

Comprehensive Annual Financial Report

For the Year Ended March 31, 2009



*Public Housing Agency
of the
City of St. Paul*

*Saint Paul,
Minnesota*

*Prepared by
Finance Department*

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Introductory Section



September 22, 2009

To the Chairman and Members of the Board of Commissioners of the Public Housing Agency of the City of Saint Paul and the Citizens of Saint Paul:

We are pleased to present to you the Public Housing Agency of the City of Saint Paul's (the Agency's) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended March 31, 2009. While this report is consistent with federal and state legal reporting requirements, it also is intended to supply additional information to interested readers.

This report reflects management's representations concerning the financial activity and condition of the Agency. The Agency's management is fully responsible for the content and reliability of this report. Management recognizes it must rely on its established daily internal control procedures to protect the Agency's assets from loss, theft or misuse. The Agency must also operate an information system that maintains adequate and appropriate financial data, such that the Agency's financial statements may be prepared in accordance with accounting principles generally accepted in the United States of America. Because cost versus the value to be achieved must be weighed in evaluating any procedure or system, the Agency's procedures and systems are designed to provide reasonable, not absolute, assurance that the financial statements will be free from material misstatements. We, as the Agency's management, state that to the best of our knowledge, this financial report is complete and reliable in all material respects.

McGladrey & Pullen, LLP has issued an unqualified opinion on the Agency's financial statements for the year ended March 31, 2009. Their independent auditor's report is located at the front of the financial section of this report on pages 8 and 9.

The financial audit was part of the federally mandated "Single Audit" required by the Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as promulgated by the Office of Management and Budget (OMB). This circular requires that auditors review internal controls and compliance with legal requirements specific to the funding source. It requires the inclusion of a schedule of federal award expenditures and an auditor's report on internal controls and compliance with applicable laws and regulations. These reports are included in the compliance section of this report on pages 66 through 73.

Management's discussion and analysis (MD&A) provides a narrative summary of the year's financial activities, including comparisons and changes regarding the previous year. The MD&A immediately follows the auditor's opinion letter on pages 10 through 16. The MD&A is designed to be read in conjunction with this letter and the financial statements.

Profile of the Agency

The Agency has been an independent governmental unit since 1977. Its historical roots are in the Housing and Redevelopment Authority of the City of Saint Paul (HRA), a unit of the City of Saint Paul established by the Minnesota State Legislature in 1947. The HRA's initial goal was to remove slums and construct low-income housing in Saint Paul.

The Housing Act of 1949 established a national policy and goal of "a decent home and suitable living environment for every American family." Under that goal, and with federal funding, the HRA began the construction of the first public housing in Saint Paul. Over the next 27 years, the HRA constructed four large family housing developments and constructed or purchased 16 hi-rise buildings for elderly and disabled people.

Unlike many public housing programs, Saint Paul has never used hi-rise buildings for family housing. During the 1950s and 1960s, family public housing in Saint Paul took the form of townhouse-style developments. All but a few units have direct, ground-level access, yards and nearby outdoor gathering space. Since the completion of the last townhouse development in 1966, the Agency bought or built over 400 scattered site units. These family housing units are located in all neighborhoods in the city and help residents integrate into the community. All 16 public housing hi-rises primarily house elderly people and people with disabilities. The Agency currently owns and manages 4,249 public housing units. Twenty-four of these units are used for Officers in Residence, ACOP and ASI units.

In the early 1970s, the HRA began administering a federal rent subsidy program for eligible low-income households living in privately owned housing. The program evolved into the Section 8 Existing Housing Assistance Program. In Saint Paul, that program now serves more than 4,100 families.

The Agency was separated from the City of Saint Paul and was created by the Minnesota Legislature in 1977 to assume administration of subsidized housing programs and ownership of the public housing properties in Saint Paul. The Agency is funded by federal housing subsidies, rents paid by residents, special-purpose grants, and investment revenues. It receives no financial support from city or county taxes and makes a payment in lieu of taxes to defray the cost of city and county services.

A Board of Commissioners governs the Agency. The seven commissioners are appointed by the Mayor and approved by the City Council. Two commissioners represent public housing residents.

Financial Environment

Although the three major levels of government, federal, state and local, each impact Agency operations in their own way, only the federal government provides funding. The Agency receives neither state nor local government monies and has no taxing authority.

Federal funding and regulations: Since approximately 77 percent of the Agency's revenues comes from the federal government (Department of Housing and Urban Development, or HUD), the Agency is particularly subject to annual congressional changes in funding and regulations. The Section 8 program has received increased housing assistance payment funds over the last couple of years (with very little increase in voucher count). The Low Rent program has remained relatively flat as a result of HUD's budget requests. Regulations regarding reserve levels have been subject to Congressional and HUD activity as well.

State regulations: State regulations impact the Agency from the amount of rent collected from our residents who receive welfare assistance, to the limit on the amount of salary paid to the Agency's executive director, to the amount of sales tax the Agency is required to pay on most purchases.

Local regulations: The Agency is impacted by the PILOT (payment in lieu of taxes) agreement with the City of Saint Paul, which ensures that our residents continue to receive local government services in an equitable share, and the building code regulations which impact every property the Agency owns.

The metro area housing rental market is of concern to the Agency as it strives to fulfill its mission to help families and individuals with low incomes achieve greater stability and self reliance by providing safe, affordable, quality housing and links to community services. The Agency operated its public housing units with a vacancy rate under 1 percent for the year.

Long-Term Financial Planning

The Agency publishes a Five-Year Plan, which is updated annually. The plan for 2009 is briefly summarized as follows:

The Agency plan describes the programs, policies and practices that the Agency is carrying out in its current fiscal year, which began April 1, 2008. In general, the Agency is continuing the same course of action described in the HUD-approved plan for the previous fiscal year. This plan has proven successful over several years in meeting the needs of residents and the community, within the limits of available resources. The Agency focuses on its mission and Agency goals, stressing sound property management, modernization and maintenance, and sound Section 8/Housing Choice Voucher administration. The Agency is also continuing its successful home ownership and jobs programs for residents, and is working with other community partners to address the critical shortage of affordable housing in the Minneapolis and Saint Paul metro area. The Agency's Five-Year and Annual Capital Fund Plan include continuing the major renovation of McDonough Homes. The Agency will continue to review other entrepreneurial activities as allowed under federal and state statutes.

Relevant Financial Policies

Cash management and investments: Cash balances are monitored daily. Investments are made when deemed advisable based on cash flows associated with anticipated expenses and revenues, as well as maintenance of a cash-on-hand reserve. Criteria for investment selection are security, liquidity and yield. The Agency invests in direct obligations of the U.S. government, obligations of federal government agencies and government-sponsored agencies, certificates of deposit, or other investments as allowed by HUD and the State of Minnesota (HUD Notice PIH 2002-13 Cash Management and Investment Policies and Procedures).

The goal of the Agency's investment strategy is to have cash available when needed and to safely maximize interest income.

Risk management: The Agency carries insurance in the areas of property damage, general liability, vehicle coverage, public officials liability and commercial crime coverage. An active safety and loss control program has resulted in limited claims, which allows the Agency to take advantage of higher deductibles, resulting in reduced premium costs.

Budgetary controls: The Agency adopts annual budgets for Low Income Public Housing, Section 8 and their administrative building operations. Other grant program activities are budgeted based on the specific grant periods. Budgets are prepared by staff and reviewed, approved and presented by the Executive Director to the Board of Commissioners for approval.

Awards and Acknowledgements

During the past year the Agency achieved both a PHAS "High Performer" status and a SEMAP "High Performer" status recognition from the U.S. Department of Housing and Urban Development. PHAS is the Public Housing Assessment System for Low Income Public Housing, and SEMAP is the Section Eight Management Assessment Program.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Public Housing Agency of the City of Saint Paul for its comprehensive annual financial report for the fiscal year ended March 31, 2009. This was the fourth consecutive year that the Agency has received this prestigious award. In order to be awarded a Certificate of Achievement, the Agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

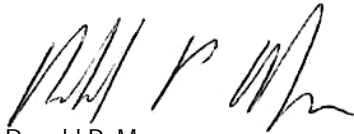
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to thank and honor the staff of the Finance Department for their dedicated efforts in preparing this report. Our appreciation extends to all Agency employees who have a part in upholding the very high standards that are reflected in this document. Finally, our thanks to our Board of Commissioners for their interest, concern and commitment to establishing policies that allow and encourage a successful public housing operation.

Respectfully submitted,



Jon M. Gutzmann
Executive Director



Ronald P. Moen
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Housing Agency
of the City of Saint Paul

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2008

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

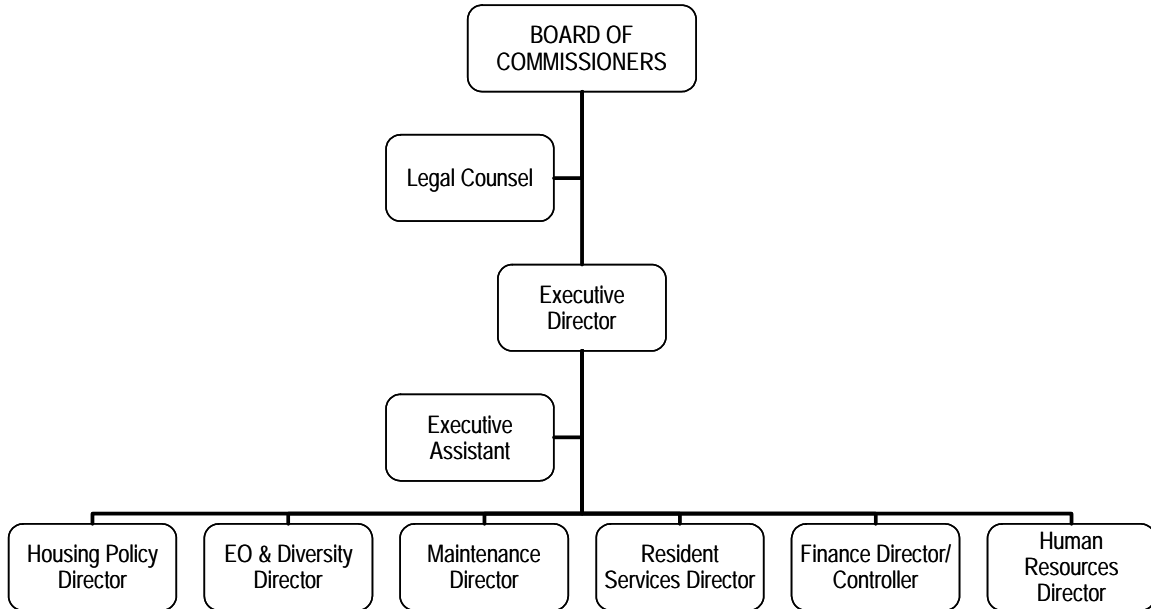


President

Executive Director

Public Housing Agency of the City of Saint Paul

Board-Approved Organizational Chart March 31, 2009



Public Housing Agency of the City of Saint Paul

List of Appointed Officials March 31, 2009 Board of Commissioners

<u>Name</u>	<u>Term Expires</u>
W. Andrew Boss, Chair	September 1, 2010
Tom Reding, Vice Chair	September 1, 2011
Kevin Lindsey, Treasurer	September 1, 2013
Marty Strub, Secretary	September 1, 2009
Shirley Kane, Assistant Secretary	September 1, 2009
Merry Xiong, Commissioner	September 1, 2012
Maria Manzanares, Commissioner	September 1, 2010

Financial Section

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Board of Commissioners
Public Housing Agency of the City of Saint Paul

We have audited the accompanying basic financial statements of the Public Housing Agency of the City of Saint Paul (the Agency) as of and for the years ended March 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of March 31, 2009 and 2008, and the changes in its financial position and its cash flows for the years 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 September 18, 2009, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 10 through 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Agency. The introductory section, the supplementary financial information and statistical schedules listed in the table of contents, including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary financial information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and the statistical schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Minneapolis, Minnesota
September 18, 2009

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2009

The management of the Public Housing Agency of the City of Saint Paul (the Agency) presents this narrative overview and analysis to the readers of the financial report of the Agency for the fiscal years ended March 31, 2009 and 2008. This document should be read in conjunction with the audited financial statements.

Financial Highlights

The total assets of the Agency exceeded its liabilities at the close of fiscal year 2009 and 2008 by \$157,045,189 and \$154,720,112, respectively. These net assets consist of the following:

- The value of capital assets, reflecting the Agency's investments in land, structures and equipment, is \$135,509,070 and \$135,010,603 for 2009 and 2008, respectively. This amount is not available for expenditures.
- Restricted net assets of \$13,059,293 and \$17,923,003 for 2009 and 2008, respectively, are restricted by the Department of Housing and Urban Development (HUD). Such funds may only be used for specific purposes.
- Unrestricted net assets of \$8,476,826 and \$1,786,506 for 2009 and 2008, respectively, are available for use in meeting ongoing Agency obligations.

The Agency's total net equity increased by \$2,325,077 in 2009 and increased by \$2,073,423 in 2008. The increase in 2009 is primarily the result of a significant increase in HUD capital contributions in the Capital Fund program, as compared to 2008.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the Public Housing Agency of the City of Saint Paul. The Agency's basic financial statements consist of two parts: (1) balance sheets; statements of revenues, expenses and changes in fund net assets; and statements of cash flows and (2) notes to financial statements. The report also contains other supplemental financial data schedules (FDS), as required by HUD, and certain compliance and statistical information the Agency has chosen to include within this report and the compliance reports.

Basic financial statements: These statements are designed to give the reader a broad overview of the Agency's finances. The Agency is supported primarily by intergovernmental revenues (HUD) and rental income. All of the Agency's activities are reported as one enterprise fund.

- The *balance sheet* presents information on all the Agency's assets and liabilities, with the difference between the two reported as total net assets. Over time, changes in total net assets may reflect changes in the financial position of the Agency.
- The *statement of revenues, expenses and changes in fund net assets* presents information showing how the Agency's assets changed during the year. All changes in total net assets are reported when the relevant event occurs, regardless of the timing of the cash flow. This means that revenues and expenses are reported in this statement for which the cash flow will occur in future periods. For example, unused paid leave time is reported as an expense of this period but will not actually be paid until some future fiscal period.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2009

- The *statement of cash flows* reports cash receipts, cash payments and net changes in cash resulting from operating, investing and financing activities. It also provides insight into where cash came from, how it was used and what the change in cash balance was during the reporting period.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the Agency's financial statements. The notes can be found beginning on page 20 of the basic financial statements.

Financial data schedules: These schedules contain detail by program, presented in the HUD-required format.

Statistical information: These schedules contain statistical data for certain Agency programs and activities.

Compliance section: This section contains the independent auditor's reports regarding compliance and internal control as required by federal and state standards on auditing governmental financial statements, the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

Other information: The Agency adopts annual budgets for Low Rent Public Housing, Section 8, and the Building Program. Capital Grant Program and other special grants are budgeted on a project-length basis.

Agency Financial Net Assets Analysis

As noted earlier, total net assets over time may serve as a useful indicator of an organization's financial condition. As of March 31, 2009 and 2008, the Agency's total assets exceeded total liabilities by \$157,045,189 and \$154,720,112, respectively. This represents an increase in net assets of \$2,325,077 from the prior year. This increase is due to excess funding in the Section 8 program, most of which HUD will recapture in fiscal year 2010.

Condensed Statements of Net Assets

	As of March 31		
	2009	2008	2007
Current and other assets	\$ 29,463,958	\$ 26,326,121	\$ 22,895,520
Capital assets	135,509,070	135,010,603	136,491,401
Total assets	<u>\$ 164,973,028</u>	<u>\$ 161,336,724</u>	<u>\$ 159,386,921</u>
Long-term liabilities	\$ 1,447,065	\$ 1,404,027	\$ 1,454,267
Other liabilities	6,480,774	5,212,585	5,285,965
Total liabilities	<u>\$ 7,927,839</u>	<u>\$ 6,616,612</u>	<u>\$ 6,740,232</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 135,509,070	\$ 135,010,603	\$ 136,491,401
Restricted by HUD	13,059,293	17,923,003	12,534,707
Unrestricted	8,476,826	1,786,506	3,620,581
Total net assets	<u>\$ 157,045,189</u>	<u>\$ 154,720,112</u>	<u>\$ 152,646,689</u>

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2009

2009: Analysis of Changes in Condensed Statement of Net Assets

The largest portion of the Agency's net assets, 86 percent and 87 percent for 2009 and 2008, respectively, is composed of its investment in capital assets, net of depreciation (land, buildings and equipment). Since the Agency uses those assets in its primary mission to provide safe, secure and sanitary housing to low-income families, those assets are not available for future spending.

A portion of the Agency's total equity, 8.3 percent and 11.6 percent for 2009 and 2008, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net assets are \$13,059,293 and \$17,923,003 for 2009 and 2008, respectively. Unrestricted net assets total \$8,476,826 and \$1,786,506 for 2009 and 2008, respectively.

2008: Analysis of Changes in Condensed Statement of Net Assets

The largest portion of the Agency's net assets, 87 percent and 89 percent for 2008 and 2007, respectively, is composed of its investment in capital assets, net of depreciation (land, buildings and equipment). Since the Agency uses those assets in its primary mission to provide safe, secure and sanitary housing to low-income families, those assets are not available for future spending.

A portion of the Agency's total equity, 11.6 percent and 8.2 percent for 2008 and 2007, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net assets are \$17,923,003 and \$12,534,707 for 2008 and 2007, respectively. Unrestricted net assets total \$1,786,506 and \$3,620,581 for 2008 and 2007, respectively.

Financial Operational Analysis

The Agency uses fund accounting to reflect compliance with government requirements. Although HUD issues rules specific to public housing agencies, the Agency is subject to certain other federal, state and local financial reporting requirements.

The Agency is primarily supported by intergovernmental revenues (HUD) and rental income. The Agency has chosen to use a single enterprise fund, composed of several activities, which records the financial activity of the Agency. Enterprise funds, in general, focus on the determination of operating income, changes in total net assets, financial position and cash flows.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis
Year Ended March 31, 2009

Condensed Statements of Revenues, Expenses and Changes in Net Assets

	Years Ended March 31		
	2009	2008	2007
Operating revenue:			
Tenant revenue	\$ 12,125,837	\$ 11,866,097	\$ 11,552,665
HUD grants/subsidy	49,449,073	51,128,226	47,986,115
Other revenue	3,588,715	2,712,485	2,718,647
Total operating revenue	<u>65,163,625</u>	<u>65,706,808</u>	<u>62,257,427</u>
Operating expenses:			
Administrative	10,356,982	11,575,768	11,496,254
Tenant services	2,600,300	2,663,119	2,588,780
Housing assistance payments	31,672,700	32,554,698	31,691,339
Utilities	5,465,475	5,344,344	5,251,085
Ordinary maintenance	8,405,911	8,086,777	7,670,763
General expenses and other	3,392,589	1,648,250	1,266,225
Extraordinary maintenance	535,321	544,421	513,578
Depreciation expense	7,457,298	7,257,922	7,079,744
Total operating expenses	<u>69,886,576</u>	<u>69,675,299</u>	<u>67,557,768</u>
Operating loss	<u>(4,722,951)</u>	<u>(3,968,491)</u>	<u>(5,300,341)</u>
Nonoperating revenues and capital contributions:			
Capital contributions	6,508,330	3,897,192	7,586,119
Gain on disposition of capital assets	22,500	1,291,401	15,316
Other, mainly investment income	517,198	853,321	933,751
Total nonoperating revenues and capital contributions	<u>7,048,028</u>	<u>6,041,914</u>	<u>8,535,186</u>
Change in net assets	2,325,077	2,073,423	3,234,845
Beginning net assets	154,720,112	152,646,689	149,411,844
Ending net assets	<u>\$ 157,045,189</u>	<u>\$ 154,720,112</u>	<u>\$ 152,646,689</u>

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2009

2009: Analysis of Changes in the Condensed Statements of Revenues, Expenses and Changes in Net Assets

The Low Rent Public Housing program rental income increased by 1.3 percent for a total increase of \$157,310 in 2009 and increased by 1.9 percent for a total increase of \$219,707 in 2008. This resulted in total rental income of \$12,125,837 and \$11,866,087 in 2009 and 2008, respectively. On a per unit month (PUM) basis, rental income of \$237.82 PUM in 2009 increased from \$236.39 PUM in 2008. HUD subsidy increased by \$1,208,682, or an average of \$23.70 PUM for 2009.

The Low Rent Public Housing program operating expenses increased, going from \$22,240,937 in 2008 to \$25,459,911 in 2009, or an increase of \$63.13 per unit month, making the current figure \$499.33 per unit month. Nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) totaled \$632,267, compared to \$611,644 for 2008. This amounted to a 3.3 percent increase. Depreciation expense for 2009 is \$7,013,973, as compared to \$6,815,696 for 2008. Gain on sales of real property contributed \$0- and \$1,291,401 to revenues for 2009 and 2008, respectively.

The Section 8 Housing Choice Voucher program (including disability vouchers) ended the year with average monthly lease-ups of 3,835 out of 3,918, or a 97.9 percent average lease-up rate that equated to 83 vouchers under-issued on a monthly basis. There were an average of 45 vouchers issued per month for the program. There were also an average of 286 "shoppers" each month. The program had an increase of 12 vouchers during 2009. This compares to 2008 when the average monthly lease-up rate was 102.0 percent based on 3,967 average monthly lease-ups for 3,911 approved vouchers, with an average of 60 vouchers issued and 239 "shoppers" per month. The program had no increase in vouchers during 2008.

The Agency saw a decrease of incoming vouchers from other housing agencies. There were 28 port-in vouchers at March 31, 2009, a decrease from 95 in 2008. In those cases, the Agency billed the home entity the full amount of the housing assistance payments (HAP) for a particular participant as well as 80 percent of the home entity's associated administrative fee. This generated \$834,420 and \$341,520 in revenue, of which \$788,400 and \$323,578 was paid to landlords in the form of HAP for 2009 and 2008, respectively. For comparison purposes, the Agency supported 392 and 314 voucher port-outs for 2009 and 2008, respectively, with the HAP and 80 percent of its administrative fee paid to the receiving housing agency. In 2009, total HAP to landlords was \$30,585,264, or 89.3 percent of all revenue. In 2008, total HAP to landlords amounted to \$31,448,284, or 86.2 percent of all revenue.

The Section 8 program average HAP costs per voucher, \$664.51, increased by 0.6 percent in 2009, as compared to \$660.51 in 2008. Operating costs per unit month, \$60.77, increased by 9.2 percent in 2009, as compared to \$55.65 in 2008.

The Capital Fund program receives HUD grant money on a reimbursement basis, while the grant accounts for construction in progress on the Agency's public housing properties. Funding is awarded in a series of overlapping three-year grants. For the most recent grants, Federal Fiscal Year 2008 was in the amount of \$7,905,110, Federal Fiscal Year 2007 was in the amount of \$7,502,911, Federal Fiscal Year 2006 was in the amount of \$7,718,438, Federal Fiscal Year 2005 was in the amount of \$8,079,514, and Federal Fiscal Year 2004 was in the amount of \$8,860,374. Fiscal years 2009 and 2008 ended with \$6,407,182 and \$5,590,529, respectively, in construction in progress.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2009

The Agency's central administrative office building is primarily occupied by the Agency itself (76 percent). Leases are in place for the balance of the space. Individual financial arrangements were made for construction build-out with tenants sharing the cost over time. This will impact cash flow but will not impact revenue, since the capital improvements stay with the building.

2008: Analysis of Changes in the Condensed Statements of Revenues, Expenses and Changes in Net Assets

The Low Rent Public Housing program rental income increased by 1.9 percent for a total increase of \$219,707 in 2008 and increased by 5.6 percent for a total increase of \$620,372 in 2007. This resulted in total rental income of \$11,968,527 and \$11,748,820 in 2008 and 2007, respectively. On a per unit month (PUM) basis, rental income of \$236.39 PUM in 2008 increased from \$232.68 PUM in 2007. HUD subsidy increased by \$61,525, or an average of \$18.99 PUM for 2008.

The Low Rent Public Housing program operating expenses increased, going from \$21,482,755 in 2007 to \$22,240,937 in 2008, or an increase of \$14.97 per unit month, making the current figure \$439.28 per unit month. Nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) totaled \$611,644, compared to \$535,807 for 2007. This amounted to a 14.2 percent decrease. Depreciation expense for 2008 is \$6,815,696, as compared to \$6,637,518 for 2007. Gain on sales of real property contributed \$1,291,401 and \$15,316 to revenues for 2008 and 2007, respectively.

The Section 8 Housing Choice Voucher program (including disability vouchers) ended the year with average monthly lease-ups of 4,109 out of 4,028, or a 102.0 percent average lease-up rate that equated to 81 vouchers over-issued on a monthly basis. This was a result of efforts to utilize as many vouchers as possible, while serving the community and staying within the dollars available for housing assistance payment. There were an average of 60 vouchers issued per month for the program. There were also an average of 239 "shoppers" each month. The program had no increase in vouchers during 2008. This compares to 2007 when the average monthly lease-up rate was 98.5 percent based on 3,960 average monthly lease-ups for 4,020 approved vouchers, with an average of 60 vouchers issued and 233 "shoppers" per month. The program grew by a total of 17 new vouchers during 2007.

The Agency saw an increase of incoming vouchers from other housing agencies. There were 95 port-in vouchers at March 31, 2008, an increase from zero in 2007. In those cases, the Agency billed the home entity the full amount of the housing assistance payments (HAP) for a particular participant as well as 80 percent of the home entity's associated administrative fee. This generated \$341,520 and \$480,915 in revenue, of which \$323,578 and \$455,999 was paid to landlords in the form of HAP for 2008 and 2007, respectively. For comparison purposes, the Agency supported 314 and 277 voucher port-outs for 2008 and 2007, respectively, with the HAP and 80 percent of its administrative fee paid to the receiving housing agency. In 2008, total HAP to landlords was \$31,448,284, or 86.2 percent of all revenue. In 2007, total HAP to landlords amounted to \$31,406,691, or 89.3 percent of all revenue.

The Section 8 program average HAP costs per voucher, \$660.51, decreased by 0.07 percent in 2008, as compared to \$660.97 in 2007. Administrative costs per unit month, \$56.65, decreased by 0.8 percent in 2008, as compared to \$56.12 in 2007.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2009

The Capital Fund program receives HUD grant money on a reimbursement basis, while the grant accounts for construction in progress on the Agency's public housing properties. Funding is awarded in a series of overlapping three-year grants. For the most recent grants, Federal Fiscal Year 2007 was in the amount of \$7,502,911, Federal Fiscal Year 2006 was in the amount of \$7,718,438, and Federal Fiscal Year 2005 was in the amount of \$8,079,514, and Federal Fiscal Year 2004 was in the amount of \$8,860,374. Fiscal years 2008 and 2007 ended with \$5,590,529 and \$14,075,847, respectively, in construction in progress.

The Agency's central administrative office building is primarily occupied by the Agency itself (65 percent). Leases are in place for the balance of the space. Individual financial arrangements were made for construction build-out with tenants sharing the cost over time. This will impact cash flow but will not impact revenue, since the capital improvements stay with the building.

2009 Capital Assets

The Agency had \$135,509,070 and \$135,010,603 for 2009 and 2008, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (pages 26 and 27 of this report) to the financial statements. This is a net increase of \$498,467. In 2009, \$5,191,671 was reclassified from construction in progress to buildings when Capital Fund Program Grant 706 was closed. In 2008, \$12,382,510 was reclassified from construction in progress to buildings when Capital Fund Program Grants 704 and 705 were closed.

2008 Capital Assets

The Agency had \$135,010,603 and \$136,491,401 for 2008 and 2007, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (pages 26 and 27 of this report) to the financial statements. This is a net decrease of \$1,480,798. In 2008, \$12,382,510 was reclassified from construction in progress to buildings when Capital Fund Program Grants 704 and 705 were closed. In 2007, \$35,716 was reclassified from construction in progress to buildings when Capital Fund Program Grants 704R, 705R and 706R were closed.

Requests for Information

This document is designed to provide an overview of the Agency's finances. Questions concerning any of the information provided in this document or requests for additional information should be addressed to the Finance Director, Public Housing Agency of the City of Saint Paul, 555 Wabasha St. N, Suite 400, Saint Paul, MN 55102.

Public Housing Agency of the City of Saint Paul

Balance Sheets

March 31, 2009 and 2008

Assets	2009	2008
Current Assets		
Cash and cash equivalents (Note 2)	\$ 1,834,927	\$ 1,990,037
Accounts and grants receivable, net	2,125,354	2,107,934
Investments (Note 2)	23,209,231	15,806,612
Investments — restricted (Notes 2 and 3)	1,506,178	5,563,321
Prepaid expenses and inventory	685,137	755,086
Total current assets	29,360,827	26,222,990
Noncurrent Assets		
Other assets	103,131	103,131
Capital assets, net (Note 4)	135,509,070	135,010,603
Total noncurrent assets	135,612,201	135,113,734
Total assets	\$ 164,973,028	\$ 161,336,724
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable	\$ 2,416,369	\$ 1,770,632
Due to other governmental entities	176,287	309,278
Security deposits (Note 3)	903,839	885,124
Accrued expenses	2,416,209	1,777,634
Unearned revenues	568,070	469,917
Total current liabilities	6,480,774	5,212,585
Accrued compensated absences — long-term (Note 5)	1,447,065	1,404,027
Total liabilities	7,927,839	6,616,612
Commitments and Contingencies (Notes 6 and 7)		
Net Assets		
Invested in capital assets	135,509,070	135,010,603
Restricted by HUD	13,059,293	17,923,003
Unrestricted	8,476,826	1,786,506
Total net assets	157,045,189	154,720,112
Total liabilities and net assets	\$ 164,973,028	\$ 161,336,724

See Notes to Financial Statements.

Public Housing Agency of the City of Saint Paul

Statements of Revenues, Expenses and Changes in Fund Net Assets
For the Years Ended March 31, 2009 and 2008

	2009	2008
Revenues:		
Tenant rental revenue, net of bad-debt expense of \$105,966 and \$102,430 for the years ended 2009 and 2008, respectively	\$ 12,045,041	\$ 11,785,003
Tenant revenue — other	80,796	81,094
Total tenant revenues	12,125,837	11,866,097
HUD operating grant revenue	49,449,073	51,128,226
Other governmental grants	52,408	90,632
Other revenues	3,536,307	2,621,853
Total revenues	65,163,625	65,706,808
Operating expenses:		
Administrative	10,356,982	11,575,768
Tenant services	2,600,300	2,663,119
Housing assistance payments	31,672,700	32,554,698
Utilities	5,465,475	5,344,344
Ordinary maintenance and operations	8,405,911	8,086,777
Protective services	31,626	28,533
General expenses	3,263,577	1,539,620
Extraordinary maintenance	535,321	544,421
Casualty losses — noncapitalized	97,386	80,097
Depreciation expense	7,457,298	7,257,922
Total operating expenses	69,886,576	69,675,299
Operating loss	(4,722,951)	(3,968,491)
Nonoperating revenues (expenses):		
Investment income	517,198	853,321
Gain on disposition of capital assets	22,500	1,291,401
Total nonoperating revenues (expenses)	539,698	2,144,722
Loss before capital contributions	(4,183,253)	(1,823,769)
HUD capital contributions	6,508,330	3,897,192
Change in net assets	2,325,077	2,073,423
Net assets, beginning	154,720,112	152,646,689
Net assets, ending	\$ 157,045,189	\$ 154,720,112

See Notes to Financial Statements.

Public Housing Agency of the City of Saint Paul

Statements of Cash Flows

For the Years Ended March 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Cash received from tenants	\$ 12,093,229	\$ 11,987,836
Cash received from HUD subsidies	49,187,521	51,056,368
Other revenues	3,676,747	2,600,488
Cash paid for operating expenses	(49,719,460)	(51,072,470)
Cash payments to employees	(11,328,642)	(11,153,537)
Net cash provided by operating activities	3,909,395	3,418,685
Cash Flows From Capital and Related Financing Activities		
Cash received from HUD — capital grants	6,508,330	3,897,192
Proceeds from sale of capital assets	22,500	1,583,756
Cash payments for capital assets	(7,955,765)	(6,069,479)
Payments received on notes and mortgages receivable	-	25,000
Net cash used in capital and related financing activities	(1,424,935)	(563,531)
Cash Flows From Investing Activities		
Purchases of investments	(27,695,014)	(27,695,014)
Sale and maturities of investments	24,349,538	24,481,168
Interest income received	705,906	820,278
Net cash used in investing activities	(2,639,570)	(2,393,568)
Net increase (decrease) in cash and cash equivalents	(155,110)	461,586
Cash and Cash Equivalents, beginning of year	1,990,037	1,528,451
Cash and Cash Equivalents, end of year	\$ 1,834,927	\$ 1,990,037
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	\$ (4,722,951)	\$ (3,968,491)
Depreciation expense	7,457,298	7,257,922
Changes in operating assets and liabilities:		
Receivables	(206,128)	(164,546)
Prepaid expenses and inventory	69,949	417,420
Payables, security deposits, accrued expenses and unearned revenues	1,311,227	(123,620)
Net cash provided by operating activities	\$ 3,909,395	\$ 3,418,685

See Notes to Financial Statements.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The basic financial statements of the Public Housing Agency of the City of Saint Paul have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. Descriptions of the significant accounting policies follow:

Reporting entity: The Public Housing Agency of the City of Saint Paul (the Agency) is a separate and independent agency, chartered as a political subdivision of the State of Minnesota (Laws of Minnesota, 1977, Chapter 228, Section 1).

Accounting principles generally accepted in the United States of America require that these financial statements present the Agency (the primary government) and its component units. The criteria provided in Governmental Accounting Standards Board Codification Section 2100 have been considered, and there are no agencies or entities that should be presented in these financial statements.

Basis of accounting and financial statement presentation: The Agency is a special-purpose government engaged only in business-type activities. The Agency has determined all its activities are classified and reported as required for enterprise funds and are therefore accounted for on the proprietary fund-type basis. The proprietary fund-type utilizes the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded when the liability has been incurred, regardless of the timing of the related cash flows.

As permitted by accounting principles generally accepted in the United States of America, the Agency has elected to apply only FASB statements and interpretations issued before November 30, 1989, in its accounting and reporting practices for its operations.

Fund accounting: For governmental accounting, a fund is used to report on the Agency's financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

An enterprise fund is used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

An enterprise fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the enterprise fund's principal ongoing operations. The principal operating revenues of the Agency's enterprise fund are charges to customers for services related to rental activity, including subsidies received from the Department of Housing and Urban Development (HUD) for administering these services. Operating expenses for the enterprise fund include the cost of sales and services, 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 use, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of intergrant activity has been eliminated from the statements of revenues, expenses and changes in fund net assets. In the balance sheet, amounts reported in the programs as intergrant receivables and payables have been eliminated.

The activities of the Agency are described as follows:

Low Rent (CACC No. C-4118, as amended): Low Rent records transactions relating to the 16 high-rises, four family developments and approximately 405 scattered site homes, for a total of 4,249 dwelling units owned by the Agency. The U.S. Department of Housing and Urban Development (HUD) provides operating subsidies for these units through a Consolidated Annual Contributions Contract (CACC) consisting of HUD project numbers MN 01-1, 2, 3, 4, 5, 6, 7, 8A, 8B, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24, 26, 27, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39 and 40. In accordance with the new Asset Management Reporting (AMP) as required by HUD beginning in 2009, the Low Rent program also includes activity of Capital Fund Program Grants (CFP), which are modernization funds received from HUD for capital improvements, major repairs, management improvements, operational costs and related planning costs to improve the physical quality of low-income housing units.

Section 8: The activities accounted for in Section 8 include Moderate Rehabilitation (Mary Hall — 75 authorized certificates and Booth Brown House Foyer — 6), Disability Voucher (117 authorized vouchers), Disaster Housing Assistance Program (0 authorized vouchers), and Housing Choice Voucher (3,923 authorized vouchers) programs. These activities were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rent payments for low-income persons.

Moderate Rehabilitation (CACC No. MN001MR0006, as amended): Section 8 Moderate Rehabilitation funds rehabilitate low-income housing units over a contracted period of time. Both for-profit and not-for-profit developers may provide low-income housing under this program. The grant is designed to provide owners with sufficient rental income to pay for rehabilitation costs. Developers must obtain their own financing. HUD subsidizes rents once the units are accepted.

Disability Voucher (CACC No. MN001DV, as amended): Section 8 Disability Vouchers are the old mainstream program vouchers which enable families having a person with disabilities to lease affordable private housing of their choice. Disability Vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

Disaster Housing Assistance Program (DHAP): The Federal Emergency Management Agency, in conjunction with the Department of Housing and Urban Development, established DHAP to help victims of Hurricane Katrina. This program assists victims with housing placement, rental assistance and case management for up to 18 months. The program will end May 31, 2009.

Housing Choice Voucher (CACC No. MN001VO, as amended): Section 8 Housing Choice Voucher allows for non-Agency-owned housing units to be used for low-income housing. HUD provides a contracted dollar amount to the Agency, which is used to provide rental payment assistance to landlords.

The individual's subsidy is limited to the difference between 30 percent of the participant's adjusted household income and the fair market rent, as determined by HUD for specific unit sizes.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Congregate Housing Services Program Grant (CHSP): The National Affordable Housing Act (11-28-1990), Section 802, provides funding for CHSP, which operates in six high-rises. CHSP provides assistance in necessary daily living activities, which enables residents to maintain independent living status, as opposed to becoming dependent on institutionalized care. Meal service, housekeeping assistance, personal care assistance and case management are available to participants at six high-rise sites with funding from this grant and through the coordination of volunteers and other in-kind contributions. Participants pay a HUD-regulated fee for services received.

Business Activities: This accounts for the central administration office building (see Note 9). The Agency also leases space within this building to external parties (see Note 9).

State/Local Activities:

Wilder: The Wilder Foundation provides financial assistance to qualified residents who are in need of help with the cost of meals provided through the CHSP program. The surplus is the difference between the fees charged to Wilder for those residents' meals and the cost of those meals. The surplus is available for the administration of the CHSP grant.

Budgets: Budgets for Low Rent Public Housing and Section 8 are adopted and amended on a HUD-prescribed basis. In general, operating budgets are on an annual basis, while the budgets for grants supported by Capital Fund Program Grant funds cover up to three years. Expenditures may not exceed total allocations by the grant, although there is some flexibility on a line-item basis.

Cash equivalents: For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Investments: The Agency may utilize U.S. Treasury securities, U.S. agency securities, bankers' acceptances and certain other authorized investments as determined by HUD and the state of Minnesota. All investments are carried at fair value, with the unrealized gains and losses reported as a component of investment income.

Grants receivable: Grants receivable consist of amounts due from HUD for reimbursement of expenses or costs incurred by the Agency as of year-end.

Prepaid expenses and inventory: Prepaid expenses consist of certain deposits and prepayments. Inventories are stated at the lower of average cost or market and consist of expendable supplies and materials. Items are expensed when consumed, using a moving weighted-average cost method.

Capital assets: Land, structures and equipment are recorded at historical cost. Purchases over \$5,000 per unit and having a useful life of more than one year are capitalized. Depreciation, using the straight-line method, is calculated on structures, site improvements and equipment over estimated useful lives (see Note 4). Donated assets are recorded at estimated fair 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.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

HUD subsidies and contributions: Subsidies and contributions are recognized when eligibility requirements are met. These represent the most significant sources of revenue and contributed capital. The terms of these subsidies and contributions are defined in various Consolidated Annual Contributions Contracts. HUD subsidies for ongoing operations and housing assistance payments for each unit rented to qualified tenants are recorded as operating grant revenues. HUD contributions for project acquisition and development or modernization are recorded as capital contributions.

Tenant rental revenue: Revenue from rental charges to residents is recognized ratably over the terms of the lease agreements, which are generally on a month-to-month basis.

Portability revenue: Portability revenue, included in other revenue in the statements of revenues, expenses and changes in fund net assets, is recognized ratably based on housing assistance payments and administrative fees associated with incoming vouchers from other housing agencies.

Taxes: The Agency, as a political subdivision of the State of Minnesota, is exempt from state and federal income tax and city sales tax, but is subject to state sales tax.

Under a cooperation agreement with the City of Saint Paul, the Agency makes payments to the City in lieu of property taxes (PILOT) on its rental housing properties.

The Agency pays property tax on the portion of the central administrative office building rented by non-tax-exempt commercial entities.

Unearned revenues: The Agency reports unearned revenues on its balance sheets. Unearned revenues arise when resources arrive before the Agency has met the eligibility requirements, such as when grant money is received before the qualifying expenditure is made. In the subsequent period, when the Agency has met the eligibility requirements, the liability for unearned revenue is removed from the balance sheet, and the revenue is recognized.

Compensated absences: Employees earn vacation at rates from 12 to 30 days per year. Unused vacation is allowed to accumulate up to 280 hours. Under certain conditions, certain vacation hours may be surrendered for cash during active employment. Employees are paid for all accumulated vacation upon termination. Vacation is recorded as an expense and a liability during the fiscal year in which it is earned. The current portion of accrued compensated absences of \$766,400 and \$727,638 for 2009 and 2008, respectively, is included in accrued expenses on the balance sheets.

The Agency recognizes and compensates its employees for 10 traditional holidays and two personal floating holidays. Holiday pay is recorded as salary expense when paid.

Employees earn sick leave at the rate of 120 hours per year. Unused sick leave is allowed to accumulate up to 2,400 hours per employee. Under certain conditions, employees may convert unused sick leave to hourly paid time or vacation time on a graduated percentage scale (between 25 percent and 55 percent). Employees are compensated for unused sick leave according to the same graduated scale at the time of separation from the Agency. Vested sick leave pay is recorded as an expense and a liability at the time the sick leave is earned.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Additional accruals are recorded for severance and retirement pay eligibility when earned during employment. In 2009, the labor groups agreed to have retirement pay contributed to an IRS-approved health care savings plan, thereby allowing a tax savings to the employee and the Agency.

Compensated absences paid during employment are charged to salaries. Termination settlements are charged to severance expense.

Net assets: Net assets are classified in three components. *Net assets invested in capital assets*, consist of capital assets net of accumulated depreciation. *Restricted net assets* are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors or contributors external to the Agency. *Unrestricted net assets* are remaining net assets that do not meet the definition of *invested in capital assets* or *restricted*. HUD has changed its method of recording Section 8 housing assistance payment reserves to restricted net assets, also requiring an equal amount of cash and investments to be restricted to cover these reserves.

Estimates: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Risk management: The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Agency has purchased commercial insurance, which provides for these various risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Note 2. Cash and Investments

The Agency's deposits and investments consist of the following at March 31, 2009 and 2008:

	2009	2008
Deposits with financial institutions	\$ 1,834,927	\$ 1,990,037
Investments:		
Debt securities	9,827,800	15,001,961
Fixed income certificates of deposit	8,420,855	-
Mortgage-backed securities	6,466,754	6,367,972
Total investments	24,715,409	21,369,933
	<u>\$ 26,550,336</u>	<u>\$ 23,359,970</u>

Deposits and investments are classified in the accompanying financial statements at March 31, 2009 and 2008, as follows:

	2009	2008
Cash	\$ 1,834,927	\$ 1,990,037
Investments — current	23,209,231	15,806,612
Investments — restricted	1,506,178	5,563,321
	<u>\$ 26,550,336</u>	<u>\$ 23,359,970</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Custodial credit risk — deposits: The Agency's investment policy requires the Agency to follow state statutes. The Agency maintains its deposits at depository banks and financial institutions authorized by the Board, and all Agency deposits must be protected by insurance, surety bond or collateral. The surety bonds and/or the market value of collateral pledged must equal or exceed 110 percent of the deposits not covered by insurance or bonds.

All Agency checking accounts were maintained at depositories approved by the Board.

Investments: Statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, repurchase agreements, money market mutual funds, local government investment pools, and other forms as allowed by HUD and state law. The Agency's investment policy is limited to those investments authorized by statute.

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Agency's interest rate risk policy limits the Agency's investment portfolio to maturities of less than five years without Board approval. As of March 31, 2009 and 2008, all of the Agency's investments had a maturity of less than one year.

Credit risk: As a means of managing its exposure that an issuer of a debt security will not fulfill its obligations, the Agency's credit risk policy is to follow state law, which limits investments in its authorized securities to certain credit risk ratings and maturities. As of March 31, 2009, all certificates of deposit held were fully insured by the FDIC. As of March 31, 2009 and 2008, the Agency's remaining investments carried the following ratings:

	Standard & Poor's	Moody's Investor Service
Debt securities	AAA	Aaa
Mortgage-backed securities	AAA	Aaa

Custodial credit risk: For an investment, the custodial credit risk is that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Agency will not be able to recover the value of its investments that are in the possession of another party. The Agency's custodial credit risk policy is to require all securities purchased to be made in such a manner so that the securities are at all times insured, registered in the Agency's name, or in the possession of the Agency.

Concentration of credit risk: The Agency's concentration of credit risk policy is to place no limit on the amounts that may be invested in any one issuer. At March 31, 2009 and 2008, more than 5 percent of the Agency's investments are in the following issuers:

Issuer	2009	2008
Federal Home Loan Mortgage notes	0%	25%
Federal National Mortgage notes	40%	5%
Federal Home Loan Bank notes	26%	70%
Fixed income certificates of deposit	34%	0%

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 3. Tenant Security Deposits and FSS Escrow

Residents are required to pay a security deposit when moving into Agency property. That deposit, plus accrued interest, at less any amounts due to the Agency, is refundable upon move-out. For the years ended March 31, 2009 and 2008, security deposits held by the Agency totaled \$903,839 and \$885,124, respectively, plus accrued interest, included in accrued expenses on the balance sheets, of \$106,762 and \$55,940, respectively.

An escrow account has been established for Section 8 and Low Rent Public Housing participants in the Family Self-Sufficiency program (FSS). A portion of rent paid by residents participating in this program is held for them until the participating family meets individually established self-sufficiency goals. The escrowed amount is turned over to the head of household upon completion of their specific work plan or when 30 percent of the family's monthly-adjusted income equals or exceeds the appropriate fair market rent. Escrows are nonrefundable if the family leaves the program. Interest is accrued on the account. At March 31, 2009 and 2008, FSS escrow amounts held by the Agency, included in accrued expenses on the balance sheets, totaled \$190,734 and \$174,878, respectively.

Note 4. Capital Assets

The following is a summary by category of capital assets as of March 31, 2009:

	Assets — At Cost				Estimated Life in Years
	Balance, March 31, 2008	Reclassifications and Additions	Retirements	Balance, March 31, 2009	
Land	\$ 8,325,837	\$ 34,574	\$ -	\$ 8,360,411	Not depreciable
Construction in progress	5,590,529	816,653	-	6,407,182	Not depreciable
Land improvements	25,811,117	449,319	-	26,260,436	15
Buildings	246,038,502	6,556,900	-	252,595,402	30
Furniture, equipment and machinery — dwellings and administrative	2,206,891	98,319	133,476	2,171,734	3 – 10
	<u>\$ 287,972,876</u>	<u>\$ 7,955,765</u>	<u>\$ 133,476</u>	<u>\$ 295,795,165</u>	
	Accumulated Depreciation				Net Book Value, March 31, 2009
	Balance, March 31, 2008	Additions	Retirements	Balance, March 31, 2009	
Land	\$ -	\$ -	\$ -	\$ -	\$ 8,360,411
Construction in progress	-	-	-	-	6,407,182
Land improvements	22,072,352	742,943	-	22,815,295	3,445,141
Buildings	128,905,464	6,580,833	-	135,486,297	117,109,105
Furniture, equipment and machinery — dwellings and administrative	1,984,457	133,522	133,476	1,984,503	187,231
	<u>\$ 152,962,273</u>	<u>\$ 7,457,298</u>	<u>\$ 133,476</u>	<u>\$ 160,286,095</u>	<u>\$ 135,509,070</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 4. Capital Assets (Continued)

The following is a summary by category of capital assets as of March 31, 2008:

	Assets — At Cost				Estimated Life in Years
	Balance, March 31, 2007	Reclassifications and Additions	Retirements	Balance, March 31, 2008	
Land	\$ 8,396,092	\$ -	\$ 70,255	\$ 8,325,837	Not depreciable
Construction in progress	14,075,847	(8,485,318)	-	5,590,529	Not depreciable
Land improvements	25,098,213	757,038	44,134	25,811,117	15
Buildings	233,038,810	13,624,024	624,332	246,038,502	30
Furniture, equipment and machinery — dwellings and administrative	2,117,876	173,735	84,720	2,206,891	3 – 10
	<u>\$ 282,726,838</u>	<u>\$ 6,069,479</u>	<u>\$ 823,441</u>	<u>\$ 287,972,876</u>	

	Accumulated Depreciation			Balance, March 31, 2008	Net Book Value, March 31, 2008
	Balance, March 31, 2007	Additions	Retirements		
Land	\$ -	\$ -	\$ -	\$ -	\$ 8,325,837
Construction in progress	-	-	-	-	5,590,529
Land improvements	21,370,916	741,611	40,175	22,072,352	3,738,765
Buildings	122,946,349	6,371,539	412,424	128,905,464	117,133,038
Furniture, equipment and machinery — dwellings and administrative	1,918,172	144,772	78,487	1,984,457	222,434
	<u>\$ 146,235,437</u>	<u>\$ 7,257,922</u>	<u>\$ 531,086</u>	<u>\$ 152,962,273</u>	<u>\$ 135,010,603</u>

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended March 31, 2009:

	Balance, March 31, 2008	Additions	Reductions	Balance, March 31, 2009	Due Within One Year
Compensated absences	\$ 2,131,665	\$ 1,347,612	\$ 1,265,812	\$ 2,213,465	\$ 766,400

The following is a summary of changes in long-term liabilities for the year ended March 31, 2008:

	Balance, March 31, 2007	Additions	Reductions	Balance, March 31, 2008	Due Within One Year
Compensated absences	\$ 2,172,865	\$ 1,184,365	\$ 1,225,565	\$ 2,131,665	\$ 727,638

Note 6. Pension Plan

The Agency requires all full-time employees to be part of a 401(a) defined-contribution plan. This plan was established before the Agency became an independent entity; consequently, 22 City of Saint Paul employees (eight employed and 14 retired) are still part of the plan. For all other intents and purposes, it is a single-employer plan. A Board of Trustees independent of the Agency administers the plan.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 6. Pension Plan (Continued)

Contributions are required of both the employer and employee participants equal to 7 percent and 5 percent of each employee's monthly base salary, respectively. Voluntary contributions and rollover contributions are also allowed. Employer contributions to the plan were approximately \$735,000 and \$720,000, and employee contributions amounted to approximately \$541,000 and \$528,000 for the years ended March 31, 2009 and 2008, respectively.

Employer and employee monthly contributions are invested by the participants in a selection of mutual fund shares. Vesting for employer contributions occurs on an incremental basis, with full vesting achieved at five years of service, attaining the age of 55, or termination of service due to disability. Employee contributions are fully vested at the time of contribution.

Note 7. Postemployment Health Care Plan

Plan description: Employees who have Agency-sponsored health coverage in force as of their termination date and who meet certain age and length of service requirements may be eligible for the Agency's retiree health care coverage. Eligible retirees may continue health coverage in the Agency's group health insurance program until they meet Medicare eligibility requirements.

From the date of retirement to the day the retiree meets Medicare eligibility, retirees may participate in the Agency's group health coverage program with access to the same health plan (and benefit levels) available to active employees. Retirees can qualify to receive an Agency contribution of \$500 a month toward health plan premium until they meet Medicare eligibility by meeting one of three specific age and length of service requirements.

The current retiree health care benefit plan is approved by the Agency's Board of Commissioners on a year-to-year basis. According to Minnesota Statute 179A.20, subdivision 2a, a contract may not obligate an employer to fund all or part of the cost of health care benefits for a former employee beyond the duration of the contract. The statute also states that a personnel policy may not obligate an employer to fund all or part of health care benefits for a former employee beyond the duration of the policy. Within the dictates of existing contracts, the Board of Commissioners may change the benefit structure at any time. The retiree health care plan does not issue a publicly available financial report.

Funding policy: Postemployment health care benefits are currently funded in relation to the annual required contribution (ARC) on a pay-as-you-go basis. The Board of Commissioners may change the funding policy at any time. In the year ended March 31, 2009, the Agency paid \$500 per month for the enrolled retirees described above, while these retirees contributed the excess of the cost of their plan per month to the Agency. In the year ended March 31, 2009, member contributions totaled \$15,000.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 7. Postemployment Health Care Plan (Continued)

Annual OPEB cost and net OPEB obligation: The Agency's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution (ARC), which is actuarially determined in accordance with the parameters of GASB Statement No. 45. The Agency's ARC represents a level of funding that, if paid on an ongoing basis, would be projected to cover the normal cost each year and amortize the unfunded actuarial liabilities (UAL) over a 30-year period. During the year ended March 31, 2009, 12 former employees received the postemployment health care benefit. Contributions in relation to the ARC totaled 50 percent of the March 31, 2009, ARC. The table below shows the components of the Agency's annual OPEB cost, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation relating to the postemployment health care plan:

Annual required contribution	\$ 251,000
Employer's contributions with interest	(126,000)
Increase in net OPEB obligation	<u>125,000</u>
Net OPEB obligation beginning of the year	-
Net OPEB obligation end of year	<u><u>\$ 125,000</u></u>

The table below shows the Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended March 31, 2009:

Annual OPEB cost	\$ 251,000
Employer contributions	126,000
Percentage contributed	50%

Funded status and funding progress: As of April 1, 2008, the most recent actuarial valuation date, the plan was completely unfunded. The actuarial accrued liability for benefits was \$2,840,000. The covered payroll was \$11,850,000, and the ratio of the UAAL to the covered payroll was 24 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial methods and assumption: Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 7. Postemployment Health Care Plan (Continued)

In the April 1, 2009, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return, net of administrative expenses, which is a blended rate of the expected long-term investment returns on plan assets and on the Agency's own investments calculated based on the funded level of the plan at the valuation date, and an annual health care cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5 percent after nine years. Both rates included a 5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at March 31, 2009, was 29 years.

Note 8. Commitments and Contingencies

Construction commitments: The Agency has entered into various contracts for construction projects, mainly relating to the Capital Fund program, which are expected to be completed during fiscal year 2010 and beyond. As of March 31, 2009, the remaining commitment on these construction projects approximated \$9,507,228. The costs are being funded by the respective grants.

HUD-guaranteed debt: Certain Housing Authority bonds and Federal Financing Bank (FFB) notes were issued by the Agency for the purpose of financing the acquisition, development and modernization of public housing property. HUD is the primary obligor of these bonds and notes and has guaranteed the debt service payments through annual CACC contributions. The Agency is the secondary obligor and has pledged its financed projects and revenues as collateral on the debt service payments in the event that HUD terminates its annual CACC contributions. Accordingly, the bonds and notes are not reported as liabilities in the accompanying financial statements. Bonds and notes outstanding as of March 31, 2009 and 2008, were as follows:

	Original Issue	Amount Outstanding	
		2009	2008
5% 6th Issue (1970) Housing Authority Bonds due serially through 2010	\$ 15,970,000	\$ 655,000	\$ 1,510,000
5% 7th Issue (1972) Housing Authority Bonds due serially through 2014	2,862,983	681,206	805,933
5.125% 8th Issue (1973) Housing Authority Bonds due serially through 2015	3,725,000	1,080,000	1,240,000
	<u>\$ 22,557,983</u>	<u>\$ 2,416,206</u>	<u>\$ 3,555,933</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 9. Rental Commitments Receivable

The Agency has entered into rental agreements with external parties for vacant space within the central administrative office building. The net book value of the office building was \$12,445,206 as of March 31, 2009, and related depreciation expense was \$433,824 for the year then ended, of which approximately 35 percent is held for lease to external parties. The rental agreements have varying terms with regard to the payment of costs incurred for making the space suitable for the specific tenant. The tenants of the central administrative office building share the costs of these renovations through either a period of rent abatement or direct repayment. One of the tenants has agreed to rent approximately 24 percent of the rentable square feet within the building. The agreement between the Agency and this tenant provides for equal sharing of the renovation costs to a limit of approximately \$800,000, which will be repaid to the tenant through rent abatements of approximately \$80,000 for each of the first five years of the 10-year lease. The rental commitments (net of rent abatement) for space are shown below:

2010	\$	220,000
2011		235,000
2012		259,000
2013		262,000
2014		227,000
Thereafter		321,000
	\$	<u>1,524,000</u>

Note 10. Accounting Standards Not Yet Adopted

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, will be effective for the Agency beginning with its year ending March 31, 2011. This statement establishes consistent accounting and financial reporting requirements for intangible assets, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The Agency's management has determined there will be no effect on their financial statements.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, will be effective for the Agency beginning with its year ending March 31, 2011. This statement addresses the recognition, measurement and disclosure of information relating to derivative instruments entered into by state and local governments. The Agency's management has determined there will be no effect on their financial statements.

Supplementary Information Section

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet — All Programs
 March 31, 2009

Line Item No.	Account Description	Low Rent 14.850a	Section 8 Voucher Choice Program 14.871	Section 8 MOD Rehab. Program 14.856	Section 8 Disability Vouchers 14.181
Assets					
Current Assets					
Cash:					
111	Cash — unrestricted	\$ 529,575	\$ 643,871	\$ 57,099	\$ 13,315
113	Cash — other restricted	2,456	-	-	-
100	Total cash	<u>532,031</u>	<u>643,871</u>	<u>57,099</u>	<u>13,315</u>
Accounts and notes receivable:					
121	Accounts receivable — PHA projects	-	2,869	-	-
122	Accounts receivable — HUD other projects	1,282,896	167,012	-	45,037
125	Accounts receivable — miscellaneous	209,725	-	-	-
126	Accounts receivable — tenants — dwelling rents	259,118	-	-	-
129	Accrued interest receivable	51,529	12,752	-	-
120	Total receivables	<u>1,803,268</u>	<u>182,633</u>	<u>-</u>	<u>45,037</u>
Investments and Other Assets					
131	Investments — unrestricted	16,379,987	5,838,355	-	-
135	Investments — restricted	1,339,913	166,265	-	-
142	Prepaid expenses and other assets	217,386	30,712	729	4,426
143	Inventories	429,445	-	-	-
144	Interprogram due from	533,052	-	-	-
	Total investments and other assets	<u>18,899,783</u>	<u>6,035,332</u>	<u>729</u>	<u>4,426</u>
150	Total current assets and investments	<u>21,235,082</u>	<u>6,861,836</u>	<u>57,828</u>	<u>62,778</u>
Noncurrent Assets					
Capital assets:					
161	Land and land improvements	32,757,776	-	-	-
162	Buildings	239,670,627	-	-	-
164	Furniture, equipment and machinery — dwellings and administrative	2,105,230	-	-	-
166	Accumulated depreciation	(157,886,659)	-	-	-
167	Construction in progress	6,407,182	-	-	-
160	Total capital assets, net	<u>123,054,156</u>	<u>-</u>	<u>-</u>	<u>-</u>
171	Notes and mortgages receivable — noncurrent	-	-	-	-
174	Other assets	103,131	-	-	-
180	Total noncurrent assets	<u>123,157,287</u>	<u>-</u>	<u>-</u>	<u>-</u>
190	Total assets	<u>\$ 144,392,369</u>	<u>\$ 6,861,836</u>	<u>\$ 57,828</u>	<u>\$ 62,778</u>

(Continued)

SRO 001 14.249	DHAP 97.109	CHSP 14.170	ROSS Neighborhood Networks 14.875	Business Activities	State/Local Wilder	Eliminations	Total
\$ 24,038	\$ -	\$ -	\$ -	\$ 510,548	\$ -	\$ -	\$ 1,778,446
-	54,025	-	-	-	-	-	56,481
24,038	54,025	-	-	510,548	-	-	1,834,927
-	-	-	-	-	-	-	2,869
-	-	84,983	\$ 8,975	-	-	-	1,588,903
-	-	-	-	-	-	-	209,725
-	-	-	-	-	-	-	259,118
-	-	-	-	458	-	-	64,739
-	-	84,983	8,975	458	-	-	2,125,354
-	-	-	-	990,889	-	-	23,209,231
-	-	-	-	-	-	-	1,506,178
-	-	-	-	2,439	-	-	255,692
-	-	-	-	-	-	-	429,445
-	3,944	-	-	-	150,747	(687,743)	-
-	3,944	-	-	993,328	150,747	(687,743)	25,400,546
24,038	57,969	84,983	8,975	1,504,334	150,747	(687,743)	29,360,827
-	-	-	-	1,863,071	-	-	34,620,847
-	-	-	-	12,924,775	-	-	252,595,402
-	-	-	-	66,504	-	-	2,171,734
-	-	-	-	(2,399,436)	-	-	(160,286,095)
-	-	-	-	-	-	-	6,407,182
-	-	-	-	12,454,914	-	-	135,509,070
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	103,131
-	-	-	-	12,454,914	-	-	135,612,201
\$ 24,038	\$ 57,969	\$ 84,983	\$ 8,975	\$ 13,959,248	\$ 150,747	\$ (687,743)	\$ 164,973,028

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet — All Programs (Continued)
 March 31, 2009

Line Item No.	Account Description	Low Rent 14.850a	Section 8 Voucher Choice Program 14.871	Section 8 MOD Rehab. Program 14.856	Section 8 Disability Vouchers 14.181
Liabilities and Net Assets					
Liabilities					
Current liabilities:					
312	Accounts payable	\$ 2,409,366	\$ -	\$ -	\$ -
321	Accrued wages/payroll taxes payable	396,433	70,059	-	-
322	Accrued compensated absences	645,160	113,560	2,120	1,091
325	Accrued interest payable	106,762	-	-	-
333	Accounts payable — other governments	176,287	-	-	-
341	Tenant security deposits	903,839	-	-	-
342	Unearned revenues	378,025	-	823	-
345	Other current liabilities	328,407	166,265	-	-
346	Accrued liabilities — other	379,136	3,288	62	100
347	Interprogram due to	150,748	422,422	-	-
310	Total current liabilities	5,874,163	775,594	3,005	1,191
Noncurrent liabilities:					
353	Noncurrent liabilities — other	84,104	-	-	-
354	Accrued compensated absences — long-term	1,224,466	201,519	2,758	-
357	Accrued pension and OPEB liability	95,775	14,868	270	426
	Total liabilities	7,278,508	991,981	6,033	1,617
Net Assets					
508.1	Invested in capital assets	123,054,156	-	-	-
511.1	Restricted net assets	7,999,236	5,002,088	-	-
512.1	Unrestricted net assets	6,060,469	867,767	51,795	61,161
513	Total net assets	137,113,861	5,869,855	51,795	61,161
600	Total liabilities and net assets	\$ 144,392,369	\$ 6,861,836	\$ 57,828	\$ 62,778

SRO 001	DHAP	CHSP	ROSS Neighborhood Networks	Business Activities	State/Local Wilder	Eliminations	Total
14.249	97.109	14.170	14.875				
\$ -	\$ -	\$ -	\$ -	\$ 7,003	\$ -	\$ -	\$ 2,416,369
-	-	-	-	3,200	-	-	469,692
-	-	-	-	4,469	-	-	766,400
-	-	-	-	-	-	-	106,762
-	-	-	-	-	-	-	176,287
-	-	-	-	-	-	-	903,839
22,439	-	-	-	166,783	-	-	568,070
-	-	-	-	-	-	-	494,672
-	-	-	-	-	-	-	382,586
-	-	84,983	8,975	20,615	-	(687,743)	-
22,439	-	84,983	8,975	202,070	-	(687,743)	6,284,677
-	-	-	-	-	-	-	84,104
-	-	-	-	18,322	-	-	1,447,065
-	-	-	-	654	-	-	111,993
22,439	-	84,983	8,975	221,046	-	(687,743)	7,927,839
-	-	-	-	12,454,914	-	-	135,509,070
-	57,969	-	-	-	-	-	13,059,293
1,599	-	-	-	1,283,288	150,747	-	8,476,826
1,599	57,969	-	-	13,738,202	150,747	-	157,045,189
\$ 24,038	\$ 57,969	\$ 84,983	\$ 8,975	\$ 13,959,248	\$ 150,747	\$ (687,743)	\$ 164,973,028

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets — All Programs
For the Year Ended March 31, 2009

Line Item No.	Account Description	Low Rent 14.850a	Section 8 Voucher Choice Program 14.871	Section 8 MOD Rehab. Program 14.856	Section 8 Disability Vouchers 14.181
Revenues:					
703	Tenant rental revenue	\$ 12,045,041	\$ -	\$ -	\$ -
704	Tenant revenue — other	80,796	-	-	-
705	Total tenant revenues	12,125,837	-	-	-
706	HUD PHA grants	14,546,052	-	362,654	828,195
706-010	Housing assistance payments	-	30,239,680	-	-
706-020	Ongoing administrative fees earned	-	2,839,225	-	-
706.1	Capital grants	6,508,330	-	-	-
708	Other government grants	-	-	-	-
711	Investment income — unrestricted	381,886	-	-	-
711-020	Investment income — unrestricted — admin. fees	-	27,161	709	354
714-010	Fraud recovery — HAP	-	106,803	-	-
714-020	Fraud recovery — admin.	-	106,803	-	-
715	Other revenues	1,031,039	848,069	-	-
720-010	Investment income — restricted — HAP	-	80,892	361	-
700	Total revenues	34,593,144	34,248,633	363,724	828,549
Expenses:					
Administrative:					
911	Salaries	4,750,236	1,448,933	26,584	42,308
912	Auditing fees	51,482	20,239	422	632
914	Advertising and marketing	-	516	11	16
915	Employee benefit contributions	1,628,310	493,745	8,776	13,899
916	Office expense	1,659,840	235,024	4,840	7,299
917	legal expense	-	55,316	1,461	1,949
918	Travel	-	38,069	748	1,143
919	Other	-	247,224	2,819	4,239
	Total administrative	8,089,868	2,539,066	45,661	71,485
Tenant services:					
921	Salaries	518,944	-	-	-
923	Employee benefit contributions	172,886	-	-	-
924	Other	238,637	-	-	-
	Total tenant services	930,467	-	-	-
Utilities:					
931	Water	1,975,530	-	-	-
932	Electricity	1,293,551	-	-	-
933	Gas	1,142,469	-	-	-
934	Fuel	129,912	-	-	-
935	Labor	65,799	-	-	-
937	Employee benefit contributions	22,035	-	-	-
938	Other	608,937	-	-	-
	Total utilities	5,238,233	-	-	-
Ordinary maintenance and operation:					
941	Labor	3,843,977	-	-	-
942	Materials and other	770,485	-	-	-
943	Contract costs	2,182,176	-	-	-
945	Employee benefit contributions	1,470,274	-	-	-
	Total ordinary maintenance and operation	8,266,912	-	-	-

(Continued)

SRO 001 14.249	DHAP 97.109	CHSP 14.170	ROSS Neighborhood Networks 14.875	Business Activities	State/Local Wilder	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,045,041
-	-	-	-	-	-	-	80,796
-	-	-	-	-	-	-	12,125,837
7,913	-	598,027	27,327	-	-	-	16,370,168
-	-	-	-	-	-	-	30,239,680
-	-	-	-	-	-	-	2,839,225
-	-	-	-	-	-	-	6,508,330
-	52,408	-	-	-	-	-	52,408
-	-	-	-	25,350	-	-	407,236
-	-	-	-	-	-	-	28,224
-	-	-	-	-	-	-	106,803
-	-	-	-	-	-	-	106,803
-	-	1,076,719	-	864,927	43,316	(541,369)	3,322,701
485	-	-	-	-	-	-	81,738
8,398	52,408	1,674,746	27,327	890,277	43,316	(541,369)	72,189,153
2,265	1,204	25,236	-	28,804	-	-	6,325,570
-	-	600	-	500	-	-	73,875
-	-	-	-	-	-	-	543
718	415	9,502	-	9,855	-	-	2,165,220
-	-	10,218	-	1,443	-	(534,211)	1,384,453
-	-	-	-	-	-	-	58,726
-	-	-	-	-	-	-	39,960
-	-	-	-	54,353	-	-	308,635
2,983	1,619	45,556	-	94,955	-	(534,211)	10,356,982
-	535	437,642	-	-	-	-	957,121
-	185	147,682	-	-	-	-	320,753
-	-	1,043,866	27,327	-	19,754	(7,158)	1,322,426
-	720	1,629,190	27,327	-	19,754	(7,158)	2,600,300
-	-	-	-	2,678	-	-	1,978,208
-	-	-	-	72,982	-	-	1,366,533
-	-	-	-	146,428	-	-	1,288,897
-	-	-	-	-	-	-	129,912
-	-	-	-	3,871	-	-	69,670
-	-	-	-	1,283	-	-	23,318
-	-	-	-	-	-	-	608,937
-	-	-	-	227,242	-	-	5,465,475
-	-	-	-	31,912	-	-	3,875,889
-	-	-	-	2,607	-	-	773,092
-	-	-	-	93,937	-	-	2,276,113
-	-	-	-	10,543	-	-	1,480,817
-	-	-	-	138,999	-	-	8,405,911

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets — All Programs (Continued)

For the Year Ended March 31, 2009

Line Item No.	Account Description	Low Rent 14.850a	Section 8 Voucher Choice Program 14.871	Section 8 MOD Rehab. Program 14.856	Section 8 Disability Vouchers 14.181
	Expenses (continued):				
	Protective services:				
951	Other contract costs	2,910	-	-	-
952	Protective services — other labor costs	-	-	-	-
	Total protective services	2,910	-	-	-
	General expenses:				
961	Insurance premiums	819,658	59,832	733	1,181
962	Other general expenses	1,507,653	192,309	-	4,703
963	Payments in lieu of taxes	591,817	-	-	-
964	Bad debt — tenant rents	-	-	-	-
968	Severance expense	24,986	5,907	-	-
	Total general expenses	2,944,114	258,048	733	5,884
969	Total operating expenses	25,472,504	2,797,114	46,394	77,369
970	Excess (deficit) of operating revenues over operating expenses	9,120,640	31,451,519	317,330	751,180
971	Extraordinary maintenance	521,950	-	-	-
972	Casualty losses — noncapitalized	97,386	-	-	-
973	Housing assistance payments	-	30,585,264	300,153	730,129
974	Depreciation expense	7,013,973	-	-	-
900	Total expenses	33,105,813	33,382,378	346,547	807,498
100.80	Gain on sale of fixed assets	22,500	-	-	-
1000	Excess (deficit) of revenues over expenses before transfers	1,509,831	866,255	17,177	21,051
1104	HUD recapture of prior-year settlements	-	-	-	-
1104	Program equity transfers	-	-	-	-
	Changes in net assets	1,509,831	866,255	17,177	21,051
1103	Net assets, beginning	135,604,030	5,003,600	34,618	40,110
	Net assets, ending	\$ 137,113,861	\$ 5,869,855	\$ 51,795	\$ 61,161
	Other Financial Data				
1113	Maximum annual contributions commitment	\$ 945,343	\$ -	\$ 401,400	\$ 543,943
1114	Pro rata maximum annual contributions applicable to a period of less than 12 months	305,065	-	-	305,065
1115	Contingency reserve, ACC program reserve	317,151	-	-	317,151
1116	Total annual contributions available	1,567,559	-	401,400	1,166,159
1117	Administrative fee equity	-	-	-	-
1118	Housing assistance payments equity	-	-	-	-
1120	Gross number of units	100,110	46,932	900	1,404
1121	Number of units months leased	100,630	47,612	878	1,509

SRO 001 14.249	DHAP 97.109	CHSP 14.170	ROSS Neighborhood Networks 14.875	Business Activities	State/Local Wilder	Eliminations	Total
-	-	-	-	-	-	-	2,910
-	-	-	-	28,716	-	-	28,716
-	-	-	-	28,716	-	-	31,626
-	-	-	-	17,995	-	-	899,399
-	-	-	-	107	-	-	1,704,772
-	-	-	-	33,410	-	-	625,227
-	-	-	-	-	-	-	-
-	-	-	-	3,286	-	-	34,179
-	-	-	-	54,798	-	-	3,263,577
2,983	2,339	1,674,746	27,327	544,710	19,754	(541,369)	30,123,871
5,415	50,069	-	-	345,567	23,562	-	42,065,282
-	-	-	-	13,371	-	-	535,321
-	-	-	-	-	-	-	97,386
3,816	53,338	-	-	-	-	-	31,672,700
-	-	-	-	443,325	-	-	7,457,298
6,799	55,677	1,674,746	27,327	1,001,406	19,754	(541,369)	69,886,576
-	-	-	-	-	-	-	22,500
1,599	(3,269)	-	-	(111,129)	23,562	-	2,325,077
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,599	(3,269)	-	-	(111,129)	23,562	-	2,325,077
-	61,238	-	-	13,849,331	127,185	-	154,720,112
\$ 1,599	\$ 57,969	\$ -	\$ -	\$ 13,738,202	\$ 150,747	\$ -	\$ 157,045,189
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,890,686
-	-	-	-	-	-	-	610,130
-	-	-	-	-	-	-	634,302
-	-	-	-	-	-	-	3,135,118
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	149,346
-	-	-	-	-	-	-	150,629

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet — Low Rent
 March 31, 2009

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a
Assets					
Current Assets					
Cash:					
111	Cash — unrestricted	\$ 100	\$ -	\$ -	\$ 50
	Cash — other restricted	-	840	-	-
100	Total cash	100	840	-	50
Accounts and notes receivable:					
122	Accounts receivable — HUD other projects	220,523	148,880	670,511	35,392
125	Accounts receivable — miscellaneous	331	4,795	7,409	51,798
126	Accounts receivable — tenants — dwelling rents	48,224	14,933	20,430	28,351
129	Accrued interest receivable	9,609	4,331	5,011	3,708
120	Total receivables	278,687	172,939	703,361	119,249
Investments and Other Assets					
131	Investments — unrestricted	3,003,819	413,809	-	594,576
135	Investments — restricted	154,714	147,442	214,837	80,367
142	Prepaid expenses and other assets	30,413	8,293	8,712	13,551
143	Inventories	-	15,206	35,717	-
144	Interprogram due from	-	-	-	-
	Total investments and other assets	3,188,946	584,750	259,266	688,494
150	Total current assets and investments	3,467,733	758,529	962,627	807,793
Noncurrent Assets					
Capital assets:					
161	Land and land improvements	5,092,028	1,717,716	2,145,684	1,666,089
162	Buildings	47,262,758	17,309,906	21,253,946	31,020,834
164	Furniture, equipment and machinery — administrative	340,597	95,354	79,241	141,890
166	Accumulated depreciation	(25,131,339)	(12,629,262)	(14,802,688)	(15,737,673)
167	Construction in progress	3,070,145	213,621	2,142,241	282,142
160	Total capital assets, net	30,634,189	6,707,335	10,818,424	17,373,282
171	Notes and mortgages receivable — noncurrent	-	-	-	-
174	Other assets	-	-	-	-
180	Total noncurrent assets	30,634,189	6,707,335	10,818,424	17,373,282
190	Total assets	\$ 34,101,922	\$ 7,465,864	\$ 11,781,051	\$ 18,181,075

(Continued)

AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Central Office Cost Center (COCC) 14.850a	Eliminations	Total
\$ 260	\$ -	\$ -	\$ 50	\$ -	\$ 529,115	\$ -	\$ 529,575
904	712	-	-	-	-	-	2,456
1,164	712	-	50	-	529,115	-	532,031
46,663	16,723	22,688	44,625	76,891	-	-	1,282,896
164	9,135	6,803	17,921	68,890	42,479	-	209,725
40,848	17,934	37,973	14,340	36,085	-	-	259,118
8,651	3,020	6,614	6,826	3,759	-	-	51,529
96,326	46,812	74,078	83,712	185,625	42,479	-	1,803,268
1,627,239	428,811	1,122,239	1,054,454	594,102	7,540,938	-	16,379,987
167,583	109,715	133,364	232,175	99,716	-	-	1,339,913
22,017	3,022	10,638	20,858	19,990	79,892	-	217,386
17,439	-	57,796	45,746	-	257,541	-	429,445
-	-	-	-	-	533,052	-	533,052
1,834,278	541,548	1,324,037	1,353,233	713,808	8,411,423	-	18,899,783
1,931,768	589,072	1,398,115	1,436,995	899,433	8,983,017	-	21,235,082
10,048,763	897,607	1,871,632	3,744,273	5,573,984	-	-	32,757,776
39,256,953	9,158,516	19,333,049	29,757,539	25,317,126	-	-	239,670,627
370,250	93,501	80,566	102,890	63,576	737,365	-	2,105,230
(32,666,565)	(6,691,202)	(13,685,074)	(20,586,674)	(15,264,196)	(691,986)	-	(157,886,659)
66,978	14,911	88,465	377,080	151,599	-	-	6,407,182
17,076,379	3,473,333	7,688,638	13,395,108	15,842,089	45,379	-	123,054,156
-	-	-	-	-	-	-	-
-	-	-	-	-	103,131	-	103,131
17,076,379	3,473,333	7,688,638	13,395,108	15,842,089	148,510	-	123,157,287
\$ 19,008,147	\$ 4,062,405	\$ 9,086,753	\$ 14,832,103	\$ 16,741,522	\$ 9,131,527	\$ -	\$ 144,392,369

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet — Low Rent (Continued)
 March 31, 2009

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a
Liabilities and Net Assets					
Liabilities					
Current liabilities:					
312	Accounts payable	\$ -	\$ -	\$ -	\$ -
321	Accrued wages/payroll taxes payable	42,260	36,268	32,745	33,318
322	Accrued compensated absences	69,093	59,287	53,481	54,449
325	Accrued interest payable	13,558	10,710	11,018	6,729
333	Accounts payable — other governments	-	30,157	36,179	12,525
341	Tenant security deposits	128,980	103,868	115,924	65,125
342	Unearned revenues	18,273	33,144	130,167	4,211
345	Other current liabilities	168,346	7,925	124,280	10,409
346	Accrued liabilities — other	50,183	55,346	48,096	33,953
347	Interprogram due to	-	-	-	-
310	Total current liabilities	490,693	336,705	551,890	220,719
Noncurrent liabilities:					
353	Noncurrent liabilities — other	12,176	6,601	21,731	8,513
354	Accrued compensated absences — long-term	131,143	112,532	101,508	103,350
357	Accrued pension and OPEB liability	10,440	8,735	8,284	8,063
	Total noncurrent liabilities	153,759	127,868	131,523	119,926
	Total liabilities	644,452	464,573	683,413	340,645
Net Assets					
508.1	Invested in capital assets	30,634,189	6,707,335	10,818,424	17,373,282
511.1	Restricted net assets	2,823,281	293,956	279,214	467,148
512.1	Unrestricted net assets	-	-	-	-
513	Total net assets	33,457,470	7,001,291	11,097,638	17,840,430
600	Total liabilities and net assets	\$ 34,101,922	\$ 7,465,864	\$ 11,781,051	\$ 18,181,075

AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Central Office Cost Center (COCC) 14.850a	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,409,366	\$ -	\$ 2,409,366
57,732	12,778	26,634	50,441	31,633	72,624	-	396,433
94,383	20,902	43,546	82,448	51,739	115,832	-	645,160
16,083	5,667	12,308	12,732	17,957	-	-	106,762
25,477	10,843	27,612	33,494	-	-	-	176,287
133,009	51,779	102,189	122,600	80,365	-	-	903,839
28,048	48,082	25,483	85,945	4,672	-	-	378,025
-	-	6,192	7,405	-	3,850	-	328,407
40,063	6,872	54,507	32,627	21,269	36,220	-	379,136
-	-	-	-	-	150,748	-	150,748
394,795	156,923	298,471	427,692	207,635	2,788,640	-	5,874,163
2,904	10,112	2,000	18,674	1,393	-	-	84,104
179,144	39,673	82,653	156,492	98,203	219,768	-	1,224,466
13,113	3,660	7,411	11,425	7,373	17,271	-	95,775
195,161	53,445	92,064	186,591	106,969	237,039	-	1,404,345
589,956	210,368	390,535	614,283	314,604	3,025,679	-	7,278,508
17,076,379	3,473,333	7,688,638	13,395,108	15,842,089	45,379	-	123,054,156
1,341,812	378,704	1,007,580	822,712	584,829	-	-	7,999,236
-	-	-	-	-	6,060,469	-	6,060,469
18,418,191	3,852,037	8,696,218	14,217,820	16,426,918	6,105,848	-	137,113,861
\$ 19,008,147	\$ 4,062,405	\$ 9,086,753	\$ 14,832,103	\$ 16,741,522	\$ 9,131,527	\$ -	\$ 144,392,369

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets — Low Rent
 For the Year Ended March 31, 2009

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a
Revenues:					
703	Tenant rental revenue	\$ 1,543,454	\$ 1,383,215	\$ 1,485,048	\$ 811,272
704	Tenant revenue — other	-	15,768	16,152	-
705	Total tenant revenues	1,543,454	1,398,983	1,501,200	811,272
706	HUD PHA grants	2,752,163	1,151,339	1,376,856	1,135,408
707.10	Property management fee	-	-	-	-
	Asset management fee	-	-	-	-
	Bookkeeping fee	-	-	-	-
706-010	Housing assistance payments	-	-	-	-
706-020	Ongoing administrative fees earned	-	-	-	-
706-060	Excess interest earned on excess funds	-	-	-	-
706.10	Capital grants	2,192,522	192,079	2,676,768	282,142
708	Other government grants	-	-	-	-
711	Investment income — unrestricted	68,004	28,039	33,554	25,377
711-020	Investment income — unrestricted — admin. fees	-	-	-	-
714-010	Fraud recovery — HAP	-	-	-	-
714-020	Fraud recovery — admin.	-	-	-	-
715	Other revenues	86,669	92,346	185,025	60,122
716	Gain from disposition of real property	-	-	-	-
720-010	Investment income — restricted — HAP	-	-	-	-
700	Total revenues	6,642,812	2,862,786	5,773,403	2,314,321
Expenses:					
Administrative:					
911	Salaries	376,810	265,925	322,562	299,321
912	Auditing fees	341	283	326	185
913	Property management fee	394,386	324,186	373,831	212,123
913.10	Bookkeeping fee	52,200	42,885	49,455	28,065
915	Employee benefit contributions	138,612	87,665	106,849	102,276
916	Other operating	66,040	34,650	57,970	35,089
920	Asset management fee	69,600	57,720	66,480	37,680
	Total administrative	1,097,989	813,314	977,473	714,739
Tenant services:					
921	Salaries	59,645	49,633	58,674	55,822
923	Employee benefit contributions	19,826	16,441	19,477	18,476
924	Other	31,212	26,460	30,582	23,877
	Total tenant services	110,683	92,534	108,733	98,175
Utilities:					
931	Water	415,943	168,083	144,213	141,672
932	Electricity	28,584	235,273	238,364	34,243
933	Gas	31,909	251,058	233,281	32,887
934	Fuel	-	36,544	37,288	-
935	Labor	8,963	7,433	8,561	4,852
937	Employee benefit contributions	2,978	2,471	2,946	1,673
938	Other	-	4,114	2,743	3,521
	Total utilities	488,377	704,976	667,396	218,848
Ordinary maintenance and operation:					
941	Labor	517,487	521,897	413,022	389,611
942	Materials and other	155,701	56,013	55,295	69,849
943	Contract costs	293,778	241,173	220,255	147,094
945	Employee benefit contributions	198,554	197,806	162,857	143,006
	Total ordinary maintenance and operation	1,165,520	1,016,889	851,429	749,560

(Continued)

AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Central Office Cost Center (COCC) 14.850a	Eliminations	Total
\$ 1,923,868	\$ 696,076	\$ 1,399,454	\$ 1,547,835	\$ 1,254,819	\$ -	\$ -	\$ 12,045,041
13,404	5,592	11,448	18,432	-	-	-	80,796
1,937,272	701,668	1,410,902	1,566,267	1,254,819	-	-	12,125,837
2,429,320	787,483	1,692,648	1,893,950	1,326,885	-	-	14,546,052
-	-	-	-	-	2,870,715	(2,870,715)	-
-	-	-	-	-	509,880	(509,880)	-
-	-	-	-	-	379,808	(379,808)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
74,208	14,911	78,779	345,322	651,599	-	-	6,508,330
-	-	-	-	-	-	-	-
57,282	20,524	43,989	46,090	14,595	44,432	-	381,886
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
126,999	82,425	78,775	170,290	101,408	46,980	-	1,031,039
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,625,081	1,607,011	3,305,093	4,021,919	3,349,306	3,851,815	(3,760,403)	34,593,144
590,150	151,610	291,951	390,392	358,904	1,702,611	-	4,750,236
359	156	298	338	214	48,982	-	51,482
413,298	178,813	342,980	387,837	243,261	-	(2,870,715)	-
54,690	23,655	45,383	51,308	32,167	-	(379,808)	-
211,055	50,629	96,924	134,583	118,354	581,363	-	1,628,310
81,898	27,393	41,475	47,110	32,765	1,235,450	-	1,659,840
73,200	31,800	60,840	69,000	43,560	-	(509,880)	-
1,424,650	464,056	879,851	1,080,568	829,225	3,568,406	(3,760,403)	8,089,868
70,138	26,758	56,550	119,905	21,819	-	-	518,944
23,209	8,891	18,733	40,585	7,248	-	-	172,886
35,479	16,506	25,876	38,048	10,291	306	-	238,637
128,826	52,155	101,159	198,538	39,358	306	-	930,467
328,370	126,157	194,755	185,834	270,503	-	-	1,975,530
178,730	116,642	235,616	226,099	-	-	-	1,293,551
138,373	2,413	255,059	197,489	-	-	-	1,142,469
11,543	-	22,837	21,700	-	-	-	129,912
9,426	4,095	7,835	8,885	5,749	-	-	65,799
3,132	1,366	2,604	2,952	1,913	-	-	22,035
243,447	190,069	4,720	150,731	9,592	-	-	608,937
913,021	440,742	723,426	793,690	287,757	-	-	5,238,233
618,382	157,817	300,112	591,778	333,871	-	-	3,843,977
202,802	29,932	71,814	82,463	46,616	-	-	770,485
379,246	135,783	307,822	296,597	160,428	-	-	2,182,176
233,383	62,037	119,664	224,918	128,049	-	-	1,470,274
1,433,813	385,569	799,412	1,195,756	668,964	-	-	8,266,912

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets — Low Rent (Continued)
For the Year Ended March 31, 2009

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a
Expenses (continued):					
Protective services:					
951	Other contract costs	-	-	-	-
General expenses:					
961	Insurance premiums	103,406	88,728	103,143	59,566
962	Other general expenses	361,238	30,620	81,381	203,080
963	Payments in lieu of taxes	105,377	46,875	55,094	50,541
964	Bad debt — tenant rents	-	-	-	-
968	Severance expense	201	166	192	109
	Total general expenses	570,222	166,389	239,810	313,296
969	Total operating expenses	3,432,791	2,794,102	2,844,841	2,094,618
970	Excess (deficit) of operating revenues over operating expenses	3,210,021	68,684	2,928,562	219,703
971	Extraordinary maintenance	120,098	19,376	46,875	23,385
972	Casualty losses — noncapitalized	194	26,319	32,217	1,718
973	Housing assistance payments	-	-	-	-
974	Depreciation expense	1,327,109	555,560	489,362	950,522
900	Total expenses	4,880,192	3,395,357	3,413,295	3,070,243
100.80	Gain on sale of fixed assets	-	-	-	-
1000	Excess (deficit) of revenues over expenses before transfers	1,762,620	(532,571)	2,360,108	(755,922)
1104	Program equity transfers	-	-	-	-
	Changes in net assets	1,762,620	(532,571)	2,360,108	(755,922)
1103	Net assets, beginning	31,694,850	7,533,862	8,737,530	18,596,352
	Net assets, ending	\$ 33,457,470	\$ 7,001,291	\$ 11,097,638	\$ 17,840,430
Other Financial Data					
1113	Maximum annual contributions commitment	\$ -	\$ -	\$ 401,400	\$ 543,943
1114	Pro rata maximum annual contributions applicable to a period of less than 12 months	-	-	-	305,065
1115	Contingency reserve, ACC program reserve	-	-	-	317,151
1116	Total annual contributions available	-	-	401,400	1,166,159
1117	Administrative fee equity	-	-	-	-
1118	Housing assistance payments equity	-	-	-	-
1120	Gross number of units	50,874	46,932	900	1,404
1121	Number of units months leased	50,631	47,612	878	1,509

AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Central Office Cost Center (COCC) 14.850a	Eliminations	Total
-	2,424	486	-	-	-	-	2,910
114,591	46,248	92,717	107,967	66,096	37,196	-	819,658
249,085	17,646	22,211	159,476	380,741	2,175	-	1,507,653
90,097	23,112	48,719	66,157	105,845	-	-	591,817
-	-	-	-	-	-	-	-
211	92	10,003	199	129	13,684	-	24,986
453,984	87,098	173,650	333,799	552,811	53,055	-	2,944,114
4,354,294	1,432,044	2,677,984	3,602,351	2,378,115	3,621,767	(3,760,403)	25,472,504
270,787	174,967	627,109	419,568	971,191	230,048	-	9,120,640
150,798	18,907	72,786	46,231	23,494	-	-	521,950
5,709	599	37,328	2,785	(9,483)	-	-	97,386
-	-	-	-	-	-	-	-
1,475,606	228,557	503,443	845,977	600,902	36,935	-	7,013,973
5,986,407	1,680,107	3,291,541	4,497,344	2,993,028	3,658,702	(3,760,403)	33,105,813
-	-	-	-	-	22,500	-	22,500
(1,361,326)	(73,096)	13,552	(475,425)	356,278	215,613	-	1,509,831
-	-	-	-	-	-	-	-
(1,361,326)	(73,096)	13,552	(475,425)	356,278	215,613	-	1,509,831
19,779,517	3,925,133	8,682,666	14,693,245	16,070,640	5,890,235	-	135,604,030
\$ 18,418,191	\$ 3,852,037	\$ 8,696,218	\$ 14,217,820	\$ 16,426,918	\$ 6,105,848	\$ -	\$ 137,113,861
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 945,343
-	-	-	-	-	-	-	305,065
-	-	-	-	-	-	-	317,151
-	-	-	-	-	-	-	1,567,559
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	100,110
-	-	-	-	-	-	-	100,630

Statistical Section

Public Housing Agency of the City of Saint Paul

Summary of Statistical Section

The following tables have been prepared to summarize relevant financial and program data for the St. Paul Public Housing Authority.

REVENUE TABLES

- Table 1 Agency Revenue by PHA/HUD Program
- Table 2 Low Rent Public Housing Revenue by HUD Classification
- Table 3 Section 8 Revenue by HUD Classification
- Table 4 Minnesota Revenue Recapture Program

EXPENSE TABLES

- Table 5 Agency Expenses by HUD Program
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EQUITY TABLES

- Table 10 Agencywide Changes in Net Assets
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PROGRAM TABLES

- Table 14 Agencywide Full Time Equivalent (FTE) by Department
- Table 15 Unit Type Composition
- Table 16 Unit Demographics
- Table 17 Low Rent Public Housing and Section 8 Utilization

Unless otherwise indicated, the tables show data for the last 10 fiscal years.

The Revenue, Expense and Equity tables display data for all agency programs. Two major programs, Low Rent Public Housing and Section 8 Rental Assistance, are further broken down by HUD classifications for both revenue and expense. HUD's Asset Management model requires the use of fees paid by the "projects" to the Central Office. These fees are omitted from the totals on both the Revenue and Expense Tables. Their net effect is zero, so are not considered to impact the Agency's position as a whole. Two significant expense lines, salaries and collection losses, are further detailed as well.

The Comprehensive Annual Financial Report, as the name implies, is financial in nature. However, it is important to understand some program components to place the financial data in the correct context. The Program Tables are included to give a background on the number of employees, Low Rent Public Housing unit information, and Low Rent and Section 8 utilization.

Public Housing Agency of the City of Saint Paul

Agency Revenue by PHA/HUD Program
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Section 8 Certs/Mod	\$ 8,381,433	\$ 2,102,564	\$ 641,391	\$ 298,292	\$ 269,574	\$ 278,237	\$ 306,563	\$ 322,789	\$ 352,731	\$ 363,724
Section 8 Vouchers	12,526,587	19,359,882	25,526,342	33,148,536	37,983,991	37,536,502	36,639,950	34,487,712	36,457,710	34,248,633
Section 8 Disability Vouchers	-	-	-	-	-	209,924	656,445	692,027	878,622	828,549
SRO 001	-	-	-	-	-	-	-	-	-	8,398
DHAP	-	-	-	-	-	-	-	-	90,632	52,408
RAFS	61,118	376,938	437,961	375,136	212,150	126,894	56,681	13,198	-	-
Low Rent Housing	17,758,236	19,792,865	20,590,322	20,694,887	20,840,301	23,183,266	21,990,243	23,425,957	25,659,469	28,084,814
Discretionary	80,635	89,991	59,979	23,122	-	-	-	-	-	-
Business Activities	789,314	935,999	7,052,061	301,090	143,380	759,823	1,228,918	886,995	861,104	890,277
CIAP/Comp Grant/Capital Fund	12,142,505	8,366,007	9,385,504	8,825,561	11,125,724	7,324,221	7,371,910	9,979,958	6,349,253	6,508,330
Congregate Housing Program	1,164,881	1,342,444	1,590,987	1,580,163	1,960,663	2,346,651	1,828,559	1,733,033	1,783,032	1,674,746
Wilder	76,373	114,503	112,110	139,715	155,018	148,506	146,965	124,468	115,638	43,316
Drug Elimination	1,000,735	971,597	850,161	1,031,899	-	-	-	-	-	-
Service Coordinators	59,217	78,364	174,607	313,017	445,653	160,054	-	-	-	-
Jobs Plus Research Grant	-	283,066	263,947	181,037	183,563	-	-	-	-	-
MDRC Jobs Plus	12,524	68,400	40,997	59,852	32,397	-	-	-	-	-
Resident Opportunity & Self-Sufficiency Grant (ROSS)	-	-	14,971	220,000	232,054	232,698	100,822	8,950	-	-
Neighborhood Networks	-	-	-	-	-	-	-	-	-	27,327
Economic Development	194,992	210,868	254,801	-	-	-	-	-	-	-
Weed and Seed	-	-	-	25	49,975	-	-	-	-	-
Gateway	21,300	-	-	-	-	-	-	-	-	-
Family Investment Center	-	-	-	-	-	-	-	-	-	-
Youth Apprenticeship	22,440	24,418	-	-	-	-	-	-	-	-
Total Agency revenues	\$ 54,292,290	\$ 54,117,906	\$ 66,996,141	\$ 67,192,332	\$ 73,634,443	\$ 72,306,776	\$ 70,327,056	\$ 71,675,087	\$ 72,548,191	\$ 72,730,522

Note. Low Rent Housing revenue does not include internal fees.

Public Housing Agency of the City of Saint Paul

Low Rent Public Housing Revenue by HUD Classification
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Dwelling rental	\$ 9,184,943	\$ 9,957,155	\$ 10,337,156	\$ 10,699,671	\$ 10,542,487	\$ 10,588,726	\$ 11,078,857	\$ 11,680,840	\$ 11,887,433	\$ 12,045,041
Excess utilities	51,612	51,052	51,485	50,976	51,625	47,076	47,611	65,011	81,094	80,796
Nondwelling rental	2,325	2,105	1,905	2,395	2,030	990	1,980	2,970	2,640	2,860
Interest income	577,774	745,103	472,824	296,116	329,511	283,965	470,344	752,100	637,808	381,886
Other income	501,760	468,697	476,441	415,015	411,209	416,180	546,632	673,133	613,246	1,028,179
Gain (loss) from disposition of real property	(87,587)	(300,286)	(188,682)	6,218	462,814	1,814,379	122,677	15,316	1,291,401	22,500
HUD subsidy	7,527,409	8,869,039	9,439,193	9,224,496	9,040,625	10,031,950	9,722,142	10,184,322	11,145,847	14,546,052
Total Low Rent public housing revenue	\$ 17,758,236	\$ 19,792,865	\$ 20,590,322	\$ 20,694,887	\$ 20,840,301	\$ 23,183,266	\$ 21,990,243	\$ 23,373,692	\$ 25,659,469	\$ 28,107,314
Average units leased	4,207	4,238	4,204	4,212	4,215	4,211	4,210	4,208	4,219	4,220
Revenue per average unit month	\$ 351.76	\$ 389.18	\$ 408.15	\$ 409.44	\$ 412.03	\$ 458.78	\$ 435.28	\$ 462.92	\$ 506.79	\$ 555.04
Subsidy per average unit month	149.10	174.40	187.11	182.50	178.74	198.53	192.44	201.70	220.14	287.24

Note 1: Beginning in fiscal year 2009, CFP Grant revenue is included.

Note 2: Does not include internal fee revenue.

Public Housing Agency of the City of Saint Paul

Section 8 Revenue by HUD Classification
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Housing assistance payments	\$ 16,519,382	\$ 18,383,343	\$ 23,495,998	\$ 29,153,108	\$ 33,294,134	\$ 32,192,311	\$ 33,316,813	\$ 32,144,373	\$ 34,285,644	\$ 31,274,014
Port-in housing assistance payments	1,961,121	829,232	115,399	1,515,233	2,032,834	2,696,391	1,391,218	455,999	323,560	786,246
Administration fees	1,924,968	1,828,321	2,223,046	2,376,634	2,532,915	2,558,357	2,573,816	2,558,916	2,683,070	3,003,653
Hard-to-house fees	11,880	25,035	34,950	35,550	48,600	56,025	-	-	-	-
Auditing fees	14,186	14,049	11,318	19,255	13,888	12,732	-	-	-	-
Interest on reserves/investments	148,641	132,982	69,716	34,555	2,597	6,064	86,177	132,918	187,549	109,962
Portability-in admin. and other revenue	160,670	71,045	7,516	82,685	123,566	144,394	75,012	27,415	18,048	61,823
Other revenue	167,172	178,438	209,790	229,808	205,031	358,389	159,922	180,403	191,192	213,605
Total Section 8 revenue	\$ 20,908,020	\$ 21,462,445	\$ 26,167,733	\$ 33,446,828	\$ 38,253,565	\$ 38,024,663	\$ 37,602,958	\$ 35,500,024	\$ 37,689,063	\$ 35,449,303
ACC authorized monthly unit count	3,710	3,710	3,763	3,965	4,059	4,059	4,066	4,103	4,103	4,121
Average monthly units leased	3,151	3,368	3,739	3,925	4,092	3,954	4,006	4,032	4,167	4,027
Average monthly revenue per unit	\$ 552.95	\$ 531.04	\$ 583.22	\$ 710.12	\$ 779.03	\$ 801.40	\$ 782.22	\$ 733.71	\$ 753.80	\$ 753.53

Note: Revenue per unit includes portability-in-revenues.

Public Housing Agency of the City of Saint Paul

Minnesota Revenue Recapture Program
 Last 10 Fiscal Years
 (Unaudited)

Fiscal Year	Section 8		Public Housing		Total	
	\$ Amount	# of Payments	\$ Amount	# of Payments	\$ Amount	# of Payments
2000	\$ 54,516	162	\$ 39,121	155	\$ 93,637	317
2001	82,974	264	55,456	265	138,430	529
2002	99,736	294	55,528	259	155,264	553
2003	119,205	285	53,828	174	173,033	459
2004	83,169	196	53,230	156	136,399	352
2005	52,177	120	50,369	141	102,546	261
2006	44,237	94	47,047	117	91,284	211
2007	50,762	103	57,539	137	108,302	240
2008	49,109	108	53,075	155	102,184	263
2009	70,932	142	80,356	211	151,288	353
Totals	\$ 706,817	1,768	\$ 545,549	1,770	\$ 1,252,367	3,538

Note: The Agency began this program in 1997 to recover bad debts through property and income tax refunds and state lottery winnings.

Public Housing Agency of the City of Saint Paul

Agency Expenses by HUD Program
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Section 8 Certs/Mod	\$ 8,131,110	\$ 2,062,358	\$ 596,555	\$ 277,330	\$ 264,376	\$ 279,306	\$ 306,659	\$ 319,862	\$ 345,571	\$ 346,549
Section 8 Vouchers	12,415,923	19,310,889	25,256,928	32,750,540	37,964,189	37,120,743	35,454,263	33,387,929	34,098,089	33,382,374
Section 8 Disability Vouchers	-	-	-	-	-	213,239	657,199	685,583	851,919	807,499
Section 8 Single Room Occupancy	-	-	-	-	-	-	-	-	-	6,799
DHAP	-	-	-	-	-	-	-	-	29,394	55,677
RAFS	61,118	376,938	437,961	375,136	212,150	126,894	56,681	13,198	-	-
Low Rent Housing	17,691,805	18,729,151	19,790,481	20,124,125	20,277,568	21,298,444	21,968,703	22,286,843	22,852,582	24,087,586
Discretionary	148,008	77,962	116,114	109,021	-	-	-	-	-	-
Business Activities	464,221	642,104	575,471	258,268	209,616	551,507	461,189	580,236	555,621	558,082
CIAP/Comp Grant/Capital Fund	12,142,505	8,366,007	9,385,504	8,825,561	11,125,724	7,324,221	7,371,910	9,979,958	6,349,252	8,039,034
Congregate Housing Program	1,164,881	1,342,444	1,590,987	1,580,163	1,960,663	2,346,651	1,828,559	1,733,033	1,783,032	1,674,747
Wilder	106,615	103,089	85,694	186,335	113,035	133,378	210,933	81,542	92,907	19,754
Drug Elimination	1,000,735	971,597	850,161	1,031,899	-	-	-	-	-	-
Service Coordinators	59,217	78,364	174,607	313,017	445,653	160,054	-	-	-	-
Jobs Plus Research Grant	-	283,066	263,947	181,037	183,563	-	-	-	-	-
MDRC Jobs Plus	12,524	68,400	40,997	59,852	32,397	-	-	-	-	-
Resident Opportunity & Self-Sufficiency										
Grant (ROSS)	-	-	14,971	220,000	232,054	232,698	100,822	8,950	-	-
Neighborhood Networks	-	-	-	-	-	-	-	-	-	27,327
Economic Development	194,992	210,868	254,801	-	-	-	-	-	-	-
Weed and Seed	-	-	-	25	49,975	-	-	-	-	-
Development	-	-	-	-	-	-	-	-	-	-
Youth Sports	-	-	-	-	-	-	-	-	-	-
Lead-Based Paint	-	-	-	-	-	-	-	-	-	-
Gateway	21,300	-	-	-	-	-	-	-	-	-
Family Investment Center	-	-	-	-	-	-	-	-	-	-
Youth Development Initiatives	-	-	-	-	-	-	-	-	-	-
Youth Apprenticeship	22,440	10,891	-	-	-	-	-	-	-	-
Vista	-	-	-	-	-	-	-	-	-	-
Total Agency expenses	\$ 53,637,394	\$ 52,634,128	\$ 59,435,179	\$ 66,292,309	\$ 73,070,963	\$ 69,787,135	\$ 68,416,918	\$ 69,077,134	\$ 66,958,367	\$ 69,005,428

Note 1: Depreciation expense was not included in the Low Rent and Business Activities programs.

Note 2: The CIAP/Comp Grant/Capital Fund expense line includes capital expenses.

Note 3: Low Rent Housing expenses do not include internal fees.

Public Housing Agency of the City of Saint Paul

Low Rent Public Housing Expenses by HUD Classification
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Administrative	\$ 5,753,570	\$ 6,235,334	\$ 6,448,084	\$ 6,789,833	\$ 6,532,412	\$ 6,903,177	\$ 6,885,099	\$ 6,895,139	\$ 6,941,360	\$ 8,089,868
Tenant services	571,980	554,900	750,417	717,469	459,255	787,738	812,706	866,406	880,849	930,467
Utilities	3,663,634	4,117,830	3,811,913	4,001,094	4,140,517	4,362,505	4,625,108	5,047,291	5,122,787	5,238,233
Maintenance	6,575,238	7,103,738	7,425,761	7,113,793	7,230,827	7,171,252	7,435,838	7,538,458	7,935,683	8,266,912
Protective service	86,983	33,100	36,165	60,747	5,463	-	-	-	-	2,909
General expense	739,304	757,166	859,302	869,562	1,180,271	1,451,766	1,296,714	1,403,742	1,360,258	2,944,115
Nonroutine maintenance	301,096	210,149	722,786	752,664	912,386	622,006	913,238	535,807	611,644	619,336
Total Low Rent public housing expenses	\$ 17,691,805	\$ 19,012,217	\$ 20,054,428	\$ 20,305,162	\$ 20,461,131	\$ 21,298,444	\$ 21,968,703	\$ 22,286,843	\$ 22,852,581	\$ 26,091,840
Average monthly units leased	4,207	4,238	4,204	4,212	4,215	4,211	4,211	4,208	4,219	4,220
Average monthly expense per unit	\$ 350.44	\$ 373.84	\$ 397.53	\$ 401.73	\$ 404.53	\$ 421.48	\$ 434.75	\$ 441.39	\$ 451.36	\$ 515.24

Note 1: Depreciation expense was not included in this table.

Note 2: Fiscal years 2001 through 2004 include Job Plus Research Grant costs.

Note 3: Does not include CFP Grant Expenses.

Note 4: Does not include internal fees.

Public Housing Agency of the City of Saint Paul

Section 8 Expenses by HUD Classification
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Administrative	\$ 2,037,563	\$ 2,156,653	\$ 2,215,235	\$ 2,323,192	\$ 2,864,473	\$ 2,603,635	\$ 2,749,016	\$ 2,494,058	\$ 2,551,396	\$ 2,656,212
General expenses	18,880	19,060	26,696	36,337	37,124	41,470	65,136	219,335	212,811	264,665
Housing assistance payments	18,490,590	19,197,534	23,611,552	30,668,341	35,326,968	34,968,183	33,603,969	31,679,981	32,531,372	31,615,546
Total Section 8 expenses	\$ 20,547,033	\$ 21,373,247	\$ 25,853,483	\$ 33,027,870	\$ 38,228,565	\$ 37,613,288	\$ 36,418,121	\$ 34,393,374	\$ 35,295,579	\$ 34,536,423
ACC authorized monthly unit count	3,710	3,710	3,763	3,965	4,059	4,059	4,066	4,121	4,103	4,121
Average monthly units leased	3,151	3,368	3,739	3,925	4,092	3,954	4,006	4,032	4,167	4,027
Total expense per unit month (avg.)	\$ 543.40	\$ 528.83	\$ 576.21	\$ 701.23	\$ 778.52	\$ 792.73	\$ 757.57	\$ 710.84	\$ 705.93	\$ 714.68
Total admin. and general expense per unit (avg.)	54.39	53.83	49.97	50.10	59.09	55.75	58.54	56.08	55.29	60.44
Total HAP expense per unit (avg.)	489.01	475.00	526.24	651.13	719.43	736.98	699.03	654.76	650.64	654.24

Note: Expense per unit includes portability-in expenses.

Public Housing Agency of the City of Saint Paul

Agency Salary Expense by Department
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Executive	\$ 347,002	\$ 372,925	\$ 376,642	\$ 411,155	\$ 252,989	\$ 196,255	\$ 203,001	\$ 232,669	\$ 218,397	\$ 168,013
Human Resources	167,758	176,470	187,994	202,503	141,225	154,388	158,542	157,591	162,563	135,576
Section 8	680,482	776,455	812,570	825,863	924,482	944,559	923,431	968,607	1,002,902	1,530,749
Public Housing Policy	-	-	-	-	216,519	187,499	195,166	109,728	112,722	74,583
Equal Opportunity & Diversification	-	-	-	-	194,932	189,951	151,682	117,286	102,889	19,116
Finance	584,526	629,989	643,331	713,333	900,912	827,389	963,617	928,135	738,371	594,860
Technical Service	689,146	641,068	705,463	782,439	742,407	717,886	197,834	-	-	-
Maintenance	3,490,421	4,060,379	4,154,709	4,118,705	3,951,411	3,969,687	4,464,748	4,729,237	4,665,216	4,890,962
Resident Services	3,017,254	3,345,576	3,550,359	3,719,899	3,477,087	3,702,342	3,638,283	3,721,899	3,198,951	3,228,497
Total Agency salary expense	\$ 8,976,589	\$ 10,002,862	\$ 10,431,068	\$ 10,773,897	\$ 10,801,964	\$ 10,889,956	\$ 10,896,304	\$ 10,965,152	\$ 10,202,011	\$ 10,642,356
FTE	237.18	247.91	247.91	243.66	233.57	235.50	222.19	215.64	217.74	220.04
Salary cost per FTE	\$ 37,847	\$ 40,349	\$ 42,076	\$ 44,217	\$ 46,247	\$ 46,242	\$ 49,040	\$ 50,849	\$ 46,854	\$ 48,366

Note 1: This table reflects salaries only. It does not include terminal leave benefits, sick or vacation payouts.

Note 2: Technical Service was absorbed into Maintenance in fiscal year 2007.

Public Housing Agency of the City of Saint Paul

Low Rent Public Housing Collection Write-Offs
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Dwelling rental	\$ 9,184,943	\$ 9,957,155	\$ 10,337,156	\$ 10,699,671	\$ 10,542,487	\$ 10,588,726	\$ 11,078,857	\$ 11,680,840	\$ 11,887,433	\$ 12,045,042
Excess utilities	51,612	51,052	51,485	50,976	51,625	47,076	47,611	65,011	81,094	80,796
Nondwelling rental	2,325	2,105	1,905	2,395	2,030	990	1,980	2,970	2,640	2,860
Total rents charged	\$ 9,238,880	\$ 10,010,312	\$ 10,390,546	\$ 10,753,042	\$ 10,596,142	\$ 10,636,792	\$ 11,128,448	\$ 11,748,821	\$ 11,971,167	\$ 12,128,698
Write-offs as a % of rents charged	0.36%	0.37%	0.38%	0.32%	0.79%	0.36%	1.07%	1.67%	0.86%	0.87%
Net write-off amounts	\$ 33,391	\$ 37,258	\$ 39,305	\$ 34,694	\$ 83,855	\$ 37,809	\$ 118,972	\$ 196,157	\$ 102,431	\$ 105,966
Write-offs as a % of increase/(decrease) from prior year	(68.31)%	11.58%	5.49%	(11.73)%	141.70%	(54.91)%	214.67%	64.88%	(47.78)%	3.45%
Average units leased	4,207	4,238	4,204	4,212	4,215	4,211	4,210	4,208	4,219	4,220
Write-offs per unit month	\$ 0.66	\$ 0.73	\$ 0.78	\$ 0.69	\$ 1.66	\$ 0.75	\$ 2.36	\$ 3.88	\$ 2.02	\$ 2.09

Public Housing Agency of the City of Saint Paul

Agencywide Changes in Net Assets
Last 10 Fiscal Years
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009
Operating revenue:							
Tenant revenue	\$ 10,829,706	\$ 10,596,142	\$ 10,598,983	\$ 11,009,476	\$ 11,552,665	\$ 11,866,097	\$ 12,125,837
HUD grants/subsidy	44,237,755	47,879,979	48,123,406	48,581,716	47,986,115	51,128,226	49,449,073
Other revenue	3,800,409	4,587,316	5,719,428	4,179,482	2,718,647	2,712,485	3,588,715
Total operating revenue	58,867,870	63,063,437	64,441,817	63,770,674	62,257,427	65,706,808	65,163,625
Operating expenses:							
Administrative	12,506,821	11,313,775	11,523,276	11,560,206	11,496,254	11,575,768	10,356,982
Tenant services	2,198,965	3,067,381	3,493,374	2,746,273	2,588,780	2,663,119	2,600,300
Housing assistance payments	30,980,237	35,509,198	35,077,117	33,652,690	31,691,339	32,554,698	31,672,700
Utilities	4,001,094	4,141,558	4,513,533	4,805,039	5,251,085	5,344,344	5,465,475
Ordinary maintenance	7,114,856	7,233,202	7,278,538	7,549,628	7,670,763	8,086,777	8,405,911
General expenses and other	1,065,484	1,261,164	1,660,674	1,344,796	1,266,225	1,648,250	3,392,589
Extraordinary maintenance	684,827	878,992	470,492	906,123	513,578	544,421	535,321
Depreciation expense	5,990,258	7,048,575	7,324,200	7,313,084	7,079,744	7,257,922	7,457,298
Total operating expenses	64,542,542	70,453,845	71,341,204	69,877,839	67,557,768	69,675,299	69,886,576
Operating loss	(5,674,672)	(7,390,408)	(6,899,387)	(6,107,165)	(5,300,341)	(3,968,491)	(4,722,951)
Nonoperating revenues and capital contributions:							
Capital contributions	7,660,878	9,661,647	5,171,832	5,060,732	7,586,119	3,897,192	6,508,330
Gain on disposition of capital assets	578,219	462,814	1,814,379	122,677	15,316	1,291,401	22,500
Other, mainly investment income	6,218	442,499	280,449	581,542	933,751	853,321	517,198
Total nonoperating revenues and capital contributions	8,245,315	10,566,960	7,266,660	5,764,951	8,535,186	6,041,914	7,048,028
Change in net assets	2,570,643	3,176,552	367,273	(342,214)	3,234,845	2,073,423	2,325,077
Beginning net assets	143,639,590	146,210,233	149,386,785	149,754,058	149,411,844	152,646,689	154,720,112
Ending net assets	\$ 146,210,233	\$ 149,386,785	\$ 149,754,058	\$ 149,411,844	\$ 152,646,689	\$ 154,720,112	\$ 157,045,189

Note: Data prior to 2003 is not available in this format due to a change in the reporting model in 2003.

Public Housing Agency of the City of Saint Paul

Agencywide Assets, Liabilities and Net Assets
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assets	\$ 142,114,440	\$ 144,575,030	\$ 153,832,327	\$ 154,451,655	\$ 158,622,381	\$ 158,660,621	\$ 156,376,091	\$ 160,884,353	\$ 161,336,724	\$ 164,973,028
Liabilities	9,827,645	9,894,104	10,192,737	8,241,422	9,235,596	8,906,563	6,964,247	8,367,397	6,616,612	7,927,839
Net assets	132,286,795	134,680,926	143,639,590	146,210,233	149,386,785	149,754,058	149,411,844	152,516,956	154,720,112	157,045,189
Agencywide Increase/(Decrease)										
as a % of Prior Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assets	6.40%	1.73%	6.40%	0.40%	2.70%	0.02%	(1.44)%	2.88%	0.28%	2.25%
Liabilities	46.69%	0.68%	3.02%	(19.14)%	12.06%	(3.56)%	(21.81)%	20.15%	(20.92)%	19.82%
Net assets	4.27%	1.81%	6.65%	1.79%	2.17%	0.25%	(0.23)%	2.08%	1.44%	1.50%

Public Housing Agency of the City of Saint Paul

Agencywide Net Assets by Type
 Last 10 Fiscal Years
 (Unaudited)

Fiscal Year	Invested in Capital Assets, Net of Related Debt	Restricted Assets	Unrestricted Assets	Total
2003	\$ 122,139,511	\$ 12,621,856	\$ 11,448,866	\$ 146,210,233
2004	135,794,983	13,233,355	358,447	149,386,785
2005	134,558,798	14,607,520	587,740	149,754,058
2006	135,311,831	11,938,272	2,161,741	149,411,844
2007	136,491,401	12,534,707	3,620,581	152,646,689
2008	135,010,603	17,923,003	1,786,506	154,720,112
2009	135,509,070	13,059,293	8,476,826	157,045,189

Note: Data prior to 2003 is not available in this format due to a change in the reporting model in 2003.

Public Housing Agency of the City of Saint Paul

Agencywide Capital Assets Last 10 Fiscal Years (Unaudited)

Low Rent Capital Assets	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Land and land improvements	\$ 30,374,298	\$ 30,833,126	\$ 31,041,711	\$ 31,165,820	\$ 31,315,783	\$ 31,448,981	\$ 31,545,999	\$ 31,631,234	\$ 32,273,883	\$ 32,757,776
Buildings	172,863,568	179,659,758	188,135,048	196,149,373	204,493,125	211,708,657	219,653,777	220,144,038	233,125,768	239,670,627
Furniture, equipment and machinery	3,041,284	3,053,586	2,160,408	2,174,586	2,082,025	2,093,381	1,998,987	2,051,372	2,140,387	2,105,230
Accumulated depreciation	(100,932,469)	(106,890,002)	(112,714,674)	(118,595,940)	(125,254,237)	(131,501,336)	(138,165,064)	(144,721,552)	(151,006,162)	(157,886,659)
Low Rent total capital assets, net	\$ 105,346,681	\$ 106,656,468	\$ 108,622,493	\$ 110,893,839	\$ 112,636,696	\$ 113,749,683	\$ 115,033,699	\$ 109,105,092	\$ 116,533,876	\$ 116,646,974
Low Rent Increase/(Decrease) as a % of Prior Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Land and land improvements	2.15%	1.51%	0.68%	0.40%	0.48%	0.43%	0.31%	0.27%	2.03%	1.50%
Buildings	(0.83)%	3.93%	4.72%	4.26%	4.25%	3.53%	3.75%	0.22%	5.90%	2.81%
Furniture, equipment and machinery	(12.70)%	0.40%	(29.25)%	0.66%	(4.26)%	0.55%	(4.51)%	2.62%	4.34%	(1.64)%
Accumulated depreciation	5.91%	5.90%	5.45%	5.22%	5.61%	4.99%	5.07%	4.75%	4.34%	4.56%
	(6.13)%	1.24%	1.84%	2.09%	1.57%	0.99%	1.13%	(5.15)%	6.81%	0.10%
Business Activities Capital Assets	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Land and land improvements	\$ 2,062,419	\$ 2,062,418	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071
Buildings	1,875,525	2,016,738	-	-	11,601,850	12,033,652	12,894,772	12,894,772	12,912,734	12,924,775
Furniture, equipment and machinery	2,492	2,492	-	-	65,058	66,504	66,504	66,504	66,504	66,504
Accumulated depreciation	(415,380)	(480,486)	(3,898)	(19,349)	(237,459)	(643,785)	(1,071,659)	(1,513,885)	(1,956,111)	(2,399,436)
Business Activities total capital assets, net	\$ 3,525,056	\$ 3,601,162	\$ 1,859,173	\$ 1,843,722	\$ 13,292,520	\$ 13,319,442	\$ 13,752,688	\$ 13,310,462	\$ 12,886,198	\$ 12,454,914
Business Activities Increase/(Decrease) as a % of Prior Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Land and land improvements	620.26%	0.00%	(9.67)%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Buildings	1.19%	7.53%	(100.00)%	N/A	N/A	3.72%	7.16%	0.00%	0.14%	0.09%
Furniture, equipment and machinery	0.00%	0.00%	(100.00)%	N/A	N/A	2.22%	0.00%	0.00%	0.00%	0.00%
Accumulated depreciation	17.78%	15.67%	(99.19)%	396.38%	1127.24%	171.11%	66.46%	41.27%	29.21%	22.66%
	96.98%	2.16%	(48.37)%	(0.83)%	620.96%	0.20%	3.25%	(3.22)%	(3.19)%	(3.35)%

Note: Prior to fiscal year 1999, capital asset data was not kept in categories as shown above nor was depreciation calculated. N/A is placed in columns where this note applies.

Note: Business Activity — fiscal year 2000 purchased 10th Street property as future site for central administrative office building.

Note: Business Activity — fiscal year 2002 sold central administrative office building located at 480 Cedar Street to Minnesota Public Radio.

Note: Business Activity — late fiscal year 2004 moved into newly built central administrative office building located at 555 N. Wabasha Street.

Public Housing Agency of the City of Saint Paul

Agencywide Full Time Equivalent (FTE) by Department
Last 10 Fiscal Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Executive	6.00	6.00	6.00	6.00	4.00	3.00	3.00	3.50	3.25	3.50
Human Resources	3.50	3.50	3.50	4.00	2.50	2.50	2.50	2.00	3.00	3.00
Section 8	20.00	23.00	23.00	24.00	24.00	24.00	22.00	21.00	22.00	25.63
Public Housing Policy	-	-	-	-	3.50	3.00	3.00	1.50	1.25	1.00
Equal Opportunity & Diversification	-	-	-	-	3.00	2.50	2.50	1.80	0.90	0.38
Finance	14.33	14.33	14.33	14.50	14.50	15.50	14.50	13.50	13.50	14.50
Technical Service	17.00	14.00	14.00	14.00	13.00	12.00	-	-	-	-
Maintenance	89.00	96.00	96.00	92.00	87.00	88.00	95.00	95.00	97.00	97.00
Resident Services	87.35	91.08	91.08	89.16	82.07	85.00	79.69	77.34	76.84	75.03
Total Agency FTE	237.18	247.91	247.91	243.66	233.57	235.50	222.19	215.64	217.74	220.04

Note: Prior to fiscal year 2000, Human Resources was under Finance and Section 8 was under Resident Services.

Note: Prior to fiscal year 2004, Public Housing Policy and Equal Opportunity staff were under various departments.

Note: During fiscal year 2006, the Technical Service department was dissolved and merged into the Maintenance department.

Public Housing Agency of the City of Saint Paul

Unit Type Composition
 Last 10 Fiscal Years
 (Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Family	1,748	1,733	1,729	1,728	1,728	1,710	1,710	1,710	1,701	2,548
Hi-rise	2,548	2,545	2,545	2,545	2,545	2,548	2,548	2,548	2,548	1,701
Total units	4,296	4,278	4,274	4,273	4,273	4,258	4,258	4,258	4,249	4,249

Public Housing Agency of the City of Saint Paul

Unit Demographics

March 31, 2009

(Unaudited)

Unit Inventory	Units
<hr/>	
Major family developments:	
McDonough Homes	580
Roosevelt Homes	314
Mt. Airy Homes	298
Dunedin Homes	104
Major hi-rise developments:	
Mt. Airy	153
Central	141
Valley	159
Neill	104
Dunedin	142
Cleveland	144
Iowa	148
Wilson	187
Front	151
Ravoux	220
Wabasha	71
Montreal	185
Exchange	194
Edgerton	219
Hamline	186
Seal	144
Scattered family units	405
Total units	<u><u>4,249</u></u>
PHA units by bedroom size:	
0 bedrooms	124
1 bedroom	2,453
2 bedrooms	569
3 bedrooms	719
4 bedrooms	272
5 bedrooms	107
6 bedrooms	5
Total units	<u><u>4,249</u></u>

Public Housing Agency of the City of Saint Paul

Low Rent Public Housing and Section 8 Utilization

Last 10 Fiscal Years

(Unaudited)

Fiscal Year	Public Housing			Section 8		
	Average Monthly Units	Average Monthly Vacancies	Average Monthly Utilization Rate	HUD Authorized Average Monthly Units	Average Monthly Vouchers Utilized	Average Monthly Utilization Rate
2000	4,207	40	99.0%	3,710	3,151	84.9%
2001	4,238	41	99.0%	3,710	3,368	90.8%
2002	4,204	42	99.0%	3,763	3,739	99.4%
2003	4,212	34	99.2%	3,965	3,925	99.0%
2004	4,215	32	99.2%	4,059	4,092	100.8%
2005	4,211	29	99.3%	4,059	3,954	97.4%
2006	4,210	25	99.4%	4,066	4,006	98.5%
2007	4,208	27	99.4%	4,095	4,032	98.5%
2008	4,220	20	99.5%	4,103	4,181	101.9%
2009	4,220	14	99.7%	4,116	4,027	97.8%
Overall averages	4,215	30	99.3%	3,965	3,848	97.0%

Compliance Section

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's 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
Public Housing Agency of the City of Saint Paul

We have audited the financial statements of the Public Housing Agency of the City of Saint Paul (the Agency) as of and for the year ended March 31, 2009, and have issued our report thereon dated September 18, 2009. 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, and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Governments* promulgated by the Minnesota State Auditor pursuant to *Minnesota Statutes* Sec. 6.65.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 are required to be reported under *Government Auditing Standards*.

The *Minnesota Legal Compliance Audit Guide for Local Governments* covers five main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, and claims and disbursements. Our study included all of the listed categories. The results of our tests indicate that, for the items tested, the Agency complied with the material terms and conditions of applicable legal provisions.

We noted a certain matter that we reported to management of the Agency in a separate letter date September 18, 2009.

This report is intended solely for the information and use of the Board of Commissioners, management, the State of Minnesota, and the U.S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Minneapolis, Minnesota
September 18, 2009

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Commissioners
Public Housing Agency of the City of Saint Paul

Compliance

We have audited the compliance of the Public Housing Agency of the City of Saint Paul (the Agency) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2009. The Agency'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 Agency's management. Our responsibility is to express an opinion on the Agency'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 Agency'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 Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2009.

Internal Control Over Compliance

The management of the Agency 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 Agency'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, 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 Agency's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

This report is intended solely for the information and use of the Board of Commissioners, management, the State of Minnesota, and the U.S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Minneapolis, Minnesota
September 18, 2009

Public Housing Agency of the City of Saint Paul

Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2009

Federal Grantor	Catalogue of Federal Domestic Assistance Number	Expenditures
U.S. Department of Housing and Urban Development:		
CHSP	14.170	\$ 598,027
Low Rent Public Housing	14.850a	14,546,052
Section 8:		
Housing Choice Voucher	14.871	33,078,905
Moderate Rehabilitation	14.856	362,654
Disability Vouchers	14.181	828,195
SRO 001	14.249	7,913
Capital Fund Program	14.872	6,508,330
Disaster Housing Assistance Grant	97.109	52,408
ROSS Neighborhood Networks	14.875	27,327
		<u>\$ 56,009,811</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Agency 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 Non-Profit Organizations*. Therefore, some amounts presented in this schedule may have different classifications from amounts presented in or used in the preparation of the basic financial statements.

Public Housing Agency of the City of Saint Paul

Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2009

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified

2. Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

3. Noncompliance material to financial statements noted? Yes X No

B. Federal Awards

1. Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

2. Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

C. Identification of Major Programs

1. CFDA Number		Name of Federal Program
	14.850a	Low Rent Public Housing
	14.872	Capital Fund Program

2. Dollar threshold used to distinguish between type A and type B programs \$1,680,304

3. Auditee qualified as low-risk auditee? X Yes No

(Continued)

Public Housing Agency of the City of Saint Paul

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended March 31, 2009

II. FINANCIAL STATEMENT FINDINGS

A. Internal Control

None reported.

B. Compliance

None reported.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Internal Control

None reported.

B. Compliance

None reported.

Public Housing Agency of the City of Saint Paul

Summary Schedule of Prior Audit Findings
For the Year Ended March 31, 2009

Item No.	Date of the Report in Which Finding Was First Reported	Description of Condition	Status of Corrective Action
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There were no prior-year audit findings reported.