



2
0
1
3

Comprehensive Annual Financial Report

for the year ended March 31, 2013

**Public Housing Agency
of the City of Saint Paul**
Saint Paul, Minnesota
Prepared by Finance Department



Contents

Introductory Section

Letter of Transmittal	1-4
Certificate of Achievement for Excellence in Financial Reporting	5
Board-Approved Organizational Chart	6
List of Appointed Officials	7

Financial Section

Independent Auditor's Report on the Basic Financial Statements and Supplementary Financial Information	8-9
Management's Discussion and Analysis	10-16
Basic Financial Statements	
Balance sheets	17
Statements of revenues, expenses and changes in net position	18
Statements of cash flows	19
Notes to financial statements	20-32

Required Supplementary Information

Schedule of Funding Progress for the Retiree Health Plan	33
--	----

Supplementary Information Section

Financial Data Schedules—all programs	
Combining balance sheet—all programs	34-37
Combining schedule of revenues, expenses and changes in net position—all programs	38-41
Combining balance sheet—Low Rent	42-45
Combining schedule of revenues, expenses and changes in net position—Low Rent	46-49
Schedule of Expenditures of Federal Awards	50

Statistical Section

Summary of Statistical Section	51
Agency Revenue by Agency/HUD Program	52
Low Rent Public Housing Revenue by HUD Classification	53
Section 8 Revenue by HUD Classification	54
Minnesota Revenue Recapture Program	55
Agency Expenses by HUD Program	56
Low Rent Public Housing Expenses by HUD Classification	57
Section 8 Expenses by HUD Classification	58
Agency Salary Expense by Department	59
Low Rent Public Housing Collection Write-Offs	60
Agencywide Changes in Net Position	61
Agencywide Assets, Liabilities and Net Position	62
Agencywide Net Position by Type	63
Agencywide Capital Assets	64
Agencywide Full-Time Equivalent (FTE) by Department	65
Unit Type Composition	66
Unit Demographics	67
Low Rent Public Housing and Section 8 Utilization	68

Introductory Section



August 12, 2013

To the Chairperson 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, 2013. While this report is consistent with federal and state legal reporting requirements, it is also 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 LLP has issued an unqualified opinion on the Agency's financial statements for the year ended March 31, 2013. Their independent auditor's report is located at the front of the financial section of this report on pages 8 and 9.

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 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 4,253 public housing units. Nineteen of these units are used for Officers in Residence (OIR), Accessible Space, Inc. (ASI) and Assisted Living Program (ALP) 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. The program later became the Housing Choice Voucher program. In Saint Paul, that program, along with other related Section 8-type programs, serves over 4,550 families.

The Agency was separated from the City of Saint Paul and 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 regular funding. The Agency was recently awarded two grants from the State of Minnesota to help preserve public housing. These grants will be used to assist in modernization work at one family development and to build a six-unit building at another family development. The Agency has no taxing authority.

Federal funding and regulations: Since approximately 80 percent of the Agency's revenue 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 Housing Choice Voucher program saw an increase of 40 vouchers during fiscal year 2013, with a commensurate increase in funding. 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 economic 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 payment in lieu of taxes (PILOT) agreement with the City of Saint Paul, which ensures that our residents continue to receive local government services in an equitable share.

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 2013 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, 2012. 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 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 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 Rent Public Housing, Section 8 and their Central Administrative Office Building Fund 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.

During the past year, the Agency achieved both a Public Housing Assessment System for Low Income Public Housing (PHAS) "High Performer" status and a Section Eight Management Assessment Program (SEMAP) "High Performer" status recognition from HUD.

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, 2012. This was the eighth consecutive year that the Agency had 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.

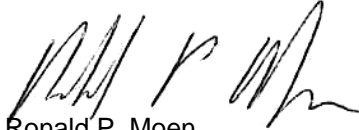
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Public Housing Agency
of the City of Saint Paul
Minnesota**

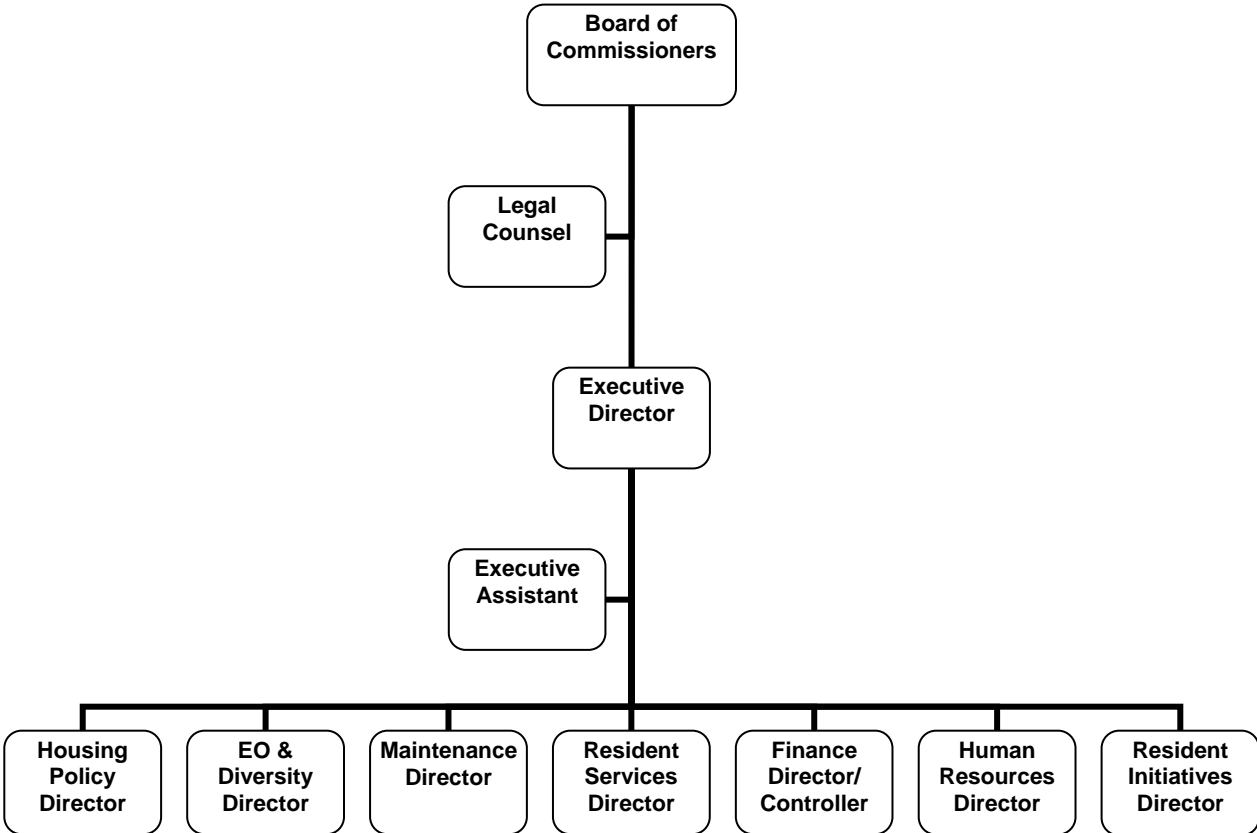
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2012

Executive Director

Public Housing Agency of the City of Saint Paul

Board-Approved Organizational Chart March 31, 2013



Public Housing Agency of the City of Saint Paul

List of Appointed Officials March 31, 2013 Board of Commissioners

Name	Term Expires
Tom Reding, Chair	September 1, 2016
Kevin Lindsey, Vice Chair	September 1, 2013
Marty Strub, Treasurer	September 1, 2014
Merry Xiong, Secretary	September 1, 2017
Harold Purtell, Commissioner	September 1, 2013
Missy Staples Thompson, Commissioner	September 1, 2015
VACANT, Commissioner	

Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

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, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Public Housing Agency of the City of Saint Paul as of March 31, 2013 and 2012, and the changes in its net position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Public Housing Agency of the City of Saint Paul's basic financial statements. The supplementary information, as listed in the table of contents, and other information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2013, on our consideration of the Agency's internal control over financial reporting and on 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* in considering the Agency's internal control over financial reporting and compliance.

McGladrey LLP

Minneapolis, Minnesota
August 12, 2013

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2013

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, 2013 and 2012. 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 years 2013 and 2012 by \$169,162,874 and \$169,870,448, respectively. Net position consists of the following:

- The value of capital assets, reflecting the Agency's investments in land, structures and equipment, is \$143,229,083 and \$145,872,272 for 2013 and 2012, respectively. This amount is not available for expenditures.
- Restricted net position of \$22,018,222 and \$20,433,088 for 2013 and 2012, respectively, are restricted by HUD. Such funds may only be used for specific purposes.
- Unrestricted net position of \$3,915,569 and \$3,565,088 for 2013 and 2012, respectively, are available for use in meeting ongoing Agency obligations.

The Agency's total net position decreased by \$707,574 in 2013 and increased by \$342,223 in 2012.

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 net position; and statements of cash flows and (2) notes to financial statements. The report also contains other required supplementary information, as required by GASB and other supplemental financial data schedules (FDS), as required by HUD, and certain statistical information the Agency has chosen to include within this report.

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 position. Over time, changes in total net position may reflect changes in the financial position of the Agency.
- The *statement of revenues, expenses and changes in net position* presents information showing how the Agency's net position changed during the year. All changes in total net position 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.
- 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.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2013

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.

Required supplementary information: This schedule contains the detail of the Agency's funding progress of its retiree health plan.

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.

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

Condensed Balance Sheets

	As of March 31		
	2013	2012	2011
Current and other noncurrent assets	\$ 34,281,066	\$ 32,368,408	\$ 29,840,698
Capital assets	143,229,083	145,872,272	147,900,662
Total assets	<u>\$ 177,510,149</u>	<u>\$ 178,240,680</u>	<u>\$ 177,741,360</u>
Current liabilities	\$ 5,855,741	\$ 6,162,720	\$ 6,263,888
Long-term liabilities	2,491,534	2,207,512	1,949,247
Total liabilities	<u>\$ 8,347,275</u>	<u>\$ 8,370,232</u>	<u>\$ 8,213,135</u>
Net position:			
Net investment in capital assets	\$ 143,229,083	\$ 145,872,272	\$ 147,900,662
Restricted by HUD	22,018,222	20,433,088	18,578,425
Unrestricted	3,915,569	3,565,088	3,049,138
Total net position	<u>\$ 169,162,874</u>	<u>\$ 169,870,448</u>	<u>\$ 169,528,225</u>

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2013

2013: Analysis of Changes in Condensed Balance Sheet

The largest portion of the Agency's net position, 85 percent and 86 percent for 2013 and 2012, 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 net position, 13 percent and 12 percent for 2013 and 2012, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net position is \$22,018,222 and \$20,433,088 for 2013 and 2012, respectively. Unrestricted net position total \$3,915,569 and \$3,565,088 for 2013 and 2012, respectively.

2012: Analysis of Changes in Condensed Balance Sheet

The largest portion of the Agency's net position, 86 percent and 87 percent for 2012 and 2011, 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 net position, 12 percent and 11 percent for 2012 and 2011, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net position is \$20,433,088 and \$18,578,425 for 2012 and 2011, respectively. Unrestricted net position total \$3,565,088 and \$3,049,138 for 2012 and 2011, 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 position, financial position and cash flows.

Public Housing Agency of the City of Saint Paul

**Management's Discussion and Analysis
Year Ended March 31, 2013**

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Years Ended March 31		
	2013	2012	2011
Operating revenue:			
Tenant revenue, net of bad debt	\$ 12,925,610	\$ 12,763,985	\$ 12,471,042
HUD grants/subsidy	53,007,036	53,166,627	53,129,556
Other revenue	4,472,341	4,287,954	4,800,153
Total operating revenue	<u>70,404,987</u>	<u>70,218,566</u>	<u>70,400,751</u>
Operating expenses:			
Administrative	11,409,514	11,051,463	11,142,681
Tenant services	2,896,951	3,223,289	2,855,403
Housing assistance payments	36,828,903	35,720,546	34,670,095
Utilities	5,052,163	5,117,135	5,167,005
Ordinary maintenance	8,865,711	8,921,548	9,512,161
General expenses and other	3,038,049	2,602,298	3,732,220
Extraordinary maintenance	381,220	638,039	454,993
Depreciation expense	8,009,702	7,984,223	7,829,671
Total operating expenses	<u>76,482,213</u>	<u>75,258,541</u>	<u>75,364,229</u>
Operating loss	<u>(6,077,226)</u>	<u>(5,039,975)</u>	<u>(4,963,478)</u>
Nonoperating revenues and capital contributions:			
Investment income	108,176	110,495	124,574
Gain on disposition of capital assets	48,814	3,150	68,959
Capital contributions	5,212,662	5,268,553	16,115,238
Total nonoperating revenues and capital contributions	<u>5,369,652</u>	<u>5,382,198</u>	<u>16,308,771</u>
Change in net position	(707,574)	342,223	11,345,293
Beginning net position	169,870,448	169,528,225	158,182,932
Ending net position	<u>\$ 169,162,874</u>	<u>\$ 169,870,448</u>	<u>\$ 169,528,225</u>

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2013

2013: Analysis of Changes in the Condensed Statement of Revenues, Expenses and Changes in Net Position

The Low Rent Public Housing program rental income increased by 2 percent, for a total increase of \$266,844 in 2013, and increased by 2 percent, for a total increase of \$255,160 in 2012. This resulted in total rental income of \$13,024,444 and \$12,757,600 in 2013 and 2012, respectively. On a per unit month (PUM) basis, rental income of \$257.55 PUM in 2013 increased from \$251.15 PUM in 2012. HUD subsidy increased by \$407,673, or an average of \$8.06 PUM for 2013.

The Low Rent Public Housing program operating expenses increased, going from \$25,330,899 in 2012 to \$25,757,417 in 2013, or an increase of \$8.43 PUM, making the current figure \$509.33 PUM. Nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) totaled \$437,473, compared to \$724,354 for 2012. This amounted to a 40 percent decrease. Depreciation expense for 2013 is \$7,544,284, as compared to \$7,531,620 for 2012.

The Section 8 Housing Choice Voucher program ended the year with average monthly lease-ups of 4,339 out of 4,353, or a 99.7 percent average lease-up rate that equated to 14 vouchers under-issued on a monthly basis. There was an average of 31 vouchers issued per month for the program. There was also an average of 203 "shoppers" each month. The program increased the total number of vouchers by 40 in 2013. This increase was a result of the addition of 40 new VASH vouchers. This compares to 2012, when the average monthly lease-up rate was 99 percent based on 4,162 average monthly lease-ups for 4,183 approved vouchers, with an average of 13 vouchers issued and 186 "shoppers" per month.

The Agency saw an increase of incoming vouchers from other housing agencies. There were 229 port-in vouchers at March 31, 2013, a 108 percent increase from 110 in 2012. 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 \$1,555,125 and \$1,280,200 in revenue, of which \$1,471,787 and \$1,216,523 was paid to landlords in the form of HAP for 2013 and 2012, respectively. For comparison purposes, the Agency supported 443 and 419 voucher port-outs for 2013 and 2012, respectively, with the HAP and 80 percent of its administrative fee paid to the receiving housing agency. In 2013, total HAP to landlords was \$34,245,042, or 89 percent of all revenue. In 2012, total HAP to landlords was \$33,389,077, or 86 percent of all revenue.

The Section 8 program average HAP costs per voucher, \$655.58, decreased by 1 percent in 2013, as compared to \$665.12 in 2012. Operating costs per unit month, \$59.99, decreased by less than 1 percent in 2013, as compared to \$59.78 in 2012.

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 four-year grants. For the four grants managed by the Agency during fiscal year 2013, federal fiscal year 2012 was in the amount of \$5,962,239, federal fiscal year 2011 was in the amount of \$6,499,693, federal fiscal year 2010 was in the amount of \$7,791,240, and federal fiscal year 2009 was in the amount of \$7,870,804. The Agency's fiscal years 2013 and 2012 ended with \$10,190,731 and \$10,354,896, 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 a majority of the remaining space. The Agency experienced its first commercial tenant vacancy in 2012. This space comprises 3 percent of the space in the building and remains vacant. The Agency continues to pursue possible options for this space.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2013

2012: Analysis of Changes in the Condensed Statement of Revenues, Expenses and Changes in Net Position

The Low Rent Public Housing program rental income increased by 2 percent, for a total increase of \$255,160 in 2012, and decreased by 0.2 percent, for a total decrease of \$27,203 in 2011. This resulted in total rental income of \$12,757,600 and \$12,502,440 in 2012 and 2011, respectively. On a PUM basis, rental income of \$251.15 PUM in 2012 increased from \$246.07 PUM in 2011. HUD subsidy decreased by \$1,137,271, or an average of \$22.39 PUM for 2012.

The Low Rent Public Housing program operating expenses decreased, going from \$27,117,301 in 2011 to \$25,330,899 in 2012, or a decrease of \$35.17 PUM, making the current figure \$498.68 PUM. Nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) totaled \$724,354, compared to \$568,080 for 2011. This amounted to a 27.5 percent increase. Depreciation expense for 2012 is \$7,531,620, as compared to \$7,384,847 for 2011.

The Section 8 Housing Choice Voucher program ended the year with average monthly lease-ups of 4,162 out of 4,183, or a 99 percent average lease-up rate that equated to 21 vouchers under-issued on a monthly basis. There was an average of 13 vouchers issued per month for the program. There was also an average of 186 "shoppers" each month. The program increased the total number of vouchers by 261 in 2012. This increase was a result of the consolidation of 60 vouchers from VASH into the program, as well as the addition of 25 new VASH vouchers and the addition of 176 tenant protection vouchers. This compares to 2011, when the average monthly lease-up rate was 97 percent based on 3,942 average monthly lease-ups for 4,052 approved vouchers, with an average of 14 vouchers issued and 185 "shoppers" per month.

The Agency saw an increase of incoming vouchers from other housing agencies. There were 110 port-in vouchers at March 31, 2012, a 100 percent increase from 55 in 2011. In those cases, the Agency billed the home entity the full amount of the HAP for a particular participant as well as 80 percent of the home entity's associated administrative fee. This generated \$1,280,200 and \$2,024,858 in revenue, of which \$1,216,523 and \$1,890,449 was paid to landlords in the form of HAP for 2012 and 2011, respectively. For comparison purposes, the Agency supported 419 and 364 voucher port-outs for 2012 and 2011, respectively, with the HAP and 80 percent of its administrative fee paid to the receiving housing agency. In 2012, total HAP to landlords was \$33,389,077, or 86 percent of all revenue. In 2011, total HAP to landlords was \$33,414,266, or 89 percent of all revenue.

The Section 8 program average HAP costs per voucher, \$665.12, decreased by 3 percent in 2012, as compared to \$687.20 in 2011. Operating costs per unit month, \$59.78, decreased by 6 percent in 2012, as compared to \$63.59 in 2011.

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 four-year grants. For the four grants managed by the Agency during fiscal year 2012, federal fiscal year 2011 was in the amount of \$6,499,693, federal fiscal year 2010 was in the amount of \$7,791,240, federal fiscal year 2009 was in the amount of \$7,870,804, and federal fiscal year 2008 was in the amount of \$7,905,110. The Agency's fiscal years 2012 and 2011 ended with \$10,354,896 and \$16,907,784, respectively, in construction in progress.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2013

In 2010, the Agency was awarded three grants under the American Reinvestment and Recovery Act totaling \$17,217,915. These grants were fully expended by the end of 2012. These grants were included in the Capital Fund program and were meant to be used for capital improvements only. These funds were used for modernization work at McDonough Homes, as well as window replacement, boiler replacement, toilet replacement, and life safety improvements at several hi-rises.

The Agency's central administrative office building is primarily occupied by the Agency itself (65 percent). Leases are in place for a majority of the remaining space. The Agency experienced its first commercial tenant vacancy in 2012 and is currently working with another current tenant to transition a portion of their operations to this recently vacated space. Once this transition is complete, the Agency will work on leasing any remaining vacant space.

2013 Capital Assets

The Agency had \$143,229,083 and \$145,872,272 for 2013 and 2012, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (pages 27 and 28 of this report) to the financial statements. This is a net decrease of \$2,643,189.

2012 Capital Assets

The Agency had \$145,872,272 and \$147,900,662 for 2012 and 2011, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (pages 27 and 28 of this report) to the financial statements. This is a net decrease of \$2,028,390. The ARRA recovery competitive grant was closed during fiscal year 2012.

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, St. Paul, MN 55102.

Public Housing Agency of the City of Saint Paul

Balance Sheets
March 31, 2013 and 2012

Assets	2013	2012
Current Assets		
Cash and cash equivalents (Note 2)	\$ 9,645,279	\$ 9,414,750
Accounts and grants receivable, net	1,097,784	2,023,403
Investments (Note 2)	21,232,885	17,851,934
Investments—restricted (Notes 2 and 3)	1,128,630	1,876,155
Prepaid expenses and inventory	859,586	983,995
Total current assets	33,964,164	32,150,237
Noncurrent Assets		
Other assets	316,902	218,171
Capital assets, net (Note 4)	143,229,083	145,872,272
Total noncurrent assets	143,545,985	146,090,443
Total assets	\$ 177,510,149	\$ 178,240,680
Liabilities and Net Position		
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,783,038	\$ 2,010,104
Due to other governmental entities	221,158	229,265
Security deposits (Note 3)	930,515	929,309
Accrued expenses	2,351,940	2,431,150
Unearned revenues	569,090	562,892
Total current liabilities	5,855,741	6,162,720
Accrued compensated absences and other—long-term (Note 5)	2,491,534	2,207,512
Total liabilities	8,347,275	8,370,232
Commitments and Contingencies (Note 8)		
Net Position		
Net investment in capital assets	143,229,083	145,872,272
Restricted by HUD	22,018,222	20,433,088
Unrestricted	3,915,569	3,565,088
Total net position	169,162,874	169,870,448
Total liabilities and net position	\$ 177,510,149	\$ 178,240,680

See Notes to Financial Statements.

Public Housing Agency of the City of Saint Paul

**Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended March 31, 2013 and 2012**

	2013	2012
Revenues:		
Tenant rental revenue, net of bad debt	\$ 12,848,768	\$ 12,690,011
Tenant revenue—other	76,842	73,974
Total tenant revenues	12,925,610	12,763,985
HUD operating grant revenue	53,007,036	53,166,627
Other revenues	4,472,341	4,287,954
Total revenues	70,404,987	70,218,566
Operating expenses:		
Administrative	11,409,514	11,051,463
Tenant services	2,896,951	3,223,289
Housing assistance payments	36,828,903	35,720,546
Utilities	5,052,163	5,117,135
Ordinary maintenance and operations	8,865,711	8,921,548
Protective services	582,079	582,838
General expenses	2,394,749	1,909,618
Extraordinary maintenance	381,220	638,039
Casualty losses—noncapitalized	61,221	109,842
Depreciation expense	8,009,702	7,984,223
Total operating expenses	76,482,213	75,258,541
Operating loss	(6,077,226)	(5,039,975)
Nonoperating revenues:		
Investment income	108,176	110,495
Gain on disposition of capital assets	48,814	3,150
Total nonoperating revenues	156,990	113,645
Loss before capital contributions	(5,920,236)	(4,926,330)
HUD capital contributions	5,212,662	5,268,553
Change in net position	(707,574)	342,223
Net position, beginning	169,870,448	169,528,225
Net position, ending	\$ 169,162,874	\$ 169,870,448

See Notes to Financial Statements.

Public Housing Agency of the City of Saint Paul

**Statements of Cash Flows
For the Years Ended March 31, 2013 and 2012**

	2013	2012
Cash Flows From Operating Activities		
Cash received from tenants	\$ 13,035,855	\$ 12,716,504
Cash received from HUD subsidies	53,834,331	52,961,024
Other revenues	4,474,374	4,453,510
Cash paid for operating expenses	(55,757,188)	(54,505,182)
Cash payments to employees	(12,712,705)	(12,476,555)
Net cash provided by operating activities	2,874,667	3,149,301
Cash Flows From Capital and Related Financing Activities		
Cash received from HUD—capital grants	5,212,662	5,268,553
Purchase of capital assets, net	(5,317,699)	(5,952,683)
Net cash used in capital and related financing activities	(105,037)	(684,130)
Cash Flows From Investing Activities		
Purchases of investments	(19,985,161)	(17,711,796)
Sales and maturities of investments	17,351,735	23,767,328
Interest income received	94,325	104,731
Net cash provided by (used in) investing activities	(2,539,101)	6,160,263
Net increase in cash and cash equivalents	230,529	8,625,434
Cash and Cash Equivalents, beginning of year	9,414,750	789,316
Cash and Cash Equivalents, end of year	\$ 9,645,279	\$ 9,414,750
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	\$ (6,077,226)	\$ (5,039,975)
Depreciation expense	8,009,702	7,984,223
Changes in operating assets and liabilities:		
Receivables	939,470	(81,143)
Prepaid expenses and inventory	124,409	128,865
Other assets	(98,731)	-
Payables, security deposits, accrued expenses and unearned revenues	(22,957)	157,331
Net cash provided by operating activities	\$ 2,874,667	\$ 3,149,301

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 (the Agency) 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 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.

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.

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

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 404 scattered-site homes, for a total of 4,253 dwelling units owned by the Agency. HUD provides operating subsidies for these units through a Consolidated Annual Contributions Contract (CACC). 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 (CFP) grants, 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 vouchers and Booth Brown House Foyer—6 authorized vouchers), Disability Voucher (117 authorized vouchers), and Housing Choice Voucher (4,353 authorized vouchers), including 100 Family Unification Vouchers and 125 Veterans Affairs Supportive Housing 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. 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.

Moderate Rehabilitation (CACC No. MN001MR, 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 that 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.

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 Agency administers the Family Unification Program (FUP) in partnership with Ramsey County Health and Human Services, who are responsible for referring FUP families and youths to the Agency for determination of eligibility for rental assistance. Those vouchers assigned to families are permanent vouchers and are intended to initially reunify the family with access to affordable housing. Vouchers assigned to youth are intended to assist youth ages 18 to 21 who are aging out of foster care, and those vouchers expire after 18 months.

The Agency also administers the Veterans Affairs Supportive Housing (VASH) vouchers in a partnership with the Department of Veterans Affairs (VA). The VA is responsible for referring eligible, homeless veterans to the agency for determination of eligibility for rental assistance. These are permanent vouchers set-aside from the regular vouchers, and are intended for homeless veterans who are initially in need of case management and clinical services. The program began in 2008, and the PHA continues to receive additional VASH vouchers annually.

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 five 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 five 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 administrative 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 four years. Expenditures may not exceed total allocations by grant, although there is some flexibility on a line-item basis within the grant.

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.

Accounts and grants receivable: Grants receivable consist of amounts due from HUD for reimbursement of expenses or costs incurred by the Agency as of year-end. Accounts receivable consist of amounts owed for tenant rent, Section 8 portability (from other housing authorities), and operating expense reimbursement amounts owed by external service providers.

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.

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. Donated assets are recorded at estimated fair value at the date of donation. Depreciation, using the straight-line method, is calculated on structures, site improvements and equipment over estimated useful lives as follows:

Asset Type	(In Years)
Land improvements	15
Buildings	30
Furniture, equipment and machinery—dwellings and administrative	3–10

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets 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. HUD subsidies are included in HUD operating grant revenue within the statements of revenues, expenses and change in net position.

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 net position, 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, the Agency makes payments in lieu of property taxes (PILOT) to the City of St. Paul 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 \$856,585 and \$836,611 for 2013 and 2012, 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.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 position: Net position is classified in three components. *Net investment in capital assets*; consist of capital assets net of accumulated depreciation. *Restricted net position* is noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or contributors external to the Agency. *Unrestricted net position* is the remaining assets that do not meet the definition of *net investment in capital assets* or *restricted*. Section 8 housing assistance payment reserves is considered restricted net position, 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.

Reclassifications: Certain 2012 amounts in the basic financial statements have been reclassified to conform to the 2013 basic financial statements presentation. These reclassifications had no effect on net position.

Note 2. Cash and Investments

The Agency's deposits and investments consist of the following at March 31, 2013 and 2012:

	2013	2012
Deposits with financial institutions:		
Depository accounts	\$ 9,645,279	\$ 9,414,750
Fixed-income certificates of deposit	5,113,042	4,626,682
Total deposits	14,758,321	14,041,432
Investments:		
Mortgage-backed securities	17,248,473	15,101,407
Total deposits and investments	\$ 32,006,794	\$ 29,142,839

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Deposits and investments are classified in the accompanying financial statements at March 31, 2013 and 2012, as follows:

	2013	2012
Cash	\$ 9,645,279	\$ 9,414,750
Investments—current	21,232,885	17,851,934
Investments—restricted	1,128,630	1,876,155
	<u>\$ 32,006,794</u>	<u>\$ 29,142,839</u>

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. At March 31, 2013, all certificates of deposit held were fully insured by the Federal Deposit Insurance Corporation (FDIC).

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. The following table presents the estimated maturities of the Agency’s investments as of March 31, 2013:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1–5	6–10	More Than 10
Mortgage-backed securities	<u>\$ 17,248,473</u>	<u>\$ -</u>	<u>\$ 17,248,473</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents the estimated maturities of the Agency’s investments as of March 31, 2012:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1–5	6–10	More Than 10
Mortgage-backed securities	<u>\$ 15,101,407</u>	<u>\$ 6,078,602</u>	<u>\$ 9,022,805</u>	<u>\$ -</u>	<u>\$ -</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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, 2013, the Agency's remaining investments carried the following ratings:

Investment Type	Fair Value	Rating as of Year-End:	
		Standard & Poor's/ Moody's Investor Service AA+/Aaa	NR/Aaa
Mortgage-backed securities	\$ 17,248,473	\$ 17,248,473	\$ -

As of March 31, 2012, the Agency's remaining investments carried the following ratings:

Investment Type	Fair Value	Rating as of Year-End: Standard & Poor's/ Moody's Investor Service	
		AA+/Aaa	NR/Aaa
Mortgage-backed securities	\$ 15,101,407	\$ 12,100,357	\$ 3,001,050

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 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, 2013 and 2012, more than 5 percent of the Agency's investments are in the following issuers:

Issuer	2013	2012
Federal Home Loan Mortgage notes	58%	40%
Federal National Mortgage notes	13%	27%
Federal Home Loan Bank notes	17%	33%
Federal Farm Credit Bank notes	12%	0%
	<u>100%</u>	<u>100%</u>

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, less any amounts due to the Agency, is refundable upon move-out. For the years ended March 31, 2013 and 2012, security deposits held by the Agency totaled \$930,515 and \$929,309, respectively, plus accrued interest, included in accrued expenses on the balance sheets, of \$107,530 and \$109,563, respectively.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 3. Tenant Security Deposits and FSS Escrow (Continued)

An escrow account has been established for Section 8 and Low Rent Public Housing participants in the Family Self-Sufficiency (FSS) program. 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, 2013 and 2012, FSS escrow amounts held by the Agency, included in accrued expenses on the balance sheets, totaled \$153,449 and \$119,947, respectively.

Note 4. Capital Assets

The following is a summary by category of capital assets as of March 31, 2013:

	Balance, March 31, 2012	Reclassifications and Additions	Retirements	Balance, March 31, 2013
Capital assets not being depreciated:				
Land	\$ 8,348,191	\$ -	\$ 1,553	\$ 8,346,638
Construction in progress	10,354,896	5,212,660	5,376,825	10,190,731
Total capital assets not being depreciated	<u>18,703,087</u>	<u>5,212,660</u>	<u>5,378,378</u>	<u>18,537,369</u>
Capital assets being depreciated:				
Land improvements	26,265,848	48,000	7,695	26,306,153
Buildings	282,053,745	5,327,891	79,237	287,302,399
Furniture, equipment and machinery— dwellings and administrative	2,308,447	169,832	147,914	2,330,365
Total capital assets being depreciated	<u>310,628,040</u>	<u>5,545,723</u>	<u>234,846</u>	<u>315,938,917</u>
Less accumulated depreciation for:				
Land improvements	24,677,556	337,572	7,502	25,007,626
Buildings	156,691,117	7,540,888	65,938	164,166,067
Furniture, equipment and machinery— dwellings and administrative	2,090,182	131,242	147,914	2,073,510
Total accumulated depreciation	<u>183,458,855</u>	<u>8,009,702</u>	<u>221,354</u>	<u>191,247,203</u>
Total depreciable assets, net	<u>127,169,185</u>	<u>(2,463,979)</u>	<u>13,492</u>	<u>124,691,714</u>
Capital assets, net	<u>\$ 145,872,272</u>	<u>\$ 2,748,681</u>	<u>\$ 5,391,870</u>	<u>\$ 143,229,083</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, 2012:

	Balance, March 31, 2011	Reclassifications and Additions	Retirements	Balance, March 31, 2012
Capital assets not being depreciated:				
Land	\$ 8,348,191	\$ -	\$ -	\$ 8,348,191
Construction in progress	16,907,784	5,268,542	11,821,430	10,354,896
Total capital assets not being depreciated	25,255,975	5,268,542	11,821,430	18,703,087
Capital assets being depreciated:				
Land improvements	26,258,374	7,474	-	26,265,848
Buildings	269,699,323	12,354,422	-	282,053,745
Furniture, equipment and machinery— dwellings and administrative	2,183,327	146,825	21,705	2,308,447
Total capital assets being depreciated	298,141,024	12,508,721	21,705	310,628,040
Less accumulated depreciation for:				
Land improvements	24,169,878	507,678	-	24,677,556
Buildings	149,339,690	7,351,427	-	156,691,117
Furniture, equipment and machinery— dwellings and administrative	1,986,769	125,118	21,705	2,090,182
Total accumulated depreciation	175,496,337	7,984,223	21,705	183,458,855
Total depreciable assets, net	122,644,687	4,524,498	-	127,169,185
Capital assets, net	\$ 147,900,662	\$ 9,793,040	\$ 11,821,430	\$ 145,872,272

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended March 31, 2013:

	Balance, March 31, 2012	Additions	Reductions	Balance, March 31, 2013	Due Within One Year
Compensated absences	\$ 2,532,061	\$ 1,454,529	\$ 1,437,206	\$ 2,549,384	\$ 856,585
Other postemployment benefits	512,062	286,673	-	798,735	-
	\$ 3,044,123	\$ 1,741,202	\$ 1,437,206	\$ 3,348,119	\$ 856,585

The following is a summary of changes in long-term liabilities for the year ended March 31, 2012:

	Balance, March 31, 2011	Additions	Reductions	Balance, March 31, 2012	Due Within One Year
Compensated absences	\$ 2,425,512	\$ 1,447,100	\$ 1,340,551	\$ 2,532,061	\$ 836,611
Other postemployment benefits	341,380	170,682	-	512,062	-
	\$ 2,766,892	\$ 1,617,782	\$ 1,340,551	\$ 3,044,123	\$ 836,611

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

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, 14 City of Saint Paul employees (five employed and nine 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. The Agency has the authority for establishing or amending contribution requirements.

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 \$804,000 and \$804,000, and employee contributions amounted to approximately \$588,000 and \$589,000 for the years ended March 31, 2013 and 2012, 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 requirements, 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 \$654 a month toward health plan premium until they meet Medicare eligibility requirements 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 years ended March 31, 2013, 2012 and 2011, the Agency paid \$654, \$632 and \$610 per month for the enrolled retirees described above, respectively, while these retirees contributed the excess of the cost of their plan per month to the Agency. In the years ended March 31, 2013, 2012 and 2011, member contributions totaled \$3,286, \$2,249 and \$2,673, respectively.

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 Codification Section P50. 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, 2013, 12 former employees received the postemployment health care benefit. Contributions in relation to the ARC totaled 31 percent of the March 31, 2013, ARC. During the year ended March 31, 2012, 11 former employees received the postemployment health care benefit. Contributions in relation to the ARC totaled 40 percent of the March 31, 2012, ARC. During the year ended March 31, 2011, 10 former employees received the postemployment health care benefit. Contributions in relation to the ARC totaled 30 percent of the March 31, 2011, 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 and the net OPEB obligation recorded by the Agency at the end of the year, included in accrued compensated absences and other—long-term on the balance sheets, relating to the postemployment health care plan:

	Years Ended March 31		
	2013	2012	2011
Annual required contribution	\$ 415,000	\$ 282,000	\$ 273,000
Interest on net OPEB obligation	20,000	12,000	6,000
Adjustment to annual required contribution	(17,000)	(10,000)	(5,000)
Adjustment for FYE 2009 underfunding	-	-	4,000
Annual OPEB cost	<u>\$ 418,000</u>	<u>\$ 284,000</u>	<u>\$ 278,000</u>

	Years Ended March 31		
	2013	2012	2011
Annual OPEB cost	\$ 418,000	\$ 284,000	\$ 278,000
Employer's contributions with interest	(131,000)	(113,000)	(84,000)
Increase in net OPEB obligation	<u>287,000</u>	<u>171,000</u>	<u>194,000</u>
Net OPEB obligation, beginning of year	512,000	341,000	147,000
Net OPEB obligation, end of year	<u>\$ 799,000</u>	<u>\$ 512,000</u>	<u>\$ 341,000</u>

The table below shows the Agency's annual OPEB cost, employer contributions and the percentage of annual OPEB cost contributed to the plan, for the years ended March 31, 2013, 2012 and 2011:

	2013	2012	2011
Annual OPEB cost	\$ 418,000	\$ 284,000	\$ 278,000
Employer contributions	131,000	113,000	84,000
Percentage contributed	31%	40%	30%

Funded status and funding progress: As of April 1, 2012, the most recent actuarial valuation date, the plan was completely unfunded. The actuarial accrued liability for benefits was \$3,915,277. The covered payroll was \$12,745,000, and the ratio of the UAL to the covered payroll was 31 percent.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 7. Postemployment Health Care Plan (Continued)

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.

A schedule of the funding progress, showing multi-year trend information about the actuarial accrued liability for benefits and the non-funded status, immediately follows the notes to the basic financial statements.

Actuarial methods and assumptions: 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.

In the April 1, 2012, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return, net of administrative expenses, which is the expected long-term investment return on the Agency's own investments based on pay-as-you-go funding, and an annual health care cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5 percent after eight years. Both rates included a 3 percent inflation assumption. The UAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period of the initial UAL at March 31, 2013, was 25 years.

Note 8. Commitments and Contingencies

Construction commitments: The Agency has entered into various contracts for construction projects, mainly relating to the Capital Fund programs. As of March 31, 2013, the remaining commitment on these construction projects totaled \$2,963,561. 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, 2013 and 2012, were as follows:

	Original Issue	Amount Outstanding	
		2013	2012
5% 7th Issue (1972) Housing Authority Bonds due serially through 2013	\$ 2,862,983	\$ 113,214	\$ 264,807
5.125% 8th Issue (1973) Housing Authority Bonds due serially through 2014	3,725,000	370,000	560,000
	<u>\$ 6,587,983</u>	<u>\$ 483,214</u>	<u>\$ 824,807</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, of which approximately 35 percent is held for lease to external parties. The net book value of the office building was \$10,758,187 as of March 31, 2013, and related depreciation expense was \$435,478 for the year then ended. The rental commitments (net of rent abatement) for space are shown below:

Years Ending March 31,

2014	\$	257,000
2015		217,000
2016		89,000
	\$	<u>563,000</u>

Note 10. New Accounting Pronouncements

Accounting standards adopted during the current year: GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, was implemented 2013. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

The following GASB Statements were also adopted in 2013, with no impact on the Agency's current financial reporting:

No. 60, Accounting and Financial Reporting for Service Concession Arrangements.

No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53.

No. 65, Items Previously Reported as Assets and Liabilities.

Accounting standards not yet adopted: GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, will be effective for the Agency beginning the year ending March 31, 2014. This statement modifies certain requirements for inclusion of component units, amends criteria for blending, and clarifies the reporting of equity interests in legally separated entities.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, will be effective for the Agency for the year ending March 21, 2015. This statement provides guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments.

GASB Statement No. 70, *Financial Reporting for Nonexchange Financial Guarantees*, will be effective for the Agency with its year ending March 31, 2015. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate this it is more likely than not the government will be required to make a payment on the guarantee.

Unless otherwise stated, the Agency's management has not yet determined the effect these GASB statements will have on the financial statements.

Required Supplementary Information

Public Housing Agency of the City of Saint Paul

**Schedule of Funding Progress for the Retiree Health Plan
Last Five Years**

	Actuarial Valuation Date—April 1				
	2008	2009*	2010	2011*	2012
Actuarial value of assets	\$ -	\$ -	\$ -	\$ -	\$ -
Actuarial accrued liability (AAL) entry age normal cost method	\$ 2,687,612	\$ 2,839,686	\$ 2,782,250	\$ 2,946,155	\$ 3,915,277
Unfunded AAL (UAAL)	\$ 2,687,612	\$ 2,839,686	\$ 2,782,250	\$ 2,946,155	\$ 3,915,277
Funded ratio	0%	0%	0%	0%	0%
Estimated covered payroll	\$ 11,286,000	\$ 11,850,000	\$ 11,825,000	\$ 12,357,000	\$ 12,744,915
UAAL as a percentage of covered payroll	24%	24%	24%	24%	31%

Trend Information	Years Ended March 31				
	2009	2010	2011	2012	2013
Annual Required Contribution (ARC)	\$ 251,125	\$ 255,166	\$ 273,090	\$ 282,277	\$ 415,242
Employer contributions	\$ 125,734	\$ 221,000	\$ 84,000	\$ 113,000	\$ 131,000
Contributions as a percentage of the ARC	50%	87%	31%	40%	32%
Net OPEB obligation	\$ 125,391	\$ 160,000	\$ 340,898	\$ 512,164	\$ 798,735

*Based on previous year's actuarial valuation

Notes:

See Note 7 in the notes to the basic financial statements for additional information relating to the plan description, funding, cost, obligation and actuarial methods/assumptions.

Supplementary Information Section

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
Combining Balance Sheet—All Programs
March 31, 2013

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	SRO 001 14.249	CHSP 14.170
Assets							
Current Assets							
Cash:							
111	Cash—unrestricted	\$ 3,929,253	\$ 1,826,907	\$ 139,104	\$ 185,408	\$ 16,622	\$ -
113	Cash—other restricted	-	3,043,934	-	-	-	-
100	Total cash	3,929,253	4,870,841	139,104	185,408	16,622	-
Accounts and notes receivable:							
121	Accounts receivable—PHA projects	-	63,970	-	-	-	-
122	Accounts receivable—HUD other projects	523,792	64,651	2,795	-	-	87,824
125	Accounts receivable—miscellaneous	76,919	-	-	-	-	-
126	Accounts receivable—tenants	190,536	-	-	-	-	-
129	Accrued interest receivable	13,488	-	-	-	-	-
120	Total receivables	804,735	128,621	2,795	-	-	87,824
Investments and Other Assets							
131	Investments—unrestricted	10,541,329	-	-	-	-	-
132	Investments—restricted	1,128,630	-	-	-	-	-
142	Prepaid expenses and other assets	264,783	43,929	617	1,129	-	-
143	Inventories	147,364	-	-	-	-	-
144	Interprogram due from	-	717	-	-	-	-
	Total investments and other assets	12,082,106	44,646	617	1,129	-	-
150	Total current assets and investments	16,816,094	5,044,108	142,516	186,537	16,622	87,824
Noncurrent Assets							
Capital assets:							
161	Land and land improvements	32,789,719	-	-	-	-	-
162	Buildings	274,325,101	-	-	-	-	-
164	Furniture, equipment and machinery—dwellings and administrative	1,531,298	-	-	-	-	-
166	Accumulated depreciation	(186,461,366)	-	-	-	-	-
167	Construction in progress	10,190,732	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	132,375,484	-	-	-	-	-
174	Other assets	148,672	-	-	-	-	-
180	Total noncurrent assets	132,524,156	-	-	-	-	-
190	Total assets	\$ 149,340,250	\$ 5,044,108	\$ 142,516	\$ 186,537	\$ 16,622	\$ 87,824

(Continued)

Business Activities	State/ Local Wilder/ SHIP	Central Office Cost Center (COCC)	Shelter Plus Care 14.238	Eliminations	Total
\$ 359,909	\$ 144,142	\$ -	\$ -	\$ -	\$ 6,601,345
-	-	-	-	-	3,043,934
359,909	144,142	-	-	-	9,645,279
-	-	-	-	-	63,970
-	-	12,279	717	-	692,058
-	7,810	23,160	-	-	107,889
-	-	-	-	-	190,536
4,458	-	25,385	-	-	43,331
4,458	7,810	60,824	717	-	1,097,784
1,734,042	-	8,957,514	-	-	21,232,885
-	-	-	-	-	1,128,630
2,821	-	89,864	-	-	403,143
-	-	309,079	-	-	456,443
-	-	89,885	-	(90,602)	-
1,736,863	-	9,446,342	-	(90,602)	23,221,101
2,101,230	151,952	9,507,166	717	(90,602)	33,964,164
1,863,071	-	-	-	-	34,652,790
12,977,298	-	-	-	-	287,302,399
82,830	-	716,237	-	-	2,330,365
(4,156,793)	-	(629,044)	-	-	(191,247,203)
-	-	-	-	-	10,190,732
10,766,406	-	87,193	-	-	143,229,083
-	-	168,230	-	-	316,902
10,766,406	-	255,423	-	-	143,545,985
\$ 12,867,636	\$ 151,952	\$ 9,762,589	\$ 717	\$ (90,602)	\$ 177,510,149

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet—All Programs (Continued)
 March 31, 2013

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	SRO 001 14.249	CHSP 14.170
Liabilities and Net Position							
Liabilities							
Current liabilities:							
312	Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
321	Accrued wage/payroll taxes payable	541,586	106,866	1,900	2,906	108	5,549
322	Accrued compensated absences—current portion	595,890	120,174	1,913	-	89	-
325	Accrued interest payable	107,530	-	-	-	-	-
333	Accounts payable—other government	221,158	-	-	-	-	-
341	Tenant security deposits	930,515	-	-	-	-	-
342	Unearned revenues	542,286	-	-	18,675	8,100	-
345	Other current liabilities	90,591	132,803	-	-	-	-
346	Accrued liabilities—other	287,526	1,115	-	-	-	167
347	Interprogram due to	-	-	-	-	-	82,108
310	Total current liabilities	3,317,082	360,958	3,813	21,581	8,297	87,824
Noncurrent liabilities:							
354	Accrued compensated absences—noncurrent	1,165,602	241,626	3,797	2,390	-	-
357	Accrued pension and OPEB liabilities	538,374	108,509	1,869	2,919	-	-
300	Total liabilities	5,021,058	711,093	9,479	26,890	8,297	87,824
Net Position							
508.1	Net investment in capital assets	132,375,484	-	-	-	-	-
511.1	Restricted net position	11,943,708	2,911,130	-	-	-	-
512.1	Unrestricted net position	-	1,421,885	133,037	159,647	8,325	-
513	Total net position	144,319,192	4,333,015	133,037	159,647	8,325	-
600	Total liabilities and net position	\$ 149,340,250	\$ 5,044,108	\$ 142,516	\$ 186,537	\$ 16,622	\$ 87,824

Business Activities	State/ Local Wilder/ SHIP	Central Office Cost Center (COCC)	Shelter Plus Care 14.238	Eliminations	Total
\$ 14,050	\$ -	\$ 1,768,988	\$ -	\$ -	\$ 1,783,038
5,815	-	142,251	-	-	806,981
5,579	-	132,940	-	-	856,585
-	-	-	-	-	107,530
-	-	-	-	-	221,158
-	-	-	-	-	930,515
-	29	-	-	-	569,090
-	-	65,791	-	-	289,185
2,520	-	331	-	-	291,659
-	7,777	-	717	(90,602)	-
27,964	7,806	2,110,301	717	(90,602)	5,855,741
19,561	-	259,823	-	-	1,692,799
5,176	-	141,888	-	-	798,735
52,701	7,806	2,512,012	717	(90,602)	8,347,275
10,766,406	-	87,193	-	-	143,229,083
-	-	7,163,384	-	-	22,018,222
2,048,529	144,146	-	-	-	3,915,569
12,814,935	144,146	7,250,577	-	-	169,162,874
\$ 12,867,636	\$ 151,952	\$ 9,762,589	\$ 717	\$ (90,602)	\$177,510,149

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

Combining Schedule of Revenues, Expenses and Changes in Net Position—All Programs

For the Year Ended March 31, 2013

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	SRO 001 14.249	CHSP 14.170
Revenues:							
70300	Tenant rental revenue	\$ 12,947,602	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue—other	76,842	-	-	-	-	-
70500	Total tenant revenues	13,024,444	-	-	-	-	-
70600	HUD PHA grants	14,257,050	-	-	-	-	723,256
70600-010	Housing assistance payments	-	33,690,426	331,171	700,254	22,017	-
70600-020	Ongoing administrative fees earned	-	2,975,212	69,179	104,541	5,534	-
70600-031	FSS coordinator	-	68,680	-	-	-	-
70600-031	Actual independent public accountant audit costs	-	-	293	468	59	-
70610	Capital grants	5,212,662	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-
71100	Investment income—unrestricted	-	-	-	-	-	-
71100-020	Investment income—unrestricted—admin. fees	-	4,906	395	479	24	-
71400	Fraud recovery—HAP	-	123,501	-	-	-	-
71400-020	Fraud recovery—admin.	-	123,502	-	-	-	-
71500	Other revenues	980,442	1,555,125	65	99	-	1,171,407
71600	Gain or loss on the sale of capital assets	48,814	-	-	-	-	-
72000	Investment income—restricted—HAP	-	10,619	79	171	36	-
70000	Total revenues	33,523,412	38,551,971	401,182	806,012	27,670	1,894,663
Expenses:							
Administrative:							
91100	Salaries	2,866,981	1,528,399	24,207	39,787	2,971	56,173
91200	Auditing fees	51,603	18,077	293	468	59	500
91300	Management fee	3,276,073	-	-	-	-	-
91310	Bookkeeping fee	379,088	-	-	-	-	-
91400	Advertising and marketing	13,585	643	9	14	-	-
91500	Employee benefit contributions	1,053,457	566,732	9,033	14,442	864	18,802
91600	Office expense	369,311	233,866	4,552	6,883	-	-
91700	Legal expense	1,054	118,480	1,975	3,520	-	-
91800	Travel	39,589	44,567	808	1,254	-	-
91900	Other	191,473	268,026	3,098	5,011	-	16,371
92000	Asset management fee	509,850	-	-	-	-	-
91000	Total administrative	8,752,064	2,778,790	43,975	71,379	3,894	91,846
Tenant services:							
92100	Salaries	555,736	-	-	-	-	499,957
92300	Employee benefit contributions	200,287	-	-	-	-	173,130
92400	Other	338,111	-	-	-	-	1,129,730
92500	Total tenant services	1,094,134	-	-	-	-	1,802,817
Utilities:							
93100	Water	2,030,054	-	-	-	-	-
93200	Electricity	1,439,174	-	-	-	-	-
93300	Gas	508,193	-	-	-	-	-
93400	Fuel	140,303	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93700	Employee benefit contributions	-	-	-	-	-	-
93800	Other	589,836	-	-	-	-	-
93000	Total utilities	4,707,560	-	-	-	-	-

(Continued)

Business Activities	State/Local/Wilder/SHIP	Central Office Cost Center (COCC)	Shelter Plus Care 14.238	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,947,602
-	-	-	-	-	76,842
-	-	-	-	-	13,024,444
-	-	-	58,896	-	15,039,202
-	-	-	-	-	34,743,868
-	-	-	-	-	3,154,466
-	-	-	-	-	68,680
-	-	-	-	-	820
-	-	-	-	-	5,212,662
-	-	3,276,073	-	(3,276,073)	-
-	-	509,850	-	(509,850)	-
-	-	379,088	-	(379,088)	-
5,956	-	85,511	-	-	91,467
-	-	-	-	-	5,804
-	-	-	-	-	123,501
-	-	-	-	-	123,502
827,407	54,360	198,964	-	(562,531)	4,225,338
-	-	-	-	-	48,814
-	-	-	-	-	10,905
833,363	54,360	4,449,486	58,896	(4,727,542)	75,873,473
32,503	8,723	2,270,192	511	-	6,830,447
500	-	2,500	-	-	74,000
-	-	-	-	(3,276,073)	-
-	-	-	-	(379,088)	-
-	-	1,198	-	-	15,449
11,731	-	829,207	203	-	2,504,471
1,449	-	397,627	-	(507,416)	506,272
-	-	270,993	-	-	396,022
-	-	63,977	-	(45,408)	104,787
100,697	39,602	363,495	-	(9,707)	978,066
-	-	-	-	(509,850)	-
146,880	48,325	4,199,189	714	(4,727,542)	11,409,514
-	-	-	-	-	1,055,693
-	-	-	-	-	373,417
-	-	-	-	-	1,467,841
-	-	-	-	-	2,896,951
6,186	-	-	-	-	2,036,240
74,599	-	-	-	-	1,513,773
-	-	-	-	-	508,193
-	-	-	-	-	140,303
8,395	-	67,159	-	-	75,554
3,013	-	31,494	-	-	34,507
153,757	-	-	-	-	743,593
245,950	-	98,653	-	-	5,052,163

Public Housing Agency of the City of Saint Paul

**Financial Data Schedule
Combining Schedule of Revenues, Expenses and Changes in Net Position—All Programs (Continued)
For the Year Ended March 31, 2013**

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	SRO 001 14.249	CHSP 14.170
Expenses (continued):							
Ordinary maintenance and operation:							
94100	Labor	4,071,808	-	-	-	-	-
94200	Materials and other	809,561	-	-	-	-	-
94300	Contract costs	2,102,426	-	-	-	-	-
94500	Employee benefit contributions	1,722,509	-	-	-	-	-
94000	Total ordinary maintenance and operation	8,706,304	-	-	-	-	-
Protective services:							
95200	Protective services—other labor costs	553,776	-	-	-	-	-
95000	Total protective services	553,776	-	-	-	-	-
General expenses:							
96100	Insurance premiums	779,056	54,267	691	892	-	-
96200	Other general expenses	335,124	279,569	-	4,211	-	-
96300	Payments in lieu of taxes	692,257	-	-	-	-	-
96400	Bad debt—tenant rents	98,834	-	-	-	-	-
96800	Severance expense	38,308	20,993	-	-	-	-
96000	Total general expenses	1,943,579	354,829	691	5,103	-	-
96900	Total operating expenses	25,757,417	3,133,619	44,666	76,482	3,894	1,894,663
97000	Excess of operating revenues over operating expenses	7,765,995	35,418,352	356,516	729,530	23,776	-
97100	Extraordinary maintenance	376,252	-	-	-	-	-
97200	Casualty losses—noncapitalized	61,221	-	-	-	-	-
97300	Housing assistance payments	-	34,245,042	331,315	700,524	22,053	-
97350	HAP—portability in	-	1,471,787	-	-	-	-
97400	Depreciation expense	7,544,284	-	-	-	-	-
90000	Total expenses	33,739,174	38,850,448	375,981	777,006	25,947	1,894,663
10000	Excess (deficit) of revenues over expenses before transfers	(215,762)	(298,477)	25,201	29,006	1,723	-
11040	Program equity transfers	-	-	-	-	-	-
	Changes in net position	(215,762)	(298,477)	25,201	29,006	1,723	-
11030	Net position, beginning	144,534,954	4,631,492	107,836	130,641	6,602	-
	Net position, ending	\$ 144,319,192	\$ 4,333,015	\$ 133,037	\$ 159,647	\$ 8,325	\$ -
Other Financial Data							
11170	Administrative fee equity	\$ -	\$ 1,421,888	\$ -	\$ -	\$ -	\$ -
11180	Housing assistance payments equity	-	2,911,130	-	-	-	-
11190	Units months available	50,721	52,236	900	1,404	72	-
11210	Number of units months leased	50,546	52,068	882	1,360	56	-
11270	Excess cash	9,811,784	-	-	-	-	-
11610	Land purchases	1,050	-	-	-	-	-
11620	Building purchases	5,300,549	-	-	-	-	-
11640	Furniture & equipment—admin. purchases	(30,453)	-	-	-	-	-

Business Activities	State/ Local Wilder/ SHIP	Central Office Cost Center (COCC)	Shelter Plus Care 14.238	Eliminations	Total
37,016	-	-	-	-	4,108,824
2,617	-	-	-	-	812,178
106,474	-	-	-	-	2,208,900
13,300	-	-	-	-	1,735,809
159,407	-	-	-	-	8,865,711
28,303	-	-	-	-	582,079
28,303	-	-	-	-	582,079
14,155	-	37,473	-	-	886,534
-	-	-	-	-	618,904
58,947	-	-	-	-	751,204
-	-	-	-	-	98,834
-	-	78,806	-	-	138,107
73,102	-	116,279	-	-	2,493,583
653,642	48,325	4,414,121	714	(4,727,542)	31,300,001
179,721	6,035	35,365	58,182	-	44,573,472
4,968	-	-	-	-	381,220
-	-	-	-	-	61,221
-	-	-	58,182	-	35,357,116
-	-	-	-	-	1,471,787
438,742	-	26,676	-	-	8,009,702
1,097,352	48,325	4,440,797	58,896	(4,727,542)	76,581,047
(263,989)	6,035	8,689	-	-	(707,574)
-	-	-	-	-	-
(263,989)	6,035	8,689	-	-	(707,574)
13,078,924	138,111	7,241,888	-	-	169,870,448
\$ 12,814,935	\$ 144,146	\$ 7,250,577	\$ -	\$ -	\$ 169,162,874
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,421,888
-	-	-	-	-	2,911,130
-	-	-	-	-	105,333
-	-	-	-	-	104,912
-	-	-	-	-	9,811,784
-	-	-	-	-	1,050
-	-	-	-	-	5,300,549
-	-	-	-	-	(30,453)

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
Combining Balance Sheet—Low Rent
March 31, 2013

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	\$ 452,609	\$ 301,985	\$ 471,151	\$ 255,947
113	Cash—other restricted	-	-	-	-
100	Total cash	<u>452,609</u>	<u>301,985</u>	<u>471,151</u>	<u>255,947</u>
Accounts and notes receivable:					
122	Accounts receivable—HUD other projects	6,576	22,330	149,021	35,655
125	Accounts receivable—miscellaneous	377	5,458	18,529	-
126	Accounts receivable—tenants	36,543	14,834	14,539	6,894
129	Accrued interest receivable	1,757	1,749	1,392	1,022
120	Total receivables	<u>45,253</u>	<u>44,371</u>	<u>183,481</u>	<u>43,571</u>
Investments and Other Assets					
131	Investments—unrestricted	1,301,492	1,146,597	1,122,323	742,802
132	Investments—restricted	150,066	127,854	157,459	93,962
142	Prepaid expenses and other assets	51,687	17,922	17,815	29,010
143	Inventories	-	32,780	44,959	-
144	Interprogram due from	-	-	-	-
	Total investments and other assets	<u>1,503,245</u>	<u>1,325,153</u>	<u>1,342,556</u>	<u>865,774</u>
150	Total current assets and investments	<u>2,001,107</u>	<u>1,671,509</u>	<u>1,997,188</u>	<u>1,165,292</u>
Noncurrent Assets					
Capital assets:					
161	Land and land improvements	5,092,028	1,717,716	2,145,684	1,666,089
162	Buildings	62,187,752	17,965,407	27,017,162	31,312,144
164	Furniture, equipment and machinery—administrative	365,312	96,356	96,888	117,809
166	Accumulated depreciation	(31,564,746)	(14,344,981)	(16,461,562)	(19,273,509)
167	Construction in progress	206,153	1,164,657	923,306	509,636
160	Total capital assets, net	<u>36,286,499</u>	<u>6,599,155</u>	<u>13,721,478</u>	<u>14,332,169</u>
174	Other assets	22,300	11,542	13,697	13,780
180	Total noncurrent assets	<u>36,308,799</u>	<u>6,610,697</u>	<u>13,735,175</u>	<u>14,345,949</u>
190	Total assets	<u>\$ 38,309,906</u>	<u>\$ 8,282,206</u>	<u>\$ 15,732,363</u>	<u>\$ 15,511,241</u>

(Continued)

AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Total
\$ 768,173	\$ 237,348	\$ 407,115	\$ 872,997	\$ 161,928	\$ 3,929,253
-	-	-	-	-	-
768,173	237,348	407,115	872,997	161,928	3,929,253
52,421	8,630	47,842	110,483	90,834	523,792
3,159	6,594	20,657	22,145	-	76,919
26,805	18,700	28,928	22,155	21,138	190,536
1,835	618	1,796	1,640	1,679	13,488
84,220	34,542	99,223	156,423	113,651	804,735
1,702,983	537,844	1,296,376	1,714,771	976,141	10,541,329
152,602	62,621	123,846	159,736	100,484	1,128,630
38,524	9,640	25,277	31,063	43,845	264,783
19,315	-	23,805	26,505	-	147,364
-	-	-	-	-	-
1,913,424	610,105	1,469,304	1,932,075	1,120,470	12,082,106
2,765,817	881,995	1,975,642	2,961,495	1,396,049	16,816,094
10,096,763	897,607	1,871,632	3,744,273	5,557,927	32,789,719
41,005,277	10,119,866	24,435,836	34,794,298	25,487,359	274,325,101
474,880	46,761	90,340	129,323	113,629	1,531,298
(37,695,170)	(7,232,897)	(15,582,461)	(22,566,591)	(21,739,449)	(186,461,366)
866,308	581,244	1,728,782	2,074,644	2,136,002	10,190,732
14,748,058	4,412,581	12,544,129	18,175,947	11,555,468	132,375,484
23,794	5,513	24,864	19,191	13,991	148,672
14,771,852	4,418,094	12,568,993	18,195,138	11,569,459	132,524,156
\$ 17,537,669	\$ 5,300,089	\$ 14,544,635	\$ 21,156,633	\$ 12,965,508	\$ 149,340,250

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet—Low Rent (Continued)
 March 31, 2013

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a
Liabilities and Net Position					
Liabilities					
Current liabilities:					
312	Accounts payable	\$ -	\$ -	\$ -	\$ -
321	Accrued wages/payroll taxes payable	89,750	45,241	42,766	56,979
322	Accrued compensated absences—current portion	81,702	64,647	60,128	59,545
325	Accrued interest payable	14,666	10,651	9,839	8,445
333	Accounts payable—other government	-	38,385	48,910	16,461
341	Tenant security deposits	135,400	105,364	122,989	68,540
342	Unearned revenues	28,448	74,168	144,704	3,830
345	Other current liabilities	-	11,840	24,631	16,982
346	Accrued liabilities—other	24,566	42,364	29,610	9,765
347	Interprogram due to	-	-	-	-
310	Total current liabilities	374,532	392,660	483,577	240,547
Noncurrent liabilities:					
354	Accrued compensated absences—noncurrent portion	159,738	126,531	117,595	116,564
357	Accrued pension and OPEB liabilities	85,378	48,637	55,038	47,113
350	Total noncurrent liabilities	245,116	175,168	172,633	163,677
300	Total liabilities	619,648	567,828	656,210	404,224
Net Position					
508.1	Net investment in capital assets	36,286,499	6,599,155	13,721,478	14,332,169
511.1	Restricted net position	1,403,759	1,115,223	1,354,675	774,848
512.1	Unrestricted net position	-	-	-	-
513	Total net position	37,690,258	7,714,378	15,076,153	15,107,017
600	Total liabilities and net position	\$ 38,309,906	\$ 8,282,206	\$ 15,732,363	\$ 15,511,241

AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116,975	26,437	52,192	67,243	44,003	541,586
107,211	23,468	50,581	90,739	57,869	595,890
15,528	5,312	12,547	13,586	16,956	107,530
22,492	9,819	40,191	44,900	-	221,158
135,074	51,909	104,299	124,240	82,700	930,515
39,025	55,641	35,564	145,298	15,608	542,286
2,000	5,400	7,000	21,910	828	90,591
54,645	6,419	43,686	30,774	45,697	287,526
-	-	-	-	-	-
492,950	184,405	346,060	538,690	263,661	3,317,082
209,762	45,999	98,821	177,439	113,153	1,165,602
97,374	23,130	56,275	70,484	54,945	538,374
307,136	69,129	155,096	247,923	168,098	1,703,976
800,086	253,534	501,156	786,613	431,759	5,021,058
14,748,058	4,412,581	12,544,129	18,175,947	11,555,468	132,375,484
1,989,525	633,974	1,499,350	2,194,073	978,281	11,943,708
-	-	-	-	-	-
16,737,583	5,046,555	14,043,479	20,370,020	12,533,749	144,319,192
\$ 17,537,669	\$ 5,300,089	\$ 14,544,635	\$ 21,156,633	\$ 12,965,508	\$ 149,340,250

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Schedule of Revenues, Expenses and Changes in Net Position—Low Rent
 For the Year Ended March 31, 2013

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a
Revenues:					
70300	Tenant rental revenue	\$ 1,774,104	\$ 1,476,209	\$ 1,634,964	\$ 899,390
70400	Tenant revenue—other	-	13,716	15,834	-
70500	Total tenant revenues	<u>1,774,104</u>	<u>1,489,925</u>	<u>1,650,798</u>	<u>899,390</u>
70600	HUD PHA grants	2,210,775	1,234,796	1,708,179	1,005,104
70610	Capital grants	20,294	131,203	515,752	297,196
71500	Other revenues	36,968	117,794	236,871	22,818
71600	Gain or loss on sale of capital assets	-	-	-	-
70000	Total revenues	<u>4,042,141</u>	<u>2,973,718</u>	<u>4,111,600</u>	<u>2,224,508</u>
Expenses:					
Administrative:					
91100	Salaries	376,341	265,914	277,710	311,591
91200	Auditing fees	5,721	4,788	5,474	3,110
91300	Management fee	450,110	369,153	426,856	243,531
91310	Bookkeeping fee	52,124	42,690	49,388	28,200
91400	Advertising and marketing	2,368	944	1,215	1,210
91500	Employee benefit contributions	136,907	95,453	100,765	114,806
91600	Other operating	50,201	38,016	44,714	26,954
91700	Legal	-	-	-	-
91800	Travel	2,516	3,463	5,202	3,186
91900	Other	37,994	9,923	13,445	27,441
92000	Asset management fee	69,600	57,720	66,540	37,680
91000	Total administrative	<u>1,183,882</u>	<u>888,064</u>	<u>991,309</u>	<u>797,709</u>
Tenant services:					
92100	Salaries	86,725	41,502	38,091	66,381
92300	Employee benefit contributions	30,832	14,874	13,820	24,261
92400	Other	55,111	33,124	36,824	36,787
92500	Total tenant services	<u>172,668</u>	<u>89,500</u>	<u>88,735</u>	<u>127,429</u>
Utilities:					
93100	Water	433,416	189,662	113,004	169,016
93200	Electricity	33,330	252,463	285,074	36,385
93300	Gas	9,757	120,738	111,028	18,974
93400	Fuel	-	40,596	27,660	-
93800	Other	4,045	7,567	5,123	1,624
93000	Total utilities	<u>480,548</u>	<u>611,026</u>	<u>541,889</u>	<u>225,999</u>

(Continued)

	AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Total
\$	1,894,795	\$ 722,436	\$ 1,494,937	\$ 1,748,534	\$ 1,302,233	\$ 12,947,602
	14,940	5,040	11,340	15,972	-	76,842
	1,909,735	727,476	1,506,277	1,764,506	1,302,233	13,024,444
	2,417,749	951,209	1,715,711	1,873,552	1,139,975	14,257,050
	176,214	397,502	955,060	1,770,510	948,931	5,212,662
	89,837	95,529	105,347	241,720	33,558	980,442
	-	-	-	-	48,814	48,814
	4,593,535	2,171,716	4,282,395	5,650,288	3,473,511	33,523,412
	504,652	147,863	248,625	430,414	303,871	2,866,981
	6,034	2,613	5,037	5,720	13,106	51,603
	471,349	203,441	391,314	442,252	278,067	3,276,073
	54,555	23,528	45,285	51,158	32,160	379,088
	2,613	455	1,678	1,395	1,707	13,585
	186,137	51,881	95,887	158,274	113,347	1,053,457
	60,026	21,115	57,851	51,771	18,663	369,311
	-	-	-	1,054	-	1,054
	2,385	6,319	4,449	4,587	7,482	39,589
	52,401	6,739	11,674	22,338	9,518	191,473
	73,200	31,800	60,960	69,030	43,320	509,850
	1,413,352	495,754	922,760	1,237,993	821,241	8,752,064
	120,445	23,627	39,305	90,916	48,744	555,736
	42,959	8,159	15,097	32,405	17,880	200,287
	55,199	23,878	33,068	44,729	19,391	338,111
	218,603	55,664	87,470	168,050	86,015	1,094,134
	352,693	113,874	170,268	185,594	302,527	2,030,054
	192,605	127,406	257,311	254,600	-	1,439,174
	60,083	1,472	100,120	86,021	-	508,193
	3,642	-	35,782	32,623	-	140,303
	227,445	183,936	2,572	149,545	7,979	589,836
	836,468	426,688	566,053	708,383	310,506	4,707,560

Public Housing Agency of the City of Saint Paul

**Financial Data Schedule
Combining Schedule of Revenues, Expenses and Changes in Net Position—Low Rent (Continued)
For the Year Ended March 31, 2013**

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a
Expenses (continued):					
Ordinary maintenance and operation:					
94100	Labor	698,483	336,945	377,744	360,632
94200	Materials and other	152,995	53,222	60,715	68,473
94300	Contract costs	290,307	238,281	249,144	137,289
94500	Employee benefit contributions	287,908	153,069	168,433	145,387
94000	Total ordinary maintenance and operation	1,429,693	781,517	856,036	711,781
Protective services:					
95200	Other contract costs	77,520	69,237	85,713	41,342
General expenses:					
96100	Insurance premiums	163,582	48,851	56,856	74,037
96200	Other general expenses	6,480	165	219,700	2,599
96300	Payments in lieu of taxes	119,088	59,805	64,419	60,682
96400	Bad debt—tenant rents	37,763	16,477	12,977	2,142
96800	Severance expense	3,338	21	789	15,360
96000	Total general expenses	330,251	125,319	354,741	154,820
96900	Total operating expenses	3,674,562	2,564,663	2,918,423	2,059,080
97000	Excess (deficit) of operating revenues over operating expenses	367,579	409,055	1,193,177	165,428
97100	Extraordinary maintenance	53,849	11,617	18,147	20,985
97200	Casualty losses—noncapitalized	(120)	36,320	(171)	907
97300	Housing assistance payments	-	-	-	-
97400	Depreciation expense	1,805,771	517,446	607,194	901,511
90000	Total expenses	5,534,062	3,130,046	3,543,593	2,982,483
10010	Operating transfers in	-	-	-	-
10020	Operating transfers out	-	-	-	-
10091	Inter-project excess cash transfer in	-	-	-	300,000
10092	Inter-project excess cash transfer out	(250,000)	-	(500,000)	-
10100	Total other financing sources (uses)	(250,000)	-	(500,000)	300,000
10000	Excess (deficit) of revenues over expenses before transfers	(1,741,921)	(156,328)	68,007	(457,975)
11040	Program equity transfers	-	-	-	-
	Changes in net position	(1,741,921)	(156,328)	68,007	(457,975)
11030	Net position, beginning	39,432,179	7,870,706	15,008,146	15,564,992
	Net position, ending	\$ 37,690,258	\$ 7,714,378	\$ 15,076,153	\$ 15,107,017
Other Financial Data					
11190	Unit months available	6,960	5,712	6,618	3,768
11210	Unit months leased	6,953	5,694	6,587	3,763
11270	Excess cash	\$ 1,118,609	\$ 886,571	\$ 1,050,176	\$ 630,183
11610	Land purchases	-	-	-	-
11620	Building purchases	6,389	131,203	515,752	298,355
11640	Furniture & equipment—admin. purchases	20,167	-	-	-

AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Total
855,785	168,028	403,736	448,455	422,000	4,071,808
169,178	69,128	84,920	91,681	59,249	809,561
350,249	119,504	279,022	279,780	158,850	2,102,426
341,287	75,149	175,225	196,532	179,519	1,722,509
1,716,499	431,809	942,903	1,016,448	819,618	8,706,304
83,662	43,629	71,882	80,791	-	553,776
127,097	30,859	60,930	108,443	108,401	779,056
3,042	851	99,020	2,863	404	335,124
96,786	26,751	71,527	68,871	124,328	692,257
(972)	7,031	998	15,218	7,200	98,834
1,751	3	2,951	2,657	11,438	38,308
227,704	65,495	235,426	198,052	251,771	1,943,579
4,496,288	1,519,039	2,826,494	3,409,717	2,289,151	25,757,417
97,247	652,677	1,455,901	2,240,571	1,184,360	7,765,995
66,076	1,245	49,596	30,833	123,904	376,252
5,591	-	4,268	6,499	7,927	61,221
-	-	-	-	-	-
1,138,793	223,395	594,295	834,149	921,730	7,544,284
5,706,748	1,743,679	3,474,653	4,281,198	3,342,712	33,739,174
-	-	-	-	-	-
-	-	-	-	-	-
700,000	-	-	400,000	-	1,400,000
-	(300,000)	(150,000)	-	(200,000)	(1,400,000)
700,000	(300,000)	(150,000)	400,000	(200,000)	-
(413,213)	128,037	657,742	1,769,090	(69,201)	(215,762)
-	-	-	-	-	-
(413,213)	128,037	657,742	1,769,090	(69,201)	(215,762)
17,150,796	4,918,518	13,385,737	18,600,930	12,602,950	144,534,954
\$ 16,737,583	\$ 5,046,555	\$ 14,043,479	\$ 20,370,020	\$ 12,533,749	\$ 144,319,192
7,284	3,156	6,048	6,843	4,332	50,721
7,275	3,136	6,036	6,815	4,287	50,546
\$ 1,687,735	\$ 498,742	\$ 1,221,113	\$ 1,921,358	\$ 797,296	\$ 9,811,784
-	-	-	-	1,050	1,050
179,048	397,502	1,053,909	1,770,510	947,881	5,300,549
-	-	(50,620)	-	-	(30,453)

Public Housing Agency of the City of Saint Paul

**Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2013**

Federal Grantor	Catalogue of Federal Domestic Assistance Number	Expenditures
U.S. Department of Housing and Urban Development:		
CHSP	14.170	\$ 723,256
Low Rent Public Housing	14.850a	13,549,274
Section 8:		
Housing Choice Voucher	14.871	36,734,318
Disability Vouchers	14.181	805,263
Moderate Rehabilitation	14.856	400,643
Moderate Rehabilitation—Single Room Occupancy	14.249	27,610
Capital Fund Program	14.872	5,920,438
Shelter Plus Care	14.238	58,896
		<u>\$ 58,219,698</u>

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 Public Housing Agency of the City of Saint Paul.

REVENUE TABLES

Table 1	Agency Revenue by Agency/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
Table 6	Low Rent Public Housing Expenses by HUD Classification
Table 7	Section 8 Expenses by HUD Classification
Table 8	Agency Salary Expense by Department
Table 9	Low Rent Public Housing Collection Write-Offs

NET POSITION TABLES

Table 10	Agencywide Changes in Net Position
Table 11	Agencywide Assets, Liabilities and Net Position
Table 12	Agencywide Net Position by Type
Table 13	Agencywide Capital Assets

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 Net Position 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.

The Agency does not have the ability to tax, nor does it receive any tax revenues; therefore, statistics related to population, per capita income, and area employment are not relevant to the Agency.

Public Housing Agency of the City of Saint Paul

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Section 8 Certs/Mod	\$ 269,574	\$ 278,237	\$ 306,563	\$ 322,789	\$ 352,731	\$ 363,724	\$ 368,789	\$ 427,115	\$ 396,362	\$ 401,182
Section 8 Vouchers	37,983,991	37,536,502	36,639,950	34,487,712	36,457,710	34,248,633	32,765,741	37,730,735	38,713,418	38,551,971
Section 8 Disability Vouchers	-	209,924	656,445	692,027	878,622	828,549	806,129	791,520	810,722	806,012
Section 8 Single Room Occupancy	-	-	-	-	-	8,398	13,022	28,150	29,373	27,670
Shelter Plus Care	-	-	-	-	-	-	-	38,887	58,063	58,896
DHAP	-	-	-	-	90,632	52,408	4,198	-	-	-
RAFS	212,150	126,894	56,681	13,198	-	-	-	-	-	-
Veterans Affairs Supportive Housing	-	-	-	-	-	-	118,457	365,392	-	-
Low Rent Housing (includes COCC)	20,840,301	23,183,266	21,990,243	23,425,957	25,659,469	28,084,814	26,941,873	26,672,951	27,537,612	27,887,449
Discretionary	-	-	-	-	-	-	-	-	-	-
Business Activities	143,380	759,823	1,228,918	886,995	861,105	890,275	872,911	876,770	858,459	833,363
CIAP/Comp Grant/Capital Fund (Annual)	11,125,724	7,324,221	7,371,910	9,979,958	6,349,252	6,508,330	6,857,702	7,122,735	5,692,920	5,920,438
Capital Fund Recovery Grant (Formula)	-	-	-	-	-	-	5,899,205	4,166,577	-	-
Capital Fund Recovery Grant (Competitive)	-	-	-	-	-	-	130,134	7,009,031	12,968	-
Congregate Housing Program	1,960,663	2,346,651	1,828,559	1,733,033	1,783,026	1,674,747	1,694,351	1,893,797	1,998,484	1,894,663
Wilder	155,018	148,506	146,965	124,468	115,638	43,316	16,596	14,216	14,848	15,740
Drug Elimination	-	-	-	-	-	-	-	-	-	-
Service Coordinators	445,653	160,054	-	-	-	-	-	-	-	-
Web Learner Grant	-	-	-	-	-	-	-	6,120	12,257	-
Health Improvement Grants	-	-	-	-	-	-	-	-	-	38,620
Jobs Plus Research Grant	183,563	-	-	-	-	-	-	-	-	-
MDRC Jobs Plus	32,397	-	-	-	-	-	-	-	-	-
Resident Opportunity & Self-Sufficiency Grant (ROSS)	232,054	232,698	100,822	8,950	-	-	-	-	-	-
Neighborhood Networks	-	-	-	-	-	27,327	93,317	90,607	38,749	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Weed and Seed	49,975	-	-	-	-	-	-	-	-	-
Total Agency revenues	\$ 73,634,443	\$ 72,306,776	\$ 70,327,056	\$ 71,675,087	\$ 72,548,185	\$ 72,730,521	\$ 76,582,425	\$ 87,234,603	\$ 76,174,235	\$ 76,436,004

Note 1: Low Rent Housing revenue does not include internal fees.

Note 2: Does not include elimination entries.

Public Housing Agency of the City of Saint Paul

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Dwelling rental	\$ 10,542,487	\$ 10,588,726	\$ 11,078,857	\$ 11,680,840	\$ 11,887,433	\$ 12,045,042	\$ 12,451,097	\$ 12,426,822	\$ 12,683,626	\$ 12,947,602
Excess utilities	51,625	47,076	47,611	65,011	81,094	80,796	78,546	75,618	73,974	76,842
Nondwelling rental	2,030	990	1,980	2,970	2,640	2,860	660	-	495	-
Interest income	329,511	283,965	470,344	752,100	838,814	381,886	76,307	97,573	92,229	85,511
Other income	411,209	416,180	546,632	673,133	613,247	1,028,179	940,301	1,105,413	1,275,246	1,179,406
Gain (loss) from disposition of real property	462,814	1,814,379	122,677	15,316	1,291,401	22,500	7,116	68,959	3,150	48,814
HUD subsidy*	9,040,625	10,031,950	9,722,142	10,184,322	11,145,847	14,546,052	16,311,542	14,986,650	13,849,376	14,257,050
Total Low Rent Public Housing revenue	\$ 20,840,301	\$ 23,183,266	\$ 21,990,243	\$ 23,373,692	\$ 25,860,476	\$ 28,107,315	\$ 29,865,569	\$ 28,761,035	\$ 27,978,096	\$ 28,595,225
Average units leased	4,215	4,211	4,210	4,208	4,219	4,220	4,230	4,227	4,228	4,212
Revenue per average unit month	\$ 412.03	\$ 458.78	\$ 435.28	\$ 462.92	\$ 510.76	\$ 555.03	\$ 588.41	\$ 566.95	\$ 551.50	\$ 565.73
Subsidy per average unit month	178.74	198.53	192.44	201.70	220.14	287.24	321.37	295.43	273.00	282.06

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)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Housing assistance payments	\$ 33,294,134	\$ 32,192,311	\$ 33,316,813	\$ 32,144,373	\$ 34,285,644	\$ 31,274,014	\$ 30,036,620	\$ 33,806,596	\$ 35,080,819	\$ 34,743,868
Port-in housing assistance payments	2,032,834	2,696,391	1,391,218	455,999	323,560	786,246	625,830	1,900,287	1,208,606	1,468,020
Administration fees	2,532,915	2,558,357	2,573,816	2,558,916	2,683,070	3,003,653	3,109,725	3,289,819	3,334,785	3,223,966
Hard-to-house fees	48,600	56,025	-	-	-	-	-	-	-	-
Auditing fees	13,888	12,732	-	-	-	-	-	-	-	-
Interest on reserves/investments	2,597	6,064	86,177	132,918	187,548	109,962	47,920	17,800	15,916	16,709
Portability-in admin. and other revenue	123,566	144,394	75,012	27,415	18,048	61,823	42,186	124,571	71,647	87,105
Fraud recovery/other revenue	205,031	358,389	159,922	180,403	191,192	213,606	209,857	203,840	238,102	247,167
Total Section 8 revenue	\$ 38,253,565	\$ 38,024,663	\$ 37,602,958	\$ 35,500,024	\$ 37,689,062	\$ 35,449,304	\$ 34,072,138	\$ 39,342,913	\$ 39,949,875	\$ 39,786,835
ACC authorized monthly unit count	4,059	4,059	4,066	4,103	4,103	4,121	4,286	4,310	4,511	4,551
Average monthly units leased	4,092	3,954	4,006	4,032	4,167	4,027	4,373	4,155	4,354	4,531
Average monthly revenue per unit	\$ 779.03	\$ 801.40	\$ 782.22	\$ 733.71	\$ 753.80	\$ 733.53	\$ 649.27	\$ 789.00	\$ 764.62	\$ 731.75

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	
	Dollar Amount	Number of Recaptures	Dollar Amount	Number of Recaptures	Dollar Amount	Number of Recaptures
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	108,301	240
2008	49,109	108	53,075	155	102,184	263
2009	70,932	142	80,356	211	151,288	353
2010	38,460	91	76,511	184	114,971	275
2011	35,699	75	60,862	148	96,561	223
2012	40,056	78	55,352	141	95,408	219
2013	45,005	82	34,542	87	79,547	169
Totals	\$ 509,606	1,089	\$ 568,883	1,477	\$ 1,078,489	2,566

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Section 8 Certs/Mod	\$ 264,376	\$ 279,306	\$ 306,659	\$ 319,862	\$ 345,571	\$ 346,549	\$ 375,149	\$ 388,367	\$ 372,710	\$ 375,981
Section 8 Vouchers	37,964,189	37,120,743	35,454,263	33,387,929	34,098,089	33,382,374	36,646,873	36,506,032	37,606,573	38,850,448
Section 8 Disability Vouchers	-	213,239	657,199	685,583	851,919	807,499	784,819	768,713	785,358	777,006
Section 8 Single Room Occupancy	-	-	-	-	-	6,799	12,042	26,191	27,309	25,947
Shelter Plus Care	-	-	-	-	-	-	-	38,887	58,063	58,896
DHAP	-	-	-	-	29,394	55,677	15,989	-	-	-
RAFS	212,150	126,894	56,681	13,198	-	-	-	-	-	-
Veterans Affairs Supportive Housing	-	-	-	-	-	-	8,708	171,587	-	-
Low Rent Housing	20,277,568	21,298,444	21,968,703	22,286,843	22,852,582	24,087,586	24,638,317	25,407,849	25,751,550	25,736,243
Discretionary	-	-	-	-	-	-	-	-	-	-
Business Activities	209,616	551,507	461,189	580,236	555,621	558,082	580,173	636,627	724,334	658,610
CIAP/Comp Grant/Capital Fund	11,125,724	7,324,221	7,371,910	9,979,958	6,349,252	8,039,034	6,857,702	7,122,735	5,692,920	5,920,438
Capital Fund Recovery Grant (Formula)	-	-	-	-	-	-	5,899,205	4,166,577	-	-
Capital Fund Recovery Grant (Competitive)	-	-	-	-	-	-	130,134	7,009,031	12,968	-
Congregate Housing Program	1,960,663	2,346,651	1,828,559	1,733,033	1,783,032	1,674,747	1,694,351	1,893,797	1,998,484	1,894,663
Wilder	113,035	133,378	210,933	81,542	92,907	19,754	9,355	10,724	38,219	9,705
Drug Elimination	-	-	-	-	-	-	-	-	-	-
Service Coordinators	445,653	160,054	-	-	-	-	-	-	-	-
Web Learner Grant	-	-	-	-	-	-	-	6,120	12,256	-
Health Improvement Grants	-	-	-	-	-	-	-	-	-	38,620
Jobs Plus Research Grant	183,563	-	-	-	-	-	-	-	-	-
MDRC Jobs Plus	32,397	-	-	-	-	-	-	-	-	-
Resident Opportunity & Self-Sufficiency Grant (ROSS)	232,054	232,698	100,822	8,950	-	-	-	-	-	-
Neighborhood Networks	-	-	-	-	-	27,327	93,317	90,607	38,749	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Weed and Seed	49,975	-	-	-	-	-	-	-	-	-
Total Agency expenses	\$ 73,070,963	\$ 69,787,135	\$ 68,416,918	\$ 69,077,134	\$ 66,958,367	\$ 69,005,428	\$ 77,746,134	\$ 84,243,844	\$ 73,119,493	\$ 74,346,557

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 Public Housing expenses do not include internal fees.

Note 4: Does not include elimination entries.

Public Housing Agency of the City of Saint Paul

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Administrative	\$ 6,532,412	\$ 6,903,177	\$ 6,885,099	\$ 6,895,139	\$ 6,941,360	\$ 8,089,868	\$ 8,717,203	\$ 8,562,429	\$ 8,508,493	\$ 8,786,242
Tenant services	459,255	787,738	812,706	866,406	880,849	930,466	958,749	970,429	1,234,862	1,094,134
Utilities	4,140,517	4,362,505	4,625,108	5,047,291	5,122,787	5,238,233	5,000,462	4,910,347	4,865,510	4,806,213
Maintenance	7,230,827	7,171,252	7,435,838	7,538,458	7,935,683	8,266,912	8,556,799	9,364,381	8,765,256	8,706,304
Protective service	5,463	-	-	-	-	2,909	-	-	557,011	553,776
General expense	1,180,271	1,451,766	1,296,714	1,403,742	1,360,258	2,944,115	3,626,391	3,051,298	1,537,542	2,059,858
Nonroutine maintenance	912,386	622,006	913,238	535,807	531,547	619,337	702,410	568,080	724,354	437,473
Total Low Rent Public Housing expenses	\$ 20,461,131	\$ 21,298,444	\$ 21,968,703	\$ 22,286,843	\$ 22,772,484	\$ 26,091,840	\$ 27,562,014	\$ 27,426,964	\$ 26,193,028	\$ 26,444,000
Average monthly units leased	4,215	4,211	4,211	4,208	4,219	4,220	4,230	4,227	4,228	4,212
Average monthly expense per unit	\$ 404.53	\$ 421.48	\$ 434.75	\$ 441.36	\$ 449.80	\$ 515.24	\$ 542.99	\$ 540.71	\$ 516.26	\$ 523.17

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: Beginning in fiscal year 2009 includes CFP Operating 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)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Administrative	\$ 2,864,473	\$ 2,603,635	\$ 2,749,016	\$ 2,494,057	\$ 2,551,396	\$ 2,656,212	\$ 2,810,907	\$ 2,888,228	\$ 2,840,745	\$ 2,898,038
General	37,124	41,470	65,136	219,336	212,811	264,664	334,238	341,118	288,488	360,623
Housing assistance payments	35,326,968	34,968,183	33,603,969	31,679,981	32,531,372	31,615,546	34,682,446	34,631,547	35,662,717	36,770,721
Total Section 8 expenses	\$ 38,228,565	\$ 37,613,288	\$ 36,418,121	\$ 34,393,374	\$ 35,295,579	\$ 34,536,422	\$ 37,827,591	\$ 37,860,893	\$ 38,791,950	\$ 40,029,382
ACC authorized monthly unit count	4,059	4,059	4,066	4,103	4,103	4,121	4,286	4,310	4,511	4,551
Average monthly units leased	4,092	3,954	4,006	4,032	4,167	4,027	4,373	4,155	4,354	4,531
Total expense per unit (average)	\$ 778.52	\$ 792.73	\$ 757.57	\$ 710.84	\$ 705.86	\$ 714.68	\$ 720.86	\$ 759.34	\$ 742.46	\$ 736.21
Total admin. and general expense per unit (average)	59.09	55.75	58.54	56.08	55.28	60.44	59.93	64.77	59.89	59.93
Total HAP expense per unit (average)	\$ 719.43	\$ 736.98	\$ 699.03	\$ 654.76	\$ 650.58	\$ 654.24	\$ 660.93	\$ 694.57	\$ 682.57	\$ 676.28

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)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Executive	\$ 252,989	\$ 196,255	\$ 203,001	\$ 232,669	\$ 218,397	\$ 168,013	\$ 169,100	\$ 180,908	\$ 188,044	\$ 185,728
Human Resources	141,225	154,388	158,542	157,591	162,563	135,576	140,525	140,677	146,731	192,407
Section 8	924,482	944,559	923,431	968,607	1,002,901	1,530,749	1,603,181	1,645,573	1,635,230	1,595,364
Public Housing Policy	216,519	187,499	195,166	109,728	112,722	74,583	73,962	73,001	74,172	75,554
Equal Opportunity & Diversification	194,932	189,951	151,682	117,286	102,889	19,116	51,771	46,396	48,098	64,444
Finance	900,912	827,389	963,617	928,135	738,371	594,860	636,627	627,521	650,263	657,022
Technical Service	742,407	717,886	197,834	-	-	-	-	-	-	-
Maintenance	3,951,411	3,969,687	4,464,748	4,729,237	4,665,216	4,890,962	4,896,616	5,288,256	4,817,522	4,898,185
Resident Services	3,477,087	3,702,342	3,638,283	3,721,899	3,198,951	3,228,497	3,439,532	3,535,680	3,700,794	3,758,297
Total Agency salary expense	\$ 10,801,964	\$ 10,889,956	\$ 10,896,304	\$ 10,965,152	\$ 10,202,010	\$ 10,642,356	\$ 11,011,314	\$ 11,538,012	\$ 11,260,854	\$ 11,427,001
FTE	235.35	235.50	222.19	215.64	217.74	220.04	228.38	232.61	231.86	231.86
Salary cost per FTE	\$ 45,897	\$ 46,242	\$ 49,040	\$ 50,849	\$ 46,854	\$ 48,366	\$ 48,215	\$ 49,602	\$ 48,567	\$ 49,284

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.

Note 3: Does not include small grant salaries, or capitalized CFP salaries.

Public Housing Agency of the City of Saint Paul

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Dwelling rental	\$ 10,542,487	\$ 10,588,726	\$ 11,078,857	\$ 11,680,840	\$ 11,887,433	\$ 12,045,042	\$ 12,451,097	\$ 12,426,822	\$ 12,683,626	\$ 12,947,602
Excess utilities	51,625	47,076	47,611	65,011	81,094	80,796	78,546	75,618	73,974	76,842
Nondwelling rental	2,030	990	1,980	2,970	2,640	2,860	660	-	495	-
Total rents charged	10,596,142	10,636,792	11,128,448	11,748,821	11,971,167	12,128,698	12,530,303	12,502,440	12,758,095	13,024,444
Write-offs as a percent of rents charged	0.79%	0.36%	1.07%	1.67%	0.86%	0.87%	0.42%	0.25%	(0.05)%	0.76 %
Net write-off amounts	\$ 83,855	\$ 37,809	\$ 118,972	\$ 196,157	\$ 102,431	\$ 105,966	\$ 53,066	\$ 31,399	\$ (6,385)	\$ 98,834
Write-offs as a percent of increase/ (decrease) from prior year	141.70%	(54.91)%	214.67%	64.88%	(47.78)%	3.45%	(49.92)%	(40.83)%	(120.34)%	1647.91 %
Average units leased	4,215	4,211	4,210	4,208	4,219	4,220	4,230	4,227	4,228	4,212
Write-offs per unit month	\$ 1.66	\$ 0.75	\$ 2.36	\$ 3.88	\$ 2.02	\$ 2.09	\$ 1.05	\$ 0.62	\$ (0.13)	\$ 1.96

Public Housing Agency of the City of Saint Paul

**Agencywide Changes in Net Position
Last 10 Fiscal Years
(Unaudited)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating revenue:										
Tenant revenue (net of bad debt)	\$ 10,596,142	\$ 10,598,983	\$ 11,009,476	\$ 11,552,665	\$ 11,866,097	\$ 12,125,838	\$ 12,476,577	\$ 12,471,041	\$ 12,763,985	\$ 12,925,610
HUD grants/subsidy	47,879,979	48,123,406	48,581,716	47,986,115	51,128,226	49,449,073	50,162,380	53,129,556	53,166,627	53,007,036
Other revenue	4,587,316	5,719,428	4,179,482	2,718,647	2,712,485	3,588,715	3,022,705	4,800,153	4,049,852	4,225,338
Total operating revenue	63,063,437	64,441,817	63,770,674	62,257,427	65,706,808	65,163,626	65,661,662	70,400,750	69,980,464	70,157,984
Operating expenses:										
Administrative	11,313,775	11,523,276	11,560,206	11,496,254	11,575,768	10,356,982	11,186,639	11,142,681	11,102,580	11,409,514
Tenant services	3,067,381	3,493,374	2,746,273	2,588,780	2,663,119	2,600,300	2,656,431	2,855,403	3,172,172	2,896,951
Housing assistance payments	35,509,198	35,077,117	33,652,690	31,691,339	32,554,698	31,672,700	34,684,768	34,670,095	35,720,546	36,828,903
Utilities	4,141,558	4,513,533	4,805,039	5,251,085	5,344,344	5,465,475	5,233,211	5,167,005	5,117,135	5,052,163
Ordinary maintenance	7,233,202	7,278,538	7,549,628	7,670,763	8,086,777	8,405,911	8,691,565	9,512,161	8,921,548	8,865,711
General expenses and other	1,261,164	1,660,674	1,344,796	1,266,225	1,648,250	3,392,589	3,994,635	3,614,659	2,492,456	2,976,828
Extraordinary maintenance	878,992	470,492	906,123	513,578	544,421	535,321	722,493	572,554	747,881	442,441
Depreciation expense	7,048,575	7,324,200	7,313,084	7,079,744	7,257,922	7,457,298	7,661,892	7,829,671	7,984,223	8,009,702
Total operating expenses	70,453,845	71,341,204	69,877,839	67,557,768	69,675,299	69,886,576	74,831,634	75,364,229	75,258,541	76,482,213
Operating loss	(7,390,408)	(6,899,387)	(6,107,165)	(5,300,341)	(3,968,491)	(4,722,950)	(9,169,972)	(4,963,479)	(5,278,077)	(6,324,229)
Nonoperating revenues and capital contributions:										
Capital contributions	9,661,647	5,171,832	5,060,732	7,586,119	3,897,192	6,508,330	9,963,344	16,115,238	5,268,553	5,212,662
Gain on disposition of capital assets	462,814	1,814,379	122,677	15,316	1,291,401	22,500	7,116	68,959	3,150	48,814
Other, mainly investment income	442,499	280,449	581,542	933,751	858,781	517,198	337,255	124,574	348,597	355,179
Total nonoperating revenues and capital contributions	10,566,960	7,266,660	5,764,951	8,535,186	6,047,374	7,048,028	10,307,715	16,308,771	5,620,300	5,616,655
Change in net position	3,176,552	367,273	(342,214)	3,234,845	2,078,883	2,325,078	1,137,743	11,345,292	342,223	(707,574)
Beginning net position	146,210,233	149,386,785	149,754,058	149,411,844	152,646,689	154,720,112	157,045,190	158,182,933	169,528,225	169,870,448
Ending net position	<u>\$ 149,386,785</u>	<u>\$ 149,754,058</u>	<u>\$ 149,411,844</u>	<u>\$ 152,646,689</u>	<u>\$ 154,725,572</u>	<u>\$ 157,045,190</u>	<u>\$ 158,182,933</u>	<u>\$ 169,528,225</u>	<u>\$ 169,870,448</u>	<u>\$ 169,162,874</u>

Note 1: Elimination entries are included.

Note 2: Internal Fees are not included.

Public Housing Agency of the City of Saint Paul

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assets	\$ 158,622,381	\$ 158,660,621	\$ 156,376,581	\$ 160,884,353	\$ 161,336,724	\$ 164,973,028	\$ 166,552,226	\$ 177,741,360	\$ 178,240,680	\$ 177,510,149
Liabilities	9,235,596	8,906,563	6,964,247	8,367,397	6,616,612	7,927,839	8,369,294	8,213,135	8,370,232	8,347,275
Net position	149,386,785	149,754,058	149,412,334	152,516,956	154,720,112	157,045,189	158,182,932	169,528,225	169,870,448	169,162,874
Agencywide increase/(decrease) as a percent of prior year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assets	2.70 %	0.02 %	(1.44)%	2.88 %	0.28 %	2.25 %	0.96 %	6.72 %	0.28 %	(0.41)%
Liabilities	12.06 %	(3.56)%	(21.81)%	20.15 %	(20.92)%	19.82 %	5.57 %	(1.87)%	1.91 %	(0.27)%
Net position	2.17 %	0.25 %	(0.23)%	2.08 %	1.44 %	1.50 %	0.72 %	7.17 %	0.20 %	(0.42)%

Note 1: Elimination entries are included.

Public Housing Agency of the City of Saint Paul

**Agencywide Net Position by Type
Last 10 Fiscal Years
(Unaudited)**

Fiscal Year	Net Investment in Capital Assets	Restricted Net Position	Unrestricted Net Position	Total
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	1,791,966	154,725,572
2009	135,509,070	13,059,293	8,476,826	157,045,189
2010	138,923,062	10,133,729	9,126,141	158,182,932
2011	147,900,662	18,578,425	3,049,138	169,528,225
2012	145,872,272	20,433,088	3,564,612	169,869,972
2013	143,229,083	22,018,222	3,915,569	169,162,874

Note 1: Elimination entries are included.

Public Housing Agency of the City of Saint Paul

**Agencywide Capital Assets
Last 10 Fiscal Years
(Unaudited)**

Low Rent Capital Assets	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Land and land improvements	\$ 31,315,783	\$ 31,448,981	\$ 31,545,999	\$ 31,631,234	\$ 32,273,883	\$ 32,757,776	\$ 32,757,776	\$ 34,604,554	\$ 32,750,968	\$ 32,789,719
Buildings	204,493,125	211,708,657	219,653,777	220,144,038	233,125,768	239,670,627	246,214,818	269,699,324	269,076,447	274,325,101
Furniture, equipment and machinery	2,082,025	2,093,381	1,998,987	2,051,372	2,140,387	2,105,231	2,010,396	2,108,753	2,233,873	2,247,535
Accumulated depreciation	(125,254,237)	(131,501,336)	(138,165,064)	(144,721,552)	(151,006,162)	(157,886,661)	(164,944,992)	(172,215,362)	(179,740,804)	(187,090,410)
Low Rent total capital assets, net	\$ 112,636,696	\$ 113,749,683	\$ 115,033,699	\$ 109,105,092	\$ 116,533,875	\$ 116,646,973	\$ 116,037,998	\$ 134,197,269	\$ 124,320,484	\$ 122,271,945

Low Rent Increase/(Decrease) as a Percent of Prior Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Land and land improvements	0.48 %	0.43 %	0.31 %	0.27 %	2.03 %	1.50 %	0.00 %	5.64 %	(5.36)%	0.12 %
Buildings	4.25 %	3.53 %	3.75 %	0.22 %	5.90 %	2.81 %	2.73 %	9.54 %	(0.23)%	1.95 %
Furniture, equipment and machinery	(4.26)%	0.55 %	(4.51)%	2.62 %	4.34 %	(1.64)%	(4.50)%	4.89 %	5.93 %	0.61 %
Accumulated depreciation	5.61 %	4.99 %	5.07 %	4.75 %	4.34 %	4.56 %	4.47 %	4.41 %	4.37 %	4.09 %
	<u>1.57 %</u>	<u>0.99 %</u>	<u>1.13 %</u>	<u>(5.15)%</u>	<u>6.81 %</u>	<u>0.10 %</u>	<u>(0.52)%</u>	<u>15.65 %</u>	<u>(7.36)%</u>	<u>(1.65)%</u>

Business Activity Capital Assets	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Land and land improvements	\$ 1,863,071	\$ 1,863,071	\$ 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	11,601,850	12,033,652	12,894,772	12,894,772	12,912,734	12,924,774	12,933,539	12,976,413	12,977,298	12,977,298
Furniture, equipment and machinery	65,058	66,504	66,504	66,504	66,504	66,504	74,574	74,574	74,574	82,830
Accumulated depreciation	(237,459)	(643,785)	(1,071,659)	(1,513,885)	(1,956,111)	(2,399,436)	(2,844,442)	(3,280,975)	(3,718,051)	(4,156,793)
Business Activity total capital assets, net	\$ 13,292,520	\$ 13,319,442	\$ 13,752,688	\$ 13,310,462	\$ 12,886,198	\$ 12,454,913	\$ 12,026,742	\$ 11,633,083	\$ 11,196,892	\$ 10,766,406

Business Activity Increase/(Decrease) as a Percent of Prior Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Land and land improvements	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Buildings	N/A	3.72 %	7.16 %	0.00 %	0.14 %	0.09 %	0.07 %	0.33 %	0.01 %	0.00 %
Furniture, equipment and machinery	N/A	2.22 %	0.00 %	0.00 %	0.00 %	0.00 %	12.13 %	0.00 %	0.00 %	11.07 %
Accumulated depreciation	1127.24 %	171.11 %	66.46 %	41.27 %	29.21 %	22.66 %	18.55 %	15.35 %	13.32 %	11.80 %
	<u>620.96 %</u>	<u>0.20 %</u>	<u>3.25 %</u>	<u>(3.22)%</u>	<u>(3.19)%</u>	<u>(3.35)%</u>	<u>(3.44)%</u>	<u>(3.27)%</u>	<u>(3.75)%</u>	<u>(3.84)%</u>

Note 1: 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 2: Business Activity—fiscal year 2000 purchased 10th Street property as future site for central administrative office building.

Note 3: Business Activity—fiscal year 2002 sold central administrative office building located at 480 Cedar Street to Minnesota Public Radio.

Note 4: 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)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Executive	4.00	3.00	3.00	3.50	3.25	3.50	3.00	3.50	3.50	3.50
Human Resources	2.50	2.50	2.50	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Section 8	24.00	24.00	22.00	21.00	22.00	25.63	25.00	27.00	26.00	23.00
Public Housing Policy	3.50	3.00	3.00	1.50	1.25	1.00	1.00	1.00	1.00	1.00
Equal Opportunity and Diversification	3.00	2.50	2.50	1.80	0.90	0.38	0.75	0.75	0.75	0.75
Finance	14.50	15.50	14.50	13.50	13.50	14.50	15.50	15.50	16.50	16.50
Technical Service	13.00	12.00	-	-	-	-	-	-	-	-
Maintenance	87.00	88.00	95.00	95.00	97.00	97.00	100.00	100.00	99.00	99.00
Resident Services	83.85	85.00	79.69	77.34	76.84	75.03	80.13	81.86	82.11	85.11
Total Agency FTE	235.35	235.50	222.19	215.64	217.74	220.04	228.38	232.61	231.86	231.86

Note 1: Prior to fiscal year 2000, Human Resources was under Finance and Section 8 was under Resident Services.

Note 2: Prior to fiscal year 2004, Public Housing Policy and Equal Opportunity staff were under various departments.

Note 3: 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)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Family	1,728	1,710	1,710	1,710	1,701	1,701	1,701	1,700	1,700	1,699
Hi-rise	2,545	2,548	2,548	2,548	2,548	2,548	2,548	2,548	2,548	2,554
Total units	4,273	4,258	4,258	4,258	4,249	4,249	4,249	4,248	4,248	4,253

Public Housing Agency of the City of Saint Paul

**Unit Demographics
March 31, 2013
(Unaudited)**

Unit Inventory	Units
Major family developments:	
McDonough Homes	580
Roosevelt Homes	314
Mt. Airy Homes	298
Dunedin Homes	104
Major hi-rise developments:	
Mt. Airy	153
Central	144
Valley	159
Neill	104
Dunedin	143
Cleveland	144
Iowa	148
Wilson	187
Front	151
Ravoux	220
Wabasha	71
Montreal	185
Exchange	194
Edgerton	221
Hamline	186
Seal	144
Scattered family units	403
Total units	4,253
Agency units by bedroom size:	
0 bedrooms	126
1 bedroom	2,458
2 bedrooms	568
3 bedrooms	720
4 bedrooms	269
5 bedrooms	107
6 bedrooms	5
Total units	4,253

Public Housing Agency of the City of Saint Paul

**Low Rent Public Housing and Section 8 Utilization
Last 10 Fiscal Years
(Unaudited)**

Fiscal Year	Low Rent 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
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%	4,121	4,027	97.7%
2010	4,230	4	99.9%	4,286	4,373	102.0%
2011	4,227	7	99.8%	4,310	4,155	96.4%
2012	4,228	1	100.0%	4,511	4,354	96.5%
2013	4,212	19	99.5%	4,551	4,531	99.6%
10-year average	4,218	18	99.6%	4,216	4,171	98.9%