



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

Comprehensive Annual Financial Report

For the fiscal years ended March 31, 2019 and 2018



prepared by the Finance Department

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

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INTRODUCTORY SECTION



August 19, 2019

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 Statement (CAFR) for the fiscal year ended March 31, 2019. 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.

Baker, Tilly, Virchow and Krause, LLP has issued an unmodified opinion on the Agency's 7 financial statements for the year ended March 31, 2019. Their independent auditor's report is located at the front of the financial section of this report.

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 contained in this document. 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 provide affordable housing opportunities that were safe and sanitary for those in need.

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 relied on high rise apartment 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. After 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 4,273 public housing units. Nineteen of these units are used for law enforcement officers (Officers in Residence, or OIR) and services with special needs (Accessible Space, Inc., or ASI, and Assisted Living Program, or ALP).

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 approximately 4,714 families.

The Agency was separated from the City of Saint Paul and was created by the Minnesota Legislature in 1977 to assume administration of subsidized housing programs and ownership of the public housing properties in Saint Paul. The Agency is funded by federal housing subsidies, rents paid by residents, special-purpose grants, and investment revenues. In recent years the Agency has recently received loans from the State of Minnesota to assist with preservation of public housing and to construct twenty-two new townhome units that now receive federal public housing subsidies. The Agency 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. The Board hires an Executive Director who is in charge of day to day operations.

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 operational funding. In the past five fiscal years, the Agency has received two forgivable loans and three long term no-interest loans from the State of Minnesota, and two forgivable loans from the Federal Home Loan Bank (FHLB), to help preserve public housing. The Agency has been awarded two additional forgivable loans from the State and four forgivable loans from the FHLB. These loans have been, and will be, used to assist with modernization work in a large family development, build three six-unit buildings and one four-unit building, and assist with modernization in seven hi-rises. The loans are no-interest or forgivable if the Agency operates the housing as low-income subsidized housing. The Agency will continue to apply for these type of loans to assist with long term capital modernization of our properties. The Agency has no taxing authority.

Federal funding and regulations: Since approximately 73 percent of the Agency's revenues comes from the federal government (Department of Housing and Urban Development, or HUD), the Agency is particularly subject to annual congressional changes in funding and regulations. The Housing Choice Voucher program saw an increase of fifty-five vouchers during Fiscal Year 2019, with a commensurate increase in funding. One Section 8 mod rehab project has terminated their affiliation with the PHA and now works directly with HUD. The Low Income Public Housing program has fluctuated up and down over the past years as a result of congressional appropriations.

State regulations: State regulations impact the Agency from the amount of rent collected from our residents who receive welfare assistance, to the limit on the amount of salary paid to the Agency's executive director. The Agency rarely pays sales tax (there are a few extenuating circumstances).

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

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

Long-Term Financial Planning

The Agency publishes a Five-Year Plan, which is updated annually. The plan for 2019 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, 2018. 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 jobs programs, working with other community partners. The Agency's Five-Year and Annual Capital Fund Plan include major plumbing system improvements (replacing all plumbing supply and waste lines at all of the PHA's 16 hi-rise apartment buildings, one building at a time. That work has been completed at Ravoux and Valley hi-rises. The plumbing renovation began at Montreal Hi-rise in FY 2019 and will be completed during FY 2020. At the same time the Agency is carrying out major modernization work at Dunedin Family Terrace family housing development, renovating four fourplex buildings. When the work is finished in those 16 units, all 88 family housing townhome units in the development will have been completely renovated. The Agency will continue to consider opportunities for entrepreneurial activities as allowed under federal and state statutes.

In 2017 the PHA submitted applications to HUD to convert most of its public housing inventory to "Project-Based Rental Assistance" (PBRA) through HUD's Rental Assistance Demonstration (RAD). If approved by HUD, the PBRA funding stream is expected to be more predictable and reliable than the current federal subsidies for public housing (Operating Fund and Capital Fund). The RAD financing plans were pending at HUD at the end of FY 2019 and PHA staff expected to receive approval to take the next steps toward conversion, with anticipated final approval and conversion in late calendar year 2019. The PHA's Board and staff intend to provide the same high level of maintenance and management services after the conversion to the PBRA funding stream.

Relevant Financial Policies

The Agency adopts annual fiscal year budgets for Low Income Public Housing, Housing Choice Voucher, and the Agency's W. Andrew Boss (central administrative office) building operations. Other grant program activities are budgeted based on the specific grant periods. Budgets are prepared by staff and reviewed, approved and presented by the Executive Director to the Board of Commissioners for approval.

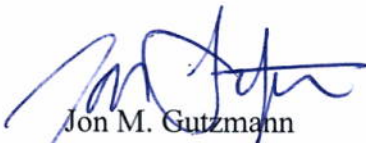
During the past year the Agency achieved both a Public Housing Assessment System for Low Income Public Housing (PHAS) "High Performer" status and a Section Eight Management Assessment Program (SEMAP) "High Performer" status recognition from the U.S. Department of Housing and Urban Development.

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, 2018. This was the fourteenth consecutive year that the Agency has received this prestigious award. In order to be awarded a Certificate of Achievement, the Agency must publish an easily readable and efficiently organized comprehensive annual financial report.


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

We would like to thank and commend 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 / Controller



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

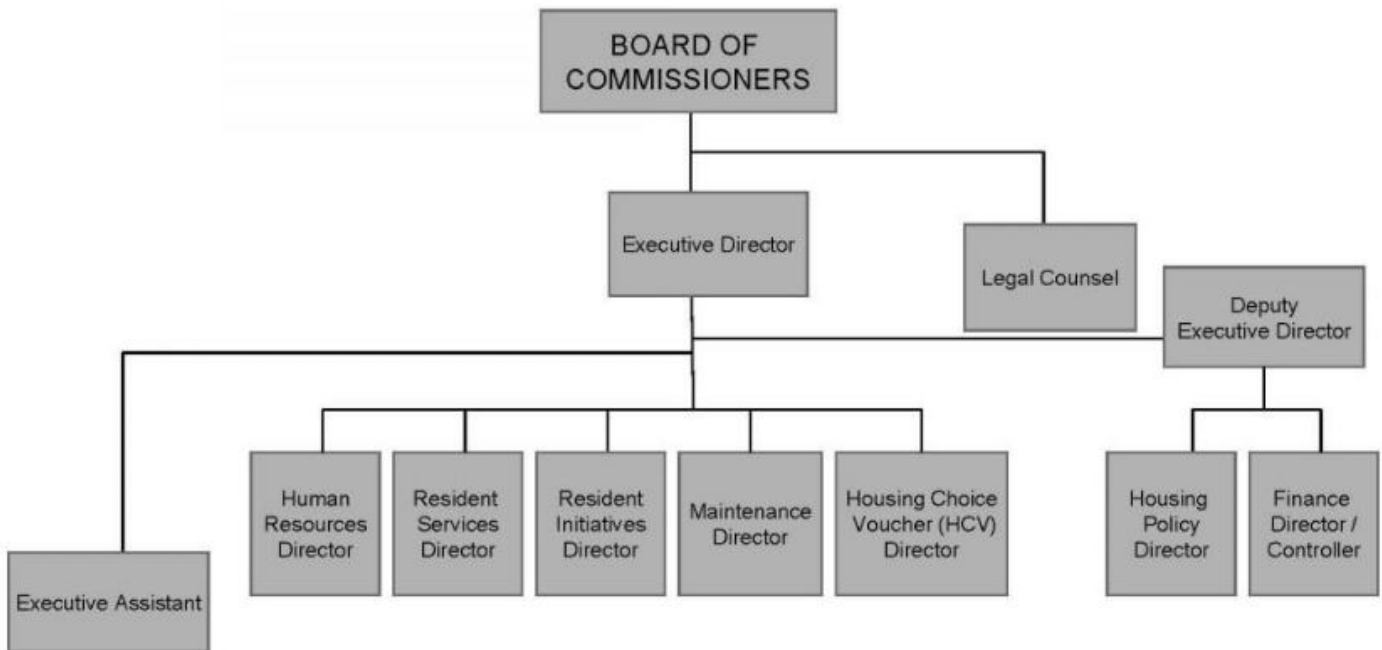
March 31, 2018

Christopher P. Morrill

Executive Director/CEO

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

BOARD-APPROVED ORGANIZATIONAL CHART March 31, 2019



PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

LIST OF APPOINTED OFFICIALS Board of Commissioners March 31, 2019

| <u>Name</u> | <u>Term Expires</u> |
|-----------------------------------|---------------------|
| Tom Reding, Chairperson | September 1, 2021 |
| Kevin Lindsey, Vice Chairperson | September 1, 2023 |
| Missy Thompson, Treasurer | September 1, 2020 |
| Yer Chang, Secretary | September 1, 2022 |
| Pere Verdeja, Assistant Secretary | September 1, 2019 |
| John Cardoza, Commissioner | September 1, 2019 |
| Gy Chajili, Commissioner | September 1, 2019 |

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Public Housing Agency of City of Saint Paul as of and for the years ended March 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Public Housing Agency of City of Saint Paul'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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 auditors' 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 over financial reporting relevant to the Public Housing Agency of City of Saint Paul'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 Public Housing Agency of City of Saint Paul'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 City of Saint Paul, as of March 31, 2019 and 2018, and the changes in financial position and 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Public Housing Agency of City of Saint Paul's basic financial statements. The financial data schedules and schedule of expenditures of federal awards as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial data schedules and schedule of expenditures of federal awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Public Housing Agency of City of Saint Paul's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2019 on our consideration of the Public Housing Agency of City of Saint Paul's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Public Housing Agency of City of Saint Paul's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
August 19, 2019

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended March 31, 2019

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, 2019 and 2018. 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 2019 and 2018 by \$165,303,642 and \$166,392,716, respectively. Net position consists of the following:

- > The value of capital assets, reflecting the Agency's investments in land, structures and equipment less related capital-related debt outstanding, is \$142,152,584 and \$141,674,022 for 2019 and 2018, respectively. This amount is not available for expenditures.
- > Restricted net position of \$14,841,116 and \$19,103,282 for 2019 and 2018, respectively, are restricted by HUD. Such funds may only be used for specific purposes.
- > Unrestricted net position of \$8,309,942 and \$5,615,412 for 2019 and 2018, respectively, are available for use in meeting ongoing Agency obligations.

The Agency's total net position decreased by \$1,089,074 and \$1,518,384 in 2019 and 2018, respectively.

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) statements of net position; 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 *statement of net position* 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 (UNAUDITED)
For the Year Ended March 31, 2019

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.

Required supplementary information: These schedules contain the changes in the Agency's total OPEB liability and related ratios for fiscal year 2019 and the detail of the Agency's funding progress of its retiree health plan for fiscal year 2018.

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 Income 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 Statements of Net Position

| | As of March 31 | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| | 2019 | 2018 | 2017 |
| Current and other noncurrent assets | \$ 34,619,291 | \$ 34,539,262 | \$ 31,568,586 |
| Capital assets | 147,407,584 | 146,179,022 | 148,536,784 |
| Total Assets | <u>\$ 182,026,875</u> | <u>\$ 180,718,284</u> | <u>\$ 180,105,370</u> |
| Current liabilities | \$ 7,367,098 | \$ 6,684,952 | \$ 6,101,333 |
| Long-term liabilities | 9,356,135 | 7,640,616 | 6,092,937 |
| Total Liabilities | <u>\$ 16,723,233</u> | <u>\$ 14,325,568</u> | <u>\$ 12,194,270</u> |
| Net position: | | | |
| Net investment in capital assets | \$ 142,152,584 | \$ 141,674,022 | \$ 145,611,784 |
| Restricted by HUD | 14,841,116 | 19,103,282 | 17,122,869 |
| Unrestricted | <u>8,309,942</u> | <u>5,615,412</u> | <u>5,176,447</u> |
| Total Net Position | <u>\$ 165,303,642</u> | <u>\$ 166,392,716</u> | <u>\$ 167,911,100</u> |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended March 31, 2019

2019: Analysis of Changes in Condensed Statement of Net Position

The largest portion of the Agency's net position, approximately 86 percent and 85 percent for 2019 and 2018, respectively, is composed of net investment in capital assets. 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, approximately 9 percent and 11 percent for 2019 and 2018, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net position is \$14,841,116 and \$19,103,282 for 2019 and 2018, respectively. Unrestricted net position total \$8,309,942 and \$5,615,412 for 2019 and 2018, respectively.

2018: Analysis of Changes in Condensed Statement of Net Position

The largest portion of the Agency's net position, approximately 85 percent and 87 percent for 2018 and 2017, respectively, is composed of net investment in capital assets. 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, approximately 11 percent and 10 percent for 2018 and 2017, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net position is \$19,103,282 and \$17,122,869 for 2018 and 2017, respectively. Unrestricted net position total \$5,615,412 and \$5,176,447 for 2018 and 2017, 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 (UNAUDITED)

For the Year Ended March 31, 2019

Condensed Statements of Revenues, Expenses and Changes in Net Position

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|-----------------------|-----------------------|-----------------------|
| Operating Revenue: | | | |
| Tenant revenue, net of bad debt | \$ 17,543,540 | \$ 16,797,772 | \$ 15,740,553 |
| HUD grants/subsidy | 55,628,684 | 54,182,841 | 52,435,802 |
| Other revenue | 5,037,095 | 5,648,567 | 4,872,641 |
| Total Operating Revenue | <u>78,209,319</u> | <u>76,629,180</u> | <u>73,048,996</u> |
| Operating Expenses: | | | |
| Administrative | 14,280,757 | 12,686,245 | 13,032,816 |
| Tenant services | 3,225,356 | 3,067,666 | 3,302,917 |
| Housing assistance payments | 40,917,051 | 39,617,015 | 38,401,289 |
| Utilities | 5,449,398 | 5,362,164 | 5,380,754 |
| Ordinary maintenance | 10,937,603 | 10,064,762 | 10,354,080 |
| General expenses and other | 3,820,343 | 3,508,026 | 3,638,182 |
| Extraordinary maintenance | 1,417,137 | 939,693 | 960,413 |
| Depreciation expense | 8,399,202 | 8,035,366 | 7,951,095 |
| Total Operating Expenses | <u>88,446,847</u> | <u>83,280,937</u> | <u>83,021,546</u> |
| Operating Loss | <u>(10,237,528)</u> | <u>(6,651,757)</u> | <u>(9,972,550)</u> |
| Nonoperating Revenues and Capital Contributions: | | | |
| Investment income | 736,459 | 242,775 | 223,999 |
| Gain on disposition of capital assets | 31,798 | 47,754 | 6,684 |
| Capital contributions | 8,380,197 | 4,842,844 | 8,525,997 |
| Total Nonoperating Revenues and Capital Contributions | <u>9,148,454</u> | <u>5,133,373</u> | <u>8,756,680</u> |
| Change in Net Position | (1,089,074) | (1,518,384) | (1,215,870) |
| Beginning Net Position | <u>166,392,716</u> | <u>167,911,100</u> | <u>169,126,970</u> |
| Ending Net Position | <u>\$ 165,303,642</u> | <u>\$ 166,392,716</u> | <u>\$ 167,911,100</u> |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended March 31, 2019

2019: Analysis of Changes in the Condensed Statement of Revenues, Expenses and Changes in Net Position

The Low Income Public Housing program rental income increased by approximately 4 percent, for a total increase of \$736,527 in 2019, and increased by approximately 7 percent, for a total increase of \$1,040,449 in 2018. This resulted in total rental income of \$17,601,190 and \$16,864,663 in 2019 and 2018, respectively. On a per unit month (PUM) basis, rental income of \$344.96 PUM in 2019 increased from \$330.52 PUM in 2018. The HUD subsidy increased by \$890,492, or an average of \$17.45 PUM for 2019.

The Low Income Public Housing program operating expenses increased, going from \$28,109,204 in 2018 to \$29,813,182 in 2019, or an increase of \$33.40 PUM, making the current figure \$584.30 PUM. Nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) totaled \$1,438,358 in 2019, compared to \$937,546 for 2018. This amounted to a 53 percent increase. Depreciation expense for 2019 is \$7,898,868, as compared to \$7,527,748 for 2018.

The Section 8 Housing Choice Voucher program ended the year with average monthly lease-ups of 4,518 out of 4,534, or a 99.6 percent average lease-up rate that equated to 2 vouchers under issued on a monthly basis. There was also an average of 269 "shoppers" each month. The program had an increase of 46 vouchers during 2019. This compares to 2018 when the average monthly lease-up rate was 98.1 percent based on 4,405 average monthly lease-ups for 4,490 approved vouchers, with 203 "shoppers" per month.

The Agency saw a decrease of incoming vouchers from other housing agencies. There were 205 port-in vouchers at March 31, 2019, a 24 percent decrease from 268 in 2018. 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 \$1,951,109 and \$2,656,722 in revenue, of which \$1,807,708 and \$2,509,724 was paid to landlords in the form of HAP for 2019 and 2018, respectively. For comparison purposes, the Agency supported 686 and 677 voucher port-outs at fiscal year-end for 2019 and 2018, respectively, with the HAP and 80 percent of its administrative fee paid to the receiving housing agency. In 2019, total HAP to landlords was \$38,075,412 or 89 percent of all revenue. In 2018, total HAP to landlords was \$35,923,996, or 84 percent of all revenue.

The Section 8 program average HAP costs per voucher, \$704.94, increased by 5.7 percent in 2019, as compared to \$666.70 in 2018. Operating costs PUM, \$69.34, increased by 9.5 percent in 2019, as compared to \$63.32 in 2018.

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 2019, federal fiscal year 2018 was in the amount of \$11,177,209, federal fiscal year 2017 was in the amount of \$7,159,806, federal fiscal year 2016 was in the amount of \$7,118,173, and federal fiscal year 2015 was in the amount of \$6,786,832. The Agency's fiscal years 2019 and 2018 ended with \$3,402,255 and \$15,612,302, respectively, in construction in progress.

The Agency's central administrative office building is primarily occupied by the Agency itself (69 percent). Leases are in place for the remaining space. The lease with the Agency's anchor commercial tenant expires August 31, 2022.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended March 31, 2019

2018: Analysis of Changes in the Condensed Statement of Revenues, Expenses and Changes in Net Position

The Low Income Public Housing program rental income increased by approximately 7 percent, for a total increase of \$1,040,449 in 2018, and increased by approximately 5 percent, for a total increase of \$762,318 in 2017. This resulted in total rental income of \$16,864,663 and \$15,824,214 in 2018 and 2017, respectively. On a per unit month (PUM) basis, rental income of \$330.52 PUM in 2018 increased from \$310.61 PUM in 2017. The HUD subsidy decreased by \$65,550, or an average of \$1.28 PUM for 2018.

The Low Income Public Housing program operating expenses increased, going from \$28,705,840 in 2017 to \$28,109,204 in 2018, or a decrease of \$12.55 PUM, making the current figure \$550.90 PUM. Nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) totaled \$937,546 in 2018, compared to \$1,083,329 for 2017. This amounted to a 13 percent decrease. Depreciation expense for 2018 is \$7,527,748, as compared to \$7,452,196 for 2017.

The Section 8 Housing Choice Voucher program ended the year with average monthly lease-ups of 4,405 out of 4,490, or a 98.1 percent average lease-up rate that equated to no vouchers under/over-issued on a monthly basis. There was an average of 21 vouchers issued per month for the program. There was also an average of 203 "shoppers" each month. The program had an increase of 43 vouchers during 2018. This compares to 2017, when the average monthly lease-up rate was 99.9 percent based on 4,453 average monthly lease-ups for 4,455 approved vouchers, with an average of 20 vouchers issued and 246 "shoppers" per month.

The Agency saw a decrease of incoming vouchers from other housing agencies. There were 268 port-in vouchers at March 31, 2018, a 16 percent decrease from 319 in 2017. 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 \$2,656,722 and \$1,972,145 in revenue, of which \$2,509,724 and \$1,853,609 was paid to landlords in the form of HAP for 2018 and 2017, respectively. For comparison purposes, the Agency supported 677 and 719 voucher port-outs at fiscal year-end for 2018 and 2017, respectively, with the HAP and 80 percent of its administrative fee paid to the receiving housing agency. In 2018, total HAP to landlords was \$35,923,996 or 84 percent of all revenue. In 2017, total HAP to landlords was \$35,366,361, or 88 percent of all revenue.

The Section 8 program average HAP costs per voucher, \$666.70, increased by .8 percent in 2018, as compared to \$661.52 in 2017. Operating costs PUM, \$63.32, increased by .5 percent in 2018, as compared to \$62.98 in 2017.

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 2018, federal fiscal year 2017 was in the amount of \$7,159,806, federal fiscal year 2016 was in the amount of \$7,118,173, federal fiscal year 2015 was in the amount of \$6,786,832, and federal fiscal year 2014 was in the amount of \$6,725,092. The Agency's fiscal years 2018 and 2017 ended with \$15,612,302 and \$17,173,278, respectively, in construction in progress.

The Agency's central administrative office building is primarily occupied by the Agency itself (69 percent). Leases are in place for the remaining space. The lease with the Agency's anchor commercial tenant expires August 31, 2022.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended March 31, 2019

2019 Capital Assets

The Agency had \$147,407,584 and \$146,179,022 for 2019 and 2018, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (pages 25 and 26 of this report) to the financial statements. This is a net increase of \$1,228,562.

2018 Capital Assets

The Agency had \$146,179,022 and \$148,536,784 for 2018 and 2017, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (page 26 of this report) to the financial statements. This is a net decrease of \$2,357,762.

2019 Long-term Debt

The Agency had \$5,255,000 and \$4,505,000 of mortgage loans payable for 2019 and 2018, respectively. In 2019 the Agency added 1 loan, for a total of 5 mortgage loans from Minnesota Housing Finance Agency (MHFA) and two Federal Home Loan Bank (FHLB) totaling \$750,000 of new loans as displayed in Note 5 (pages 27 through 29 of this report) to the financial statements.

2018 Long-term Debt

The Agency had \$4,505,000 and \$2,925,000 of mortgage loans payable for 2018 and 2017, respectively. In 2018 the Agency added two loans, for a total of five mortgage loans from Minnesota Housing Finance Agency (MHFA) and one Federal Home Loan Bank (FHLB) totaling \$1,580,000 of new loans as displayed in Note 5 (pages 27 through 29 of this report) to the financial statements.

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

STATEMENTS OF NET POSITION
As of March 31, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|---|------------------------------|------------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 3,417,458 | \$ 3,652,022 |
| Accounts and grants receivable | 3,777,501 | 1,500,557 |
| Investments | 24,902,001 | 25,521,078 |
| Investments - restricted | 1,183,378 | 2,676,276 |
| Prepaid expenses and inventory | <u>1,212,846</u> | <u>1,069,859</u> |
| Total Current Assets | <u>34,493,184</u> | <u>34,419,792</u> |
| NONCURRENT ASSETS | | |
| Other assets | 126,107 | 119,470 |
| Capital assets, net | <u>147,407,584</u> | <u>146,179,022</u> |
| Total Noncurrent Assets | <u>147,533,691</u> | <u>146,298,492</u> |
| TOTAL ASSETS | <u>\$ 182,026,875</u> | <u>\$ 180,718,284</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 2,119,189 | \$ 1,880,182 |
| Due to other governmental entities | 505,291 | 489,348 |
| Security deposits | 987,838 | 987,350 |
| Accrued expenses | 2,874,369 | 2,648,816 |
| Unearned revenues | <u>880,411</u> | <u>679,256</u> |
| Total Current Liabilities | <u>7,367,098</u> | <u>6,684,952</u> |
| NONCURRENT LIABILITIES | | |
| Accrued compensated absences | 1,434,211 | 1,421,721 |
| Other postemployment benefits | 2,666,924 | 1,713,895 |
| Mortgage loans payable | <u>5,255,000</u> | <u>4,505,000</u> |
| Total Noncurrent Liabilities | <u>9,356,135</u> | <u>7,640,616</u> |
| Total Liabilities | <u>16,723,233</u> | <u>14,325,568</u> |
| NET POSITION | | |
| Net investment in capital assets | 142,152,584 | 141,674,022 |
| Restricted by HUD for public housing programs | 14,841,116 | 19,103,282 |
| Unrestricted | <u>8,309,942</u> | <u>5,615,412</u> |
| Total Net Position | <u>165,303,642</u> | <u>166,392,716</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 182,026,875</u> | <u>\$ 180,718,284</u> |

See accompanying 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, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|--|-----------------------|-----------------------|
| REVENUES | | |
| Tenant rental revenue, net of bad debt | \$ 17,464,574 | \$ 16,719,976 |
| Tenant revenue-other | <u>78,966</u> | <u>77,796</u> |
| Total Tenant Revenues | 17,543,540 | 16,797,772 |
| HUD operating grant revenue | 55,628,684 | 54,182,841 |
| Other revenue | <u>5,037,095</u> | <u>5,648,567</u> |
| Total revenues | <u>78,209,319</u> | <u>76,629,180</u> |
| OPERATING EXPENSES | | |
| Administrative | 14,280,757 | 12,686,245 |
| Tenant services | 3,225,356 | 3,067,666 |
| Housing assistance payments | 40,917,051 | 39,617,015 |
| Utilities | 5,449,398 | 5,362,164 |
| Ordinary maintenance and operations | 10,937,603 | 10,064,762 |
| Protective services | 840,631 | 782,098 |
| General expenses | 2,856,595 | 2,657,990 |
| Extraordinary maintenance | 1,417,137 | 939,693 |
| Casualty losses- noncapitalized | 123,117 | 67,938 |
| Depreciation expense | <u>8,399,202</u> | <u>8,035,366</u> |
| Total Operating Expenses | <u>88,446,847</u> | <u>83,280,937</u> |
| Operating Loss | <u>(10,237,528)</u> | <u>(6,651,757)</u> |
| NONOPERATING REVENUES | | |
| Investment income | 736,459 | 242,775 |
| Gain on disposition of capital assets | <u>31,798</u> | <u>47,754</u> |
| Total Nonoperating Revenues | <u>768,257</u> | <u>290,529</u> |
| Loss Before Capital Contributions | <u>(9,469,271)</u> | <u>(6,361,228)</u> |
| CAPITAL CONTRIBUTIONS | | |
| HUD capital contributions | <u>8,380,197</u> | <u>4,842,844</u> |
| CHANGE IN NET POSITION | (1,089,074) | (1,518,384) |
| NET POSITION - Beginning of Year | <u>166,392,716</u> | <u>167,911,100</u> |
| NET POSITION - END OF YEAR | <u>\$ 165,303,642</u> | <u>\$ 166,392,716</u> |

See accompanying notes to financial statements.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from tenants | \$ 17,734,702 | \$ 17,092,998 |
| Cash received from HUD subsidies | 55,322,210 | 54,240,466 |
| Other revenues | 4,847,381 | 5,415,589 |
| Cash paid for operating expenses | (65,812,082) | (61,719,332) |
| Cash payments to employees for services | <u>(12,856,278)</u> | <u>(13,191,777)</u> |
| Net Cash From (Used For) Operating Activities | <u>(764,067)</u> | <u>1,837,944</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Cash received from HUD - capital grants | 6,963,201 | 4,409,493 |
| Acquisition and construction of capital assets | (9,790,377) | (5,320,321) |
| Proceeds from disposition of capital assets | 31,798 | 47,754 |
| Proceeds from debt issued | <u>750,000</u> | <u>1,580,000</u> |
| Net Cash From (Used For) Capital and Related Financing Activities | <u>(2,045,378)</u> | <u>716,926</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of investments | (11,885,416) | (27,296,623) |
| Sales and maturities of investments | 14,148,310 | 25,043,716 |
| Investment income received | <u>311,987</u> | <u>342,565</u> |
| Net Cash From (Used For) Investing Activities | <u>2,574,881</u> | <u>(1,910,342)</u> |
| Net Increase in Cash and Cash Equivalents | (234,564) | 644,528 |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>3,652,022</u> | <u>3,007,494</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 3,417,458</u> | <u>\$ 3,652,022</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating loss | \$ (10,237,528) | \$ (6,651,757) |
| Adjustments to reconcile operating loss to net cash provided by operating activities | | |
| Depreciation | 8,399,202 | 8,035,366 |
| Changes in assets and liabilities | | |
| Accounts and grants receivable | (586,395) | 169,552 |
| Prepaid expenses and inventory | (142,987) | 107,107 |
| Other assets | (6,637) | (16,339) |
| Payables, security deposits, accrued expenses and unearned revenues | <u>1,810,278</u> | <u>194,015</u> |
| NET CASH FROM (USED FOR) OPERATING ACTIVITIES | <u>\$ (764,067)</u> | <u>\$ 1,837,944</u> |
| NONCASH CAPITAL, INVESTMENT AND FINANCING ACTIVITIES: | | |
| Unrealized gain (loss) on fair value of investments | <u>\$ 150,919</u> | <u>\$ (34,066)</u> |

See accompanying notes to financial statements.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

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PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Public Housing Agency of the City of Saint Paul (the Agency) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to enterprise funds of governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. 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). The reporting entity for the Agency consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Agency has not identified any organizations that meet this criteria.

B. BASIS OF ACCOUNTING AND BASIC FINANCIAL STATEMENTS

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.

In June 2015, the GASB issued statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57 *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented April 1, 2018. The beginning balance, as presented in Note 5, was not restated due to the implementation of this standard as the impact was not material.

C. FUND ACCOUNTING, MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION

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).

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. FUND ACCOUNTING, MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION (cont.)

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.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 statement of net position, amounts reported in the programs as intergrant receivables and payables have been eliminated.

The activities of the Agency are described as follows:

Low-Income

Low-Income records transactions relating to the 16 high-rises, four family developments, and approximately 418 scattered-site homes, for a total of 4,273 dwelling units owned by the Agency. HUD provides operating subsidies for these units through a Consolidated Annual Contributions Contract (CACC). In accordance with Asset Management Reporting (AMP) as required by HUD beginning in 2009, the Low-income 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), Mainstream Voucher (152 authorized vouchers), and Housing Choice Voucher (4,556 authorized vouchers, including 100 Family Unification Vouchers and 231 Veterans Affairs Supportive Housing Vouchers) programs, for a total of 4,789 vouchers. 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.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. FUND ACCOUNTING, MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION (cont.)

Section 8 (cont.)

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. On November 1, 2018, the 75 Mary Hall vouchers transferred to the owner of the property. The Agency was no longer needed as a fiduciary agent.

Mainstream 5-Year Voucher (CACC No. MN001DV, as amended): Section 8 Mainstream 5-Year Vouchers previously identified as Disability Vouchers that enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream 5-Year Vouchers 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 is 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 24 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.

Family Self Sufficiency (FSS)

The Family Self-Sufficiency (FSS) program is a HUD initiative intended to promote the development of local strategies to enable families both in Low Income Public Housing and the Housing Choice Voucher program achieve economic independence and self-sufficiency. The grant is one year in duration and needs to be renewed by application each year. The Agency currently has active FSS programs in both Low Income Public Housing and Housing Choice Vouchers and utilizes the grant funds for program coordination services.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. FUND ACCOUNTING, MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION (cont.)

Congregate Housing Services Program Grant (CHSP)

The National Affordable Housing Act (11-28-1990), Section 802, provides funding for CHSP, which operates in four 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 four 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. The Agency also leases space within this building to external parties. See Note 9 for additional information.

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.

Statewide Health Improvement Partnership (SHIP Grant): The SHIP Grant provides funding for implementation of active living, nutrition, and tobacco cessation programs at all Low Income Public Housing locations. The grant is received through a partnership with the St. Paul-Ramsey County Department of Public Health.

D. BUDGETS

Budgets for Low-Income 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.

E. 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.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

F. 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. As of March 31, 2019 and 2018, accounts and grants receivable consist of \$2,778,838 and \$1,055,369 of grant receivables due from HUD and \$998,663 and \$445,188 of accounts receivable, respectively.

G. 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.

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by grantors or other external parties. As of March 31, 2019 and 2018, the Agency reported restricted investments related to tenant security deposits and FSS escrow accounts as disclosed in Note 3 in addition to Section 8 housing assistance payment reserves.

H. PREPAID EXPENSES AND INVENTORY

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

I. 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 acquisition 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:

| <u>Asset Type</u> | <u>Estimated Life (In Years)</u> |
|---|--------------------------------------|
| Land improvements | 15 |
| Buildings | 30 |
| Furniture, equipment and machinery - dwellings and administrative | 3 - 10 |

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, if significant. No interest was capitalized during 2019 or 2018.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

J. 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 changes in net position.

K. 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.

L. PORTABILITY REVENUE

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

M. TAXES

The Agency, as a political subdivision of the State of Minnesota, is exempt from state and federal income tax, as well as state and city 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.

N. UNEARNED REVENUES

The Agency reports unearned revenues on its statements of net position. 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 statement of net position, and the revenue is recognized.

O. COMPENSATED ABSENCES

Employees earn vacation at rates from 10 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 \$943,496 and \$935,829 for 2019 and 2018, respectively, is included in accrued expenses on the statements of net position.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

O. COMPENSATED ABSENCES (cont.)

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

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

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.

P. LONG-TERM OBLIGATIONS

All long-term obligations to be repaid from Agency resources are reported as liabilities in the statement of net position. The long-term obligations consist primarily of mortgage loans payable, compensated absences, and OPEB obligations.

Q. NET POSITION

Net position is classified and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation. Section 8 housing assistance payment reserves and remaining net position in the low-income program are considered restricted due to grantor restrictions.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 2 – CASH AND INVESTMENTS

The Agency's deposits and investments consist of the following at March 31, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|---------------------------------------|----------------------|----------------------|
| Deposits with financial institutions: | | |
| Depository accounts | \$ 3,417,458 | \$ 3,652,022 |
| Fixed-income CDs | 568,782 | 2,188,232 |
| Total Deposits | <u>3,986,240</u> | <u>5,840,254</u> |
| Investments: | | |
| Mortgage-backed securities | <u>25,516,597</u> | <u>26,009,122</u> |
| Total Deposits and Investments | <u>\$ 29,502,837</u> | <u>\$ 31,849,376</u> |

Deposits and investments are classified in the accompanying financial statements at March 31, 2019 and 2018, as follows:

| | <u>2019</u> | <u>2018</u> |
|---------------------------|----------------------|----------------------|
| Cash and cash equivalents | \$ 3,417,458 | \$ 3,652,022 |
| Investments – current | 24,902,001 | 25,521,078 |
| Investments – restricted | <u>1,183,378</u> | <u>2,676,276</u> |
| Totals | <u>\$ 29,502,837</u> | <u>\$ 31,849,376</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, 2019 and 2018, all certificates of deposit (CDs) held were fully insured by the Federal Deposit Insurance Corporation (FDIC), and depository accounts were secured by a collateral agreement with the bank.

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.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 2 – CASH AND INVESTMENTS (cont.)

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.

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 scheduled maturities of the Agency's investments as of March 31, 2019:

| Investment Type | Fair Value | Investment Maturities (In Years) | | | |
|----------------------------|----------------------|----------------------------------|-------------|-------------|--------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Fixed-income CDs | \$ 568,782 | \$ 568,782 | \$ - | \$ - | \$ - |
| Mortgage-backed securities | 25,516,597 | 25,516,597 | - | - | - |
| Totals | \$ 26,085,379 | \$ 26,085,379 | \$ - | \$ - | \$ - |

The following table presents the estimated maturities of the Agency's investments as of March 31, 2018:

| Investment Type | Fair Value | Investment Maturities (In Years) | | | |
|----------------------------|----------------------|----------------------------------|----------------------|-------------|--------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Fixed-income CDs | \$ 2,188,232 | \$ 1,438,132 | \$ 750,100 | \$ - | \$ - |
| Mortgage-backed securities | 26,009,122 | 12,506,830 | 13,502,292 | - | - |
| Totals | \$ 28,197,354 | \$ 13,944,962 | \$ 14,252,392 | \$ - | \$ - |

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, 2019, the Agency's remaining investments carried the following ratings:

| Investment Type | Fair Value | Ratings as of Year-End: Standard & Poor's/ Moody's Investor Service | |
|----------------------------|---------------|---|--------|
| | | AA+/Aaa | NR/Aaa |
| Mortgage-backed securities | \$ 25,516,597 | \$ 25,516,597 | \$ - |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 2 – CASH AND INVESTMENTS (cont.)

As of March 31, 2018, the Agency's remaining investments carried the following ratings:

| Investment Type | Fair Value | Ratings as of Year-End: Standard & Poor's/ Moody's Investor Service | |
|----------------------------|---------------|---|--------|
| | | AA+/Aaa | NR/Aaa |
| Mortgage-backed securities | \$ 26,009,122 | \$ 26,009,122 | \$ - |

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, 2019 and 2018, more than 5 percent of the Agency's investments are in the following issuers:

| Issuer | 2019 | 2018 |
|--|-------------|-------------|
| Federal Home Loan Mortgage Corporation notes | 22% | 32% |
| Federal Home Loan Bank notes | 59% | 60% |
| Federal Farm Credit Bank notes | 19% | 8% |
| | <u>100%</u> | <u>100%</u> |

FAIR VALUE MEASUREMENTS

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- > Matrix pricing techniques

| Investment Type | March 31, 2019 | | | |
|----------------------------|----------------|----------------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Fixed-income CDs | \$ - | \$ 568,782 | \$ - | \$ 568,782 |
| Mortgage-backed securities | - | 25,516,597 | - | 25,516,597 |
| Totals | <u>\$ -</u> | <u>\$ 26,085,379</u> | <u>\$ -</u> | <u>\$ 26,085,379</u> |

| Investment Type | March 31, 2018 | | | |
|----------------------------|----------------|----------------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Fixed-income CDs | \$ - | \$ 2,188,232 | \$ - | \$ 2,188,232 |
| Mortgage-backed securities | - | 26,009,122 | - | 26,009,122 |
| Totals | <u>\$ -</u> | <u>\$ 28,197,354</u> | <u>\$ -</u> | <u>\$ 28,197,354</u> |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

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, 2019 and 2018, Low Income security deposits held by the Agency totaled \$987,838 and \$987,350, respectively, plus accrued interest, included in accrued expenses on the statement of net position, of \$100,197 and \$100,200, respectively.

An escrow account has been established for Section 8 and Low Income 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, 2019 and 2018, FSS escrow amounts held by the Agency, included in accrued expenses on the statements of net position, totaled \$67,605 and \$64,104, respectively.

NOTE 4 – CAPITAL ASSETS

The following is a summary by category of capital assets as of March 31, 2019:

| | Balance, March 31, 2018 | Additions | Retirements | Balance, March 31, 2019 |
|---|-------------------------------|---------------|---------------|-------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 8,326,295 | \$ - | \$ - | \$ 8,326,295 |
| Construction in progress | 15,612,302 | 8,364,902 | 20,574,949 | 3,402,255 |
| Total Capital Assets Not Being Depreciated | 23,938,597 | 8,364,902 | 20,574,949 | 11,728,550 |
| Capital assets being depreciated: | | | | |
| Land improvements | 27,209,864 | 469,225 | - | 27,679,089 |
| Buildings | 322,566,027 | 21,229,943 | - | 343,795,970 |
| Furniture, equipment and machinery - dwellings and administrative | 2,653,303 | 138,643 | 90,594 | 2,701,352 |
| Total Capital Assets Being Depreciated | 352,429,194 | 21,837,811 | 90,594 | 374,176,411 |
| Less: Accumulated depreciation for: | | | | |
| Land improvements | 25,992,745 | 188,261 | - | 26,181,006 |
| Buildings | 201,847,783 | 8,033,829 | - | 209,881,612 |
| Furniture, equipment and machinery - dwellings and administrative | 2,348,241 | 177,112 | 90,594 | 2,434,759 |
| Total Accumulated Depreciation | 230,188,769 | 8,399,202 | 90,594 | 238,497,377 |
| Total Depreciable Assets, Net | 122,240,425 | 13,438,609 | - | 135,679,034 |
| Capital Assets, Net | \$ 146,179,022 | \$ 21,803,511 | \$ 20,574,949 | \$ 147,407,584 |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 4 – CAPITAL ASSETS (cont.)

The following is a summary by category of capital assets as of March 31, 2018:

| | Balance, March 31, 2017 | Additions | Retirements | Balance, March 31, 2018 |
|---|-------------------------------|--------------|--------------|-------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 8,326,295 | \$ - | \$ - | \$ 8,326,295 |
| Construction in progress | 17,173,278 | 4,842,846 | 6,403,822 | 15,612,302 |
| Total Capital Assets Not Being Depreciated | 25,499,573 | 4,842,846 | 6,403,822 | 23,938,597 |
| Capital assets being depreciated: | | | | |
| Land improvements | 27,117,527 | 92,337 | - | 27,209,864 |
| Buildings | 315,713,514 | 6,852,513 | - | 322,566,027 |
| Furniture, equipment and machinery - dwellings and administrative | 2,449,537 | 293,733 | 89,967 | 2,653,303 |
| Total Capital Assets Being Depreciated | 345,280,578 | 7,238,583 | 89,967 | 352,429,194 |
| Less: Accumulated depreciation for: | | | | |
| Land improvements | 25,813,190 | 179,555 | - | 25,992,745 |
| Buildings | 194,159,393 | 7,688,390 | - | 201,847,783 |
| Furniture, equipment and machinery - dwellings and administrative | 2,270,784 | 167,424 | 89,967 | 2,348,241 |
| Total Accumulated Depreciation | 222,243,367 | 8,035,369 | 89,967 | 230,188,769 |
| Total Depreciable Assets, Net | 123,037,211 | (796,786) | - | 122,240,425 |
| Capital Assets, Net | \$ 148,536,784 | \$ 4,046,060 | \$ 6,403,822 | \$ 146,179,022 |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended March 31, 2019:

| | Balance, March 31, 2018 | Additions | Reductions | Balance, March 31, 2019 | Due Within One Year |
|----------------------------------|-------------------------------|----------------------------|----------------------------|-------------------------------|--------------------------|
| Mortgage loans payable | \$ 4,505,000 | \$ 750,000 | \$ - | \$ 5,255,000 | \$ - |
| Compensated absences | 2,357,550 | 1,473,553 | 1,453,396 | 2,377,707 | 943,496 |
| Other postemployment benefits | <u>1,713,895</u> | <u>953,029</u> | <u>-</u> | <u>2,666,924</u> | <u>-</u> |
| Totals | <u>\$ 8,576,445</u> | <u>\$ 3,176,582</u> | <u>\$ 1,453,396</u> | <u>\$ 10,299,631</u> | <u>\$ 943,496</u> |

The following is a summary of changes in long-term liabilities for the year ended March 31, 2018:

| | Balance, March 31, 2017 | Additions | Reductions | Balance, March 31, 2018 | Due Within One Year |
|----------------------------------|-------------------------------|----------------------------|----------------------------|-------------------------------|--------------------------|
| Mortgage loans payable | \$ 2,925,000 | \$ 1,580,000 | \$ - | \$ 4,505,000 | \$ - |
| Compensated absences | 2,472,743 | 1,504,493 | 1,619,686 | 2,357,550 | 935,829 |
| Other postemployment benefits | <u>1,611,893</u> | <u>102,002</u> | <u>-</u> | <u>1,713,895</u> | <u>-</u> |
| Totals | <u>\$ 7,009,636</u> | <u>\$ 3,186,495</u> | <u>\$ 1,619,686</u> | <u>\$ 8,576,445</u> | <u>\$ 935,829</u> |

Other Debt Information

There are a number of limitations and restrictions contained in the loan agreements. The Agency believes it is in compliance with all significant limitations and restrictions.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 5 – LONG-TERM LIABILITIES (cont.)

Mortgage Loans Payable

Mortgage loans payable at March 31, 2019 and 2018 consist of the following:

| | |
|--|------------------|
| Deferred mortgage loan payable of \$825,000 to the Minnesota Housing Finance Agency (MHFA) dated July 15, 2014. This publicly owned housing program loan is noninterest bearing and is due July 15, 2034. If the development is used for public housing for 20 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable. | \$ 825,000 |
| Mortgage loan payable of \$540,000 to the Minnesota Housing Finance Agency (MHFA) dated December 15, 2014. This economic development and housing challenge program mortgage note is noninterest bearing and is due December 15, 2044. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable. | 540,000 |
| Mortgage loan payable of \$360,000 to the Minnesota Housing Finance Agency (MHFA) dated December 7, 2015. This economic development and housing challenge program mortgage note is noninterest bearing and is due December 7, 2045. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable. | 360,000 |
| Deferred mortgage loan payable of \$1,200,000 to the Minnesota Housing Finance Agency (MHFA) dated March 22, 2016. This publicly owned housing program loan is noninterest bearing and is due March 22, 2036. If the development is used for public housing for 20 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable. | 1,200,000 |
| Mortgage loan payable of \$1,080,000 to the Minnesota Housing Finance Agency (MHFA) dated May 16, 2017. This economic development and housing challenge program mortgage note is noninterest bearing and is due May 16, 2047. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable. | 1,080,000 |
| Deferred mortgage loan payable of \$500,000 to the Federal Home Loan Bank of Des Moines (FHLB) dated February 9, 2018. This Affordable Housing Program Agreement mortgage note is noninterest bearing and is due October 5, 2033. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable. | <u>500,000</u> |
| Mortgage Loans Payable as of March 31, 2018 | <u>4,505,000</u> |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 5 – LONG-TERM LIABILITIES (cont.)

Mortgage Loans Payable (cont.)

Deferred mortgage loan payable of \$750,000 to the Federal Home Loan Bank of Des Moines (FHLB) dated December 21, 2018. This Affordable Housing Program Agreement mortgage note is non-interest bearing and is due 15 years after substantial completion, which the Agency expects to be September 13, 2034. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.

\$ 750,000

Mortgage Loans Payable as of March 31, 2019

\$ 5,255,000

Debt service requirements to maturity by fiscal year are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------|---------------------|-----------------|---------------------|
| 2034 | \$ 500,000 | \$ - | \$ 500,000 |
| 2035 | 1,575,000 | - | 1,575,000 |
| 2036 | 1,200,000 | - | 1,200,000 |
| 2045 | 540,000 | - | 540,000 |
| 2046 | 360,000 | - | 360,000 |
| 2048 | <u>1,080,000</u> | <u>-</u> | <u>1,080,000</u> |
| | <u>\$ 5,255,000</u> | <u>\$ -</u> | <u>\$ 5,255,000</u> |

NOTE 6 – PENSION PLAN

The Agency requires all full-time employees to be part of a 401(a) defined contribution plan. The Pension Plan of the Housing and Redevelopment Authority of the City of St. Paul, Minnesota was established before the Agency became an independent entity; consequently, 7 City of Saint Paul employees (two employed and five 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 \$864,000 and \$864,000, and employee contributions amounted to approximately \$664,000 and \$652,000 for the years ended March 31, 2019 and 2018, respectively. Approximately \$38,000 and \$22,000 of forfeitures were recognized in the pension expense of the employer, for the years ended March 31, 2019 and 2018, 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.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS

General Information About the 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 single-employer defined benefit retiree health care plan. 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 \$807 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. Postemployment health care benefits are currently funded on a pay-as-you-go basis. The Board of Commissioners may change the funding policy at any time. In the year ended March 31, 2019, the Agency paid \$807 per month for the enrolled retirees described above, while these retirees contributed the excess of the cost of their plan per month to the Agency. In the year ended March 31, 2019, member contributions totaled \$4,806.

Employees covered by benefit terms. At March 31, 2018, the following employees were covered by the benefit terms:

| | |
|---|-------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 10 |
| Active plan members electing coverage | 205 |
| Active plan members waiving coverage | 15 |
| | <hr/> |
| | 230 |
| | <hr/> <hr/> |

Total OPEB Liability

The Agency's total OPEB liability of \$2,666,924 was measured as of March 31, 2018, and was determined by an actuarial valuation as of that date.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the March 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|---|
| Inflation | 2.5 percent |
| Salary increases | Based on the current actuarial assumptions for the PERA General Employees Retirement Plan valuation |
| Healthcare cost trend rates | 6.9 percent for 2019 decreasing gradually over several decades to an ultimate rate of 4.0 percent for 2076 and later years. |
| Retirees' share of benefit related costs | Varies |

The discount rate was based on a Fidelity 20 year Municipal AA Index.

Mortality rates were based on the July 1, 2018 PERA of Minnesota General Employees Retirement Plan valuation RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments.

Changes in the Total OPEB Liability

| | |
|--|---------------------|
| Balance at March 31, 2018 | \$ 2,588,552 |
| Changes for the year: | |
| Service cost | 104,937 |
| Interest | 99,190 |
| Changes in assumptions or other inputs | 40,687 |
| Benefit payments | <u>(166,442)</u> |
| Net changes | <u>78,372</u> |
| Balance at March 31, 2019 | <u>\$ 2,666,924</u> |

Changes of benefit terms reflect an increase in the Agency's share of health insurance premiums from \$779 in 2018 to \$807 in 2019.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.80 percent as of March 31, 2017 to 3.61 percent as of March 31, 2018.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

| | 1% Decrease (2.61%) | Discount Rate (3.61%) | 1% Increase (4.61%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$ 2,896,290 | \$ 2,666,924 | \$ 2,462,463 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Current Trend Rate | 1% Increase |
|----------------------|--------------|-----------------------|--------------|
| Total OPEB Liability | \$ 2,425,211 | \$ 2,666,924 | \$ 2,948,089 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2019, the Agency recognized OPEB expense of \$1,085,751, which includes \$874,657 related to implementation of GASB Statement No. 75. The related deferred outflows and inflows are not material.

OTHER POSTEMPLOYMENT BENEFIT DISCLOSURES REQUIRED UNDER GASB No. 45

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, 2018 and 2017, the Agency paid \$779, and \$752 per month for the enrolled retirees, respectively, while these retirees contributed the excess of the cost of their plan per month to the Agency. In the years ended March 31, 2018 and 2017, member contributions totaled \$2,968 and \$5,134, respectively.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

OTHER POSTEMPLOYMENT BENEFIT DISCLOSURES REQUIRED UNDER GASB No. 45 (cont.)

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 45. The Agency's ARC represents a level of funding that, if paid on an ongoing basis, would be projected to cover the normal cost each year and amortize the unfunded actuarial liabilities (UAL) over a 30-year period. During the year ended March 31, 2018, 11 former employees received the postemployment health care benefit. Contributions in relation to the ARC totaled 62 percent of the March 31, 2018, ARC. During the year ended March 31, 2017, 10 former employees received the postemployment health care benefit. Contributions in relation to the ARC totaled 46 percent of the March 31, 2017, ARC. The table below shows the estimated 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 statements of net position, relating to the postemployment health care plan:

| | For the Years Ended March 31 | |
|--|------------------------------|------------------|
| | 2018 | 2017 |
| Annual required contribution | \$ 267,000 | \$ 259,000 |
| Interest on net OPEB obligation | 55,000 | 52,000 |
| Adjustment to annual required contribution | (56,000) | (51,000) |
| Annual OPEB Cost | \$ 266,000 | \$ 260,000 |
| | For the Years Ended March 31 | |
| | 2018 | 2017 |
| Annual OPEB cost | \$ 266,000 | \$ 260,000 |
| Employer's contributions with interest | (165,000) | (120,000) |
| Increase in net OPEB obligation | 101,000 | 140,000 |
| Net OPEB Obligation, Beginning of Year | 1,612,000 | 1,472,000 |
| Net OPEB Obligation, End of Year | \$ 1,713,000 | \$ 1,612,000 |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

OTHER POSTEMPLOYMENT BENEFIT DISCLOSURES REQUIRED UNDER GASB No. 45 (cont.)

ANNUAL OPEB COST AND NET OPEB OBLIGATION (cont.)

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, 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|------------------------|-------------|-------------|
| Annual OPEB cost | \$ 266,000 | \$ 260,000 |
| Employer contributions | 165,000 | 120,000 |
| Percentage contributed | 62% | 46% |

FUNDED STATUS AND FUNDING PROGRESS

As of April 1, 2016, the most recent actuarial valuation date, the plan was completely unfunded. The actuarial accrued liability for benefits was \$2,423,822. The covered payroll was \$13,938,230, and the ratio of the UAL to the covered payroll was 17 percent.

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

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, 2016, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 3.5 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 6.6 percent initially, reduced by decrements to an ultimate rate of 4.4 percent after 58 years. Both rates included a 2.75 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, 2018, was 20 years.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are incurred.

CONSTRUCTION COMMITMENTS

The Agency has entered into various contracts for construction projects, mainly relating to the Capital Fund programs. As of March 31, 2019, the remaining commitment on these construction projects totaled \$5,512,142. The costs are being funded by the respective grants.

NOTE 9 – RENTAL COMMITMENTS

The Agency has entered into rental agreements with external parties for vacant space within the central administrative office building, of which approximately 30 percent is held for lease to external parties. The net book value of the office building was \$8,194,774 (cost of \$14,896,687 less accumulated depreciation of \$6,701,913) as of March 31, 2019, and related depreciation expense was \$437,354 for the year then ended. The rental commitments (net of rent abatement) for space over the next four years are shown below:

| <u>Years Ending March 31</u> | |
|------------------------------|-------------------|
| 2020 | \$ 247,244 |
| 2021 | 216,078 |
| 2022 | 216,078 |
| 2023 | <u>108,164</u> |
| Total | <u>\$ 787,564</u> |

NOTE 10 – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Agency has purchased commercial insurance, which provides for these various risks of loss. Settled claims from insured losses have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2019 and 2018

NOTE 11 – RECENT ACCOUNTING PRONOUNCEMENTS (NO. 72 AND AFTER)

Accounting standards adopted in recent fiscal years that impact the Agency's current financial reporting:

- > GASB Statement No. 72, *Fair Value Measurement and Application* was adopted in fiscal year 2017. This statement provides guidance for determining a fair value measurement for financial reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.
- > GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was adopted in fiscal year 2019. This statement addresses reporting for postemployment benefits other than pensions and enhances related note disclosures and required supplementary information.
- > GASB Statement No. 85, *Omnibus 2017* was adopted in fiscal year 2019. This statement addresses a variety of issues identified during implementation of certain GASB Statements.

Accounting standards adopted in recent previous fiscal years, with no impact on the Agency's current financial reporting:

- > GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* was adopted in fiscal year 2017.

Accounting standards deemed not applicable:

- > GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*
- > GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions.*
- > GASB Statement No. 77, *Tax Abatement Disclosures*
- > GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > GASB Statement No. 79, *Certain External Investments Pools and Pool Participants*

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2019 and 2018

NOTE 11 – RECENT ACCOUNTING PRONOUNCEMENTS (cont.)

Accounting standards deemed not applicable (cont.)

- > GASB Statement No. 80, *Blending Requirements for Certain Component Units*
- > GASB Statement No. 81, *Irrevocable Split-Interest Agreements*
- > GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements 67,68, and 73*
- > GASB Statement No. 84, *Fiduciary Activities*
- > GASB Statement No. 86, *Certain Debt Extinguishment Issues*
- > GASB Statement No. 90, *Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61*
- > GASB Statement No. 91, *Conduit Debt Obligations*

Accounting standards that may impact the Agency's financial reporting in subsequent years:

- > GASB Statement No. 83, *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations, a legally enforceable liability associated with the retirement of a capital asset. This statement will be effective for the fiscal year ending March 31, 2020.
- > GASB Statement No. 87, *Leases*. This statement addresses accounting and financial reporting for leases and requires recognition for certain lease assets and liabilities for leases previously classified as operation leases. This statement will be effective for fiscal year ending March 31, 2021.
- > GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements and requires that additional essential information related to debt be disclosed in notes to financial statements. This statement will be effective for fiscal year ending March 31, 2020.
- > GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement will be effective for fiscal year ending March 31, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

SCHEDULE OF CHANGES IN THE CLIENT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended March 31, 2019

| | 2019 |
|---|-------------------|
| Total OPEB Liability | |
| Service cost | \$ 104,937 |
| Interest | 99,190 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | - |
| Changes of assumptions | 40,687 |
| Benefit payments | (166,442) |
| Net Change in Total OPEB Liability | 78,372 |
| Total OPEB Liability - Beginning | 2,588,552 |
| Total OPEB Liability - Ending | \$ 2,666,924 |
| Covered-employee payroll | \$ 13,565,693 |
| Total OPEB liability as a percentage of covered-employee payroll | 19.66% |

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of March 31, 2018, one year prior to the end of the fiscal year.

| | |
|-----------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Straight-line |
| Amortization period | Closed 5 year period |
| Asset valuation method | N/A |
| Inflation | 2.50% |
| Healthcare cost trend rates | 6.9% initial, varying by year to an ultimate rate of 4% |
| Salary increases | Based on current actuarial assumptions for the PERA General Employees Retirement Plan valuation |
| Investment rate of return | N/A |
| Retirement age | Based on Agency experience |
| Mortality | Based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments |

Benefit changes. There were no changes in benefits.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The Agency implemented GASB Statement No. 75 in fiscal year 2019. Information prior to fiscal year 2019 is not available.

See independent auditors' report.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
For the Year Ended March 31, 2018

| | Actuarial Valuation Date - April 1 | | | |
|---|------------------------------------|---------------|---------------|---------------|
| | 2014 | 2015* | 2016 | 2017* |
| Actuarial value of assets | \$ - | \$ - | \$ - | \$ - |
| Actuarial accrued liability (AAL) entry age normal cost method | \$ 3,267,569 | \$ 3,429,170 | \$ 2,423,822 | \$ 2,496,759 |
| Unfunded AAL (UAAL) | \$ 3,267,569 | \$ 3,429,170 | \$ 2,423,822 | \$ 2,496,759 |
| Funded ratio | 0% | 0% | 0% | 0% |
| Estimated covered payroll | \$ 13,222,000 | \$ 13,206,000 | \$ 13,938,000 | \$ 14,343,000 |
| UAAL as a percentage of covered payroll | 25% | 26% | 17% | 17% |

*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

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

FINANCIAL DATA SCHEDULE
 COMBINING BALANCE SHEET - ALL PROGRAMS
 As of March 31, 2019

| Line Item No. | Account Descriptions | Project Total | 14.896 PIH Family Self- Sufficiency Program | 14.871 Housing Choice Vouchers | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy | 14.170 Congregate Housing Service Program | State/Local |
|-------------------------------|---|-----------------------|--|---|---|---|-------------------|
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| Cash | | | | | | | |
| 111 | Cash - unrestricted | \$ 900,104 | | \$ 304,399 | \$ 44,121 | \$ - | \$ 147,748 |
| 113 | Cash - other restricted | - | - | 61,437 | - | - | - |
| 115 | Cash - restricted for payment of current liabilities | - | - | - | 608 | - | - |
| 100 | Total Cash | <u>900,104</u> | <u>-</u> | <u>365,836</u> | <u>44,729</u> | <u>-</u> | <u>147,748</u> |
| Accounts and Notes Receivable | | | | | | | |
| 122 | Accounts receivable - HUD other projects | 2,185,536 | 733 | 362,211 | - | 228,372 | - |
| 124 | Accounts receivable - other government | - | - | - | - | - | 21,932 |
| 125 | Accounts receivable - miscellaneous | 168,636 | - | 32,903 | - | - | 2,683 |
| 126 | Accounts receivable - tenants | 294,704 | - | - | - | - | - |
| 129 | Accrued interest receivable | 15,119 | - | 36,477 | - | - | - |
| 120 | Total Receivables, Net of Allowances for Doubtful Accounts | <u>2,663,995</u> | <u>733</u> | <u>431,591</u> | <u>-</u> | <u>228,372</u> | <u>24,615</u> |
| Investments and Other Assets | | | | | | | |
| 131 | Investments - unrestricted | 14,935,270 | - | 2,486,825 | - | - | - |
| 132 | Investments - restricted | 1,183,378 | - | - | - | - | - |
| 142 | Prepaid expenses and other assets | 458,574 | - | 24,566 | - | - | - |
| 143 | Inventories | 219,999 | - | - | - | - | - |
| 144 | Inter program due from | - | - | - | - | - | - |
| 150 | Total Current Assets | <u>20,361,320</u> | <u>733</u> | <u>3,308,818</u> | <u>44,729</u> | <u>228,372</u> | <u>172,363</u> |
| Noncurrent Assets | | | | | | | |
| 161 | Land | 34,142,313 | - | - | - | - | - |
| 162 | Buildings | 330,762,354 | - | - | - | - | - |
| 164 | Furniture, equipment and machinery - administration | 1,706,695 | - | - | - | - | - |
| 166 | Accumulated depreciation | (230,887,259) | - | - | - | - | - |
| 167 | Construction in progress | 3,402,255 | - | - | - | - | - |
| 160 | Total Capital Assets, Net of Accumulated Depreciation | <u>139,126,358</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 174 | Other Assets | 22,977 | - | - | - | - | - |
| 180 | Total Noncurrent Assets | <u>139,149,335</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 290 | TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES | <u>\$ 159,510,655</u> | <u>\$ 733</u> | <u>\$ 3,308,818</u> | <u>\$ 44,729</u> | <u>\$ 228,372</u> | <u>\$ 172,363</u> |

(Continued)

| Business Activities | 14.856 Lower Income Housing | | | Subtotal | Eliminations | Total |
|------------------------|----------------------------------|---|---|-----------------------|---------------------|-----------------------|
| | 14.879 Mainstream Vouchers | Assistance Program-Section 8 Moderate | Central Office Cost Center (COCC) | | | |
| \$ 1,160,680 | \$ 396,145 | \$ 268,491 | | \$ 3,221,688 | \$ - | \$ 3,221,688 |
| - | - | - | - | 61,437 | - | 61,437 |
| - | - | 133,725 | - | 134,333 | - | 134,333 |
| <u>1,160,680</u> | <u>396,145</u> | <u>402,216</u> | <u>-</u> | <u>3,417,458</u> | <u>-</u> | <u>3,417,458</u> |
| - | - | - | 1,986 | 2,778,838 | - | 2,778,838 |
| - | - | - | - | 21,932 | - | 21,932 |
| 190 | - | - | 147,720 | 352,132 | - | 352,132 |
| - | - | - | - | 294,704 | - | 294,704 |
| <u>17,991</u> | <u>-</u> | <u>-</u> | <u>260,308</u> | <u>329,895</u> | <u>-</u> | <u>329,895</u> |
| <u>18,181</u> | <u>-</u> | <u>-</u> | <u>410,014</u> | <u>3,777,501</u> | <u>-</u> | <u>3,777,501</u> |
| 1,713,410 | - | - | 5,766,496 | 24,902,001 | - | 24,902,001 |
| - | - | - | - | 1,183,378 | - | 1,183,378 |
| 5,752 | 620 | 332 | 137,097 | 626,941 | - | 626,941 |
| - | - | - | 365,906 | 585,905 | - | 585,905 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>250,200</u> | <u>250,200</u> | <u>(250,200)</u> | <u>-</u> |
| <u>2,898,023</u> | <u>396,765</u> | <u>402,548</u> | <u>6,929,713</u> | <u>34,743,384</u> | <u>(250,200)</u> | <u>34,493,184</u> |
| 1,863,071 | - | - | - | 36,005,384 | - | 36,005,384 |
| 13,033,616 | - | - | - | 343,795,970 | - | 343,795,970 |
| 83,025 | - | - | 911,632 | 2,701,352 | - | 2,701,352 |
| (6,784,938) | - | - | (825,180) | (238,497,377) | - | (238,497,377) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,402,255</u> | <u>-</u> | <u>3,402,255</u> |
| <u>8,194,774</u> | <u>-</u> | <u>-</u> | <u>86,452</u> | <u>147,407,584</u> | <u>-</u> | <u>147,407,584</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>103,130</u> | <u>126,107</u> | <u>-</u> | <u>126,107</u> |
| <u>8,194,774</u> | <u>-</u> | <u>-</u> | <u>189,582</u> | <u>147,533,691</u> | <u>-</u> | <u>147,533,691</u> |
| <u>\$ 11,092,797</u> | <u>\$ 396,765</u> | <u>\$ 402,548</u> | <u>\$ 7,119,295</u> | <u>\$ 182,277,075</u> | <u>\$ (250,200)</u> | <u>\$ 182,026,875</u> |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

FINANCIAL DATA SCHEDULE
 COMBINING BALANCE SHEET - ALL PROGRAMS
 As of March 31, 2019

| Line Item No. | Account Descriptions | Project Total | 14.249 | | | | State/Local |
|-------------------------------------|--|-----------------------|--|---|---|---|-------------------|
| | | | 14.896 PIH Family Self- Sufficiency Program | 14.871 Housing Choice Vouchers | Section 8 Moderate Rehabilitation Single Room Occupancy | 14.170 Congregate Housing Service Program | |
| LIABILITIES AND NET POSITION | | | | | | | |
| Liabilities | | | | | | | |
| Current Liabilities | | | | | | | |
| 312 | Accounts payable <= 90 days | \$ - | \$ - | \$ 21,846 | \$ - | \$ - | \$ - |
| 321 | Accrued wage / payroll taxes payable | 416,336 | - | 79,129 | 118 | - | - |
| 322 | Accrued compensated absences - current portion | 663,582 | - | 126,920 | 54 | - | - |
| 325 | Accrued interest payable | 100,209 | - | 70 | - | - | - |
| 331 | Accounts payable - HUD PHA programs | - | - | - | 608 | - | - |
| 333 | Accounts payable - other government | 505,291 | - | - | - | - | - |
| 341 | Tenant security deposits | 987,838 | - | - | - | - | - |
| 342 | Unearned revenue | 721,335 | - | - | 18,574 | - | - |
| 345 | Other current liabilities | 95,330 | - | 61,365 | - | - | - |
| 346 | Accrued liabilities - other | 607,024 | - | 824 | - | 3,335 | 185 |
| 347 | Inter program - due to | - | 733 | - | - | 225,037 | 24,430 |
| 310 | Total Current Liabilities | <u>4,096,945</u> | <u>733</u> | <u>290,154</u> | <u>19,354</u> | <u>228,372</u> | <u>24,615</u> |
| Noncurrent Liabilities | | | | | | | |
| 354 | Accrued compensated absences - noncurrent | 984,420 | - | 212,566 | - | - | - |
| 355 | Loan liability - noncurrent | 5,255,000 | - | - | - | - | - |
| 357 | Accrued pension and OPEB liabilities | <u>1,764,820</u> | - | <u>349,802</u> | - | - | - |
| 350 | Total Noncurrent Liabilities | <u>8,004,240</u> | - | <u>562,368</u> | - | - | - |
| 300 | Total Liabilities | <u>12,101,185</u> | <u>733</u> | <u>852,522</u> | <u>19,354</u> | <u>228,372</u> | <u>24,615</u> |
| 508.4 | Net investment in capital assets | 133,871,358 | - | - | - | - | - |
| 511.4 | Restricted net position | 11,196,726 | - | 2 | - | - | - |
| 512.4 | Unrestricted net position | <u>2,341,386</u> | - | <u>2,456,294</u> | <u>25,375</u> | - | <u>147,748</u> |
| 513 | Total Equity - Net Assets / Position | <u>147,409,470</u> | - | <u>2,456,296</u> | <u>25,375</u> | - | <u>147,748</u> |
| 600 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND EQUITY - NET | <u>\$ 159,510,655</u> | <u>\$ 733</u> | <u>\$ 3,308,818</u> | <u>\$ 44,729</u> | <u>\$ 228,372</u> | <u>\$ 172,363</u> |

(Continued)

| Business Activities | 14.856 Lower Income Housing | | | Subtotal | Eliminations | Total |
|----------------------|-----------------------------|---------------------------------------|-----------------------------------|-----------------------|---------------------|-----------------------|
| | 14.879 Mainstream Vouchers | Assistance Program-Section 8 Moderate | Central Office Cost Center (COCC) | | | |
| \$ 11,046 | \$ 503 | \$ - | \$ 2,085,794 | \$ 2,119,189 | \$ - | \$ 2,119,189 |
| 3,745 | 2,635 | - | 97,680 | 599,643 | - | 599,643 |
| 4,440 | 1,811 | 2,100 | 144,588 | 943,495 | - | 943,495 |
| - | - | - | - | 100,279 | - | 100,279 |
| - | - | 133,725 | - | 134,333 | - | 134,333 |
| - | - | - | - | 505,291 | - | 505,291 |
| - | - | - | - | 987,838 | - | 987,838 |
| - | 140,502 | - | - | 880,411 | - | 880,411 |
| 3,935 | - | - | 317,908 | 478,538 | - | 478,538 |
| - | 28 | - | 6,685 | 618,081 | - | 618,081 |
| - | - | - | - | 250,200 | (250,200) | - |
| <u>23,166</u> | <u>145,479</u> | <u>135,825</u> | <u>2,652,655</u> | <u>7,617,298</u> | <u>(250,200)</u> | <u>7,367,098</u> |
| 19,501 | - | 3,227 | 214,497 | 1,434,211 | - | 1,434,211 |
| - | - | - | - | 5,255,000 | - | 5,255,000 |
| <u>16,407</u> | <u>9,421</u> | <u>5,171</u> | <u>521,303</u> | <u>2,666,924</u> | <u>-</u> | <u>2,666,924</u> |
| <u>35,908</u> | <u>9,421</u> | <u>8,398</u> | <u>735,800</u> | <u>9,356,135</u> | <u>-</u> | <u>9,356,135</u> |
| <u>59,074</u> | <u>154,900</u> | <u>144,223</u> | <u>3,388,455</u> | <u>16,973,433</u> | <u>(250,200)</u> | <u>16,723,233</u> |
| 8,194,774 | - | - | 86,452 | 142,152,584 | - | 142,152,584 |
| - | - | - | 3,644,388 | 14,841,116 | - | 14,841,116 |
| <u>2,838,949</u> | <u>241,865</u> | <u>258,325</u> | <u>-</u> | <u>8,309,942</u> | <u>-</u> | <u>8,309,942</u> |
| <u>11,033,723</u> | <u>241,865</u> | <u>258,325</u> | <u>3,730,840</u> | <u>165,303,642</u> | <u>-</u> | <u>165,303,642</u> |
| <u>\$ 11,092,797</u> | <u>\$ 396,765</u> | <u>\$ 402,548</u> | <u>\$ 7,119,295</u> | <u>\$ 182,277,075</u> | <u>\$ (250,200)</u> | <u>\$ 182,026,875</u> |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

FINANCIAL DATA SCHEDULE
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION - ALL PROGRAMS
 For the Year Ended March 31, 2019

| Line Item No. | Account Descriptions | Project Total | 14.896 PIH Family Self-Sufficiency Program | 14.871 Housing Choice Vouchers | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy | 14.170 Congregate Housing Service Program | State/Local |
|-----------------|--|-------------------|--|--------------------------------|--|---|----------------|
| REVENUES | | | | | | | |
| 70300 | Net tenant rental revenue | \$ 17,522,224 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70400 | Tenant revenue - other | <u>78,966</u> | - | - | - | - | - |
| 70500 | Total Tenant Revenue | <u>17,601,190</u> | - | - | - | - | - |
| 70600 | HUD PHA operating grants | 12,918,979 | 8,135 | 40,521,732 | 20,273 | 877,218 | - |
| 70610 | Capital grants | 8,380,197 | - | - | - | - | - |
| 70710 | Management fee | - | - | - | - | - | - |
| 70720 | Asset management fee | - | - | - | - | - | - |
| 70730 | Bookkeeping fee | - | - | - | - | - | - |
| 70750 | Other Fees | - | - | - | - | - | - |
| 70700 | Total Fee Revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 71100 | Investment income - unrestricted | 3,082 | - | 64,727 | 618 | - | - |
| 71400 | Fraud recovery | - | - | 308,061 | - | - | - |
| 71500 | Other revenue | 1,124,209 | - | 1,951,109 | - | 1,244,396 | 84,735 |
| 71600 | Gain or loss on sale of capital assets | 31,798 | - | - | - | - | - |
| 72000 | Investment income - restricted | - | - | - | - | - | - |
| 70000 | Total Revenue | <u>40,059,455</u> | <u>8,135</u> | <u>42,845,629</u> | <u>20,891</u> | <u>2,121,614</u> | <u>84,735</u> |
| EXPENSES | | | | | | | |
| Administrative | | | | | | | |
| 91100 | Administrative salaries | 3,441,096 | 5,781 | 1,711,406 | 2,567 | 65,506 | 44,063 |
| 91200 | Auditing fees | 45,741 | - | 20,489 | 65 | 400 | - |
| 91300 | Management fee | 3,197,171 | - | - | - | - | - |
| 91310 | Bookkeeping fee | 379,236 | - | - | - | - | - |
| 91400 | Advertising and marketing | 4,193 | - | 511 | - | - | - |
| 91500 | Employee benefit contributions - administrative | 1,418,232 | 2,354 | 717,144 | 874 | 21,317 | 14,353 |
| 91600 | Office expenses | 381,138 | - | 242,721 | - | - | - |
| 91700 | Legal expense | - | - | 133,358 | - | - | - |
| 91800 | Travel | 31,408 | - | 63,643 | - | - | - |
| 91900 | Other | 506,344 | - | 357,530 | - | 18,415 | 43,170 |
| 91000 | Total Operating - Administrative | <u>9,404,559</u> | <u>8,135</u> | <u>3,246,802</u> | <u>3,506</u> | <u>105,638</u> | <u>101,586</u> |
| 92000 | Asset management fee | 512,830 | - | - | - | - | - |
| Tenant Services | | | | | | | |
| 92100 | Tenant services - salaries | 580,565 | - | - | - | 446,104 | - |
| 92300 | Employee benefit contributions - tenant services | 225,901 | - | - | - | 145,798 | - |
| 92400 | Tenant services - other | 377,456 | - | - | - | 1,424,074 | - |
| 92500 | Total Tenant Services | <u>1,183,922</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,015,976</u> | <u>-</u> |
| Utilities | | | | | | | |
| 93100 | Water | 2,282,249 | - | - | - | - | - |
| 93200 | Electricity | 1,511,523 | - | - | - | - | - |
| 93300 | Gas | 711,984 | - | - | - | - | - |
| 93400 | Fuel | 33,129 | - | - | - | - | - |
| 93500 | Labor | - | - | - | - | - | - |
| 93700 | Employee benefit contributions - utilities | - | - | - | - | - | - |
| 93800 | Other utilities expense | 573,586 | - | - | - | - | - |
| 93000 | Total Utilities | <u>5,112,471</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

(Continued)

| Business Activities | 14.856 Lower Income Housing | | | Central Office Cost Center (COCC) | Subtotal | Eliminations | Total |
|---------------------|-----------------------------|---------------------------------------|-----------|-----------------------------------|-------------|---------------|-------|
| | 14.879 Mainstream Vouchers | Assistance Program-Section 8 Moderate | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ 17,522,224 | \$ - | \$ 17,522,224 | |
| - | - | - | - | 78,966 | - | 78,966 | |
| - | - | - | - | 17,601,190 | - | 17,601,190 | |
| - | 868,640 | 280,336 | 133,371 | 55,628,684 | - | 55,628,684 | |
| - | - | - | - | 8,380,197 | - | 8,380,197 | |
| - | - | - | 3,197,171 | 3,197,171 | (3,197,171) | - | |
| - | - | - | 512,830 | 512,830 | (512,830) | - | |
| - | - | - | 379,236 | 379,236 | (379,236) | - | |
| - | - | - | - | - | - | - | |
| - | - | - | 4,089,237 | 4,089,237 | (4,089,237) | - | |
| 51,463 | 6,655 | 8,273 | 601,641 | 736,459 | - | 736,459 | |
| - | - | - | - | 308,061 | - | 308,061 | |
| 846,920 | - | - | 74,480 | 5,325,849 | (596,815) | 4,729,034 | |
| - | - | - | - | 31,798 | - | 31,798 | |
| - | - | - | - | - | - | - | |
| 898,383 | 875,295 | 288,609 | 4,898,729 | 92,101,475 | (4,686,052) | 87,415,423 | |
| 63,164 | 47,548 | 19,128 | 2,463,830 | 7,864,089 | - | 7,864,089 | |
| 500 | 517 | 323 | 2,500 | 70,535 | - | 70,535 | |
| - | - | - | - | 3,197,171 | (3,197,171) | - | |
| - | - | - | - | 379,236 | (379,236) | - | |
| 80 | 13 | 4 | 1,332 | 6,133 | - | 6,133 | |
| 23,690 | 19,195 | 8,135 | 1,032,237 | 3,257,531 | - | 3,257,531 | |
| 390 | 6,668 | 2,590 | 407,566 | 1,041,073 | (596,815) | 444,258 | |
| - | 3,518 | 1,420 | 563,770 | 702,066 | - | 702,066 | |
| - | 1,697 | 819 | 105,140 | 202,707 | - | 202,707 | |
| 54,274 | 9,010 | 44,918 | 699,777 | 1,733,438 | - | 1,733,438 | |
| 142,098 | 88,166 | 77,337 | 5,276,152 | 18,453,979 | (4,173,222) | 14,280,757 | |
| - | - | - | - | 512,830 | (512,830) | - | |
| - | - | - | - | 1,026,669 | - | 1,026,669 | |
| - | - | - | - | 371,699 | - | 371,699 | |
| - | - | - | 25,458 | 1,826,988 | - | 1,826,988 | |
| - | - | - | 25,458 | 3,225,356 | - | 3,225,356 | |
| 9,397 | - | - | - | 2,291,646 | - | 2,291,646 | |
| 77,089 | - | - | - | 1,588,612 | - | 1,588,612 | |
| - | - | - | - | 711,984 | - | 711,984 | |
| - | - | - | - | 33,129 | - | 33,129 | |
| 3,018 | - | - | 51,305 | 54,323 | - | 54,323 | |
| 1,621 | - | - | 30,992 | 32,613 | - | 32,613 | |
| 163,505 | - | - | - | 737,091 | - | 737,091 | |
| 254,630 | - | - | 82,297 | 5,449,398 | - | 5,449,398 | |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

FINANCIAL DATA SCHEDULE
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION - ALL PROGRAMS
 For the Year Ended March 31, 2019

| Line Item No. | Account Descriptions | Project Total | 14.896 PIH Family Self-Sufficiency Program | 14.871 Housing Choice Vouchers | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy | 14.170 Congregate Housing Service Program | State/Local |
|-------------------------------------|---|-------------------|--|--------------------------------|--|---|--------------------|
| EXPENSES (cont.) | | | | | | | |
| Ordinary Maintenance and Operations | | | | | | | |
| 94100 | Labor | \$ 4,713,206 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 94200 | Materials | 903,712 | - | - | - | - | - |
| 94300 | Contracts | 2,758,221 | - | - | - | - | - |
| 94500 | Employee benefit contributions | 2,332,373 | - | - | - | - | - |
| 94000 | Total Maintenance | <u>10,707,512</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Protective Services | | | | | | | |
| 95200 | Contracts | 812,085 | - | - | - | - | - |
| 95000 | Total Protective Services | <u>812,085</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Insurance Premiums | | | | | | | |
| 96110 | Property insurance | 490,722 | - | - | - | - | - |
| 96120 | Liability insurance | 154,434 | - | 15,358 | - | - | - |
| 96130 | Workmen's compensation | 169,192 | - | 32,489 | - | - | - |
| 96140 | All other insurance | 83,723 | - | 24,882 | - | - | - |
| 96100 | Total Insurance Premiums | <u>898,071</u> | <u>-</u> | <u>72,729</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| General Expenses | | | | | | | |
| 96200 | Other general expenses | 3,318 | - | 393,725 | - | - | - |
| 96300 | Payments in lieu of taxes | 997,065 | - | - | - | - | - |
| 96400 | Bad debt - tenant rents | 57,650 | - | - | - | - | - |
| 96800 | Severance expense | 123,699 | - | 32,011 | - | - | - |
| 96000 | Total Other General Expenses | <u>1,181,732</u> | <u>-</u> | <u>425,736</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 96900 | Total Operating Expenses | <u>29,813,182</u> | <u>8,135</u> | <u>3,745,267</u> | <u>3,506</u> | <u>2,121,614</u> | <u>101,586</u> |
| 97000 | Excess of Operating Revenue over Operating Expenses | <u>10,246,273</u> | <u>-</u> | <u>39,100,362</u> | <u>17,385</u> | <u>-</u> | <u>(16,851)</u> |
| 97100 | Extraordinary maintenance | 1,321,082 | - | - | - | - | - |
| 97200 | Casualty losses - non-capitalized | 117,276 | - | - | - | - | - |
| 97300 | Housing assistance payments | - | - | 38,075,412 | 13,844 | - | - |
| 97350 | HAP portability-in | - | - | 1,807,708 | - | - | - |
| 97400 | Depreciation expense | 7,898,868 | - | - | - | - | - |
| 90000 | Total Expenses | <u>39,150,408</u> | <u>8,135</u> | <u>43,628,387</u> | <u>17,350</u> | <u>2,121,614</u> | <u>101,586</u> |
| 10000 | EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | <u>\$ 909,047</u> | <u>\$ -</u> | <u>\$ (782,758)</u> | <u>\$ 3,541</u> | <u>\$ -</u> | <u>\$ (16,851)</u> |
| 11030 | Beginning Equity | \$ 146,500,423 | \$ - | \$ 3,239,054 | \$ 21,834 | \$ - | \$ 164,599 |
| 11170 | Administrative Fee Equity | - | - | 2,351,874 | - | - | - |
| 11180 | Housing Assistance Payments Equity | - | - | 2 | - | - | - |
| 11190 | Unit Months Available | 51,024 | - | 54,012 | 72 | - | - |
| 11210 | Number of Unit Months Leased | 50,810 | - | 54,217 | 41 | - | - |
| 11270 | Excess Cash | 11,934,273 | - | - | - | - | - |
| 11610 | Land Purchases | 6,355 | - | - | - | - | - |
| 11620 | Building Purchases | 9,482,767 | - | - | - | - | - |
| 11640 | Furniture & Equipment - Administrative Purchases | 119,293 | - | - | - | - | - |

(Continued)

| Business Activities | 14.856 Lower Income Housing | | | Central Office Cost Center (COCC) | Subtotal | Eliminations | Total |
|------------------------|----------------------------------|---|------------------|---|--------------------|-------------------|-------|
| | 14.879 Mainstream Vouchers | Assistance Program-Section 8 Moderate | | | | | |
| \$ 12,418 | \$ - | \$ - | \$ - | \$ 4,725,624 | \$ - | \$ 4,725,624 | |
| 4,120 | - | - | - | 907,832 | - | 907,832 | |
| 208,607 | - | - | - | 2,966,828 | - | 2,966,828 | |
| 4,946 | - | - | - | 2,337,319 | - | 2,337,319 | |
| <u>230,091</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,937,603</u> | <u>-</u> | <u>10,937,603</u> | |
| | | | | | | | |
| 28,546 | - | - | - | 840,631 | - | 840,631 | |
| <u>28,546</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>840,631</u> | <u>-</u> | <u>840,631</u> | |
| | | | | | | | |
| 10,503 | - | - | - | 501,225 | - | 501,225 | |
| 1,882 | 422 | 168 | - | 172,264 | - | 172,264 | |
| 3,249 | - | - | 44,985 | 249,915 | - | 249,915 | |
| 1,049 | 691 | 276 | 20,716 | 131,337 | - | 131,337 | |
| <u>16,683</u> | <u>1,113</u> | <u>444</u> | <u>65,701</u> | <u>1,054,741</u> | <u>-</u> | <u>1,054,741</u> | |
| | | | | | | | |
| - | 5,489 | - | 27,000 | 429,532 | - | 429,532 | |
| 46,242 | - | - | - | 1,043,307 | - | 1,043,307 | |
| - | - | - | - | 57,650 | - | 57,650 | |
| - | - | - | 173,305 | 329,015 | - | 329,015 | |
| <u>46,242</u> | <u>5,489</u> | <u>-</u> | <u>200,305</u> | <u>1,859,504</u> | <u>-</u> | <u>1,859,504</u> | |
| | | | | | | | |
| 718,290 | 94,768 | 77,781 | 5,649,913 | 42,334,042 | (4,686,052) | 37,647,990 | |
| | | | | | | | |
| <u>180,093</u> | <u>780,527</u> | <u>210,828</u> | <u>(751,184)</u> | <u>49,767,433</u> | <u>-</u> | <u>49,767,433</u> | |
| | | | | | | | |
| 96,055 | - | - | - | 1,417,137 | - | 1,417,137 | |
| 5,841 | - | - | - | 123,117 | - | 123,117 | |
| - | 792,832 | 227,255 | - | 39,109,343 | - | 39,109,343 | |
| - | - | - | - | 1,807,708 | - | 1,807,708 | |
| 437,354 | - | - | 62,980 | 8,399,202 | - | 8,399,202 | |
| <u>1,257,540</u> | <u>887,600</u> | <u>305,036</u> | <u>5,712,893</u> | <u>93,190,549</u> | <u>(4,686,052)</u> | <u>88,504,497</u> | |
| | | | | | | | |
| \$ (359,157) | \$ (12,305) | \$ (16,427) | \$ (814,164) | \$ (1,089,074) | \$ - | \$ (1,089,074) | |
| | | | | | | | |
| \$ 11,392,880 | \$ 254,170 | \$ 274,752 | \$ 4,545,004 | \$ 166,392,716 | \$ - | \$ 166,392,716 | |
| - | - | - | - | 2,351,874 | - | 2,351,874 | |
| - | - | - | - | 2 | - | 2 | |
| - | - | - | - | 105,108 | - | 105,108 | |
| - | - | - | - | 105,068 | - | 105,068 | |
| - | - | - | - | 11,934,273 | - | 11,934,273 | |
| - | - | - | - | 6,355 | - | 6,355 | |
| - | - | - | - | 9,482,767 | - | 9,482,767 | |
| - | - | - | - | 119,293 | - | 119,293 | |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

FINANCIAL DATA SCHEDULE
COMBINING BALANCE SHEET - LOW INCOME
As of March 31, 2019

| Line Item No. | Account Description | AMP 1 14.850a | AMP 2 14.850a | AMP 3 14.850a | AMP 4 14.850a | AMP 5 14.850a | AMP 6 14.850a |
|--------------------------------------|---|----------------------|---------------------|----------------------|----------------------|----------------------|---------------------|
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| Cash | | | | | | | |
| 111 | Cash - unrestricted | \$ 170,926 | \$ 60,772 | \$ 130,812 | \$ 37,898 | \$ 152,209 | \$ 46,362 |
| 100 | Total Cash | <u>170,926</u> | <u>60,772</u> | <u>130,812</u> | <u>37,898</u> | <u>152,209</u> | <u>46,362</u> |
| Accounts and Notes Receivable | | | | | | | |
| 122 | Accounts receivable - HUD other projects | 78,019 | 234,568 | 127,089 | 132,417 | 388,371 | 41,883 |
| 125 | Accounts receivable - miscellaneous | 1,979 | 2,863 | 3,512 | 661 | 2,208 | 1,410 |
| 126 | Accounts receivable - tenants | 81,168 | 21,918 | 29,801 | 27,563 | 51,270 | 19,526 |
| 129 | Accrued Interest Receivable | 1,983 | 1,845 | 2,258 | 1,047 | 2,066 | 936 |
| 120 | Total Receivables | <u>163,149</u> | <u>261,194</u> | <u>162,660</u> | <u>161,688</u> | <u>443,915</u> | <u>63,755</u> |
| Investments and Other Assets | | | | | | | |
| 131 | Investments - unrestricted | 2,637,261 | 1,025,505 | 2,158,438 | 627,991 | 2,520,912 | 778,648 |
| 132 | Investments - restricted | 158,497 | 127,607 | 178,998 | 82,641 | 165,088 | 73,998 |
| 142 | Prepaid expenses and other assets | 78,702 | 40,310 | 39,394 | 46,796 | 79,634 | 18,109 |
| 143 | Inventories | - | 55,737 | 47,548 | - | 21,384 | - |
| | Total Investments Other Assets | <u>2,874,460</u> | <u>1,249,159</u> | <u>2,424,378</u> | <u>757,428</u> | <u>2,787,018</u> | <u>870,755</u> |
| 150 | Total Current Assets and Investments | <u>3,208,535</u> | <u>1,571,125</u> | <u>2,717,850</u> | <u>957,014</u> | <u>3,383,142</u> | <u>980,872</u> |
| Noncurrent Assets | | | | | | | |
| Capital Assets | | | | | | | |
| 161 | Land | 5,295,049 | 1,725,770 | 2,175,274 | 1,731,622 | 10,419,100 | 897,607 |
| 162 | Buildings | 62,633,392 | 22,309,875 | 28,829,147 | 34,076,452 | 55,848,778 | 10,946,485 |
| 164 | Furniture, equipment and machinery - administration | 504,848 | 102,322 | 102,571 | 161,473 | 365,505 | 64,268 |
| 166 | Accumulated depreciation | (41,524,262) | (16,474,821) | (20,240,108) | (24,622,451) | (44,172,830) | (8,597,780) |
| 167 | Construction in progress | 1,762 | 45,878 | 69,946 | 527,769 | 884,114 | 29,603 |
| 160 | Total Capital Assets, Net | <u>26,910,789</u> | <u>7,709,024</u> | <u>10,936,830</u> | <u>11,874,865</u> | <u>23,344,667</u> | <u>3,340,183</u> |
| Other Assets | | | | | | | |
| 174 | Other assets | 3,733 | 1,115 | 1,231 | 5,371 | 689 | - |
| 180 | Total Noncurrent Assets | <u>26,914,522</u> | <u>7,710,139</u> | <u>10,938,061</u> | <u>11,880,236</u> | <u>23,345,356</u> | <u>3,340,183</u> |
| 290 | TOTAL ASSETS | <u>\$ 30,123,057</u> | <u>\$ 9,281,264</u> | <u>\$ 13,655,911</u> | <u>\$ 12,837,250</u> | <u>\$ 26,728,498</u> | <u>\$ 4,321,055</u> |
| LIABILITIES AND NET POSITION | | | | | | | |
| Liabilities | | | | | | | |
| Current Liabilities | | | | | | | |
| 321 | Accrued wage / payroll taxes payable | \$ 65,338 | \$ 44,108 | \$ 40,175 | \$ 46,067 | \$ 73,142 | \$ 20,601 |
| 322 | Accrued compensated absences - current portion | 90,014 | 72,862 | 67,402 | 66,249 | 118,776 | 25,916 |
| 325 | Accrued interest payable | 13,491 | 10,619 | 11,017 | 7,966 | 14,900 | 5,314 |
| 333 | Accounts payable - other government | 105,343 | 47,159 | 52,300 | 47,715 | 79,234 | 20,484 |
| 341 | Tenant security deposits | 145,007 | 106,893 | 128,239 | 74,675 | 144,030 | 56,892 |
| 342 | Unearned revenue | 27,036 | 77,920 | 238,365 | 12,493 | 36,893 | 73,828 |
| 345 | Other current liabilities | - | 10,095 | 39,741 | - | 6,158 | 11,791 |
| 346 | Accrued liabilities - other | 67,404 | 60,768 | 82,135 | 30,012 | 117,015 | 31,771 |
| 310 | Total Current Liabilities | <u>513,633</u> | <u>430,424</u> | <u>659,374</u> | <u>285,177</u> | <u>590,148</u> | <u>246,597</u> |
| Noncurrent Liabilities | | | | | | | |
| 354 | Accrued compensated absences - noncurrent | 133,536 | 108,091 | 99,990 | 98,280 | 176,204 | 38,447 |
| 355 | Loan liability - noncurrent | - | - | - | 540,000 | 860,000 | - |
| 357 | Accrued pension and OPEB liabilities | 290,561 | 158,665 | 162,689 | 171,052 | 338,454 | 78,308 |
| 350 | Total Noncurrent Liabilities | <u>424,097</u> | <u>266,756</u> | <u>262,679</u> | <u>809,332</u> | <u>1,374,658</u> | <u>116,755</u> |
| 300 | Total Liabilities | <u>937,730</u> | <u>697,180</u> | <u>922,053</u> | <u>1,094,509</u> | <u>1,964,806</u> | <u>363,352</u> |
| Net Position | | | | | | | |
| 508.4 | Net investment in capital assets | 26,910,789 | 7,709,024 | 10,936,830 | 11,334,865 | 22,484,667 | 3,340,183 |
| 511.4 | Restricted net position | 2,274,538 | - | 1,797,028 | 407,876 | 2,279,025 | 617,520 |
| 512.4 | Unrestricted Net Position | - | 875,060 | - | - | - | - |
| 513 | Total Net Position | <u>29,185,327</u> | <u>8,584,084</u> | <u>12,733,858</u> | <u>11,742,741</u> | <u>24,763,692</u> | <u>3,957,703</u> |
| 600 | TOTAL LIABILITIES AND NET POSITION | <u>\$ 30,123,057</u> | <u>\$ 9,281,264</u> | <u>\$ 13,655,911</u> | <u>\$ 12,837,250</u> | <u>\$ 26,728,498</u> | <u>\$ 4,321,055</u> |

| AMP 7 14.850a | AMP 8 14.850a | AMP 9 14.850a | AMP 11 14.850a | AMP 12 14.850a | AMP 13 14.850a | Total |
|----------------------|----------------------|----------------------|-------------------|-------------------|---------------------|-----------------------|
| \$ 94,872 | \$ 50,815 | \$ 101,455 | \$ - | \$ - | \$ 53,983 | \$ 900,104 |
| <u>94,872</u> | <u>50,815</u> | <u>101,455</u> | <u>-</u> | <u>-</u> | <u>53,983</u> | <u>900,104</u> |
| 124,411 | 989,017 | 69,761 | - | - | - | 2,185,536 |
| 5,753 | 150,113 | 137 | - | - | - | 168,636 |
| 17,518 | 16,789 | 29,151 | - | - | - | 294,704 |
| <u>1,652</u> | <u>1,983</u> | <u>1,294</u> | <u>-</u> | <u>-</u> | <u>55</u> | <u>15,119</u> |
| <u>149,334</u> | <u>1,157,902</u> | <u>100,343</u> | <u>-</u> | <u>-</u> | <u>55</u> | <u>2,663,995</u> |
| 1,572,214 | 850,248 | 1,673,647 | - | - | 1,090,406 | 14,935,270 |
| 131,930 | 157,682 | 103,635 | - | - | 3,302 | 1,183,378 |
| 44,025 | 59,818 | 51,028 | - | - | 758 | 458,574 |
| <u>59,551</u> | <u>35,779</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>219,999</u> |
| <u>1,807,720</u> | <u>1,103,527</u> | <u>1,828,310</u> | <u>-</u> | <u>-</u> | <u>1,094,466</u> | <u>16,797,221</u> |
| <u>2,051,926</u> | <u>2,312,244</u> | <u>2,030,108</u> | <u>-</u> | <u>-</u> | <u>1,148,504</u> | <u>20,361,320</u> |
| 1,967,852 | 4,077,423 | 5,851,702 | - | - | 914 | 34,142,313 |
| 32,371,698 | 49,146,834 | 31,413,044 | - | - | 3,186,649 | 330,762,354 |
| 94,378 | 204,913 | 106,417 | - | - | - | 1,706,695 |
| (19,604,339) | (29,058,181) | (26,436,630) | - | - | (155,857) | (230,887,259) |
| <u>14,700</u> | <u>1,627,508</u> | <u>200,975</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,402,255</u> |
| <u>14,844,289</u> | <u>25,998,497</u> | <u>11,135,508</u> | <u>-</u> | <u>-</u> | <u>3,031,706</u> | <u>139,126,358</u> |
| 3,699 | - | 7,139 | - | - | - | 22,977 |
| <u>14,847,988</u> | <u>25,998,497</u> | <u>11,142,647</u> | <u>-</u> | <u>-</u> | <u>3,031,706</u> | <u>139,149,335</u> |
| <u>\$ 16,899,914</u> | <u>\$ 28,310,741</u> | <u>\$ 13,172,755</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,180,210</u> | <u>\$ 159,510,655</u> |
| \$ 45,588 | \$ 55,081 | \$ 26,236 | \$ - | \$ - | \$ - | \$ 416,336 |
| 55,545 | 102,451 | 64,355 | - | - | 12 | 663,582 |
| 11,213 | 12,267 | 13,270 | - | - | 152 | 100,209 |
| 53,621 | 60,294 | 39,141 | - | - | - | 505,291 |
| 115,718 | 122,869 | 90,365 | - | - | 3,150 | 987,838 |
| 48,488 | 179,501 | 26,811 | - | - | - | 721,335 |
| 5,000 | 22,545 | - | - | - | - | 95,330 |
| <u>82,769</u> | <u>79,386</u> | <u>55,764</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>607,024</u> |
| <u>417,942</u> | <u>634,394</u> | <u>315,942</u> | <u>-</u> | <u>-</u> | <u>3,314</u> | <u>4,096,945</u> |
| 82,400 | 151,985 | 95,469 | - | - | 18 | 984,420 |
| - | 2,775,000 | - | - | - | 1,080,000 | 5,255,000 |
| <u>177,197</u> | <u>228,173</u> | <u>159,510</u> | <u>-</u> | <u>-</u> | <u>211</u> | <u>1,764,820</u> |
| <u>259,597</u> | <u>3,155,158</u> | <u>254,979</u> | <u>-</u> | <u>-</u> | <u>1,080,229</u> | <u>8,004,240</u> |
| <u>677,539</u> | <u>3,789,552</u> | <u>570,921</u> | <u>-</u> | <u>-</u> | <u>1,083,543</u> | <u>12,101,185</u> |
| 14,844,289 | 23,223,497 | 11,135,508 | - | - | 1,951,706 | 133,871,358 |
| 1,378,086 | 1,297,692 | - | - | - | 1,144,961 | 11,196,726 |
| <u>-</u> | <u>-</u> | <u>1,466,326</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,341,386</u> |
| <u>16,222,375</u> | <u>24,521,189</u> | <u>12,601,834</u> | <u>-</u> | <u>-</u> | <u>3,096,667</u> | <u>147,409,470</u> |
| <u>\$ 16,899,914</u> | <u>\$ 28,310,741</u> | <u>\$ 13,172,755</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,180,210</u> | <u>\$ 159,510,655</u> |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

FINANCIAL DATA SCHEDULE
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - LOW INCOME

For the Year Ended March 31, 2019

| Line Item No. | Account Description | AMP 1 14.850a | AMP 2 14.850a | AMP 3 14.850a | AMP 4 14.850a |
|------------------------------------|--|------------------|------------------|------------------|------------------|
| REVENUES | | | | | |
| 70300 | Net tenant rental revenue | \$ 2,849,924 | \$ 1,678,849 | \$ 1,811,250 | \$ 1,346,880 |
| 70400 | Tenant revenue - other | - | 13,044 | 19,836 | - |
| 70500 | Total Tenant Revenue | <u>2,849,924</u> | <u>1,691,893</u> | <u>1,831,086</u> | <u>1,346,880</u> |
| 70600 | HUD PHA operating grants | 2,037,236 | 1,166,107 | 1,610,322 | 1,101,875 |
| 70610 | Capital grants | 39,700 | 57,233 | 143,350 | 552,244 |
| 70800 | Other Government Grants | | | | |
| 71100 | Investment Income - Unrestricted | 925 | - | 43 | 519 |
| 71500 | Other revenue | 67,263 | 116,546 | 338,019 | 44,080 |
| 71600 | Gain or loss on sale of capital assets | 2,760 | - | - | 13,363 |
| 70000 | Total Revenue | <u>4,997,808</u> | <u>3,031,779</u> | <u>3,922,820</u> | <u>3,058,961</u> |
| EXPENSES | | | | | |
| Administrative | | | | | |
| 91100 | Administrative salaries | 461,619 | 324,848 | 310,087 | 366,238 |
| 91200 | Auditing fees | 6,236 | 5,129 | 5,948 | 3,419 |
| 91300 | Management fee | 439,418 | 360,388 | 418,747 | 242,278 |
| 91310 | Bookkeeping fee | 52,200 | 42,750 | 49,672 | 28,740 |
| 91400 | Advertising and marketing | 516 | 542 | 597 | 132 |
| 91500 | Employee benefit contributions - administrative | 199,202 | 135,137 | 124,432 | 152,107 |
| 91600 | Office expenses | 61,939 | 37,946 | 51,237 | 37,799 |
| 91800 | Travel | 1,630 | 4,023 | 5,404 | 1,264 |
| 91900 | Other | 69,165 | 70,712 | 60,239 | 44,558 |
| 91000 | Total Administrative | <u>1,291,925</u> | <u>981,475</u> | <u>1,026,363</u> | <u>876,535</u> |
| 92000 | Asset management fee | 69,600 | 57,720 | 66,720 | 38,400 |
| Tenant Services | | | | | |
| 92100 | Tenant services - salaries | 105,163 | 47,020 | 53,828 | 60,131 |
| 92300 | Employee benefit contributions - tenant services | 40,425 | 19,784 | 21,513 | 21,510 |
| 92400 | Tenant services - other | 82,996 | 35,982 | 40,221 | 34,078 |
| 92500 | Total Tenant Services | <u>228,584</u> | <u>102,786</u> | <u>115,562</u> | <u>115,719</u> |
| Utilities | | | | | |
| 93100 | Water | 446,763 | 159,498 | 193,163 | 188,919 |
| 93200 | Electricity | 61,402 | 287,348 | 272,235 | 36,875 |
| 93300 | Gas | 13,183 | 159,446 | 173,615 | 20,205 |
| 93400 | Fuel | - | 5,169 | 10,953 | - |
| 93800 | Other utilities expense | 6,917 | 10,565 | 7,434 | 2,889 |
| 93000 | Total Utilities | <u>528,265</u> | <u>622,026</u> | <u>657,400</u> | <u>248,888</u> |
| Ordinary Maintenance and Operation | | | | | |
| 94100 | Labor | 828,058 | 442,156 | 424,510 | 482,343 |
| 94200 | Materials | 173,624 | 70,930 | 94,504 | 84,081 |
| 94300 | Contracts | 287,856 | 360,702 | 348,886 | 167,589 |
| 94500 | Employee benefit contributions | 398,619 | 224,459 | 223,332 | 226,101 |
| 94000 | Total Maintenance | <u>1,688,157</u> | <u>1,098,247</u> | <u>1,091,232</u> | <u>960,114</u> |
| Protective Services | | | | | |
| 95200 | Contracts | 117,009 | 86,650 | 171,471 | 53,846 |
| 95000 | Total Protective Services | <u>117,009</u> | <u>86,650</u> | <u>171,471</u> | <u>53,846</u> |

(Continued)

| AMP 5 14.850a | AMP 6 14.850a | AMP 7 14.850a | AMP 8 14.850a | AMP 9 14.850a | AMP 11 14.850a | AMP 12 14.850a | AMP 13 14.850a | Total |
|-------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 2,749,836 | \$ 860,487 | \$ 1,853,272 | \$ 2,144,453 | \$ 2,177,592 | \$ - | \$ - | \$ 49,681 | \$ 17,522,224 |
| <u>12,918</u> | <u>5,766</u> | <u>12,744</u> | <u>14,658</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>78,966</u> |
| <u>2,762,754</u> | <u>866,253</u> | <u>1,866,016</u> | <u>2,159,111</u> | <u>2,177,592</u> | <u>-</u> | <u>-</u> | <u>49,681</u> | <u>17,601,190</u> |
| 2,101,376 | 832,305 | 1,431,314 | 1,644,537 | 972,222 | - | - | 21,685 | 12,918,979 |
| 5,049,922 | 33,647 | 55,248 | 2,182,502 | 266,351 | - | - | - | 8,380,197 |
| 12 | 368 | 467 | 168 | 580 | - | - | - | 3,082 |
| 91,342 | 114,893 | 82,348 | 248,688 | 20,315 | - | - | 715 | 1,124,209 |
| <u>8,884</u> | <u>-</u> | <u>6,791</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,798</u> |
| <u>10,014,290</u> | <u>1,847,466</u> | <u>3,442,184</u> | <u>6,235,006</u> | <u>3,437,060</u> | <u>-</u> | <u>-</u> | <u>72,081</u> | <u>40,059,455</u> |
| 608,521 | 176,611 | 351,824 | 476,712 | 355,085 | - | - | 9,551 | 3,441,096 |
| 6,564 | 2,805 | 5,469 | 6,154 | 3,896 | - | - | 121 | 45,741 |
| 444,888 | 197,695 | 383,209 | 428,946 | 272,498 | - | - | 9,104 | 3,197,171 |
| 52,755 | 23,452 | 45,457 | 50,880 | 32,325 | - | - | 1,005 | 379,236 |
| 432 | 700 | 555 | 677 | 42 | - | - | - | 4,193 |
| 250,075 | 71,402 | 144,611 | 191,191 | 146,727 | - | - | 3,348 | 1,418,232 |
| 55,853 | 18,890 | 41,180 | 48,451 | 27,843 | - | - | - | 381,138 |
| 3,831 | 3,786 | 3,222 | 5,843 | 2,405 | - | - | - | 31,408 |
| <u>80,813</u> | <u>30,453</u> | <u>67,194</u> | <u>70,691</u> | <u>12,519</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>506,344</u> |
| <u>1,503,732</u> | <u>525,794</u> | <u>1,042,721</u> | <u>1,279,545</u> | <u>853,340</u> | <u>-</u> | <u>-</u> | <u>23,129</u> | <u>9,404,559</u> |
| 73,630 | 31,800 | 61,200 | 69,120 | 43,200 | - | - | 1,440 | 512,830 |
| 105,770 | 28,351 | 39,783 | 74,149 | 64,194 | - | - | 2,176 | 580,565 |
| 41,374 | 11,457 | 16,334 | 29,264 | 23,500 | - | - | 740 | 225,901 |
| <u>59,947</u> | <u>25,687</u> | <u>36,162</u> | <u>40,159</u> | <u>22,224</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>377,456</u> |
| <u>207,091</u> | <u>65,495</u> | <u>92,279</u> | <u>143,572</u> | <u>109,918</u> | <u>-</u> | <u>-</u> | <u>2,916</u> | <u>1,183,922</u> |
| 406,918 | 94,137 | 208,101 | 224,209 | 353,644 | - | - | 6,897 | 2,282,249 |
| 191,131 | 122,555 | 275,907 | 263,250 | - | - | - | 820 | 1,511,523 |
| 85,655 | 1,551 | 148,074 | 110,255 | - | - | - | - | 711,984 |
| 1,597 | - | 12,827 | 2,583 | - | - | - | - | 33,129 |
| <u>197,429</u> | <u>169,738</u> | <u>5,474</u> | <u>168,874</u> | <u>4,266</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>573,586</u> |
| <u>882,730</u> | <u>387,981</u> | <u>650,383</u> | <u>769,171</u> | <u>357,910</u> | <u>-</u> | <u>-</u> | <u>7,717</u> | <u>5,112,471</u> |
| 951,854 | 212,400 | 453,443 | 558,247 | 343,063 | - | - | 17,132 | 4,713,206 |
| 201,873 | 57,658 | 79,688 | 105,802 | 35,552 | - | - | - | 903,712 |
| 407,947 | 179,924 | 378,041 | 438,760 | 188,516 | - | - | - | 2,758,221 |
| <u>455,688</u> | <u>111,209</u> | <u>232,428</u> | <u>279,512</u> | <u>174,049</u> | <u>-</u> | <u>-</u> | <u>6,976</u> | <u>2,332,373</u> |
| <u>2,017,362</u> | <u>561,191</u> | <u>1,143,600</u> | <u>1,382,321</u> | <u>741,180</u> | <u>-</u> | <u>-</u> | <u>24,108</u> | <u>10,707,512</u> |
| 103,909 | 90,994 | 89,061 | 99,145 | - | - | - | - | 812,085 |
| <u>103,909</u> | <u>90,994</u> | <u>89,061</u> | <u>99,145</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>812,085</u> |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

FINANCIAL DATA SCHEDULE
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - LOW INCOME

For the Year Ended March 31, 2019

| Line Item No. | Account Description | AMP 1 14.850a | AMP 2 14.850a | AMP 3 14.850a | AMP 4 14.850a |
|---|---|-----------------------|---------------------|---------------------|---------------------|
| Insurance Premiums | | | | | |
| 96110 | Property insurance | \$ 111,549 | \$ 26,228 | \$ 26,301 | \$ 52,423 |
| 96120 | Liability insurance | 27,509 | 14,077 | 16,287 | 14,828 |
| 96130 | Workmen's compensation | 27,491 | 14,995 | 17,494 | 17,494 |
| 96140 | All other insurance | <u>13,097</u> | <u>10,428</u> | <u>8,585</u> | <u>5,668</u> |
| 96100 | Total insurance Premiums | <u>179,646</u> | <u>65,728</u> | <u>68,667</u> | <u>90,413</u> |
| General Expenses | | | | | |
| 96200 | Other general expenses | - | - | 61 | - |
| 96300 | Payments in lieu of taxes | 194,320 | 73,597 | 86,597 | 83,857 |
| 96400 | Bad debt - tenant rents | 8,069 | 11,477 | (29) | 9,218 |
| 96800 | Severance expense | <u>150</u> | <u>16,685</u> | <u>6,607</u> | <u>50,670</u> |
| 96000 | Total Other General Expenses | <u>202,539</u> | <u>101,759</u> | <u>93,236</u> | <u>143,745</u> |
| 96900 | Total Operating Expenses | <u>4,305,725</u> | <u>3,116,391</u> | <u>3,290,651</u> | <u>2,527,660</u> |
| Excess of Operating Revenue Over Operating Expenses | | | | | |
| 97000 | | <u>692,083</u> | <u>(84,612)</u> | <u>632,169</u> | <u>531,301</u> |
| 97100 | Extraordinary maintenance | 78,173 | 84,072 | 113,600 | 394,810 |
| 97200 | Casualty losses - noncapitalized | - | 59,391 | 3,919 | 2,086 |
| 97400 | Depreciation expense | <u>1,627,629</u> | <u>402,701</u> | <u>624,168</u> | <u>883,931</u> |
| 90000 | Total Expenses | <u>6,011,527</u> | <u>3,662,555</u> | <u>4,032,338</u> | <u>3,808,487</u> |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | | | | | |
| 10000 | | <u>\$ (1,013,719)</u> | <u>\$ (630,776)</u> | <u>\$ (109,518)</u> | <u>\$ (749,526)</u> |
| 11030 | Beginning Equity | \$ 30,199,046 | \$ 9,214,860 | \$ 12,843,376 | \$ 12,492,267 |
| 11040 | Prior Period Adjustments, Equity Transfers and Correction | - | - | - | - |
| 11190 | Unit Months Available | 6,960 | 5,712 | 6,636 | 3,840 |
| 11210 | Number of Unit Months Leased | 6,948 | 5,699 | 6,622 | 3,832 |
| 11270 | Excess Cash | 2,099,942 | 660,445 | 1,520,434 | 332,237 |
| 11610 | Land Purchases | - | - | - | - |
| 11620 | Building Purchases | 39,700 | 156,069 | 143,350 | 598,062 |
| 11640 | Furniture & Equipment - Administrative Purchases | 12,597 | - | - | 45,824 |

(Continued)

| AMP 5 14.850a | AMP 6 14.850a | AMP 7 14.850a | AMP 8 14.850a | AMP 9 14.850a | AMP 11 14.850a | AMP 12 14.850a | AMP 13 14.850a | Total |
|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 86,815 | \$ 12,543 | \$ 33,590 | \$ 68,049 | \$ 73,224 | \$ - | \$ - | \$ - | \$ 490,722 |
| 23,176 | 7,709 | 15,652 | 18,664 | 16,532 | - | - | - | 154,434 |
| 37,487 | 7,497 | 14,995 | 22,492 | 9,247 | - | - | - | 169,192 |
| <u>11,089</u> | <u>3,357</u> | <u>9,321</u> | <u>15,464</u> | <u>6,714</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>83,723</u> |
| <u>158,567</u> | <u>31,106</u> | <u>73,558</u> | <u>124,669</u> | <u>105,717</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>898,071</u> |
| 3,257 | - | - | - | - | - | - | - | 3,318 |
| 169,224 | 30,721 | 94,439 | 99,157 | 165,153 | - | - | - | 997,065 |
| 40,277 | 1,659 | (15,581) | 11,553 | (8,993) | - | - | - | 57,650 |
| <u>16,988</u> | <u>64</u> | <u>10,332</u> | <u>16,175</u> | <u>6,028</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>123,699</u> |
| <u>229,746</u> | <u>32,444</u> | <u>89,190</u> | <u>126,885</u> | <u>162,188</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,181,732</u> |
| <u>5,176,767</u> | <u>1,726,805</u> | <u>3,241,992</u> | <u>3,994,428</u> | <u>2,373,453</u> | <u>-</u> | <u>-</u> | <u>59,310</u> | <u>29,813,182</u> |
| <u>4,837,523</u> | <u>120,661</u> | <u>200,192</u> | <u>2,240,578</u> | <u>1,063,607</u> | <u>-</u> | <u>-</u> | <u>12,771</u> | <u>10,246,273</u> |
| 161,437 | 226,495 | 176,072 | 78,580 | 7,843 | - | - | - | 1,321,082 |
| 10,814 | 748 | 1,621 | 7,580 | 31,117 | - | - | - | 117,276 |
| <u>1,248,594</u> | <u>218,463</u> | <u>757,572</u> | <u>1,269,960</u> | <u>790,536</u> | <u>-</u> | <u>-</u> | <u>75,314</u> | <u>7,898,868</u> |
| <u>6,597,612</u> | <u>2,172,511</u> | <u>4,177,257</u> | <u>5,350,548</u> | <u>3,202,949</u> | <u>-</u> | <u>-</u> | <u>134,624</u> | <u>39,150,408</u> |
| \$ 3,416,678 | \$ (325,045) | \$ (735,073) | \$ 884,458 | \$ 234,111 | \$ - | \$ - | \$ (62,543) | \$ 909,047 |
| \$ 21,346,278 | \$ 4,282,748 | \$ 16,957,448 | \$ 23,636,731 | \$ 12,367,723 | \$ - | \$ 736 | \$ 3,159,210 | \$ 146,500,423 |
| 736 | - | - | - | - | - | (736) | - | - |
| 7,332 | 3,156 | 6,072 | 6,852 | 4,320 | - | - | 144 | 51,024 |
| 7,305 | 3,120 | 6,058 | 6,775 | 4,307 | - | - | 144 | 50,810 |
| 2,098,537 | 499,466 | 1,131,039 | 1,094,251 | 1,361,734 | - | - | 1,136,188 | 11,934,273 |
| 4,500 | - | - | - | 1,855 | - | - | - | 6,355 |
| 5,045,422 | 33,647 | 55,248 | 3,146,771 | 264,496 | - | - | - | 9,482,765 |
| 32,155 | - | 28,717 | - | - | - | - | - | 119,293 |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2019

| Federal Grantor/Grant Program Title | Catalog of Federal Domestic Assistance Number | Expenditures | Amounts provided to subrecipients |
|---|---|----------------------|--------------------------------------|
| U.S. Department of Housing and Urban Development | | | |
| Congregate Housing Services Program | 14.170 | \$ 877,218 | \$ - |
| Family Self-Sufficiency Program | 14.896 | 8,135 | - |
| Public and Indian Housing | 14.850a | 12,738,948 | - |
| Housing Voucher Cluster | | | |
| Section 8 Housing Choice Vouchers | 14.871 | 42,453,828 | - |
| Mainstream Vouchers | 14.879 | 868,640 | - |
| Total Housing Voucher Cluster | | <u>43,322,468</u> | <u>-</u> |
| Section 8 Project-Based Cluster | | | |
| Lower Income Housing Assistance Program - | | | |
| Section 8 Moderate Rehabilitation | 14.856 | 280,336 | 227,255 |
| Section 8 Moderate Rehabilitation Single Room Occupancy | 14.249 | 20,273 | 13,844 |
| Total Section 8 Project-Based Cluster | | <u>300,609</u> | <u>241,099</u> |
| Public Housing Capital Fund | 14.872 | 8,693,600 | - |
| TOTAL FEDERAL AWARDS | | <u>\$ 65,940,978</u> | <u>\$ 241,099</u> |

STATISTICAL SECTION

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

SUMMARY OF STATISTICAL SECTION For the Year Ended March 31, 2019

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 Income 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 Income Public Housing Expenses by HUD Classification
- Table 7 Section 8 Expenses by HUD Classification
- Table 8 Agency Salary Expense by Department
- Table 9 Low Income 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
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PROGRAM TABLES

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

DEBT SERVICE TABLES

- Table 18 Schedule of Outstanding Debt by Type

DEMOGRAPHIC INFORMATION

- Table 19 City of Saint Paul, Minnesota Demographic and Economic Statistics

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 Income 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 Income Public Housing unit information, and Low Income and Section 8 utilization.

Public Housing Agency of the City of Saint Paul

Table 1 - Agency Revenue by PHA/HUD Programs
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Section 8 Certs/Mod | \$ 368,789 | \$ 427,115 | \$ 396,362 | \$ 401,183 | \$ 398,497 | \$ 394,428 | \$ 392,752 | \$ 392,968 | \$ 408,111 | \$ 288,609 |
| Section 8 Vouchers | 32,765,741 | 37,730,735 | 38,713,422 | 38,551,972 | 38,615,659 | 36,474,272 | 39,962,314 | 40,380,252 | 43,010,123 | 42,845,629 |
| Section 8 Disability Vouchers | 806,129 | 791,520 | 810,722 | 806,012 | 816,256 | 772,640 | 871,693 | 853,183 | 886,225 | 875,295 |
| Section 8 Single Room Occupancy | 13,022 | 28,150 | 29,373 | 27,670 | 35,694 | 27,730 | 23,847 | 32,981 | 34,579 | 20,891 |
| Shelter Plus Care | - | 38,887 | 58,063 | 58,896 | 92,985 | 91,048 | 99,699 | 85,001 | 38,712 | - |
| DHAP | 4,198 | - | - | - | - | - | - | - | - | - |
| Veterans Affairs Supportive Housing | 118,457 | 365,392 | - | - | - | - | - | - | - | - |
| PIH Family Self-Sufficiency Program | - | - | - | - | - | 3,524 | 16,612 | 32,640 | 11,509 | 8,135 |
| Low Income Public Housing (includes COCC) | 26,941,873 | 26,672,951 | 27,537,612 | 27,887,449 | 26,845,404 | 27,495,372 | 28,907,117 | 29,108,934 | 30,268,803 | 32,175,331 |
| Business Activities | 872,911 | 876,770 | 858,459 | 833,407 | 837,068 | 865,623 | 855,157 | 837,549 | 846,226 | 898,383 |
| CIAP/Comp Grant/Capital Fund (Annual) | 6,857,702 | 7,122,735 | 5,692,920 | 5,920,438 | 7,467,426 | 7,868,062 | 8,630,337 | 8,624,558 | 4,850,111 | 8,693,616 |
| 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 | 1,694,351 | 1,893,797 | 1,998,484 | 1,894,664 | 1,980,664 | 2,005,386 | 2,023,069 | 2,036,479 | 1,938,326 | 2,121,614 |
| Wilder | 16,596 | 14,216 | 14,847 | 15,740 | 14,026 | 13,568 | 13,768 | 11,887 | 9,144 | 7,272 |
| Web Learner Grant | - | 6,120 | 12,256 | - | - | - | - | - | - | - |
| Health Improvement Grants | - | - | - | 38,620 | 27,981 | 49,590 | 79,799 | 58,437 | 67,900 | 68,838 |
| Star Grant | - | - | - | - | - | - | - | 5,000 | - | - |
| Public Entity Innovation Grant | - | - | - | - | - | - | - | 16,501 | 30,132 | 5,492 |
| UMN SNAP-Ed Grant | - | - | - | - | - | - | - | 7,162 | 7,323 | 3,133 |
| Neighborhood Networks | 93,317 | 90,607 | 38,749 | - | - | - | - | - | - | - |
| Total Agency revenues | \$ 76,582,425 | \$ 87,234,603 | \$ 76,174,237 | \$ 76,436,051 | \$ 77,131,660 | \$ 76,061,243 | \$ 81,876,164 | \$ 82,483,532 | \$ 82,407,224 | \$ 88,012,238 |

Note 1: Low Income Housing revenue does not include internal fees

Note 2: Does not include elimination entries

Public Housing Agency of the City of Saint Paul

Table 2 - Low Income Public Housing Revenue by HUD Classification
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Dwelling rental | \$ 12,451,097 | \$ 12,426,822 | \$ 12,683,626 | \$ 12,947,602 | \$ 13,480,391 | \$ 14,026,613 | \$ 14,985,354 | \$ 15,746,838 | \$ 16,786,867 | \$ 17,522,224 |
| Excess utilities | 78,546 | 75,618 | 73,974 | 76,842 | 81,654 | 79,710 | 76,542 | 77,376 | 77,796 | 78,966 |
| Nondwelling rental | 660 | - | 495 | - | - | - | - | 1 | 52,966 | 87,692 |
| Interest income | 76,307 | 97,573 | 92,229 | 85,511 | 65,852 | 30,979 | 136,352 | 173,533 | 203,509 | 604,723 |
| Other income | 940,301 | 1,105,413 | 1,275,246 | 1,179,407 | 1,627,293 | 1,134,003 | 1,148,743 | 1,109,026 | 1,078,691 | 1,110,997 |
| Gain (loss) from disposition of real property | 7,116 | 68,959 | 3,150 | 48,814 | 36,699 | 61,089 | 35,383 | 6,684 | 47,754 | 31,798 |
| HUD subsidy* | 16,311,542 | 14,986,650 | 13,849,376 | 14,257,052 | 12,970,066 | 12,280,338 | 12,986,262 | 12,094,037 | 12,028,487 | 13,052,350 |
| Total low income public housing revenue | \$ 29,865,569 | \$ 28,761,035 | \$ 27,978,096 | \$ 28,595,228 | \$ 28,261,955 | \$ 27,612,732 | \$ 29,368,636 | \$ 29,207,495 | \$ 30,276,070 | \$ 32,488,750 |
| Avg Units Leased | 4,230 | 4,227 | 4,228 | 4,212 | 4,221 | 4,219 | 4,223 | 4,240 | 4,244 | 4,234 |
| Revenue Per Avg. Unit Month | \$ 588.41 | \$ 566.95 | \$ 551.50 | \$ 565.73 | \$ 558.02 | \$ 545.36 | \$ 579.54 | \$ 574.11 | \$ 594.56 | \$ 639.42 |
| Subsidy Per Avg. Unit Month | \$ 321.37 | \$ 295.43 | \$ 273.00 | \$ 282.06 | \$ 256.09 | \$ 242.54 | \$ 256.26 | \$ 237.73 | \$ 236.21 | \$ 256.89 |

Note 1: Beginning in FY09 CFP Operating Grant Revenue is included

Note 2: Does not include internal fee revenue

Public Housing Agency of the City of Saint Paul

Table 3 - Section 8 Revenue by HUD Classification
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Housing assistance payments | \$ 30,036,620 | \$ 33,806,596 | \$ 35,080,819 | \$ 34,743,868 | \$ 34,292,187 | \$ 32,990,448 | \$ 36,014,467 | \$ 35,759,138 | \$ 37,794,826 | \$ 37,855,565 |
| Port-in housing assistance payments | 625,830 | 1,900,287 | 1,208,606 | 1,468,020 | 2,224,295 | 937,972 | 1,204,916 | 1,854,241 | 2,503,397 | 1,814,249 |
| Administration fees | 3,109,725 | 3,289,819 | 3,334,788 | 3,223,966 | 2,916,256 | 3,365,607 | 3,642,813 | 3,631,296 | 3,554,075 | 3,835,416 |
| Interest on reserves/investments | 47,920 | 17,800 | 15,915 | 16,709 | 2,561 | 15,786 | 28,061 | 28,799 | 27,202 | 80,273 |
| Portability-in admin and other revenue | 42,186 | 124,571 | 71,648 | 87,105 | 114,629 | 53,797 | 78,807 | 117,879 | 153,326 | 136,860 |
| Fraud Recovery/Other revenue | 209,857 | 203,840 | 238,102 | 247,168 | 316,178 | 305,460 | 281,542 | 268,032 | 306,213 | 308,061 |
| Total Section 8 revenue | \$ 34,072,138 | \$ 39,342,913 | \$ 39,949,878 | \$ 39,786,836 | \$ 39,866,106 | \$ 37,669,070 | \$ 41,250,606 | \$ 41,659,385 | \$ 44,339,039 | \$ 44,030,424 |
| ACC authorized monthly unit count | 4,286 | 4,310 | 4,511 | 4,551 | 4,589 | 4,589 | 4,639 | 4,656 | 4,699 | 4,714 |
| Average monthly units leased | 4,373 | 4,155 | 4,354 | 4,531 | 4,529 | 4,551 | 4,623 | 4,647 | 4,599 | 4,686 |
| Average monthly revenue per unit | \$ 649.27 | \$ 789.00 | \$ 764.62 | \$ 731.75 | \$ 733.53 | \$ 689.76 | \$ 743.58 | \$ 747.07 | \$ 803.42 | \$ 783.01 |

Note 1: Revenue per unit includes portability-in revenues.

Public Housing Agency of the City of Saint Paul

Table 4 - Minnesota Revenue Recapture Program
 Last Ten Fiscal Years
 (Unaudited)

| FY | SECTION 8 | | PUBLIC HOUSING | | TOTAL | |
|--------|------------|-----------------|----------------|-----------------|--------------|-----------------|
| | \$ Amount | # of Recaptures | \$ Amount | # of Recaptures | \$ Amount | # of Recaptures |
| 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 |
| 2014 | 57,790 | 91 | 47,579 | 99 | 105,369 | 190 |
| 2015 | 63,342 | 113 | 71,389 | 157 | 134,731 | 270 |
| 2016 | 69,118 | 113 | 60,138 | 145 | 129,256 | 258 |
| 2017 | 55,807 | 89 | 47,106 | 123 | 102,913 | 212 |
| 2018 | 70,929 | 134 | 54,658 | 137 | 125,587 | 271 |
| 2019 | 68,698 | 101 | 69,875 | 123 | 138,574 | 224 |
| TOTALS | \$ 544,903 | 967 | \$ 578,012 | 1,344 | \$ 1,122,916 | 2,311 |

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

Table 5 - Agency Expenses by HUD Programs
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Section 8 Certs/Mod | \$ 375,149 | \$ 388,366 | \$ 372,710 | \$ 375,978 | \$ 372,156 | \$ 368,670 | \$ 365,236 | \$ 362,444 | \$ 376,531 | \$ 305,036 |
| Section 8 Vouchers | 36,646,873 | 36,506,036 | 37,606,573 | 38,850,454 | 39,264,336 | 38,445,876 | 38,969,442 | 40,586,839 | 41,845,441 | 43,628,387 |
| Section 8 Disability Vouchers | 784,819 | 768,714 | 785,358 | 777,005 | 784,176 | 798,852 | 818,235 | 834,695 | 869,517 | 887,600 |
| Section 8 Single Room Occupancy | 12,042 | 26,191 | 27,309 | 25,947 | 33,202 | 25,243 | 21,184 | 30,081 | 31,616 | 17,350 |
| Shelter Plus Care | - | 38,887 | 58,063 | 58,896 | 92,985 | 91,048 | 99,699 | 85,001 | 38,712 | - |
| DHAP | 15,989 | - | - | - | - | - | - | - | - | - |
| Veterans Affairs Supportive Housing | 8,708 | 171,587 | - | - | - | - | - | - | - | - |
| PIH Family Self-Sufficiency Program | - | - | - | - | - | 3,524 | 16,612 | 32,640 | 11,509 | 8,135 |
| Low Income Public Housing | 24,638,317 | 25,407,849 | 25,751,550 | 25,736,243 | 25,607,360 | 27,164,037 | 27,942,380 | 30,897,995 | 29,912,998 | 32,498,797 |
| Business Activities | 580,173 | 636,625 | 724,334 | 658,609 | 712,094 | 639,089 | 678,087 | 681,840 | 752,971 | 820,186 |
| CIAP/Comp Grant/Capital Fund | 6,857,702 | 7,122,735 | 5,692,920 | 5,920,438 | 7,467,426 | 7,868,062 | 8,630,337 | 8,624,558 | 4,850,111 | 8,693,616 |
| Capital Fund Recovery Grant (Formula) | 5,899,205 | 4,166,577 | - | - | - | - | - | - | - | - |
| Capital Fund Recovery Grant (Competitive) | 130,134 | 7,009,038 | 12,968 | - | - | - | - | - | - | - |
| Congregate Housing Program | 1,694,351 | 1,893,796 | 1,998,484 | 1,894,664 | 1,980,664 | 2,005,386 | 2,023,069 | 2,036,479 | 1,938,326 | 2,121,614 |
| Wilder | 9,355 | 10,724 | 38,219 | 9,707 | - | 14,106 | 13,935 | 13,896 | - | 24,123 |
| Web Learner Grant | - | 6,120 | 12,256 | - | - | - | - | - | - | - |
| Health Improvement Grants | - | - | - | 38,620 | 27,984 | 49,590 | 79,799 | 58,437 | 67,901 | 68,838 |
| Star Grant | - | - | - | - | - | - | - | 5,000 | - | - |
| Public Entity Innovation Grant | - | - | - | - | - | - | - | 16,501 | 30,132 | 5,492 |
| UMN SNAP-Ed Grant | - | - | - | - | - | - | - | 7,162 | 7,324 | 3,133 |
| Neighborhood Networks | 93,317 | 90,607 | 38,749 | - | - | - | - | - | - | - |
| Total Agency Expenses | \$ 77,746,134 | \$ 84,243,852 | \$ 73,119,493 | \$ 74,346,561 | \$ 76,342,383 | \$ 77,473,483 | \$ 79,658,015 | \$ 84,273,568 | \$ 80,733,089 | \$ 89,082,307 |

Note 1: Depreciation expense is not included in the Low Income and Building Activities Programs.

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

Note 3: Low Income Housing expenses do not include internal fees

Note 4: Does not include elimination entries

Public Housing Agency of the City of Saint Paul

Table 6 - Low Income Public Housing Expenses by HUD Classification
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Administrative | \$ 8,717,203 | \$ 8,562,429 | \$ 8,504,349 | \$ 8,786,243 | \$ 8,889,788 | \$ 9,211,945 | \$ 9,804,199 | \$ 10,270,334 | \$ 9,871,616 | \$ 11,104,304 |
| Tenant services | 958,749 | 970,429 | 1,234,862 | 1,094,134 | 1,321,164 | 1,164,077 | 1,176,891 | 1,372,314 | 1,218,773 | 1,209,380 |
| Utilities | 5,000,462 | 4,910,347 | 4,865,510 | 4,806,213 | 5,126,453 | 4,953,552 | 4,953,546 | 5,100,317 | 5,100,675 | 5,194,768 |
| Maintenance | 8,556,799 | 9,364,381 | 8,765,256 | 8,706,306 | 8,904,056 | 8,936,603 | 9,276,537 | 10,205,731 | 9,893,513 | 10,707,512 |
| Protective service | - | - | 557,011 | 553,776 | 573,931 | 621,649 | 718,454 | 756,902 | 752,334 | 812,085 |
| General expense | 3,626,391 | 3,051,298 | 1,537,542 | 2,059,876 | 1,811,412 | 1,923,547 | 2,017,749 | 2,207,629 | 2,145,807 | 2,345,809 |
| Nonroutine maintenance | 702,410 | 568,080 | 724,354 | 437,473 | 397,107 | 470,024 | 456,523 | 1,083,329 | 937,546 | 1,438,358 |
| Total low income public housing expenses | \$ 27,562,014 | \$ 27,426,964 | \$ 26,188,884 | \$ 26,444,021 | \$ 27,023,911 | \$ 27,281,397 | \$ 28,403,899 | \$ 30,996,556 | \$ 29,920,264 | \$ 32,812,216 |
| Avg monthly units leased | 4,230 | 4,227 | 4,228 | 4,212 | 4,221 | 4,219 | 4,223 | 4,240 | 4,244 | 4,234 |
| Avg monthly expense per unit | \$ 543.03 | \$ 540.66 | \$ 516.23 | \$ 523.17 | \$ 533.57 | \$ 538.82 | \$ 560.50 | \$ 609.28 | \$ 587.57 | \$ 645.78 |

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

Note 2: Beginning in FY09 includes CFP Operating Grant Expenses

Note 3: Does not include internal fees

Public Housing Agency of the City of Saint Paul

Table 7 - Section 8 Expenses by HUD Classification
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Administrative | \$ 2,810,907 | \$ 2,888,228 | \$ 2,840,745 | \$ 2,898,050 | \$ 2,874,460 | \$ 3,045,398 | \$ 2,985,466 | \$ 3,008,234 | \$ 3,037,962 | \$ 3,415,811 |
| General | 334,238 | 341,118 | 288,488 | 360,613 | 338,399 | 365,653 | 409,042 | 489,190 | 506,610 | 505,511 |
| Housing assistance payments | 34,682,446 | 34,631,547 | 35,662,717 | 36,770,721 | 37,241,011 | 36,227,590 | 36,779,589 | 38,316,635 | 39,578,533 | 40,917,051 |
| Total Section 8 expenses | \$ 37,827,591 | \$ 37,860,893 | \$ 38,791,950 | \$ 40,029,384 | \$ 40,453,870 | \$ 39,638,641 | \$ 40,174,097 | \$ 41,814,059 | \$ 43,123,105 | \$ 44,838,373 |
| ACC authorized monthly unit count | 4,286 | 4,310 | 4,511 | 4,551 | 4,589 | 4,589 | 4,639 | 4,656 | 4,699 | 4,714 |
| Average monthly units leased | 4,373 | 4,155 | 4,354 | 4,531 | 4,529 | 4,551 | 4,623 | 4,647 | 4,599 | 4,686 |
| Total expense per unit (Avg) | \$ 720.83 | \$ 759.28 | \$ 742.46 | \$ 736.21 | \$ 744.35 | \$ 725.82 | \$ 724.17 | \$ 749.84 | \$ 781.39 | \$ 797.38 |
| Total admin and general expense per unit (Avg) | 59.93 | 64.76 | 59.89 | 59.93 | 59.12 | 62.46 | 61.19 | 62.72 | 64.23 | 69.73 |
| Total HAP expense per unit (Avg) | 660.89 | 694.52 | 682.57 | 676.28 | 685.23 | 663.36 | 662.98 | 687.12 | 717.16 | 727.65 |

Note 1: Expense per unit includes portability-in expenses.

Public Housing Agency of the City of Saint Paul

Table 8 - Agency Salary Expense by Department
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Executive | \$ 169,100 | \$ 180,908 | \$ 188,044 | \$ 185,728 | \$ 179,525 | \$ 176,553 | \$ 185,654 | \$ 184,860 | \$ 192,051 | \$ 207,300 |
| Human Resources | 140,526 | 140,677 | 146,731 | 192,407 | 198,587 | 242,648 | 264,156 | 254,152 | 187,067 | 181,812 |
| Section 8 | 1,603,181 | 1,645,573 | 1,635,231 | 1,595,364 | 1,615,442 | 1,724,259 | 1,692,378 | 1,695,958 | 1,729,531 | 1,780,651 |
| Public Housing Policy | 73,962 | 73,001 | 74,172 | 75,792 | 53,119 | 54,107 | 55,900 | 74,837 | 67,982 | 345,238 |
| Equal Opportunity & Diversity | 51,771 | 46,396 | 48,098 | 64,444 | 65,280 | 78,628 | 20,492 | - | - | - |
| Finance | 636,627 | 627,521 | 650,263 | 657,022 | 665,377 | 691,655 | 655,681 | 656,975 | 636,618 | 622,742 |
| Maintenance | 4,896,618 | 5,288,256 | 4,817,522 | 4,898,185 | 4,824,361 | 5,009,269 | 5,150,203 | 5,639,954 | 5,538,820 | 5,665,497 |
| Resident Services | 3,439,532 | 3,535,680 | 3,700,794 | 3,758,297 | 3,666,153 | 3,783,116 | 4,056,918 | 4,382,074 | 4,119,572 | 4,021,966 |
| Resident Initiatives | - | - | - | - | 93,431 | 125,463 | 156,400 | 198,357 | 195,354 | 205,446 |
| Total Agency salary expense | \$ 11,011,317 | \$ 11,538,012 | \$ 11,260,855 | \$ 11,427,239 | \$ 11,361,275 | \$ 11,885,698 | \$ 12,237,782 | \$ 13,087,167 | \$ 12,666,995 | \$ 13,030,652 |
| FTE | 228.38 | 232.61 | 231.86 | 231.86 | 228.53 | 230.73 | 232.73 | 228.86 | 225.38 | 226.98 |
| Salary cost per FTE | \$ 48,215 | \$ 49,602 | \$ 48,567 | \$ 49,285 | \$ 49,715 | \$ 51,513 | \$ 52,584 | \$ 57,184 | \$ 56,203 | \$ 57,409 |

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

NOTE 2: Does not include small grant salaries, or capitalized CFP salaries

NOTE 3: Resident Initiatives department added for FY 14

Public Housing Agency of the City of Saint Paul

Table 9 - Low Income Public Housing Collection Write-Offs
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Dwelling rental | \$ 12,451,097 | \$ 12,426,822 | \$ 12,683,626 | \$ 12,947,602 | \$ 13,480,391 | \$ 14,026,613 | \$ 14,985,354 | \$ 15,746,838 | \$ 16,786,867 | \$ 17,522,224 |
| Excess utilities | 78,546 | 75,618 | 73,974 | 76,842 | 81,654 | 79,710 | 76,542 | 77,376 | 77,796 | 78,966 |
| Nondwelling rental | 660 | - | 495 | - | - | - | - | 1 | 52,966 | 87,692 |
| TOTAL RENTS CHARGED | \$ 12,530,303 | \$ 12,502,440 | \$ 12,758,095 | \$ 13,024,444 | \$ 13,562,045 | \$ 14,106,323 | \$ 15,061,896 | \$ 15,824,215 | \$ 16,917,629 | \$ 17,688,882 |
| Write-Offs as a % of Rents Charged | 0.42% | 0.25% | -0.05% | 0.76% | 0.49% | 0.46% | 0.44% | 0.53% | 0.40% | 0.33% |
| NET Write-Off Amounts | \$ 53,066 | \$ 31,399 | \$ (6,385) | \$ 98,833 | \$ 66,012 | \$ 64,277 | \$ 65,794 | \$ 83,661 | \$ 66,891 | \$ 57,650 |
| Write-Offs as a % of Increase/ (Decrease) from Prior Year | -49.92% | -40.83% | -120.33% | 1647.89% | -33.21% | -2.63% | 2.36% | 27.16% | -20.05% | -13.82% |
| Avg Units Leased | 4,230 | 4,227 | 4,228 | 4,212 | 4,221 | 4,219 | 4,223 | 4,240 | 4,244 | 4,234 |
| Write-Offs Per Unit Month | \$ 1.05 | \$ 0.62 | \$ (0.13) | \$ 1.96 | \$ 1.30 | \$ 1.27 | \$ 1.30 | \$ 1.64 | \$ 1.31 | \$ 1.13 |

Public Housing Agency of the City of Saint Paul

Table 10 - Agency Wide Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Revenue | | | | | | | | | | |
| Tenant Revenue (net of bad debt) | 12,476,577 | 12,471,041 | 12,763,985 | 12,925,610 | 13,496,033 | 14,042,046 | 14,996,102 | 15,740,553 | 16,797,772 | 17,543,540 |
| HUD Operating Grants/Subsidy | 50,162,380 | 53,129,556 | 53,166,627 | 53,007,036 | 51,076,371 | 49,559,155 | 53,563,375 | 52,435,802 | 54,182,841 | 55,628,684 |
| Other Revenue | 3,022,705 | 4,800,153 | 4,049,852 | 4,225,338 | 5,778,997 | 3,935,850 | 4,278,311 | 4,872,641 | 5,648,567 | 5,037,095 |
| Total Operating Revenue | <u>65,661,662</u> | <u>70,400,750</u> | <u>69,980,464</u> | <u>70,157,984</u> | <u>70,351,401</u> | <u>67,537,051</u> | <u>72,837,788</u> | <u>73,048,996</u> | <u>76,629,180</u> | <u>78,209,319</u> |
| Operating Expenses | | | | | | | | | | |
| Administrative | 11,186,639 | 11,142,681 | 11,102,580 | 11,409,514 | 11,469,426 | 11,957,623 | 12,539,365 | 13,032,816 | 12,686,245 | 14,280,757 |
| Tenant Services | 2,656,431 | 2,855,403 | 3,172,172 | 2,896,951 | 3,204,371 | 3,056,761 | 3,092,814 | 3,302,917 | 3,067,666 | 3,225,356 |
| Housing Assistance Payments | 34,684,768 | 34,670,095 | 35,720,546 | 36,828,903 | 37,333,477 | 36,317,924 | 36,878,639 | 38,401,289 | 39,617,015 | 40,917,051 |
| Utilities | 5,233,211 | 5,167,005 | 5,117,135 | 5,052,163 | 5,396,019 | 5,217,488 | 5,213,282 | 5,380,754 | 5,362,164 | 5,449,398 |
| Ordinary Maintenance | 8,691,565 | 9,512,161 | 8,921,548 | 8,865,711 | 9,103,872 | 9,075,779 | 9,409,338 | 10,354,080 | 10,064,762 | 10,937,603 |
| General Expenses and Other | 3,994,635 | 3,614,659 | 2,492,456 | 2,976,828 | 2,764,230 | 2,952,845 | 3,181,491 | 3,478,101 | 3,440,088 | 3,697,226 |
| Extraordinary Maintenance | 722,493 | 572,554 | 747,881 | 442,441 | 404,387 | 492,891 | 528,432 | 1,120,494 | 1,007,631 | 1,540,254 |
| Depreciation Expense | 7,661,892 | 7,829,671 | 7,984,223 | 8,009,702 | 7,918,661 | 7,774,903 | 7,895,773 | 7,951,095 | 8,035,366 | 8,399,202 |
| Total Operating Expenses | <u>74,831,634</u> | <u>75,364,229</u> | <u>75,258,541</u> | <u>76,482,213</u> | <u>77,594,443</u> | <u>76,846,214</u> | <u>78,739,134</u> | <u>83,021,546</u> | <u>83,280,937</u> | <u>88,446,847</u> |
| Operating Loss | (9,169,972) | (4,963,479) | (5,278,077) | (6,324,229) | (7,243,042) | (9,309,163) | (5,901,346) | (9,972,550) | (6,651,757) | (10,237,528) |
| Nonoperating revenues and capital contributions | | | | | | | | | | |
| Capital contributions | 9,963,344 | 16,115,238 | 5,268,553 | 5,212,662 | 6,050,875 | 7,750,702 | 8,168,818 | 8,525,997 | 4,842,844 | 8,380,197 |
| Gain on disposition of capital assets | 7,116 | 68,959 | 3,150 | 48,814 | 36,699 | 61,089 | 35,383 | 6,684 | 47,754 | 31,798 |
| Other, mainly investment income | 337,255 | 124,574 | 348,597 | 355,179 | 64,812 | 60,931 | 188,338 | 223,999 | 242,775 | 736,459 |
| Total nonoperating revenues and capital contributions | <u>10,307,715</u> | <u>16,308,771</u> | <u>5,620,300</u> | <u>5,616,655</u> | <u>6,152,386</u> | <u>7,872,722</u> | <u>8,392,539</u> | <u>8,756,680</u> | <u>5,133,373</u> | <u>9,148,454</u> |
| Change in Net Position | 1,137,743 | 11,345,292 | 342,223 | (707,574) | (1,090,656) | (1,436,441) | 2,491,193 | (1,215,870) | (1,518,384) | (1,089,074) |
| Beginning Net Position | 157,045,190 | 158,182,933 | 169,528,225 | 169,870,448 | 169,162,874 | 168,072,218 | 166,635,777 | 169,126,970 | 167,911,100 | 166,392,716 |
| Ending Net Position | <u>158,182,933</u> | <u>169,528,225</u> | <u>169,870,448</u> | <u>169,162,874</u> | <u>168,072,218</u> | <u>166,635,777</u> | <u>169,126,970</u> | <u>167,911,100</u> | <u>166,392,716</u> | <u>165,303,642</u> |

Note 1: Elimination entries are included

Note 2: Internal Fees are not included

Public Housing Agency of the City of Saint Paul

Table 11 - Agency Wide Assets, Liabilities and Net Position
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | \$ 166,552,226 | \$ 177,741,360 | \$ 178,240,680 | \$ 177,510,149 | \$ 176,798,548 | \$ 177,522,221 | \$ 182,008,652 | \$ 180,105,370 | \$ 180,718,284 | \$ 182,026,875 |
| Liabilities | 8,369,294 | 8,213,135 | 8,370,232 | 8,347,275 | 8,726,331 | 10,886,445 | 12,881,682 | 12,194,270 | 14,325,568 | 16,723,233 |
| Net Position | \$ 158,182,932 | \$ 169,528,225 | \$ 169,870,448 | \$ 169,162,874 | \$ 168,072,217 | \$ 166,635,776 | \$ 169,126,970 | \$ 167,911,100 | \$ 166,392,716 | \$ 165,303,642 |

AGENCY WIDE increase/

(decrease) as a % of prior year

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------|-------|--------|-------|--------|--------|--------|--------|--------|--------|--------|
| Assets | 0.96% | 6.72% | 0.28% | -0.41% | -0.40% | 0.41% | 2.53% | -1.05% | 0.34% | 0.72% |
| Liabilities | 5.57% | -1.87% | 1.91% | -0.27% | 4.54% | 24.75% | 18.33% | -5.34% | 17.48% | 16.74% |
| Net Position | 0.72% | 7.17% | 0.20% | -0.42% | -0.64% | -0.85% | 1.49% | -0.72% | -0.90% | -0.65% |

Note 1: Elimination entries are included

Public Housing Agency of the City of Saint Paul

Table 12 - Agency Wide Net Position by Type
 Last Ten Fiscal Years
 (Unaudited)

| Fiscal Year | Net Investments in Capital Assets | Restricted net position | Unrestricted net position | Total |
|-------------|--------------------------------------|----------------------------|------------------------------|-------------|
| 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 | 3,565,088 | 169,870,448 |
| 2013 | 143,229,083 | 22,018,222 | 3,915,569 | 169,162,874 |
| 2014 | 144,190,887 | 19,857,252 | 4,024,078 | 168,072,217 |
| 2015 | 143,674,767 | 18,918,156 | 4,042,853 | 166,635,776 |
| 2016 | 143,848,275 | 20,253,949 | 5,024,746 | 169,126,970 |
| 2017 | 145,611,784 | 17,122,869 | 5,176,447 | 167,911,100 |
| 2018 | 141,674,022 | 19,103,282 | 5,615,412 | 166,392,716 |
| 2019 | 142,152,584 | 14,841,116 | 8,309,942 | 165,303,642 |

Note 1: Elimination entries are included

Public Housing Agency of the City of Saint Paul

Table 13 - Agency Wide Capital Assets
Last Ten Fiscal Years
(Unaudited)

| LOW INCOME capital assets | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Land and land improvements | \$ 32,757,776 | \$ 32,743,494 | \$ 32,750,968 | \$ 32,789,719 | \$ 32,946,382 | \$ 33,046,509 | \$ 33,414,910 | \$ 33,580,751 | \$ 33,673,088 | \$ 34,142,313 |
| Buildings | 246,214,818 | 256,722,911 | 269,076,447 | 274,325,100 | 284,001,305 | 289,735,878 | 295,948,228 | 302,679,898 | 309,532,411 | 330,762,354 |
| Furniture, equipment and machinery | 2,010,396 | 2,108,753 | 2,233,873 | 2,247,535 | 2,348,791 | 2,491,647 | 2,423,599 | 2,366,511 | 2,570,278 | 2,618,327 |
| Accumulated depreciation | (164,944,992) | (172,215,362) | (179,740,804) | (187,090,410) | (194,470,049) | (201,740,402) | (208,954,879) | (216,334,791) | (223,841,185) | (231,712,439) |
| Low Income total capital assets, net | \$ 116,037,998 | \$ 119,359,796 | \$ 124,320,484 | \$ 122,271,944 | \$ 124,826,429 | \$ 123,533,632 | \$ 122,831,858 | \$ 122,292,369 | \$ 121,934,592 | \$ 135,810,555 |

| LOW INCOME increase/(decrease) as a % of prior year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------|--------|-------|--------|-------|--------|--------|--------|--------|--------|
| Land and land improvements | 0.00% | -0.04% | 0.02% | 0.12% | 0.48% | 0.30% | 1.11% | 0.50% | 0.27% | 1.39% |
| Buildings | 2.73% | 4.27% | 4.81% | 1.95% | 3.53% | 2.02% | 2.14% | 2.27% | 2.26% | 6.86% |
| Furniture, equipment and machinery | -4.50% | 4.89% | 5.93% | 0.61% | 4.51% | 6.08% | -2.73% | -2.36% | 8.61% | 1.87% |
| Accumulated depreciation | 4.47% | 4.41% | 4.37% | 4.09% | 3.94% | 3.74% | 3.58% | 3.53% | 3.47% | 3.52% |
| | -0.52% | 2.86% | 4.16% | -1.65% | 2.09% | -1.04% | -0.57% | -0.44% | -0.29% | 11.38% |

| BUSINESS ACTIVITY capital assets | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 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 | 12,933,539 | 12,976,413 | 12,977,298 | 12,977,298 | 12,980,898 | 12,982,773 | 13,033,616 | 13,033,616 | 13,033,616 | 13,033,616 |
| Furniture, equipment and machinery | 74,574 | 74,574 | 74,574 | 82,830 | 91,095 | 91,095 | 83,025 | 83,025 | 83,025 | 83,025 |
| Accumulated depreciation | (2,844,442) | (3,280,975) | (3,718,051) | (4,156,793) | (4,597,247) | (5,036,179) | (5,467,919) | (5,908,577) | (6,347,584) | (6,784,938) |
| Business Activities total capital assets, net | \$ 12,026,742 | \$ 11,633,083 | \$ 11,196,892 | \$ 10,766,406 | \$ 10,337,817 | \$ 9,900,760 | \$ 9,511,793 | \$ 9,071,135 | \$ 8,632,128 | \$ 8,194,774 |

| BUSINESS ACTIVITY increase/ (decrease) as a % of prior year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 0.07% | 0.33% | 0.01% | 0.00% | 0.03% | 0.01% | 0.39% | 0.00% | 0.00% | 0.00% |
| Furniture, equipment and machinery | 12.13% | 0.00% | 0.00% | 11.07% | 9.98% | 0.00% | -8.86% | 0.00% | 0.00% | 0.00% |
| Accumulated depreciation | 18.55% | 15.35% | 13.32% | 11.80% | 10.60% | 9.55% | 8.57% | 8.06% | 7.43% | 6.89% |
| | -3.44% | -3.27% | -3.75% | -3.84% | -3.98% | -4.23% | -3.93% | -4.63% | -4.84% | -5.07% |

Public Housing Agency of the City of Saint Paul

Table 14 - Agency Full Time Equivalent (FTE) by Department
Last Ten Fiscal Years
(Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Executive | 3.00 | 3.50 | 3.50 | 3.50 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Human Resources | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 4.00 | 4.25 | 3.50 | 3.50 | 3.00 |
| Section 8 | 25.00 | 27.00 | 26.00 | 23.00 | 22.00 | 22.00 | 22.00 | 22.00 | 22.00 | 21.00 |
| Public Housing Policy | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 5.10 |
| Equal Opportunity & Diversity | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 1.00 | 1.00 | - | - |
| Finance | 15.50 | 15.50 | 16.50 | 16.50 | 16.00 | 16.00 | 16.00 | 13.75 | 14.00 | 13.00 |
| Maintenance | 100.00 | 100.00 | 99.00 | 99.00 | 97.80 | 99.00 | 99.00 | 98.00 | 98.00 | 99.00 |
| Resident Services | 80.13 | 81.86 | 82.11 | 85.11 | 83.48 | 83.48 | 84.98 | 84.61 | 81.88 | 80.88 |
| Resident Initiatives | - | - | - | - | 1.50 | 1.50 | 1.50 | 2.00 | 2.00 | 2.00 |
| Total Agency FTE | 228.38 | 232.61 | 231.86 | 231.86 | 228.53 | 230.73 | 232.73 | 228.86 | 225.38 | 226.98 |

Note 1: Resident Initiatives department added in FY 14

Note 2: Equal Opportunity & Diversity Department dissolved in FY 18

Public Housing Agency of the City of Saint Paul

Table 15 - Unit Type Composition
 Last Ten Fiscal Years
 (Unaudited)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Family | 1,701 | 1,700 | 1,700 | 1,699 | 1,705 | 1,708 | 1,708 | 1,720 | 1,720 | 1,720 |
| Hi-rise | 2,548 | 2,548 | 2,548 | 2,554 | 2,554 | 2,554 | 2,554 | 2,554 | 2,554 | 2,553 |
| Total units | 4,249 | 4,248 | 4,248 | 4,253 | 4,259 | 4,262 | 4,262 | 4,274 | 4,274 | 4,273 |

Public Housing Agency of the City of Saint Paul

Table 16 - Unit Demographics
 March 31, 2019
 (Unaudited)

| Unit Inventory | Units |
|-----------------------------|--------------|
| Major family developments: | |
| McDonough Homes | 592 |
| Roosevelt Homes | 320 |
| Mt. Airy Homes | 302 |
| Dunedin Homes | 104 |
| Major hi-rise developments: | |
| Mt. Airy | 153 |
| Central | 144 |
| Valley | 158 |
| 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 | 402 |
| Total units | 4,273 |
| PHA units by bedroom size: | |
| 0 bedrooms | 124 |
| 1 bedrooms | 2,459 |
| 2 bedrooms | 595 |
| 3 bedrooms | 716 |
| 4 bedrooms | 268 |
| 5 bedrooms | 106 |
| 6 bedrooms | 5 |
| Total units | 4,273 |

Public Housing Agency of the City of Saint Paul

Table 17 - Low Income Public Housing and Section 8 Utilization
 Last Ten Fiscal Years
 (Unaudited)

| FY | PUBLIC HOUSING | | | SECTION 8 | | |
|-----------|---------------------------------|-----------------------|------------------------------|--------------------------------------|-------------------------------|------------------------------|
| | Average Monthly Units Available | Avg Monthly Vacancies | Avg Monthly Utilization Rate | HUD Authorized Average Monthly Units | Avg Monthly Vouchers Utilized | Avg Monthly Utilization Rate |
| 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 | 99.6% | 4,551 | 4,531 | 99.6% |
| 2014 | 4,232 | 27 | 99.4% | 4,589 | 4,529 | 98.7% |
| 2015 | 4,238 | 24 | 99.4% | 4,589 | 4,551 | 99.2% |
| 2016 | 4,240 | 22 | 99.5% | 4,639 | 4,623 | 99.7% |
| 2017 | 4,246 | 29 | 99.3% | 4,656 | 4,647 | 99.8% |
| 2018 | 4,252 | 22 | 99.5% | 4,699 | 4,599 | 97.9% |
| 2019 | 4,252 | 21 | 99.5% | 4,714 | 4,686 | 99.4% |
| 10 YR AVG | 4,236 | 18 | 99.6% | 4,554 | 4,505 | 98.9% |

Public Housing Agency of the City of Saint Paul

Table 18 - Schedule of Outstanding Debt
Last Ten Fiscal Years
(Unaudited)

| Debt | Date of Debt | Type of Debt | Amount | Units | Per Unit | Outstanding Balance 3/31/2019 | Final Year of Payment |
|-----------------------|--------------|----------------|---------------------|------------|------------------|----------------------------------|--------------------------|
| MHFA Loan - Dunedin | 07/15/14 | Forgivable | \$ 825,000 | 36 | \$ 22,917 | \$ 825,000 | 2034 |
| MHFA Loan - Roosevelt | 12/15/14 | Non-Forgivable | 540,000 | 6 | 90,000 | 540,000 | 2044 |
| MHFA Loan - Mt Airy | 12/07/15 | Non-Forgivable | 360,000 | 4 | 90,000 | 360,000 | 2045 |
| MHFA Loan - Dunedin | 03/22/16 | Forgivable | 1,200,000 | 20 | 60,000 | 1,200,000 | 2036 |
| MHFA Loan - McDonough | 05/16/17 | Non-Forgivable | 1,080,000 | 12 | 90,000 | 1,080,000 | 2047 |
| FHLBDM Loan - Valley | 02/09/18 | Forgivable | 500,000 | 159 | 3,145 | 500,000 | 2033 |
| FHLBDM - Montreal | 12/21/18 | Forgivable | 750,000 | 185 | 4,054 | 750,000 | 2034* |
| TOTAL | | | \$ 5,255,000 | 422 | \$ 12,453 | \$ 5,255,000 | |

| Fiscal Year Ended | Non-Forgivable | % | Forgivable | % | Total |
|-------------------|----------------|--------|------------|--------|--------------|
| 3/31/2015 | \$ 540,000 | 39.56% | \$ 825,000 | 60.44% | \$ 1,365,000 |
| 3/31/2016 | 900,000 | 30.77% | 2,025,000 | 69.23% | 2,925,000 |
| 3/31/2017 | 900,000 | 30.77% | 2,025,000 | 69.23% | 2,925,000 |
| 3/31/2018 | 1,980,000 | 43.95% | 2,525,000 | 56.05% | 4,505,000 |
| 3/31/2019 | 1,980,000 | 37.68% | 3,275,000 | 62.32% | 5,255,000 |

The Agency incurred no debt prior to July 2014.

* Based on projected substantial completion date of September 13, 2019

Public Housing Agency of the City of Saint Paul

Table 19 - City of Saint Paul, Minnesota Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | Population * | Per Capita Personal Income | Personal Income ** | Labor Force *** | Unemployment Rate *** |
|-------------|--------------|----------------------------------|-----------------------|--------------------|--------------------------|
| 2008 | 288,055 | \$ 27,120 | \$ 7,294,251,800 | 144,589 | 5.5% |
| 2009 | 287,501 | 24,702 | 6,947,235,100 | 143,492 | 7.9% |
| 2010 | 285,068 | 25,066 | 7,145,514,488 | 148,515 | 7.6% |
| 2011 | 286,367 | 25,576 | 7,106,711,800 | 149,870 | 6.9% |
| 2012 | 289,270 | 25,072 | 7,165,005,800 | 150,515 | 6.0% |
| 2013 | 294,873 | 25,695 | 7,636,250,500 | 151,967 | 5.1% |
| 2014 | 297,640 | 26,268 | 7,818,407,520 | 152,612 | 4.2% |
| 2015 | 300,353 | 25,611 | 7,692,209,635 | 153,855 | 3.7% |
| 2016 | 304,442 | 26,054 | 7,931,854,576 | 153,035 | 3.5% |
| 2017 | 309,180 | 26,896 | 8,315,693,459 | 153,216 | 2.8% |

Data from City of Saint Paul, Minnesota 2017 Comprehensive Annual Financial Report (Table 17)

* FY 2018 CAFR not available on City's website at time of this report

* 2008-2009, 2011-2013, & 2016-2017 data is based on Metropolitan Council estimates. 2010, 2014, and 2014-2015 data is based on U.S. Census Bureau information

** 2008-2015 data provided by U.S. Census Bureau's Annual American Community Survey. 2016-2017 data is provided by Minnesota Department of Employment and Economic Development (DEED)

*** Annual average - not seasonally adjusted. Data provided by Minnesota DEED