | 21 | 39 | - | 4 | 16 |
| Park Place I | 36 | 432 | 42 | 33 | 41 | 97 | 70 | 97 | 61 | 32 | 94 | 33 |
| Park Place II | 6 | 72 | 7 | 4 | 7 | 9 | 5 | 1 | 5 | 2 | 4 | 5 |
| Parkside | 72 | 864 | 70 | 134 | 220 | 381 | 488 | 415 | 281 | 153 | 150 | 72 |
| Pioneer Elderly | 18 | 216 | 2 | - | 1 | 12 | 15 | 14 | 12 | 1 | 6 | 12 |
| Raymie Johnson | 120 | 1,440 | 46 | 62 | 41 | 24 | 10 | 37 | 28 | 18 | 18 | 26 |
| Whispering Oaks | 73 | 876 | 102 | 190 | 218 | 298 | 424 | 573 | N/A | N/A | N/A | N/A |
| Woodland Park | 180 | 2,160 | 145 | 221 | 207 | 523 | 490 | 360 | 332 | 271 | 297 | 177 |
| Total | 1,010 | 12,120 | 500 | 920 | 1,462 | 2,516 | 2,148 | 1,950 | 1,071 | 637 | 735 | 484 |

Source: Washington County HRA Finance Department

SCHEDULES OF DEBT CAPACITY

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 |
| 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 |
| 2010 | 56,295,000 | 693,610 | 2,224,231 | 59,212,841 | 64,572 |

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 | |
| 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 |
| 2010 | 8,252,173 | 1,637,093 | 312,082 | 10,201,348 | 4,781,448 | 5,419,900 | 1,685,000 | 2,673,208 | 4,358,208 | 1.24 |

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 DEMOGRAPHIC AND ECONOMIC INFORMATION

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 |
|-------------|----------------------|----------------|--------------------------|----------------------|--|-------------------|-------------------|
| 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% |
| 2010 | 239,552 | 423 | 566 | 89,554 | 11,970,796 | 51,251 | 6.7% |

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 | 2010 | | 2001 | |
|---|---------------|---------------------------------------|---------------|---------------------------------------|
| | Employees | Percentage of Total County Employment | Employees | Percentage of Total County Employment |
| Andersen Corporation - Bayport | 3,500 | 2.68% | 4,847 | 3.95% |
| Independent School District 833 - South Washington County | 2,484 | 1.90% | 2,348 | 1.91% |
| Fairview Lakes Regional Health Care | 1,300 | 1.00% | - | 0.00% |
| Independent School District 831 - Forest Lake Area | 1,200 | 0.92% | 1,242 | 1.01% |
| Washington County Government | 1,106 | 0.85% | 1,123 | 0.92% |
| Independent School District 834 - Stillwater Area | 1,034 | 0.79% | 1,140 | 0.93% |
| MN Correctional Facility - Bayport and Oak Park Heights | 914 | 0.70% | - | 0.00% |
| Woodwinds Health Campus | 857 | 0.66% | - | 0.00% |
| Lakeview Hospital | 839 | 0.64% | - | 0.00% |
| The Hartford (known as Fortis in 2001) | 800 | 0.61% | 1,322 | 1.08% |
| 3M Chemolite (Cottage Grove) | - | 0.00% | 900 | 0.73% |
| State Farm Insurance (Woodbury) | - | 0.00% | 1,700 | 1.39% |
| UFE Incorporated (Stillwater) | - | 0.00% | 860 | 0.70% |
| Independent School District 916 - Northeast Metro Tech. | - | 0.00% | 800 | 0.65% |
| Total | 14,034 | 10.75% | 16,282 | 13.27% |

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
 Last Ten Fiscal Years
 (Unaudited)

Table 14

| Function/Program | Full-Time Equivalent Employees as of December 31, | | | | | | | | | |
|------------------------------------|---|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Administration | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 7 | 7 |
| Finance | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Housing Programs | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 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 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 10 | 14 | 14 |

⁽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 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Section 8 - Vouchers | 30 | 28 | 33 | 97 | 75 | 90 | 88 | 85 | 85 | 86 |
| Section 8 - Portables | 423 | 458 | 465 | 444 | 428 | 397 | 403 | 397 | 382 | 372 |
| RAFS | 45 | 38 | 23 | 6 | 2 | - | - | - | - | - |
| Bridges I | 15 | 19 | 18 | 17 | 15 | 12 | 14 | 18 | 20 | 19 |
| Bridges II | 10 | 9 | 10 | 7 | 5 | 10 | 10 | 14 | 12 | 12 |
| HOME | 16 | - | - | - | - | - | - | - | - | - |
| Shelter Plus Care | - | - | - | - | 3 | 4 | 6 | 9 | 10 | 16 |
| Bridges-Long Term Homeless | - | - | - | - | 3 | 6 | 8 | 9 | 8 | 8 |
| Average units assisted per month | <u>539</u> | <u>552</u> | <u>549</u> | <u>571</u> | <u>531</u> | <u>519</u> | <u>529</u> | <u>532</u> | <u>517</u> | <u>513</u> |

Source: Washington County HRA Finance Department.

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IV. SINGLE AUDIT AND OTHER REQUIRED REPORTS

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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, 2010 which collectively comprise the Washington County Housing and Redevelopment Authority's basic financial statements, and have issued our report thereon, dated April 11, 2011. 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 a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as finding 2010-1, 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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management in a separate letter dated April 11, 2011.

Washington County Housing and Redevelopment Authority's response to 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 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.
White Bear Lake, Minnesota

April 11, 2011

REPORT ON COMPLIANCE WITH MINNESOTA LEGAL COMPLIANCE
AUDIT GUIDE FOR POLITICAL SUBDIVISIONS

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, 2010, and have issued our report thereon dated April 11, 2011.

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 Political Subdivisions* 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 Political Subdivisions* 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, P.A.

HLB TAUTGES REDPATH, LTD.
White Bear Lake, Minnesota

April 11, 2011

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON 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 Washington County Housing and Redevelopment Authority's (a component unit of Washington County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, that is required to be reported in accordance with

Independent Auditor's Report on Compliance with
Requirements That Could Have a Direct and Material
Effect on Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133

OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-2.

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 a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-2. *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.


Independent Auditor's Report on Compliance with
Requirements That Could Have a Direct and Material
Effect on 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, 2010, and have issued our report thereon dated April 11, 2011. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. 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 not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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.
White Bear Lake, Minnesota

April 11, 2011

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Federal Expenditures |
|---|---------------------------|----------------------------|
| U.S. Department of Housing and Urban Development: | | |
| Direct: | | |
| Section 8 New Construction and Substantial Rehabilitation | 14.182 | \$642,462 |
| Section 8 Housing Choice Vouchers | 14.871 | 763,184 |
| Resident Opportunity and Supportive Services - Service Coordinators | 14.870 | 30,893 |
| Multi-Family Housing Services Coordinators | 14.191 | 36,011 |
| Public and Indian Housing | 14.850 | 181,274 |
| Public Housing Capital Fund | 14.872 | 144,658 |
| Shelter Plus Care | 14.238 | 63,234 |
| Mortgage Insurance - Rental Housing | 14.134 | 8,938,744 |
| Home Investment Partnerships Program | 14.239 | 200,012 |
| Passed through Washington County: | | |
| ARRA Neighborhood Stabilization Program | 14.256 | 27,914 |
| ARRA Community Development Block Grant | 14.253 | 76,620 |
| Community Development Block Grant | 14.218 | 666,915 |
| Passed through Minnesota Housing Finance Agency: | | |
| ARRA Tax Credit Assistance Program | 14.258 | 1,242,913 |
| U.S. Department of the Treasury: | | |
| Passed through Minnesota Housing Finance Agency: | | |
| National Foreclosure Mitigation Counseling | 21.000 | 168,370 |
| Total Expenditures of Federal Awards | | <u>\$13,183,204</u> |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

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:

| <u>Program Title</u> | <u>Federal CFDA Number</u> | <u>Amount Provided to Subrecipients</u> |
|--|------------------------------------|---|
| Metropolitan Housing Opportunities Program - Operating Subsidy | 14.850 | \$25,763 |

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, 2010

| |
|---|
| 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? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | <u> X </u> | Yes | <u> </u> | None reported |
| C. Noncompliance material to financial statements noted? | <u> </u> | Yes | <u> X </u> | No |

Federal Awards

- | | | | | |
|---|---------------|-----|---------------|---------------|
| D. Internal control over major programs: | | | | |
| • Material weakness(es) identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | <u> X </u> | Yes | <u> </u> | 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? | <u> X </u> | Yes | <u> </u> | None reported |
| G. Identification of major programs: | | | | |

| Name of Federal Program | CFDA Number |
|---|-------------|
| Section 8 New Construction and Substantial Rehabilitation | 14.182 |
| Section 8 Housing Choice Vouchers | 14.871 |
| ARRA Tax Credit Assistance Program | 14.258 |
| Mortgage Insurance – Rental Housing | 14.134 |
| Community Development Block Grant | 14.218 |
| ARRA Community Development Block Grant | 14.253 |

- | | | | | |
|---|---------------|-----|--------------|----|
| H. Dollar threshold used to distinguish between Type A and Type B programs: | \$300,000 | | | |
| I. Auditee qualified as a low-risk auditee | <u> </u> | Yes | <u> X </u> | No |

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2010

| |
|--|
| SECTION II – FINANCIAL STATEMENT FINDINGS |
|--|

2010-1 Payroll Deductions

Criteria: With regards to HRA payroll, deductions from employee's wages should be supported by documentation authorizing the deduction. Additionally, such deductions should be handled appropriately in regards to payroll taxes.

Condition: Audit procedures disclosed that health insurance premiums were not being withheld pre-tax, as indicated by the HRA's benefit plan. Additionally, the HRA was not able to provide documentation authorizing certain dental and deferred compensation deductions.

Cause: Not determinable.

Effect: Certain employees were subject to payroll tax withholdings on deductions which were intended to be pre-tax. Additionally, not maintaining documentation supporting deductions subjects the HRA to an increased risk that fraud or error could occur and not be detected in a timely manner.

Questioned Costs: None.

Recommendation: We recommend that the HRA monitor deductions as to the proper tax treatment and to ensure that all deductions are supported by proper authorization.

Management Response: The payroll system has been corrected so that family health insurance premiums are now pre-tax in accordance with the HRA's benefit plan. The HRA has implemented a system to ensure that all payroll deductions and authorization for deductions have written documentation from the employees matching these deductions. Files will be reviewed in June and December of each year going forward. Employees will be asked to complete new deduction forms if any items are missing.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2010

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
2010-2 Section 8 New Construction and Substantial Rehabilitation – CFDA No. 14.182

Criteria: The HRA is required to select participants from the waiting list in accordance with the admission policies in its administrative plan and maintain documentation which shows that, at the time of admission, the family actually met the preference criteria that determined the family's place on the waiting list. 24 CFR sections 880.603, 881.601, 882.514, 882.808b, 883.701, 884.214, and 886 subparts A and C.

Condition and Context: The HRA's Raymie Johnson property is a project based Section 8 property with 120 units. Twelve tenants' files were tested for compliance with program requirements, which included a test of compliance with applicant waiting list requirements. It is allowable to select an applicant who is not on the top of the waiting list under certain circumstances (for example if applicant(s) who are higher on the list are no longer eligible for Section 8 or are unreachable). However, our tests disclosed that documentation is not maintained that supports selection of an applicant from other than the top of the waiting list.

Questioned Costs: None.

Cause: Not determinable.

Effect: Not maintaining documentation supporting tenant wait list removal subjects the HRA to an increased risk that fraud or error could occur and not be detected in a timely manner.

Recommendation: We recommend the HRA implement procedures to ensure supporting documentation for acceptance into the program be maintained in tenant files.

Views of Responsible Officials and Corrective Action Plan: The HRA has instructed the Management Company to insure that the waiting list is maintained according to federal requirements. The Management Company has improved the procedures to insure compliance including having off site compliance staff review the waiting list requirements and ensure that all documentation is maintained in the tenant files. The HRA staff will also complete two tests of the files each year to ensure compliance with the federal requirement for the waiting list.

WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2010

| |
|---------------------------------|
| IV – PRIOR YEAR FINDINGS |
|---------------------------------|

2009-1 Audit Adjustments

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.

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

Current Status: This item was resolved during 2010 and is not reported as a finding for the year ended December 31, 2010.

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.

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.

Current Status: This item was resolved during 2010 and is not reported as a finding for the year ended December 31, 2010.

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