

Comprehensive Annual Financial Report

for the year ended
March 31, 2011



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

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Introductory Section



August 12, 2011

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

We are pleased to present to you the Public Housing Agency of the City of Saint Paul's (the Agency's) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended March 31, 2011. While this report is consistent with federal and state legal reporting requirements, it is also intended to supply additional information to interested readers.

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

McGladrey & Pullen, LLP has issued an unqualified opinion on the Agency's financial statements for the year ended March 31, 2011. Their independent auditor's report is located at the front of the financial section of this report on pages 8 and 9.

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

Profile of the Agency

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

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

Unlike many public housing programs, Saint Paul has never used hi-rise buildings for family housing. During the 1950s and 1960s, family public housing in Saint Paul took the form of townhouse-style developments. All but a few units have direct, ground-level access, yards and nearby outdoor gathering space. Since the completion of the last townhouse development in 1966, the Agency bought or built over 400 scattered site units. These family housing units are located in all neighborhoods in the city and help residents integrate into the community. All 16 public housing hi-rises primarily house elderly people and people with disabilities. The Agency currently owns and manages 4,248 public housing units. Twenty-four of these units are used for Officers in Residence, ACOP, and ASI and ALP units.

In the early 1970s, the HRA began administering a federal rent subsidy program for eligible low-income households living in privately owned housing. The program evolved into the Section 8 Existing Housing Assistance Program. The program later became the Housing Choice Voucher program. In Saint Paul, that program, along with other related Section 8-type programs, serves more than 4,300 families.

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

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

Financial Environment

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

Federal funding and regulations: Since approximately 80 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 29 vouchers during Fiscal Year 2011, with a commensurate increase in funding. The Low Rent program has remained relatively flat as a result of HUD's budget requests. Regulations regarding reserve levels have been subject to Congressional and HUD activity as well.

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

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

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

Long-Term Financial Planning

The Agency publishes a Five-Year Plan, which is updated annually. The plan for 2011 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, 2010. In general, the Agency is continuing the same course of action described in the HUD-approved plan for the previous fiscal year. This plan has proven successful over several years in meeting the needs of residents and the community, within the limits of available resources. The Agency focuses on its mission and Agency goals, stressing sound property management, modernization and maintenance, and sound Section 8 administration. The Agency is also continuing its successful home ownership and jobs programs for residents, and is working with other community partners to address the critical shortage of affordable housing in the Minneapolis and Saint Paul metro area. The Agency's Five-Year and Annual Capital Fund Plans include continuing the major renovation of McDonough Homes. The Agency will continue to review other entrepreneurial activities as allowed under federal and state statutes.

Relevant Financial Policies

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

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

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

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

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Public Housing Agency of the City of Saint Paul for its comprehensive annual financial report for the fiscal year ended March 31, 2010. This was the fifth consecutive year that the Agency has received this prestigious award. In order to be awarded a Certificate of Achievement, the Agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


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

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

Respectfully submitted,



Jón M. Gutzmann
Executive Director



Ronald P. Moen
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Housing Agency
of the City of Saint Paul
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2010

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

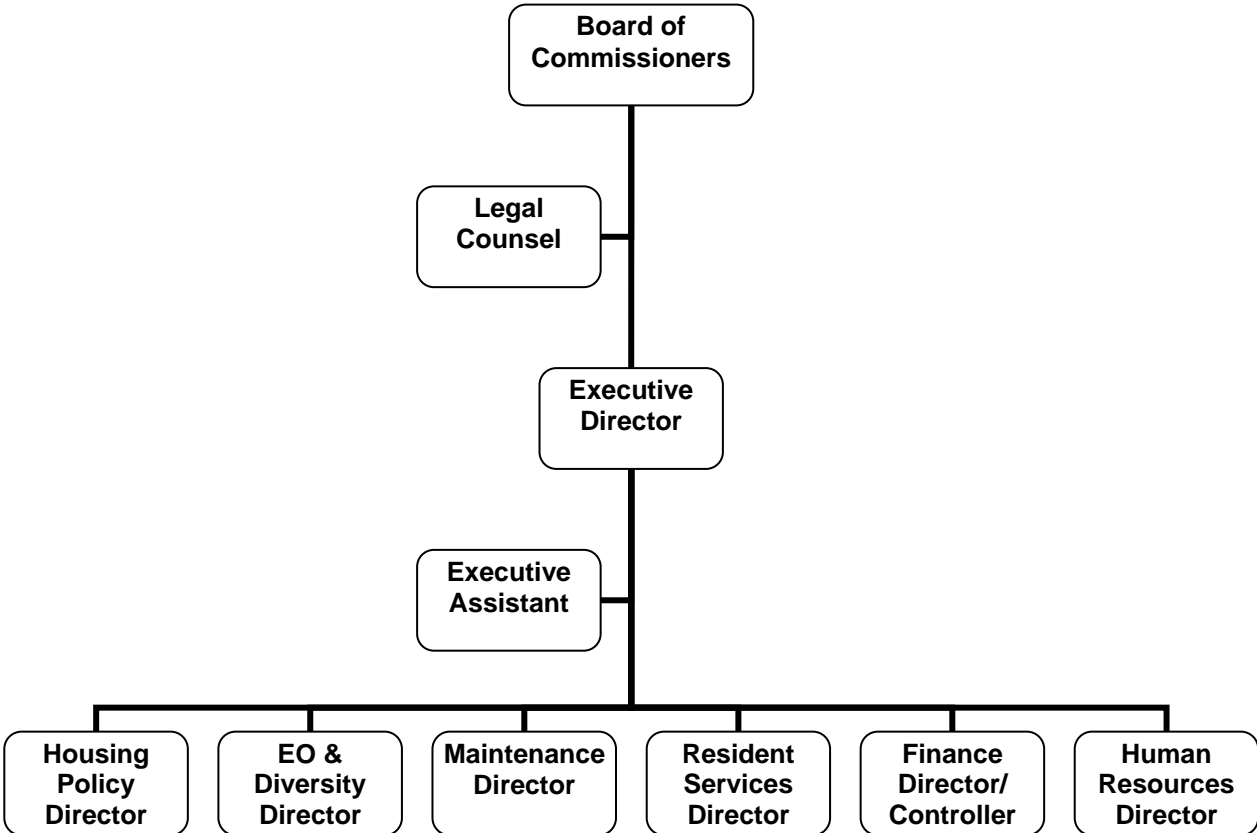


President

Executive Director

Public Housing Agency of the City of Saint Paul

Board-Approved Organizational Chart March 31, 2011



Public Housing Agency of the City of Saint Paul

List of Appointed Officials March 31, 2011 Board of Commissioners

Name	Term Expires
Tom Reding, Chair	September 1, 2011
Kevin Lindsey, Vice Chair	September 1, 2013
Maria Manzanares, Treasurer	September 1, 2013
Harold Purtell, Secretary	September 1, 2011
Marty Strub, Assistant Secretary	September 1, 2014
Missy Staples Thompson, Commissioner	September 1, 2015
Merry Xiong, Commissioner	September 1, 2012

Financial Section



Independent Auditor's Report

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

We have audited the accompanying basic financial statements of Public Housing Agency of the City of Saint Paul (the Agency) as of and for the years ended March 31, 2011 and 2010, as listed in the contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of March 31, 2011 and 2010, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated August 12, 2011, and August 4, 2010, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Agency. The introductory section, the supplementary financial information, and statistical schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary financial information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and the statistical schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Minneapolis, Minnesota
August 12, 2011

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2011

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, 2011 and 2010. 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 2011 and 2010 by \$169,528,225 and \$158,182,932, respectively. These net assets consist of the following:

- The value of capital assets, reflecting the Agency's investments in land, structures and equipment, is \$147,900,662 and \$138,923,062 for 2011 and 2010, respectively. This amount is not available for expenditures.
- Restricted net assets of \$18,578,425 and \$10,133,729 for 2011 and 2010, respectively, are restricted by the Department of Housing and Urban Development (HUD). Such funds may only be used for specific purposes.
- Unrestricted net assets of \$3,049,138 and \$9,126,141 for 2011 and 2010, respectively, are available for use in meeting ongoing Agency obligations.

The Agency's total net equity increased by \$11,345,293 in 2011 and increased by \$1,137,743 in 2010. The increase in 2011 is primarily the result of a significant increase in HUD capital contributions in the Capital Fund program.

Overview of the Financial Statements

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

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

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

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2011

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

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

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

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

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

Financial Net Assets Analysis

As noted earlier, total net assets over time may serve as a useful indicator of an organization's financial condition. As of March 31, 2011 and 2010, the Agency's total assets exceeded total liabilities by \$169,528,225 and \$158,182,932, respectively. This represents an increase in net assets of \$11,345,293 from the prior year. This increase is due to a significant increase of capital contributions.

Condensed Balance Sheets

	As of March 31		
	2011	2010	2009
Current and other assets	\$ 29,840,698	\$ 27,629,164	\$ 29,463,958
Capital assets	147,900,662	138,923,062	135,509,070
Total assets	<u>\$ 177,741,360</u>	<u>\$ 166,552,226</u>	<u>\$ 164,973,028</u>
Long-term liabilities	\$ 1,949,247	\$ 1,842,722	\$ 1,447,065
Other liabilities	6,263,888	6,526,572	6,480,774
Total liabilities	<u>\$ 8,213,135</u>	<u>\$ 8,369,294</u>	<u>\$ 7,927,839</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 147,900,662	\$ 138,923,062	\$ 135,509,070
Restricted by HUD	18,578,425	10,133,729	13,059,293
Unrestricted	3,049,138	9,126,141	8,476,826
Total net assets	<u>\$ 169,528,225</u>	<u>\$ 158,182,932</u>	<u>\$ 157,045,189</u>

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2011

2011: Analysis of Changes in Condensed Balance Sheet

The largest portion of the Agency's net assets, 87 percent and 88 percent for 2011 and 2010, respectively, is composed of its investment in capital assets, net of depreciation (land, buildings and equipment). Since the Agency uses those assets in its primary mission to provide safe, secure and sanitary housing to low-income families, those assets are not available for future spending.

A portion of the Agency's total equity, 11 percent and 6 percent for 2011 and 2010, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net assets are \$18,578,425 and \$10,133,729 for 2011 and 2010, respectively. Unrestricted net assets total \$3,049,138 and \$9,126,141 for 2011 and 2010, respectively.

2010: Analysis of Changes in Condensed Balance Sheet

The largest portion of the Agency's net assets, 88 percent and 86 percent for 2010 and 2009, respectively, is composed of its investment in capital assets, net of depreciation (land, buildings and equipment). Since the Agency uses those assets in its primary mission to provide safe, secure and sanitary housing to low-income families, those assets are not available for future spending.

A portion of the Agency's total equity, 6 percent and 8 percent for 2010 and 2009, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net assets are \$10,133,729 and \$13,059,293 for 2010 and 2009, respectively. Unrestricted net assets total \$9,126,141 and \$8,476,826 for 2010 and 2009, respectively.

Financial Operational Analysis

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

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

Public Housing Agency of the City of Saint Paul

**Management's Discussion and Analysis
Year Ended March 31, 2011**

Condensed Statements of Revenues, Expenses and Changes in Net Assets

	Years Ended March 31		
	2011	2010	2009
Operating revenue:			
Tenant revenue	\$ 12,471,042	\$ 12,476,577	\$ 12,125,837
HUD grants/subsidy	53,129,556	50,162,380	49,449,073
Other revenue	4,800,153	3,228,969	3,588,715
Total operating revenue	<u>70,400,751</u>	<u>65,867,926</u>	<u>65,163,625</u>
Operating expenses:			
Administrative	11,142,681	11,177,284	10,356,982
Tenant services	2,855,403	2,665,786	2,600,300
Housing assistance payments	34,670,095	34,684,768	31,672,700
Utilities	5,167,005	5,233,211	5,465,475
Ordinary maintenance	9,512,161	8,691,565	8,405,911
General expenses and other	3,732,220	3,994,788	3,392,589
Extraordinary maintenance	454,993	722,340	535,321
Depreciation expense	7,829,671	7,661,892	7,457,298
Total operating expenses	<u>75,364,229</u>	<u>74,831,634</u>	<u>69,886,576</u>
Operating loss	<u>(4,963,478)</u>	<u>(8,963,708)</u>	<u>(4,722,951)</u>
Nonoperating revenues and capital contributions:			
Other, mainly investment income	124,574	130,991	517,198
Gain on disposition of capital assets	68,959	7,116	22,500
Capital contributions	16,115,238	9,963,344	6,508,330
Total nonoperating revenues and capital contributions	<u>16,308,771</u>	<u>10,101,451</u>	<u>7,048,028</u>
Change in net assets	11,345,293	1,137,743	2,325,077
Beginning net assets	158,182,932	157,045,189	154,720,112
Ending net assets	<u>\$ 169,528,225</u>	<u>\$ 158,182,932</u>	<u>\$ 157,045,189</u>

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2011

2011: Analysis of Changes in the Condensed Statement of Revenues, Expenses and Changes in Net Assets

The Low Rent Public Housing program rental income decreased by 0.2 percent for a total decrease of \$27,203 in 2011 and increased by 3.3 percent for a total increase of \$403,806 in 2010. This resulted in total rental income of \$12,502,440 and \$12,529,643 in 2011 and 2010, respectively. On a per unit month (PUM) basis, rental income of \$246.07 PUM in 2011 decreased from \$246.61 PUM in 2010. HUD subsidy decreased by \$1,324,894, or an average of \$26.08 PUM for 2011.

The Low Rent Public Housing program operating expenses increased, going from \$27,094,449 in 2010 to \$27,117,301 in 2011, or an increase of \$0.45 PUM, making the current figure \$533.72 PUM. Nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) totaled \$568,080, compared to \$702,410 for 2010. This amounted to a 19.2 percent decrease. Depreciation expense for 2011 is \$7,384,847, as compared to \$7,189,047 for 2010. Gain on sales of real property contributed \$68,959 and \$6,308 to revenues for 2011 and 2010, respectively.

The Section 8 Housing Choice Voucher program ended the year with average monthly lease-ups of 3,942 out of 4,052, or a 97 percent average lease-up rate that equated to 110 vouchers under-issued on a monthly basis. There were an average of 14 vouchers issued per month for the program. There were also an average of 185 "shoppers" each month. The program did not increase the number of vouchers during 2011. This compares to 2010 when the average monthly lease-up rate was 104 percent based on 4,182 average monthly lease-ups for 3,994 approved vouchers, with an average of 44 vouchers issued and 198 "shoppers" per month. The 188 vouchers over-issued resulted in a HUD-required transfer of \$243,441 from administrative fee reserves to HAP reserves to cover the costs of over-leasing. The program had an increase of 132 vouchers during 2010.

The Agency saw an increase of incoming vouchers from other housing agencies. There were 55 port-in vouchers at March 31, 2011, a decrease from 138 in 2010. In those cases, the Agency billed the home entity the full amount of the HAP for a particular participant as well as 80 percent of the home entity's associated administrative fee. This generated \$2,024,858 and \$668,015 in revenue, of which \$1,890,449 and \$623,055 was paid to landlords in the form of HAP for 2011 and 2010, respectively. For comparison purposes, the Agency supported 364 and 444 voucher port-outs for 2011 and 2010, respectively, with the HAP and 80 percent of its administrative fee paid to the receiving housing agency. In 2011, total HAP to landlords was \$33,414,266, or 89 percent of all revenue. In 2010, total HAP to landlords amounted to \$33,635,915, or 103 percent of all revenue.

The Section 8 program average HAP costs per voucher, \$687.20, increased by 3 percent in 2011, as compared to \$670.19 in 2010. Operating costs per unit month, \$63.59, increased by 6 percent in 2011, as compared to \$60.00 in 2010.

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 most recent grants, Federal Fiscal Year 2010 was in the amount of \$7,791,240, Federal Fiscal Year 2009 was in the amount of \$7,870,804, Federal Fiscal Year 2008 was in the amount of \$7,905,110, Federal Fiscal Year 2007 was in the amount of \$7,502,911, Federal Fiscal Year 2006 was in the amount of \$7,718,438, Federal Fiscal Year 2005 was in the amount of \$8,079,514, and Federal Fiscal Year 2004 was in the amount of \$8,860,374. Fiscal years 2011 and 2010 ended with \$16,907,784 and \$10,858,322, respectively, in construction in progress.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2011

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

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

2010: Analysis of Changes in the Condensed Statement of Revenues, Expenses and Changes in Net Assets

The Low Rent Public Housing program rental income increased by 3.3 percent for a total increase of \$403,806 in 2010 and increased by 1.3 percent for a total increase of \$157,310 in 2009. This resulted in total rental income of \$12,529,643 and \$12,125,837 in 2010 and 2009, respectively. On a per unit month (PUM) basis, rental income of \$245.74 PUM in 2010 increased from \$237.82 PUM in 2009. HUD subsidy increased by \$1,765,490, or an average of \$34.63 PUM for 2010.

The Low Rent Public Housing program operating expenses increased, going from \$25,472,504 in 2009 to \$27,094,449 in 2010, or an increase of \$31.80 PUM, making the current figure \$531.38 PUM. Nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) totaled \$702,410, compared to \$619,336 for 2009. This amounted to a 13.4 percent increase. Depreciation expense for 2010 is \$7,189,047, as compared to \$7,013,973 for 2009. Gain on sales of real property contributed \$6,308 and \$-0- to revenues for 2010 and 2009, respectively.

The Section 8 Housing Choice Voucher program ended the year with average monthly lease-ups of 4,182 out of 3,994, or a 104.7 percent average lease-up rate that equated to 188 vouchers over-issued on a monthly basis. This over-issue resulted in a HUD-required transfer of \$243,441 from administrative fee reserves to housing assistance payments (HAP) reserves to cover the costs of over-leasing. There were an average of 44 vouchers issued per month for the program. There were also an average of 198 "shoppers" each month. The program had an increase of 132 vouchers during 2010. This compares to 2009 when the average monthly lease-up rate was 97.9 percent based on 3,835 average monthly lease-ups for 3,918 approved vouchers, with an average of 45 vouchers issued and 286 "shoppers" per month. The program had an increase of 12 vouchers during 2009.

The Agency saw an increase of incoming vouchers from other housing agencies. There were 138 port-in vouchers at March 31, 2010, an increase from 28 in 2009. In those cases, the Agency billed the home entity the full amount of the HAP for a particular participant as well as 80 percent of the home entity's associated administrative fee. This generated \$668,015 and \$834,420 in revenue, of which \$623,055 and \$788,400 was paid to landlords in the form of HAP for 2010 and 2009, respectively. For comparison purposes, the Agency supported 444 and 392 voucher port-outs for 2010 and 2009, respectively, with the HAP and 80 percent of its administrative fee paid to the receiving housing agency. In 2010, total HAP to landlords was \$33,635,915, or 102.7 percent of all revenue. In 2009, total HAP to landlords amounted to \$30,585,264, or 89.3 percent of all revenue.

The Section 8 program average HAP costs per voucher, \$670.19, increased by 0.8 percent in 2010, as compared to \$664.51 in 2009. Operating costs per unit month, \$60.00, decrease by 1.3 percent in 2010, as compared to \$60.77 in 2009.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis Year Ended March 31, 2011

The Capital Fund program receives HUD grant money on a reimbursement basis, while the grant accounts for construction in progress on the Agency's public housing properties. Funding is awarded in a series of overlapping four-year grants. For the most recent grants, Federal Fiscal Year 2009 was in the amount of \$7,870,804, Federal Fiscal Year 2008 was in the amount of \$7,905,110, Federal Fiscal Year 2007 was in the amount of \$7,502,911, Federal Fiscal Year 2006 was in the amount of \$7,718,438, Federal Fiscal Year 2005 was in the amount of \$8,079,514, and Federal Fiscal Year 2004 was in the amount of \$8,860,374. Fiscal years 2010 and 2009 ended with \$10,858,322 and \$6,407,182, respectively, in construction in progress.

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

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

2011 Capital Assets

The Agency had \$147,900,662 and \$138,923,062 for 2011 and 2010, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (pages 27 and 28 of this report) to the financial statements. This is a net increase of \$8,977,600. The ARRA formula grant was closed during Fiscal Year 2011.

2010 Capital Assets

The Agency had \$138,923,062 and \$135,509,070 for 2010 and 2009, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (pages 27 and 28 of this report) to the financial statements. This is a net increase of \$3,413,992. In 2010, \$5,512,205 was reclassified from construction in progress to buildings when Capital Fund Program Grant 707 was closed. In 2009, \$5,191,671 was reclassified from construction in progress to buildings when Capital Fund Program Grant 706 was closed.

Requests for Information

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

Public Housing Agency of the City of Saint Paul

Balance Sheets
March 31, 2011 and 2010

Assets	2011	2010
Current Assets		
Cash and cash equivalents (Note 2)	\$ 789,316	\$ 969,174
Accounts and grants receivable, net	1,936,496	2,925,914
Investments (Note 2)	22,297,446	20,296,600
Investments — restricted (Notes 2 and 3)	3,521,163	2,441,651
Prepaid expenses and inventory	1,112,860	892,694
Total current assets	29,657,281	27,526,033
Noncurrent Assets		
Other assets	183,417	103,131
Capital assets, net (Note 4)	147,900,662	138,923,062
Total noncurrent assets	148,084,079	139,026,193
Total assets	\$ 177,741,360	\$ 166,552,226
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,942,356	\$ 2,179,603
Due to other governmental entities	365,977	173,477
Security deposits (Note 3)	921,894	916,524
Accrued expenses	2,413,471	2,622,725
Unearned revenues	620,190	634,243
Total current liabilities	6,263,888	6,526,572
Accrued compensated absences and other — long-term (Note 5)	1,949,247	1,842,722
Total liabilities	8,213,135	8,369,294
Commitments and Contingencies (Note 8)		
Net Assets		
Invested in capital assets	147,900,662	138,923,062
Restricted by HUD	18,578,425	10,133,729
Unrestricted	3,049,138	9,126,141
Total net assets	169,528,225	158,182,932
Total liabilities and net assets	\$ 177,741,360	\$ 166,552,226

See Notes to Financial Statements.

Public Housing Agency of the City of Saint Paul

**Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended March 31, 2011 and 2010**

	2011	2010
Revenues:		
Tenant rental revenue, net of bad-debt expense of \$31,398 and \$53,066 for the years ended 2011 and 2010, respectively	\$ 12,395,424	\$ 12,398,031
Tenant revenue — other	75,618	78,546
Total tenant revenues	12,471,042	12,476,577
HUD operating grant revenue	53,129,556	50,162,380
Other revenues	4,800,153	3,228,969
Total revenues	70,400,751	65,867,926
Operating expenses:		
Administrative	11,142,681	11,177,284
Tenant services	2,855,403	2,665,786
Housing assistance payments	34,670,095	34,684,768
Utilities	5,167,005	5,233,211
Ordinary maintenance and operations	9,512,161	8,691,565
Protective services	26,045	27,833
General expenses	3,588,614	3,966,802
Extraordinary maintenance	454,993	722,340
Casualty losses — noncapitalized	117,561	153
Depreciation expense	7,829,671	7,661,892
Total operating expenses	75,364,229	74,831,634
Operating loss	(4,963,478)	(8,963,708)
Nonoperating revenues:		
Investment income	124,574	130,991
Gain on disposition of capital assets	68,959	7,116
Total nonoperating revenues	193,533	138,107
Loss before capital contributions	(4,769,945)	(8,825,601)
HUD capital contributions	16,115,238	9,963,344
Change in net assets	11,345,293	1,137,743
Net assets, beginning	158,182,932	157,045,189
Net assets, ending	\$ 169,528,225	\$ 158,182,932

See Notes to Financial Statements.

Public Housing Agency of the City of Saint Paul

**Statements of Cash Flows
For the Years Ended March 31, 2011 and 2010**

	2011	2010
Cash Flows From Operating Activities		
Cash received from tenants	\$ 12,626,029	\$ 12,504,321
Cash received from HUD subsidies	54,212,874	49,293,114
Other revenues	4,606,380	3,258,258
Cash paid for operating expenses	(55,408,931)	(54,816,412)
Cash payments to employees	(12,533,351)	(12,172,498)
Net cash provided by (used in) operating activities	3,503,001	(1,933,217)
Cash Flows From Capital and Related Financing Activities		
Cash received from HUD — capital grants	16,115,238	9,963,344
Proceeds from sale of capital assets	68,959	7,116
Cash payments for capital assets	(16,807,271)	(11,075,888)
Net cash used in capital and related financing activities	(623,074)	(1,105,428)
Cash Flows From Investing Activities		
Purchases of investments	(28,648,618)	(37,105,943)
Sale and maturities of investments	25,568,260	39,083,105
Interest income received	20,573	195,730
Net cash provided by (used in) investing activities	(3,059,785)	2,172,892
Net decrease in cash and cash equivalents	(179,858)	(865,753)
Cash and Cash Equivalents, beginning of year	969,174	1,834,927
Cash and Cash Equivalents, end of year	<u>\$ 789,316</u>	<u>\$ 969,174</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in)		
Operating Activities		
Operating loss	\$ (4,963,478)	\$ (8,963,708)
Depreciation expense	7,829,671	7,661,892
Changes in operating assets and liabilities:		
Receivables	1,013,134	(865,299)
Prepaid expenses and inventory	(220,166)	(207,557)
Payables, security deposits, accrued expenses and unearned revenues	(156,160)	441,455
Net cash provided by (used in) operating activities	\$ 3,503,001	\$ (1,933,217)

See Notes to Financial Statements.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

An enterprise fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the enterprise fund's principal ongoing operations. The principal operating revenues of the Agency's enterprise fund are charges to customers for services related to rental activity, including subsidies received from the Department of Housing and Urban Development (HUD) for administering these services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

The activities of the Agency are described as follows:

Low Rent (CACC No. C-4118, as amended): Low Rent records transactions relating to the 16 high-rises, four family developments and approximately 422 scattered site homes, for a total of 4,248 dwelling units owned by the Agency. The U.S. Department of Housing and Urban Development (HUD) provides operating subsidies for these units through a Consolidated Annual Contributions Contract (CACC) consisting of HUD project numbers MN 01-1, 2, 3, 4, 5, 6, 7, 8A, 8B, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24, 26, 27, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39 and 40. In accordance with the new Asset Management Reporting (AMP) as required by HUD beginning in 2009, the Low Rent program also includes activity of Capital Fund Program Grants (CFP), which are modernization funds received from HUD for capital improvements, major repairs, management improvements, operational costs and related planning costs to improve the physical quality of low-income housing units.

Section 8: The activities accounted for in Section 8 include Moderate Rehabilitation (Mary Hall — 75 authorized vouchers and Booth Brown House Foyer — 6 authorized vouchers), Disability Voucher (117 authorized vouchers), and Housing Choice Voucher (4,052 authorized vouchers, including 60 Veterans Assistance Supportive Housing Vouchers and 100 Family Unification Vouchers) programs. These activities were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rent payments for low-income persons. The individual's subsidy is limited to the difference between 30 percent of the participant's adjusted household income and the fair market rent, as determined by HUD for specific unit sizes.

Moderate Rehabilitation (CACC No. MN001MR, as amended): Section 8 Moderate Rehabilitation funds rehabilitate low-income housing units over a contracted period of time. Both for-profit and not-for-profit developers may provide low-income housing under this program. The grant is designed to provide owners with sufficient rental income to pay for rehabilitation costs. Developers must obtain their own financing. HUD subsidizes rents once the units are accepted.

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

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 Veterans Affairs Supportive Housing (VASH) program combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). Each veteran receives a Housing Choice Voucher, and in return the VA provides services for participating veterans at VA medical centers (VAMCs) and community-based outreach clinics.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

State/Local Activities:

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

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

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

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

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

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

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

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

Compensated absences: Employees earn vacation at rates from 12 to 30 days per year. Unused vacation is allowed to accumulate up to 280 hours. Under certain conditions, certain vacation hours may be surrendered for cash during active employment. Employees are paid for all accumulated vacation upon termination. Vacation is recorded as an expense and a liability during the fiscal year in which it is earned. The current portion of accrued compensated absences of \$817,323 and \$792,778 for 2011 and 2010, respectively, is included in accrued expenses on the balance sheets.

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

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Note 2. Cash and Investments

The Agency's deposits and investments consist of the following at March 31, 2011 and 2010:

	2011	2010
Deposits with financial institutions	\$ 789,655	\$ 969,174
Investments:		
Debt securities	7,312,533	14,649,766
Fixed-income certificates of deposit	-	3,985,684
Mortgage-backed securities	18,506,076	4,102,801
Total investments	25,818,609	22,738,251
	\$ 26,608,264	\$ 23,707,425

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Deposits and investments are classified in the accompanying financial statements at March 31, 2011 and 2010, as follows:

	2011	2010
Cash	\$ 789,655	\$ 969,174
Investments — current	22,297,577	20,296,600
Investments — restricted	3,521,295	2,441,651
	<u>\$ 26,608,527</u>	<u>\$ 23,707,425</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.

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

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

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Agency's interest rate risk policy limits the Agency's investment portfolio to maturities of less than five years without Board approval. The following table presents the estimated maturities of the Agency's investments as of March 31, 2011:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 – 5	6 – 10	More Than 10
Mortgage-backed securities	\$ 25,818,609	\$ 20,606,812	\$ 5,211,797	\$ -	\$ -

The following table presents the estimated maturities of the Agency's investments as of March 31, 2010:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 – 5	6 – 10	More Than 10
Fixed-income CDs	\$ 3,985,684	\$ 3,985,684	\$ -	\$ -	\$ -
Mortgage-backed securities	18,752,567	17,147,126	1,605,441	-	-
	<u>\$ 22,738,251</u>	<u>\$ 21,132,810</u>	<u>\$ 1,605,441</u>	<u>\$ -</u>	<u>\$ -</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Credit risk: As a means of managing its exposure that an issuer of a debt security will not fulfill its obligations, the Agency's credit risk policy is to follow state law, which limits investments in its authorized securities to certain credit risk ratings and maturities. At March 31, 2010, all certificates of deposit held were fully insured by the Federal Depository Insurance Company (FDIC). As of March 31, 2011, the Agency's remaining investments carried the following ratings:

Investment Type	Fair Value	Rating as of Year-End: Standard & Poor's/ Moody's Investor Service		
		AAA/Aaa	None/Aaa	AAA/None
Mortgage-backed securities	\$ 25,818,609	\$ 19,824,233	\$ 2,997,294	\$ 2,997,082

As of March 31, 2010, the Agency's remaining investments carried the following ratings:

Investment Type	Fair Value	Rating as of Year-End: Standard & Poor's/ Moody's Investor Service			
		AAA/Aaa	A-1+/Aaa	A-1+/nr	nr/nr
Mortgage-backed securities	\$ 18,752,567	\$ 11,770,955	\$ 998,800	\$ 2,990,700	\$ 2,992,112
Fixed-income certificates of deposit	3,985,684				
Total investments	\$ 22,738,251				

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

Concentration of credit risk: The Agency's concentration of credit risk policy is to place no limit on the amounts that may be invested in any one issuer. At March 31, 2011 and 2010, more than 5 percent of the Agency's investments are in the following issuers:

Issuer	2011	2010
Federal Home Loan Mortgage notes	31%	7%
Federal National Mortgage notes	30%	64%
Federal Home Loan Bank notes	25%	11%
Federal Farm Credit Bank notes	14%	0%

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, 2011 and 2010, security deposits held by the Agency totaled \$921,894 and \$916,524, respectively, plus accrued interest, included in accrued expenses on the balance sheets, of \$111,032 and \$112,492, respectively.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

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

An escrow account has been established for Section 8 and Low Rent Public Housing participants in the Family Self-Sufficiency program (FSS). A portion of rent paid by residents participating in this program is held for them until the participating family meets individually established self-sufficiency goals. The escrowed amount is turned over to the head of household upon completion of their specific work plan or when 30 percent of the family's monthly adjusted income equals or exceeds the appropriate fair market rent. Escrows are nonrefundable if the family leaves the program. Interest is accrued on the account. At March 31, 2011 and 2010, FSS escrow amounts held by the Agency, included in accrued expenses on the balance sheets, totaled \$129,848 and \$138,430, respectively.

Note 4. Capital Assets

The following is a summary by category of capital assets as of March 31, 2011:

	Assets — At Cost				Estimated Life in Years
	Balance, March 31, 2010	Reclassifications and Additions	Retirements	Balance, March 31, 2011	
Land	\$ 8,360,411	\$ -	\$ 12,222	\$ 8,348,189	Not depreciable
Construction in progress	10,858,322	6,049,462	-	16,907,784	Not depreciable
Land improvements	26,260,436	-	2,060	26,258,376	15
Buildings	259,148,357	10,620,400	69,434	269,699,323	30
Furniture, equipment and machinery — dwellings and administrative	2,084,970	172,874	74,517	2,183,327	3 – 10
	<u>\$ 306,712,496</u>	<u>\$ 16,842,736</u>	<u>\$ 158,233</u>	<u>\$ 323,396,999</u>	
	Accumulated Depreciation				Net Book Value, March 31, 2011
	Balance, March 31, 2010	Additions	Retirements	Balance, March 31, 2011	
Land	\$ -	\$ -	\$ -	\$ -	\$ 8,348,189
Construction in progress	-	-	-	-	16,907,784
Land improvements	23,518,548	588,607	-	24,107,155	2,151,221
Buildings	142,325,000	7,125,057	49,555	149,400,502	120,298,821
Furniture, equipment and machinery — dwellings and administrative	1,945,886	116,007	73,213	1,988,680	194,647
	<u>\$ 167,789,434</u>	<u>\$ 7,829,671</u>	<u>\$ 122,768</u>	<u>\$ 175,496,337</u>	<u>\$ 147,900,662</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 4. Capital Assets (Continued)

The following is a summary by category of capital assets as of March 31, 2010:

	Assets — At Cost				
	Balance, March 31, 2009	Reclassifications and Additions	Retirements	Balance, March 31, 2010	Estimated Life in Years
Land	\$ 8,360,411	\$ -	\$ -	\$ 8,360,411	Not depreciable
Construction in progress	6,407,182	4,451,140	-	10,858,322	Not depreciable
Land improvements	26,260,436	-	-	26,260,436	15
Buildings	252,595,402	6,552,955	-	259,148,357	30
Furniture, equipment and machinery — dwellings and administrative	2,171,734	71,793	158,557	2,084,970	3 – 10
	<u>\$ 295,795,165</u>	<u>\$ 11,075,888</u>	<u>\$ 158,557</u>	<u>\$ 306,712,496</u>	

	Accumulated Depreciation				Net Book Value, March 31, 2010
	Balance, March 31, 2009	Additions	Retirements	Balance, March 31, 2010	
Land	\$ -	\$ -	\$ -	\$ -	\$ 8,360,411
Construction in progress	-	-	-	-	10,858,322
Land improvements	22,815,295	703,253	-	23,518,548	2,741,888
Buildings	135,486,297	6,838,703	-	142,325,000	116,823,357
Furniture, equipment and machinery — dwellings and administrative	1,984,503	119,940	158,557	1,945,886	139,084
	<u>\$ 160,286,095</u>	<u>\$ 7,661,896</u>	<u>\$ 158,557</u>	<u>\$ 167,789,434</u>	<u>\$ 138,923,062</u>

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended March 31, 2011:

	Balance, March 31, 2010	Additions	Reductions	Balance, March 31, 2011	Due Within One Year
Compensated absences	\$ 2,395,260	\$ 1,382,351	\$ 1,352,421	\$ 2,425,190	\$ 817,645
Other postemployment benefits	147,148	194,232	-	341,380	-
Other	93,092	-	93,092	-	-

The following is a summary of changes in long-term liabilities for the year ended March 31, 2010:

	Balance, March 31, 2009	Additions	Reductions	Balance, March 31, 2010	Due Within One Year
Compensated absences	\$ 2,213,465	\$ 1,390,859	\$ 1,209,064	\$ 2,395,260	\$ 792,778
Other postemployment benefits	111,993	35,155	-	147,148	-
Other	84,104	33,522	24,534	93,092	-

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 6. Pension Plan

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

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 \$803,000 and \$774,000, and employee contributions amounted to approximately \$590,000 and \$572,000 for the years ended March 31, 2011 and 2010, respectively.

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

Note 7. Postemployment Health Care Plan

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

From the date of retirement to the day the retiree meets Medicare eligibility, retirees may participate in the Agency's group health coverage program with access to the same health plan (and benefit levels) available to active employees. Retirees can qualify to receive an Agency contribution of \$610 a month toward health plan premium until they meet Medicare eligibility by meeting one of three specific age and length of service requirements.

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

Funding policy: Postemployment health care benefits are currently funded in relation to the annual required contribution (ARC) on a pay-as-you-go basis. The Board of Commissioners may change the funding policy at any time. In the years ended March 31, 2011, 2010 and 2009, the Agency paid \$610, \$560 and \$500 per month for the enrolled retirees described above, respectively, while these retirees contributed the excess of the cost of their plan per month to the Agency. In the years ended March 31, 2011, 2010 and 2009, member contributions totaled \$2,673, \$2,485 and \$1,703, respectively.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 7. Postemployment Health Care Plan (Continued)

Annual OPEB cost and net OPEB obligation: The Agency's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution (ARC), which is actuarially determined in accordance with the parameters of GASB Statement No. 45. The Agency's ARC represents a level of funding that, if paid on an ongoing basis, would be projected to cover the normal cost each year and amortize the unfunded actuarial liabilities (UAL) over a 30-year period. During the year ended March 31, 2011, 10 former employees received the postemployment health care benefit. Contributions in relation to the ARC totaled 30 percent of the March 31, 2011, ARC. During the year ended March 31, 2010, eight former employees received the postemployment health care benefit. Contributions in relation to the ARC totaled 86 percent of the March 31, 2010, ARC. During the year ended March 31, 2009, 12 former employees received the postemployment health care benefit. Contributions in relation to the ARC totaled 55 percent of the March 31, 2009, ARC. The table below shows the components of the Agency's annual OPEB cost, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation and the net OPEB obligation recorded by the Agency at the end of the year, included in accrued compensated absences and other — long-term on the balance sheet, relating to the postemployment health care plan:

	Years Ended March 31		
	2011	2010	2009
Annual required contribution	\$ 273,000	\$ 255,000	\$ 251,000
Interest on net OPEB obligation	6,000	5,000	-
Adjustment to annual required contribution	(5,000)	(4,000)	-
Adjustment for FYE 2009 underfunding	4,000	-	-
Annual OPEB cost	<u>\$ 278,000</u>	<u>\$ 256,000</u>	<u>\$ 251,000</u>

	Years Ended March 31		
	2011	2010	2009
Annual required contribution	\$ 278,000	\$ 256,000	\$ 251,000
Employer's contributions with interest	(84,000)	(221,000)	(139,000)
Increase in net OPEB obligation	194,000	35,000	112,000
Net OPEB obligation, beginning of year	147,000	112,000	-
Net OPEB obligation, end of year	<u>\$ 341,000</u>	<u>\$ 147,000</u>	<u>\$ 112,000</u>

The table below shows the Agency's annual OPEB cost, employer contributions and the percentage of annual OPEB cost contributed to the plan, for the years ended March 31, 2011, 2010 and 2009:

	2011	2010	2009
Annual OPEB cost	\$ 278,000	\$ 256,000	\$ 251,000
Employer contributions	84,000	221,000	139,000
Percentage contributed	30%	86%	55%

Funded status and funding progress: As of April 1, 2010, the most recent actuarial valuation date, the plan was completely unfunded. The actuarial accrued liability for benefits was \$2,782,250. The covered payroll was \$11,825,000, and the ratio of the UAL to the covered payroll was 24 percent.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 7. Postemployment Health Care Plan (Continued)

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

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, 2010, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.0 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 10 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after 12 years. Both rates included a 4.5 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, 2011, was 27 years.

Note 8. Commitments and Contingencies

Construction commitments: The Agency has entered into various contracts for construction projects, mainly relating to the Capital Fund programs. As of March 31, 2011, the remaining commitment on these construction projects approximated \$1,617,000. The costs are being funded by the respective grants.

HUD-guaranteed debt: Certain Housing Authority bonds and Federal Financing Bank (FFB) notes were issued by the Agency for the purpose of financing the acquisition, development and modernization of public housing property. HUD is the primary obligor of these bonds and notes and has guaranteed the debt service payments through annual CACC contributions. The Agency is the secondary obligor and has pledged its financed projects and revenues as collateral on the debt service payments in the event that HUD terminates its annual CACC contributions. Accordingly, the bonds and notes are not reported as liabilities in the accompanying financial statements. Bonds and notes outstanding as of March 31, 2011 and 2010, were as follows:

	Original Issue	Amount Outstanding	
		2011	2010
5% 7th Issue (1972) Housing Authority Bonds due serially through 2013	\$ 2,862,983	\$ 410,642	\$ 548,802
5.125% 8th Issue (1973) Housing Authority Bonds due serially through 2014	3,725,000	745,000	915,000
	<u>\$ 6,587,983</u>	<u>\$ 1,155,642</u>	<u>\$ 1,463,802</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

Note 9. Rental Commitments Receivable

The Agency has entered into rental agreements with external parties for vacant space within the central administrative office building, of which approximately 35 percent is held for lease to external parties. The net book value of the office building was \$11,628,221 as of March 31, 2011, and related depreciation expense was \$434,732 for the year then ended. The rental commitments (net of rent abatement) for space are shown below:

Years Ending March 31,

2012	\$	259,000
2013		229,000
2014		229,000
2015		192,000
2016		79,000
	\$	<u>988,000</u>

Note 10. Recent Accounting Pronouncements

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, will be effective for the Agency beginning with its year ending March 31, 2013. This statement improves financial reporting by establishing recognition, measurement and disclosure requirements for service concession arrangements (SCAs) for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. The Agency's management has not yet determined the effect this statement will have on the Agency's financial statements.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, will be effective for the Agency beginning with its year ending March 31, 2014. This statement improves financial reporting for a governmental financial reporting entity. This statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units. The Agency's management has not yet determined the effect this statement will have on the Agency's financial statements.

Supplementary Information Section

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet — All Programs
 March 31, 2011

Line Item No.	Account Description	Low Rent 14.850a	Section 8 Voucher Choice Program 14.871	Section 8 MOD Rehab. Program 14.856	Section 8 Disability Vouchers 14.181	SRO 001 14.249	Veterans Affairs Supportive Housing 14.VSH
Assets							
Current Assets							
Cash:							
111	Cash — unrestricted	\$ -	\$ -	\$ 119,006	\$ 123,046	\$ 9,890	\$ -
113	Cash — other restricted	-	-	-	-	-	303,554
115	Cash — restricted for payment of current liability	4,121	-	-	-	-	-
100	Total cash	4,121	-	119,006	123,046	9,890	303,554
Accounts and notes receivable:							
121	Accounts receivable — PHA projects	-	48,052	-	-	-	-
122	Accounts receivable — HUD other projects	1,025,490	16,670	-	-	-	-
125	Accounts receivable — miscellaneous	202,501	-	-	-	-	-
126	Accounts receivable — tenants	160,851	-	-	-	-	-
129	Accrued interest receivable	3,467	6,093	-	-	-	-
120	Total receivables	1,392,309	70,815	-	-	-	-
Investments and Other Assets							
131	Investments — unrestricted	10,691,350	1,419,074	-	-	-	-
132	Investments — restricted	1,134,043	2,387,120	-	-	-	-
142	Prepaid expenses and other assets	382,608	11,856	218	340	-	-
143	Inventories	290,255	-	-	-	-	-
144	Interprogram due from	-	340	-	-	-	-
	Total investments and other assets	12,498,256	3,818,390	218	340	-	-
150	Total current assets and investments	13,894,686	3,889,205	119,224	123,386	9,890	303,554
Noncurrent Assets							
Capital assets:							
161	Land and land improvements	32,743,494	-	-	-	-	-
162	Buildings	256,722,910	-	-	-	-	-
164	Furniture, equipment and machinery — dwellings and administrative	1,371,388	-	-	-	-	-
166	Accumulated depreciation	(171,487,247)	-	-	-	-	-
167	Construction in progress	16,907,784	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	136,258,329	-	-	-	-	-
174	Other assets	80,853	-	-	-	-	-
180	Total noncurrent assets	136,339,182	-	-	-	-	-
190	Total assets	\$150,233,868	\$ 3,889,205	\$ 119,224	\$ 123,386	\$ 9,890	\$ 303,554

(Continued)

DHAP 97.109	CHSP 14.170	Capital Funds			Business Activities	State/ Local Wilder/ Learner	Central Office Cost Center (COCC)	Shelter Plus Care 14.238	Eliminations	Total
		ROSS Neighborhood Networks 14.875	Recovery Grant Formula (ARRA) 14.885	Recovery Grant Competitive (ARRA) 14.884						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,202	\$ 161,481	\$ -	\$ -	\$ -	\$ 439,625
42,016	-	-	-	-	-	-	-	-	-	345,570
-	-	-	-	-	-	-	-	-	-	4,121
42,016	-	-	-	-	26,202	161,481	-	-	-	789,316
-	-	-	-	-	-	-	-	-	-	48,052
-	88,085	11,411	-	187,672	-	-	-	340	-	1,329,668
-	-	-	-	-	-	-	171,708	-	-	374,209
-	-	-	-	-	-	-	-	-	-	160,851
-	-	-	-	-	1,370	-	12,786	-	-	23,716
-	88,085	11,411	-	187,672	1,370	-	184,494	340	-	1,936,496
-	-	-	-	-	1,761,834	-	8,425,188	-	-	22,297,446
-	-	-	-	-	-	-	-	-	-	3,521,163
-	-	-	-	-	8,889	-	108,800	-	-	512,711
-	-	-	-	-	-	-	309,894	-	-	600,149
-	-	-	-	-	-	-	254,732	-	(255,072)	-
-	-	-	-	-	1,770,723	-	9,098,614	-	(255,072)	26,931,469
42,016	88,085	11,411	-	187,672	1,798,295	161,481	9,283,108	340	(255,072)	29,657,281
-	-	-	-	-	1,863,071	-	-	-	-	34,606,565
-	-	-	-	-	12,976,413	-	-	-	-	269,699,323
-	-	-	-	-	74,574	-	737,365	-	-	2,183,327
-	-	-	-	-	(3,280,975)	-	(728,115)	-	-	(175,496,337)
-	-	-	-	-	-	-	-	-	-	16,907,784
-	-	-	-	-	11,633,083	-	9,250	-	-	147,900,662
-	-	-	-	-	-	-	102,564	-	-	183,417
-	-	-	-	-	11,633,083	-	111,814	-	-	148,084,079
\$ 42,016	\$ 88,085	\$ 11,411	\$ -	\$ 187,672	\$ 13,431,378	\$ 161,481	\$ 9,394,922	\$ 340	\$ (255,072)	\$177,741,360

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet — All Programs (Continued)
 March 31, 2011

Line Item No.	Account Description	Low Rent 14.850a	Section 8 Voucher Choice Program 14.871	Section 8 MOD Rehab. Program 14.856	Section 8 Disability Vouchers 14.181	SRO 001 14.249	Veterans Affairs Supportive Housing 14.VSH
Liabilities and Net Assets							
Liabilities							
Current liabilities:							
311	Bank overdraft	\$ 138,870	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	397,676	78,143	1,451	2,177	130	-
322	Accrued compensated absences — current portion	563,720	121,290	2,270	1,932	60	-
325	Accrued interest payable	111,032	-	-	-	-	-
333	Accounts payable — other government	365,977	-	-	-	-	-
341	Tenant security deposits	921,894	-	-	-	-	-
342	Unearned revenues	505,885	69,096	27,323	12,724	5,162	-
345	Other current liabilities	389,318	110,894	-	-	-	-
346	Accrued liabilities — other	348,607	19,859	-	-	-	-
347	Interprogram due to	-	-	-	-	-	-
310	Total current liabilities	3,742,979	399,282	31,044	16,833	5,352	-
Noncurrent liabilities:							
354	Accrued compensated absences — noncurrent	1,117,226	223,627	3,163	-	-	-
357	Accrued pension and OPEB liabilities	238,267	45,203	833	1,276	-	-
300	Total liabilities	5,098,472	668,112	35,040	18,109	5,352	-
Net Assets							
508.1	Invested in capital assets	136,258,329	-	-	-	-	-
511.1	Restricted net assets	8,877,067	2,276,227	-	-	-	303,554
512.1	Unrestricted net assets	-	944,866	84,184	105,277	4,538	-
513	Total net assets	145,135,396	3,221,093	84,184	105,277	4,538	303,554
600	Total liabilities and net assets	\$150,233,868	\$ 3,889,205	\$ 119,224	\$ 123,386	\$ 9,890	\$ 303,554

DHAP 97.109	CHSP 14.170	Capital Funds			Business Activities	State/ Local Wilder/ Learner	Central Office Cost Center (COCC)	Shelter Plus Care 14.238	Eliminations	Total
		ROSS Neighborhood Networks 14.875	Recovery Grant Formula (ARRA) 14.885	Recovery Grant Competitive (ARRA) 14.884						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,870
-	-	-	-	-	10,650	-	1,792,836	-	-	1,803,486
-	-	-	-	-	5,085	-	84,621	-	-	569,283
-	-	-	-	-	4,810	-	123,241	-	-	817,323
-	-	-	-	-	-	-	-	-	-	111,032
-	-	-	-	-	-	-	-	-	-	365,977
-	-	-	-	-	-	-	-	-	-	921,894
-	-	-	-	-	-	-	-	-	-	620,190
-	-	-	-	-	4,225	-	6,361	-	-	510,798
-	375	-	-	32,061	3,276	-	857	-	-	405,035
-	87,710	11,411	-	155,611	-	-	-	340	(255,072)	-
-	88,085	11,411	-	187,672	28,046	-	2,007,916	340	(255,072)	6,263,888
-	-	-	-	-	19,433	-	244,418	-	-	1,607,867
-	-	-	-	-	2,024	-	53,777	-	-	341,380
-	88,085	11,411	-	187,672	49,503	-	2,306,111	340	(255,072)	8,213,135
-	-	-	-	-	11,633,083	-	9,250	-	-	147,900,662
42,016	-	-	-	-	-	-	7,079,561	-	-	18,578,425
-	-	-	-	-	1,748,792	161,481	-	-	-	3,049,138
42,016	-	-	-	-	13,381,875	161,481	7,088,811	-	-	169,528,225
\$ 42,016	\$ 88,085	\$ 11,411	\$ -	\$ 187,672	\$ 13,431,378	\$ 161,481	\$ 9,394,922	\$ 340	\$ (255,072)	\$ 177,741,360

Public Housing Agency of the City of Saint Paul

**Financial Data Schedule
Combining Schedule of Revenues, Expenses and Changes in Net Assets — All Programs
For the Year Ended March 31, 2011**

Line Item No.	Account Description	Low Rent 14.850a	Section 8 Voucher Choice Program 14.871	Section 8 MOD Rehab. Program 14.856	Section 8 Disability Vouchers 14.181	SRO 001 14.249	Veterans Affairs Supportive Housing 14.VSH
Revenues:							
70300	Tenant rental revenue	\$ 12,426,822	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue — other	75,618	-	-	-	-	-
70500	Total tenant revenues	12,502,440	-	-	-	-	-
70600	HUD PHA grants	14,986,648	-	-	-	-	-
70600-010	Housing assistance payments	-	32,372,567	359,733	686,669	22,756	364,871
70600-020	Ongoing administrative fees earned	-	3,045,651	66,855	104,293	5,348	-
70600-031	FSS Coordinator	-	67,672	-	-	-	-
70610	Capital grants	5,103,612	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-
71100	Investment income — unrestricted	-	-	-	-	-	-
71100-020	Investment income — unrestricted — admin. fees	-	9,879	216	392	12	-
71400	Fraud recovery — HAP	-	101,873	-	-	-	-
71400-020	Fraud recovery — admin.	-	101,893	-	-	-	-
71500	Other revenues	949,963	2,024,932	-	-	-	-
71600	Gain or loss on the sale of capital assets	-	-	-	-	-	-
72000	Investment income — restricted — HAP	-	6,269	311	166	34	521
70000	Total revenues	33,542,663	37,730,736	427,115	791,520	28,150	365,392
Expenses:							
Administrative:							
91100	Salaries	3,271,828	1,570,091	29,165	43,725	2,590	-
91200	Auditing fees	46,446	18,907	383	575	64	-
91300	Management fee	2,971,152	-	-	-	-	-
91310	Bookkeeping fee	381,060	-	-	-	-	-
91400	Advertising and marketing	13,335	-	-	-	-	-
91500	Employee benefit contributions	1,120,489	535,137	9,641	14,463	811	-
91600	Office expense	359,748	243,844	4,850	7,309	-	-
91700	Legal expense	2,352	68,731	1,380	2,096	-	-
91800	Travel	36,329	42,466	827	1,266	-	-
91900	Other	155,345	278,188	4,658	7,060	-	-
92000	Asset management fee	509,880	-	-	-	-	-
91000	Total administrative	8,867,964	2,757,364	50,904	76,494	3,465	-
Tenant services:							
92100	Salaries	546,265	-	-	-	-	-
92300	Employee benefit contributions	183,985	-	-	-	-	-
92400	Other	240,179	-	-	-	-	-
92500	Total tenant services	970,429	-	-	-	-	-
Utilities:							
93100	Water	2,041,524	-	-	-	-	-
93200	Electricity	1,314,211	-	-	-	-	-
93300	Gas	856,820	-	-	-	-	-
93400	Fuel	2,700	-	-	-	-	-
93500	Labor	64,014	-	-	-	-	-
93700	Employee benefit contributions	23,727	-	-	-	-	-
93800	Other	607,351	-	-	-	-	-
93000	Total utilities	4,910,347	-	-	-	-	-

(Continued)

Capital Funds										
DHAP	CHSP	ROSS Neighborhood Networks	Recovery Grant Formula (ARRA)	Recovery Grant Competitive (ARRA)	Business Activities	State/ Local Wilder/ Learner	Central Office Cost Center (COCC)	Shelter Plus Care	Eliminations	Total
97.109	14.170	14.875	14.885	14.884				14.238		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,426,822
-	-	-	-	-	-	-	-	-	-	75,618
-	-	-	-	-	-	-	-	-	-	12,502,440
-	753,010	90,607	-	163,989	-	-	-	38,887	-	16,033,141
-	-	-	-	-	-	-	-	-	-	33,806,596
-	-	-	-	-	-	-	-	-	-	3,222,147
-	-	-	-	-	-	-	-	-	-	67,672
-	-	-	4,166,577	6,845,049	-	-	-	-	-	16,115,238
-	-	-	-	-	-	-	2,971,152	-	(2,971,152)	-
-	-	-	-	-	-	-	509,880	-	(509,880)	-
-	-	-	-	-	-	-	381,060	-	(381,060)	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	9,201	-	97,573	-	-	106,774
-	-	-	-	-	-	-	-	-	-	10,499
-	-	-	-	-	-	-	-	-	-	101,873
-	-	-	-	-	-	-	-	-	-	101,893
-	1,140,786	-	-	-	867,568	20,337	155,450	-	(562,649)	4,596,387
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	7,301
-	1,893,796	90,607	4,166,577	7,009,038	876,769	20,337	4,115,115	38,887	(4,424,741)	86,671,961
-	53,847	-	-	-	38,673	-	1,775,923	246	-	6,786,088
-	500	-	-	-	500	-	2,500	-	-	69,875
-	-	-	-	-	-	-	-	-	(2,971,152)	-
-	-	-	-	-	-	-	-	-	(381,060)	-
-	-	-	-	-	-	-	23	-	-	13,358
-	16,991	-	-	-	12,522	-	599,781	94	-	2,309,929
-	-	-	-	-	1,392	-	447,548	-	(507,416)	557,275
-	-	-	-	-	-	-	254,463	-	-	329,022
-	-	-	-	-	-	-	60,010	-	(44,509)	96,389
-	28,091	-	-	-	84,974	16,844	416,309	-	(10,724)	980,745
-	-	-	-	-	-	-	-	-	(509,880)	-
-	99,429	-	-	-	138,061	16,844	3,556,557	340	(4,424,741)	11,142,681
-	476,003	-	-	-	-	-	-	-	-	1,022,268
-	162,530	-	-	-	-	-	-	-	-	346,515
-	1,155,834	90,607	-	-	-	-	-	-	-	1,486,620
-	1,794,367	90,607	-	-	-	-	-	-	-	2,855,403
-	-	-	-	-	13,281	-	-	-	-	2,054,805
-	-	-	-	-	78,332	-	-	-	-	1,392,543
-	-	-	-	-	-	-	-	-	-	856,820
-	-	-	-	-	-	-	-	-	-	2,700
-	-	-	-	-	8,078	-	-	-	-	72,092
-	-	-	-	-	2,683	-	-	-	-	26,410
-	-	-	-	-	154,284	-	-	-	-	761,635
-	-	-	-	-	256,658	-	-	-	-	5,167,005

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

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

For the Year Ended March 31, 2011

Line Item No.	Account Description	Low Rent 14.850a	Section 8 Voucher Program 14.871	Section 8 MOD Rehab. Program 14.856	Section 8 Disability Vouchers 14.181	SRO 001 14.249	Veterans Affairs Supportive Housing 14.VSH
Expenses (continued):							
Ordinary maintenance and operation:							
94100	Labor	4,048,868	-	-	-	-	-
94200	Materials and other	1,420,163	-	-	-	-	-
94300	Contract costs	2,303,814	-	-	-	-	-
94500	Employee benefit contributions	1,591,536	-	-	-	-	-
94000	Total ordinary maintenance and operation	9,364,381	-	-	-	-	-
Protective services:							
95200	Protective services — other labor costs	-	-	-	-	-	-
95000	Total protective services	-	-	-	-	-	-
General expenses:							
96100	Insurance premiums	752,942	60,918	753	1,174	-	-
96200	Other general expenses	1,463,713	217,804	-	4,786	-	-
96300	Payments in lieu of taxes	657,635	-	-	-	-	-
96400	Bad debt — tenant rents	31,398	-	-	-	-	-
96800	Severance expense	98,492	55,684	-	-	-	-
96000	Total general expenses	3,004,180	334,406	753	5,960	-	-
96900	Total operating expenses	27,117,301	3,091,770	51,657	82,454	3,465	-
97000	Excess (deficit) of operating revenues over operating expenses	6,425,362	34,638,966	375,458	709,066	24,685	365,392
97100	Extraordinary maintenance	450,519	-	-	-	-	-
97200	Casualty losses — noncapitalized	117,561	-	-	-	-	-
97300	Housing assistance payments	-	33,414,266	336,709	686,260	22,726	171,587
97400	Depreciation expense	7,384,847	-	-	-	-	-
90000	Total expenses	35,070,228	36,506,036	388,366	768,714	26,191	171,587
10080	Gain on sale of fixed assets	68,959	-	-	-	-	-
10000	Excess (deficit) of revenues over expenses before transfers	(1,458,606)	1,224,700	38,749	22,806	1,959	193,805
11040	Program equity transfers	11,011,627	7,670	-	-	-	-
	Changes in net assets	9,553,021	1,232,370	38,749	22,806	1,959	193,805
11030	Net assets, beginning	135,582,375	1,988,723	45,435	82,471	2,579	109,749
	Net assets, ending	\$145,135,396	\$ 3,221,093	\$ 84,184	\$ 105,277	\$ 4,538	\$ 303,554
Other Financial Data							
11170	Administrative fee equity	\$ -	\$ 944,870	\$ -	\$ -	\$ -	\$ -
11180	Housing assistance payments equity	-	2,276,227	-	-	-	303,554
11190	Units months available	50,807	48,624	900	1,404	72	565
11210	Number of units months leased	50,732	47,302	880	1,317	48	317
11270	Excess cash	7,115,182	-	-	-	-	-
11620	Building purchases	16,115,232	-	-	-	-	-

Capital Funds										
DHAP	CHSP	ROSS Neighborhood Networks	Recovery Grant Formula (ARRA)	Recovery Grant Competitive (ARRA)	Business Activities	State/ Local Wilder/ Learner	Central Office Cost Center (COCC)	Shelter Plus Care	Eliminations	Total
97.109	14.170	14.875	14.885	14.884				14.238		
-	-	-	-	-	35,787	-	-	-	-	4,084,655
-	-	-	-	-	1,249	-	-	-	-	1,421,412
-	-	-	-	-	98,937	-	-	-	-	2,402,751
-	-	-	-	-	11,807	-	-	-	-	1,603,343
-	-	-	-	-	147,780	-	-	-	-	9,512,161
-	-	-	-	-	26,045	-	-	-	-	26,045
-	-	-	-	-	26,045	-	-	-	-	26,045
-	-	-	-	-	16,731	-	37,913	-	-	870,431
-	-	-	-	163,988	353	-	-	-	-	1,850,644
-	-	-	-	-	46,523	-	-	-	-	704,158
-	-	-	-	-	-	-	-	-	-	31,398
-	-	-	-	-	-	-	9,205	-	-	163,381
-	-	-	-	163,988	63,607	-	47,118	-	-	3,620,012
-	1,893,796	90,607	-	163,988	632,151	16,844	3,603,675	340	(4,424,741)	32,323,307
-	-	-	4,166,577	6,845,050	244,618	3,493	511,440	38,547	-	54,348,654
-	-	-	-	-	4,474	-	-	-	-	454,993
-	-	-	-	-	-	-	-	-	-	117,561
-	-	-	-	-	-	-	-	38,547	-	34,670,095
-	-	-	-	-	436,533	-	8,291	-	-	7,829,671
-	1,893,796	90,607	-	163,988	1,073,158	16,844	3,611,966	38,887	(4,424,741)	75,395,627
-	-	-	-	-	-	-	-	-	-	68,959
-	-	-	4,166,577	6,845,050	(196,389)	3,493	503,149	-	-	11,345,293
(4,162)	-	-	(4,166,577)	(6,845,050)	(7,670)	-	4,162	-	-	-
(4,162)	-	-	-	-	(204,059)	3,493	507,311	-	-	11,345,293
46,178	-	-	-	-	13,585,934	157,988	6,581,500	-	-	158,182,932
\$42,016	\$ -	\$ -	\$ -	\$ -	\$ 13,381,875	\$ 161,481	\$ 7,088,811	\$ -	\$ -	\$169,528,225
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 944,870
-	-	-	-	-	-	-	-	-	-	2,579,781
-	-	-	-	-	-	-	-	-	-	102,372
-	-	-	-	-	-	-	-	-	-	100,596
-	-	-	-	-	-	-	-	-	-	7,115,182
-	-	-	-	-	-	-	-	-	-	16,115,232

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet — Low Rent
 March 31, 2011

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a
Assets				
Current Assets				
Cash:				
111	Cash — unrestricted	\$ -	\$ -	\$ -
113	Cash — other restricted	-	-	-
115	Cash — restricted for payment of current liability	-	-	-
100	Total cash	<u>-</u>	<u>-</u>	<u>-</u>
Accounts and notes receivable:				
122	Accounts receivable — HUD other projects	551,049	212,019	10,371
125	Accounts receivable — miscellaneous	19,225	97,368	15,521
126	Accounts receivable — tenants	51,487	6,724	8,411
129	Accrued interest receivable	458	408	286
120	Total receivables	<u>622,219</u>	<u>316,519</u>	<u>34,589</u>
Investments and Other Assets				
131	Investments — unrestricted	1,780,274	836,979	1,225,162
132	Investments — restricted	149,492	127,448	156,789
142	Prepaid expenses and other assets	81,639	25,570	30,296
143	Inventories	-	60,650	62,775
144	Interprogram due from	-	-	-
	Total investments and other assets	<u>2,011,405</u>	<u>1,050,647</u>	<u>1,475,022</u>
150	Total current assets and investments	<u>2,633,624</u>	<u>1,367,166</u>	<u>1,509,611</u>
Noncurrent Assets				
Capital assets:				
161	Land and land improvements	5,092,028	1,717,716	2,145,684
162	Buildings	58,109,825	17,640,968	25,428,202
164	Furniture, equipment and machinery — administrative	319,931	95,670	84,019
166	Accumulated depreciation	(28,050,816)	(13,655,755)	(15,882,720)
167	Construction in progress	3,050,228	1,028,344	1,279,877
160	Total capital assets, net	<u>38,521,196</u>	<u>6,826,943</u>	<u>13,055,062</u>
171	Notes and mortgages receivable — noncurrent	-	-	-
174	Other assets	10,316	3,319	3,715
180	Total noncurrent assets	<u>38,531,512</u>	<u>6,830,262</u>	<u>13,058,777</u>
190	Total assets	<u>\$ 41,165,136</u>	<u>\$ 8,197,428</u>	<u>\$ 14,568,388</u>

(Continued)

AMP 4 14.850a	AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	4,121	4,121
-	-	-	-	-	4,121	4,121
17,344	76,979	31,415	5,911	48,756	71,646	1,025,490
769	8,694	7,085	33,745	20,027	67	202,501
27,610	24,663	5,065	20,041	740	16,110	160,851
267	442	161	496	380	569	3,467
45,990	110,778	43,726	60,193	69,903	88,392	1,392,309
985,527	1,499,523	593,913	1,245,850	1,599,516	924,606	10,691,350
87,112	152,344	66,118	125,791	162,327	106,622	1,134,043
36,892	66,762	12,378	33,533	47,023	48,515	382,608
-	23,405	-	79,249	64,176	-	290,255
-	-	-	-	-	-	-
1,109,531	1,742,034	672,409	1,484,423	1,873,042	1,079,743	12,498,256
1,155,521	1,852,812	716,135	1,544,616	1,942,945	1,172,256	13,894,686
1,666,089	10,048,763	897,607	1,871,632	3,744,273	5,559,702	32,743,494
31,024,855	39,370,035	9,312,590	20,281,589	30,229,723	25,325,123	256,722,910
148,543	341,030	119,502	101,321	111,562	49,810	1,371,388
(17,548,325)	(35,365,549)	(7,109,151)	(14,654,533)	(22,120,198)	(17,100,200)	(171,487,247)
290,936	1,386,630	849,780	4,085,397	4,402,892	533,700	16,907,784
15,582,098	15,780,909	4,070,328	11,685,406	16,368,252	14,368,135	136,258,329
-	-	-	-	-	-	-
16,036	11,909	-	12,046	9,412	14,100	80,853
15,598,134	15,792,818	4,070,328	11,697,452	16,377,664	14,382,235	136,339,182
\$ 16,753,655	\$ 17,645,630	\$ 4,786,463	\$ 13,242,068	\$ 18,320,609	\$ 15,554,491	\$ 150,233,868

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Balance Sheet — Low Rent (Continued)
 March 31, 2011

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a
Liabilities and Net Assets				
Liabilities				
Current liabilities:				
311	Bank overdraft	\$ 25,090	\$ 8,238	\$ 19,106
312	Accounts payable	-	-	-
321	Accrued wages/payroll taxes payable	60,950	43,246	43,216
322	Accrued compensated absences — current portion	76,527	61,758	57,018
325	Accrued interest payable	14,635	11,057	10,302
333	Accounts payable — other government	-	72,770	84,544
341	Tenant security deposits	130,325	104,248	119,679
342	Unearned revenues	15,001	73,100	138,050
345	Other current liabilities	196,285	47,285	32,358
346	Accrued liabilities — other	37,807	64,060	38,814
347	Interprogram due to	-	-	-
310	Total current liabilities	<u>556,620</u>	<u>485,762</u>	<u>543,087</u>
Noncurrent liabilities:				
353	Noncurrent liabilities — other	-	-	-
354	Accrued compensated absences — noncurrent portion	151,775	122,336	112,930
357	Accrued pension and OPEB liabilities	40,217	21,947	25,011
350	Total noncurrent liabilities	<u>191,992</u>	<u>144,283</u>	<u>137,941</u>
300	Total liabilities	<u>748,612</u>	<u>630,045</u>	<u>681,028</u>
Net Assets				
508.1	Invested in capital assets	38,521,196	6,826,943	13,055,062
511.1	Restricted net assets	1,895,328	740,440	832,298
512.1	Unrestricted net assets	-	-	-
513	Total net assets	<u>40,416,524</u>	<u>7,567,383</u>	<u>13,887,360</u>
600	Total liabilities and net assets	<u>\$ 41,165,136</u>	<u>\$ 8,197,428</u>	<u>\$ 14,568,388</u>

AMP 4 14.850a	AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Total
\$ 13,782	\$ 20,225	\$ 8,633	\$ 14,012	\$ 23,561	\$ 6,223	\$ 138,870
-	-	-	-	-	-	-
41,268	73,273	15,409	41,843	46,668	31,803	397,676
56,399	101,258	22,326	47,538	86,145	54,751	563,720
7,907	16,170	5,649	12,692	13,217	19,403	111,032
33,508	7,191	8,720	72,606	86,638	-	365,977
67,435	134,174	53,069	106,099	125,200	81,665	921,894
8,619	28,246	50,807	51,392	132,792	7,878	505,885
11,772	11,998	7,402	12,003	64,664	5,551	389,318
12,959	61,061	5,604	50,854	28,561	48,887	348,607
-	-	-	-	-	-	-
253,649	453,596	177,619	409,039	607,446	256,161	3,742,979
-	-	-	-	-	-	-
111,718	200,629	44,275	94,194	170,824	108,545	1,117,226
19,354	44,106	10,752	24,196	32,904	19,780	238,267
131,072	244,735	55,027	118,390	203,728	128,325	1,355,493
384,721	698,331	232,646	527,429	811,174	384,486	5,098,472
15,582,098	15,780,909	4,070,328	11,685,406	16,368,252	14,368,135	136,258,329
786,836	1,166,390	483,489	1,029,233	1,141,183	801,870	8,877,067
-	-	-	-	-	-	-
16,368,934	16,947,299	4,553,817	12,714,639	17,509,435	15,170,005	145,135,396
\$ 16,753,655	\$ 17,645,630	\$ 4,786,463	\$ 13,242,068	\$ 18,320,609	\$ 15,554,491	\$ 150,233,868

Public Housing Agency of the City of Saint Paul

**Financial Data Schedule
Combining Schedule of Revenues, Expenses and Changes in Net Assets — Low Rent
For the Year Ended March 31, 2011**

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a
Revenues:					
70300	Tenant rental revenue	\$ 1,623,533	\$ 1,404,035	\$ 1,550,752	\$ 916,186
70400	Tenant revenue — other	-	13,962	14,796	-
70500	Total tenant revenues	1,623,533	1,417,997	1,565,548	916,186
70600	HUD PHA grants	2,584,932	1,250,052	1,472,750	1,282,470
70710	Property management fee	-	-	-	-
70720	Asset management fee	-	-	-	-
70730	Bookkeeping fee	-	-	-	-
70600-010	Housing assistance payments	-	-	-	-
70600-020	Ongoing administrative fees earned	-	-	-	-
70600-060	Excess interest earned on excess funds	-	-	-	-
70610	Capital grants	1,171,702	843,930	111,165	3,648
70800	Other government grants	-	-	-	-
71100	Investment income — unrestricted	-	-	-	-
71100-020	Investment income — unrestricted — admin. fees	-	-	-	-
71400	Fraud recovery — HAP	-	-	-	-
71400-020	Fraud recovery — admin.	-	-	-	-
71500	Other revenues	34,656	113,076	213,073	26,746
71600	Gain or loss on sale of capital assets	-	-	-	-
72000	Investment income — restricted — HAP	-	-	-	-
70000	Total revenues	5,414,823	3,625,055	3,362,536	2,229,050
Expenses:					
Administrative:					
91100	Salaries	486,876	290,736	317,426	352,765
91200	Auditing fees	6,280	5,265	6,075	3,443
91300	Management fee	407,176	334,786	386,748	220,549
91310	Bookkeeping fee	52,200	42,930	49,590	28,260
91400	Advertising and marketing	1,087	1,958	2,323	857
91500	Employee benefit contributions	163,316	100,131	108,081	114,003
91600	Other operating	46,722	36,843	46,554	26,404
91700	Legal	-	-	-	-
91800	Travel	2,007	3,740	5,228	1,617
91900	Other	17,436	11,894	15,814	13,665
92000	Asset management fee	69,600	57,720	66,480	37,680
91000	Total administrative	1,252,700	886,003	1,004,319	799,243
Tenant services:					
92100	Salaries	57,700	49,520	68,281	58,834
92300	Employee benefit contributions	19,111	16,598	22,497	19,311
92400	Other	30,772	25,987	30,570	21,299
92500	Total tenant services	107,583	92,105	121,348	99,444
Utilities:					
93100	Water	433,935	154,918	160,915	140,361
93200	Electricity	30,848	243,876	246,855	36,024
93300	Gas	14,108	209,041	195,077	23,183
93400	Fuel	-	57	1,542	-
93500	Labor	8,821	7,316	8,426	4,776
93700	Employee benefit contributions	3,239	2,686	3,094	1,753
93800	Other	6,604	1,852	1,234	1,754
93000	Total utilities	497,555	619,746	617,143	207,851

(Continued)

	AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Total
\$	1,810,423	\$ 699,717	\$ 1,430,920	\$ 1,714,221	\$ 1,277,035	\$ 12,426,822
	14,832	5,394	10,044	16,590	-	75,618
	1,825,255	705,111	1,440,964	1,730,811	1,277,035	12,502,440
	2,572,999	955,098	1,568,542	2,042,050	1,257,755	14,986,648
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,162,687	413,809	756,933	191,339	448,399	5,103,612
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	78,537	81,225	87,053	274,872	40,725	949,963
	-	-	-	-	-	-
	-	-	-	-	-	-
	5,639,478	2,155,243	3,853,492	4,239,072	3,023,914	33,542,663
	579,793	160,747	299,597	426,966	356,922	3,271,828
	6,683	2,903	5,536	6,278	3,983	46,446
	427,135	185,333	354,621	401,814	252,990	2,971,152
	54,720	23,760	45,450	51,480	32,670	381,060
	1,791	1,045	1,478	1,537	1,259	13,335
	189,462	55,191	111,666	155,851	122,788	1,120,489
	62,580	20,766	36,562	58,953	24,364	359,748
	2,352	-	-	-	-	2,352
	1,982	3,503	4,774	6,279	7,199	36,329
	26,885	9,165	34,859	18,290	7,337	155,345
	73,200	31,800	60,840	69,000	43,560	509,880
	1,426,583	494,213	955,383	1,196,448	853,072	8,867,964
	73,549	27,796	54,019	106,503	50,063	546,265
	24,817	9,304	18,204	36,841	17,302	183,985
	34,669	15,937	26,107	40,236	14,602	240,179
	133,035	53,037	98,330	183,580	81,967	970,429
	364,168	164,127	144,869	192,771	285,460	2,041,524
	184,263	125,574	223,658	223,087	26	1,314,211
	90,676	1,598	187,596	135,541	-	856,820
	317	-	413	371	-	2,700
	9,278	4,030	7,202	8,644	5,521	64,014
	3,407	1,479	2,831	3,211	2,027	23,727
	257,986	186,418	1,096	144,540	5,867	607,351
	910,095	483,226	567,665	708,165	298,901	4,910,347

Public Housing Agency of the City of Saint Paul

**Financial Data Schedule
Combining Schedule of Revenues, Expenses and Changes in Net Assets — Low Rent (Continued)
For the Year Ended March 31, 2011**

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a
Expenses (continued):					
Ordinary maintenance and operation:					
94100	Labor	865,388	352,812	423,337	321,639
94200	Materials and other	172,671	253,594	55,263	70,740
94300	Contract costs	333,061	237,326	257,274	147,225
94500	Employee benefit contributions	322,607	138,153	171,073	117,653
94000	Total ordinary maintenance and operation	1,693,727	981,885	906,947	657,257
Protective services:					
95100	Other contract costs	-	-	-	-
General expenses:					
96100	Insurance premiums	157,935	50,547	61,559	65,213
96200	Other general expenses	339,989	20,707	93,577	192,581
96300	Payments in lieu of taxes	116,170	57,686	60,578	61,008
96400	Bad debt — tenant rents	13,560	4,008	472	(5,364)
96800	Severance expense	6,514	494	32,626	3,402
96000	Total general expenses	634,168	133,442	248,812	316,840
96900	Total operating expenses	4,185,733	2,713,181	2,898,569	2,080,635
97000	Excess (deficit) of operating revenues over operating expenses	1,229,090	911,874	463,967	148,415
97100	Extraordinary maintenance	46,075	7,918	39,935	23,312
97200	Casualty losses — noncapitalized	721	31,664	25,715	(5,847)
97300	Housing assistance payments	-	-	-	-
97400	Depreciation expense	1,589,452	517,308	569,815	918,847
90000	Total expenses	5,821,981	3,270,071	3,534,034	3,016,947
10080	Gain on sale of fixed assets	6,000	-	-	-
10091	Inter-project excess cash transfer in	-	350,000	30,000	-
10092	Inter-project excess cash transfer out	(720,000)	-	-	-
10100	Total other financing sources (uses)	(714,000)	350,000	30,000	-
10000	Excess (deficit) of revenues over expenses before transfers	(1,121,158)	704,984	(141,498)	(787,897)
11040	Program equity transfers	4,024,276	-	104,980	-
	Changes in net assets	2,903,118	704,984	(36,518)	(787,897)
11030	Net assets, beginning	37,513,406	6,862,399	13,923,878	17,156,831
	Net assets, ending	\$ 40,416,524	\$ 7,567,383	\$ 13,887,360	\$ 16,368,934
Other Financial Data					
11190	Unit months available	\$ 6,960	\$ 5,724	\$ 6,612	\$ 3,768
11210	Unit months leased	6,960	5,714	6,601	3,766
11270	Excess cash	1,294,819	455,708	706,295	760,526
11620	Building purchases	5,195,978	843,930	216,145	3,648

AMP 5 14.850a	AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	Total
743,324	151,945	424,394	443,714	322,315	4,048,868
303,678	121,350	240,865	144,630	57,372	1,420,163
395,676	136,123	317,856	296,117	183,156	2,303,814
301,927	65,633	168,010	181,305	125,175	1,591,536
1,744,605	475,051	1,151,125	1,065,766	688,018	9,364,381
-	-	-	-	-	-
123,369	26,246	62,500	109,641	95,932	752,942
299,196	21,323	38,572	132,569	325,199	1,463,713
82,181	19,637	62,351	69,391	128,633	657,635
(1,125)	3,091	55	805	15,896	31,398
43,276	329	1,389	559	9,903	98,492
546,897	70,626	164,867	312,965	575,563	3,004,180
4,761,215	1,576,153	2,937,370	3,466,924	2,497,521	27,117,301
878,263	579,090	916,122	772,148	526,393	6,425,362
53,899	6,827	106,279	34,638	131,636	450,519
2,773	390	24,689	13,799	23,657	117,561
-	-	-	-	-	-
1,385,357	215,168	489,781	751,237	947,882	7,384,847
6,203,244	1,798,538	3,558,119	4,266,598	3,600,696	35,070,228
13,590	-	-	-	49,369	68,959
740,000	-	-	-	-	1,120,000
-	-	-	(400,000)	-	(1,120,000)
753,590	-	-	(400,000)	49,369	68,959
189,824	356,705	295,373	(427,526)	(527,413)	(1,458,606)
-	-	3,306,485	3,575,886	-	11,011,627
189,824	356,705	3,601,858	3,148,360	(527,413)	9,553,021
16,757,475	4,197,112	9,112,781	14,361,075	15,697,418	135,582,375
\$ 16,947,299	\$ 4,553,817	\$ 12,714,639	\$ 17,509,435	\$ 15,170,005	\$ 145,135,396
\$ 7,296	\$ 3,168	\$ 6,060	\$ 6,864	\$ 4,355	\$ 50,807
7,292	3,164	6,054	6,860	4,321	50,732
1,079,723	428,607	891,097	813,218	685,189	7,115,182
1,162,687	413,809	4,063,410	3,767,226	448,399	16,115,232

Statistical Section

Public Housing Agency of the City of Saint Paul

Summary of Statistical Section

The following tables have been prepared to summarize relevant financial and program data for the Public Housing Agency of the City of Saint Paul.

REVENUE TABLES

Table 1	Agency Revenue by PHA/HUD Program
Table 2	Low Rent Public Housing Revenue by HUD Classification
Table 3	Section 8 Revenue by HUD Classification
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EXPENSE TABLES

Table 5	Agency Expenses by HUD Program
Table 6	Low Rent Public Housing Expenses by HUD Classification
Table 7	Section 8 Expenses by HUD Classification
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EQUITY TABLES

Table 10	Agencywide Changes in Net Assets
Table 11	Agencywide Assets, Liabilities and Net Assets
Table 12	Agencywide Net Assets 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 Rent Public Housing and Section 8 Utilization

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

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

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

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

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Section 8 Certs/Mod	\$ 641,391	\$ 298,292	\$ 269,574	\$ 278,237	\$ 306,563	\$ 322,789	\$ 352,731	\$ 363,724	\$ 368,789	\$ 427,115
Section 8 Vouchers	25,526,342	33,148,536	37,983,991	37,536,502	36,639,950	34,487,712	36,457,710	34,248,633	32,765,741	37,730,736
Section 8 Disability Vouchers	-	-	-	209,924	656,445	692,027	878,622	828,549	806,129	791,520
Section 8 Single Room Occupancy	-	-	-	-	-	-	-	8,398	13,022	28,150
Shelter Plus Care	-	-	-	-	-	-	-	-	-	38,887
DHAP	-	-	-	-	-	-	90,632	52,408	4,198	-
RAFS	437,961	375,136	212,150	126,894	56,681	13,198	-	-	-	-
Veterans Affairs Supportive Housing	-	-	-	-	-	-	-	-	118,457	365,392
Low Rent Housing (includes COCC)	20,590,322	20,694,887	20,840,301	23,183,266	21,990,243	23,425,957	25,659,469	28,084,814	26,941,873	26,672,951
Discretionary	59,979	23,122	-	-	-	-	-	-	-	-
Business Activities	7,052,061	301,090	143,380	759,823	1,228,918	886,995	861,105	890,275	872,911	876,769
CIAP/Comp Grant/Capital Fund (Annual)	9,385,504	8,825,561	11,125,724	7,324,221	7,371,910	9,979,958	6,349,252	6,508,330	6,857,702	7,122,735
Capital Fund Recovery Grant (Formula)	-	-	-	-	-	-	-	-	5,899,205	4,166,577
Capital Fund Recovery Grant (Competitive)	-	-	-	-	-	-	-	-	130,134	7,009,038
Congregate Housing Program	1,590,987	1,580,163	1,960,663	2,346,651	1,828,559	1,733,033	1,783,026	1,674,747	1,694,351	1,893,796
Wilder	112,110	139,715	155,018	148,506	146,965	124,468	115,638	43,316	16,596	14,216
Drug Elimination	850,161	1,031,899	-	-	-	-	-	-	-	-
Service Coordinators	174,607	313,017	445,653	160,054	-	-	-	-	-	-
Web Learner Grant	-	-	-	-	-	-	-	-	-	6,121
Jobs Plus Research Grant	263,947	181,037	183,563	-	-	-	-	-	-	-
MDRC Jobs Plus	40,997	59,852	32,397	-	-	-	-	-	-	-
Resident Opportunity & Self-Sufficiency Grant (ROSS)	14,971	220,000	232,054	232,698	100,822	8,950	-	-	-	-
Neighborhood Networks	-	-	-	-	-	-	-	27,327	93,317	90,607
Economic Development	254,801	-	-	-	-	-	-	-	-	-
Weed and Seed	-	25	49,975	-	-	-	-	-	-	-
Total Agency revenues	\$ 66,996,141	\$ 67,192,332	\$ 73,634,443	\$ 72,306,776	\$ 70,327,056	\$ 71,675,087	\$ 72,548,185	\$ 72,730,521	\$ 76,582,425	\$ 87,234,610

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

Note 2: Does not include elimination entries.

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dwelling rental	\$ 10,337,156	\$ 10,699,671	\$ 10,542,487	\$ 10,588,726	\$ 11,078,857	\$ 11,680,840	\$ 11,887,433	\$ 12,045,042	\$ 12,451,097	\$ 12,426,822
Excess utilities	51,485	50,976	51,625	47,076	47,611	65,011	81,094	80,796	78,546	75,618
Nondwelling rental	1,905	2,395	2,030	990	1,980	2,970	2,640	2,860	660	-
Interest income	472,824	296,116	329,511	283,965	470,344	752,100	838,814	381,886	76,307	97,573
Other income	476,441	415,015	411,209	416,180	546,632	673,133	613,247	1,028,179	940,301	1,105,413
Gain (loss) from disposition of real property	(188,682)	6,218	462,814	1,814,379	122,677	15,316	1,291,401	22,500	7,116	68,959
HUD subsidy*	9,439,193	9,224,496	9,040,625	10,031,950	9,722,142	10,184,322	11,145,847	14,546,052	16,311,542	14,986,650
Total Low Rent Public Housing revenue	\$ 20,590,322	\$ 20,694,887	\$ 20,840,301	\$ 23,183,266	\$ 21,990,243	\$ 23,373,692	\$ 25,860,476	\$ 28,107,315	\$ 29,865,569	\$ 28,761,035
Avg units leased	4,204	4,212	4,215	4,211	4,210	4,208	4,219	4,220	4,230	4,227
Revenue per avg. unit month	\$ 408.15	\$ 409.44	\$ 412.03	\$ 458.78	\$ 435.28	\$ 462.92	\$ 510.76	\$ 555.03	\$ 588.41	\$ 566.95
Subsidy per avg. unit month	187.11	182.50	178.74	198.53	192.44	201.70	220.14	287.24	321.37	295.43

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

Note 2: Does not include internal fee revenue.

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Housing assistance payments	\$ 23,495,998	\$ 29,153,108	\$ 33,294,134	\$ 32,192,311	\$ 33,316,813	\$ 32,144,373	\$ 34,285,644	\$ 31,274,014	\$ 30,036,620	\$ 33,806,596
Port-in housing assistance payments	115,399	1,515,233	2,032,834	2,696,391	1,391,218	455,999	323,560	786,246	625,830	1,900,287
Administration fees	2,223,046	2,376,634	2,532,915	2,558,357	2,573,816	2,558,916	2,683,070	3,003,653	3,109,725	3,289,819
Hard-to-house fees	34,950	35,550	48,600	56,025	-	-	-	-	-	-
Auditing fees	11,318	19,255	13,888	12,732	-	-	-	-	-	-
Interest on reserves/investments	69,716	34,555	2,597	6,064	86,177	132,918	187,548	109,962	47,920	17,800
Portability-in admin and other revenue	7,516	82,685	123,566	144,394	75,012	27,415	18,048	61,823	42,186	124,571
Fraud recovery/other revenue	209,790	229,808	205,031	358,389	159,922	180,403	191,192	213,606	209,857	203,840
Total Section 8 revenue	\$ 26,167,733	\$ 33,446,828	\$ 38,253,565	\$ 38,024,663	\$ 37,602,958	\$ 35,500,024	\$ 37,689,062	\$ 35,449,304	\$ 34,072,138	\$ 39,342,913
ACC authorized monthly unit count	3,763	3,965	4,059	4,059	4,066	4,103	4,103	4,121	4,286	4,310
Average monthly units leased	3,739	3,925	4,092	3,954	4,006	4,032	4,167	4,027	4,373	4,155
Average monthly revenue per unit	\$ 583.22	\$ 710.12	\$ 779.03	\$ 801.40	\$ 782.22	\$ 733.71	\$ 753.80	\$ 733.53	\$ 649.27	\$ 789.00

Note: Revenue per unit includes portability-in revenues.

Public Housing Agency of the City of Saint Paul

**Minnesota Revenue Recapture Program
Last 10 Fiscal Years
(Unaudited)**

Fiscal Year	Section 8		Public Housing		Total	
	Dollar Amount	Number of Recaptures	Dollar Amount	Number of Recaptures	Dollar Amount	Number of Recaptures
2002	\$ 99,736	294	\$ 55,528	259	\$ 155,264	553
2003	119,205	285	53,828	174	173,033	459
2004	83,169	196	53,230	156	136,399	352
2005	52,177	120	50,369	141	102,546	261
2006	44,237	94	47,047	117	91,284	211
2007	50,762	103	57,539	137	108,301	240
2008	49,109	108	53,075	155	102,184	263
2009	70,932	142	80,356	211	151,288	353
2010	38,460	91	76,511	184	114,971	275
2011	35,699	75	60,862	148	96,561	223
Totals	\$ 643,485	1,508	\$ 588,345	1,682	\$ 1,231,831	3,190

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

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Section 8 Certs/Mod	\$ 596,555	\$ 277,330	\$ 264,376	\$ 279,306	\$ 306,659	\$ 319,862	\$ 345,571	\$ 346,549	\$ 375,149	\$ 388,367
Section 8 Vouchers	25,256,928	32,750,540	37,964,189	37,120,743	35,454,263	33,387,929	34,098,089	33,382,374	36,646,873	36,506,032
Section 8 Disability Vouchers	-	-	-	213,239	657,199	685,583	851,919	807,499	784,819	768,713
Section 8 Single Room Occupancy	-	-	-	-	-	-	-	6,799	12,042	26,191
Shelter Plus Care	-	-	-	-	-	-	-	-	-	38,887
DHAP	-	-	-	-	-	-	29,394	55,677	15,989	-
RAFS	437,961	375,136	212,150	126,894	56,681	13,198	-	-	-	-
Veterans Affairs Supportive Housing	-	-	-	-	-	-	-	-	8,708	171,587
Low Rent Housing	19,790,481	20,124,125	20,277,568	21,298,444	21,968,703	22,286,843	22,852,582	24,087,586	24,638,317	25,407,849
Discretionary	116,114	109,021	-	-	-	-	-	-	-	-
Business Activities	575,471	258,268	209,616	551,507	461,189	580,236	555,621	558,082	580,173	636,627
CIAP/Comp Grant/Capital Fund	9,385,504	8,825,561	11,125,724	7,324,221	7,371,910	9,979,958	6,349,252	8,039,034	6,857,702	7,122,735
Capital Fund Recovery Grant (Formula)	-	-	-	-	-	-	-	-	5,899,205	4,166,577
Capital Fund Recovery Grant (Competitive)	-	-	-	-	-	-	-	-	130,134	7,009,031
Congregate Housing Program	1,590,987	1,580,163	1,960,663	2,346,651	1,828,559	1,733,033	1,783,032	1,674,747	1,694,351	1,893,797
Wilder	85,694	186,335	113,035	133,378	210,933	81,542	92,907	19,754	9,355	10,724
Drug Elimination	850,161	1,031,899	-	-	-	-	-	-	-	-
Service Coordinators	174,607	313,017	445,653	160,054	-	-	-	-	-	-
Web Learner Grant	-	-	-	-	-	-	-	-	-	6,120
Jobs Plus Research Grant	263,947	181,037	183,563	-	-	-	-	-	-	-
MDRC Jobs Plus	40,997	59,852	32,397	-	-	-	-	-	-	-
Resident Opportunity & Self-Sufficiency Grant (ROSS)	14,971	220,000	232,054	232,698	100,822	8,950	-	-	-	-
Neighborhood Networks	-	-	-	-	-	-	-	27,327	93,317	90,607
Economic Development	254,801	-	-	-	-	-	-	-	-	-
Weed and Seed	-	25	49,975	-	-	-	-	-	-	-
Total Agency expenses	\$ 59,435,179	\$ 66,292,309	\$ 73,070,963	\$ 69,787,135	\$ 68,416,918	\$ 69,077,134	\$ 66,958,367	\$ 69,005,428	\$ 77,746,134	\$ 84,243,844

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

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

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

Note 4: Does not include elimination entries.

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administrative	\$ 6,448,084	\$ 6,789,833	\$ 6,532,412	\$ 6,903,177	\$ 6,885,099	\$ 6,895,139	\$ 6,941,360	\$ 8,089,868	\$ 8,717,203	\$ 8,562,429
Tenant services	750,417	717,469	459,255	787,738	812,706	866,406	880,849	930,466	958,749	970,429
Utilities	3,811,913	4,001,094	4,140,517	4,362,505	4,625,108	5,047,291	5,122,787	5,238,233	5,000,462	4,910,347
Maintenance	7,425,761	7,113,793	7,230,827	7,171,252	7,435,838	7,538,458	7,935,683	8,266,912	8,556,799	9,364,381
Protective service	36,165	60,747	5,463	-	-	-	-	2,909	-	-
General expense	859,302	869,562	1,180,271	1,451,766	1,296,714	1,403,742	1,360,258	2,944,115	3,626,391	3,051,298
Nonroutine maintenance	722,786	752,664	912,386	622,006	913,238	535,807	531,547	619,337	702,410	568,080
Total Low Rent Public Housing expenses	\$ 20,054,428	\$ 20,305,162	\$ 20,461,131	\$ 21,298,444	\$ 21,968,703	\$ 22,286,843	\$ 22,772,484	\$ 26,091,840	\$ 27,562,014	\$ 27,426,964
Avg monthly units leased	4,204	4,212	4,215	4,211	4,211	4,208	4,219	4,220	4,230	4,227
Avg monthly expense per unit	\$ 397.53	\$ 401.73	\$ 404.53	\$ 421.48	\$ 434.75	\$ 441.36	\$ 449.80	\$ 515.24	\$ 542.99	\$ 540.71

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

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

Note 3: Beginning in fiscal year 2009 includes CFP Operating Grant expenses.

Note 4: Does not include internal fees.

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administrative	\$ 2,215,235	\$ 2,323,192	\$ 2,864,473	\$ 2,603,635	\$ 2,749,016	\$ 2,494,057	\$ 2,551,396	\$ 2,656,212	\$ 2,810,907	\$ 2,888,228
General	26,696	36,337	37,124	41,470	65,136	219,336	212,811	264,664	334,238	341,118
Housing assistance payments	23,611,552	30,668,341	35,326,968	34,968,183	33,603,969	31,679,981	32,531,372	31,615,546	34,682,446	34,631,547
Total Section 8 expenses	\$ 25,853,483	\$ 33,027,870	\$ 38,228,565	\$ 37,613,288	\$ 36,418,121	\$ 34,393,374	\$ 35,295,579	\$ 34,536,422	\$ 37,827,591	\$ 37,860,893
ACC authorized monthly unit count	3,763	3,965	4,059	4,059	4,066	4,103	4,103	4,121	4,286	4,310
Average monthly units leased	3,739	3,925	4,092	3,954	4,006	4,032	4,167	4,027	4,373	4,155
Total expense per unit (Avg)	\$ 576.21	\$ 701.23	\$ 778.52	\$ 792.73	\$ 757.57	\$ 710.84	\$ 705.86	\$ 714.68	\$ 720.86	\$ 759.34
Total admin and general expense per unit (Avg)	49.97	50.10	59.09	55.75	58.54	56.08	55.28	60.44	59.93	64.77
Total HAP expense per unit (Avg)	\$ 526.24	\$ 651.13	\$ 719.43	\$ 736.98	\$ 699.03	\$ 654.76	\$ 650.58	\$ 654.24	\$ 660.93	\$ 694.57

Note: Expense per unit includes portability-in expenses.

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Executive	\$ 376,642	\$ 411,155	\$ 252,989	\$ 196,255	\$ 203,001	\$ 232,669	\$ 218,397	\$ 168,013	\$ 169,100	\$ 180,908
Human Resources	187,994	202,503	141,225	154,388	158,542	157,591	162,563	135,576	140,525	140,677
Section 8	812,570	825,863	924,482	944,559	923,431	968,607	1,002,901	1,530,749	1,603,181	1,645,573
Public Housing Policy	-	-	216,519	187,499	195,166	109,728	112,722	74,583	73,962	73,001
Equal Opportunity & Diversification	-	-	194,932	189,951	151,682	117,286	102,889	19,116	51,771	46,396
Finance	643,331	713,333	900,912	827,389	963,617	928,135	738,371	594,860	636,627	627,521
Technical Service	705,463	782,439	742,407	717,886	197,834	-	-	-	-	-
Maintenance	4,154,709	4,118,705	3,951,411	3,969,687	4,464,748	4,729,237	4,665,216	4,890,962	4,896,616	5,288,256
Resident Services	3,550,359	3,719,899	3,477,087	3,702,342	3,638,283	3,721,899	3,198,951	3,228,497	3,439,532	3,535,680
Total Agency salary expense	\$ 10,431,068	\$ 10,773,897	\$ 10,801,964	\$ 10,889,956	\$ 10,896,304	\$ 10,965,152	\$ 10,202,010	\$ 10,642,356	\$ 11,011,314	\$ 11,538,012
FTE	247.91	243.66	235.35	235.50	222.19	215.64	217.74	220.04	228.38	232.61
Salary cost per FTE	\$ 42,076	\$ 44,217	\$ 45,897	\$ 46,242	\$ 49,040	\$ 50,849	\$ 46,854	\$ 48,366	\$ 48,215	\$ 49,602

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

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

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dwelling rental	\$ 10,337,156	\$ 10,699,671	\$ 10,542,487	\$ 10,588,726	\$ 11,078,857	\$ 11,680,840	\$ 11,887,433	\$ 12,045,042	\$ 12,451,097	\$ 12,426,822
Excess utilities	51,485	50,976	51,625	47,076	47,611	65,011	81,094	80,796	78,546	75,618
Nondwelling rental	1,905	2,395	2,030	990	1,980	2,970	2,640	2,860	660	-
Total rents charged	10,390,546	10,753,042	10,596,142	10,636,792	11,128,448	11,748,821	11,971,167	12,128,698	12,530,303	12,502,440
Write-offs as a percent of rents charged	0.38%	0.32%	0.79%	0.36%	1.07%	1.67%	0.86%	0.87%	0.42%	0.25%
Net write-off amounts	\$ 39,305	\$ 34,694	\$ 83,855	\$ 37,809	\$ 118,972	\$ 196,157	\$ 102,431	\$ 105,966	\$ 53,066	\$ 31,399
Write-offs as a percent of increase/ (decrease) from prior year	5.49%	(11.73)%	141.70%	(54.91)%	214.67%	64.88%	(47.78)%	3.45%	(49.92)%	(40.83)%
Avg units leased	4,204	4,212	4,215	4,211	4,210	4,208	4,219	4,220	4,230	4,227
Write-offs per unit month	\$ 0.78	\$ 0.69	\$ 1.66	\$ 0.75	\$ 2.36	\$ 3.88	\$ 2.02	\$ 2.09	\$ 1.05	\$ 0.62

Public Housing Agency of the City of Saint Paul

Agencywide Changes in Net Assets Last 9 Fiscal Years (Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Operating revenue:									
Tenant revenue (net of bad debt)	\$ 10,829,706	\$ 10,596,142	\$ 10,598,983	\$ 11,009,476	\$ 11,552,665	\$ 11,866,097	\$ 12,125,838	\$ 12,476,577	\$ 12,471,041
HUD grants/subsidy	44,237,755	47,879,979	48,123,406	48,581,716	47,986,115	51,128,226	49,449,073	50,162,380	53,129,556
Other revenue	3,800,409	4,587,316	5,719,428	4,179,482	2,718,647	2,712,485	3,588,715	3,022,705	4,800,153
Total operating revenue	58,867,870	63,063,437	64,441,817	63,770,674	62,257,427	65,706,808	65,163,626	65,661,662	70,400,750
Operating expenses:									
Administrative	12,506,821	11,313,775	11,523,276	11,560,206	11,496,254	11,575,768	10,356,982	11,186,639	11,142,681
Tenant services	2,198,965	3,067,381	3,493,374	2,746,273	2,588,780	2,663,119	2,600,300	2,656,431	2,855,403
Housing assistance payments	30,980,237	35,509,198	35,077,117	33,652,690	31,691,339	32,554,698	31,672,700	34,684,768	34,670,095
Utilities	4,001,094	4,141,558	4,513,533	4,805,039	5,251,085	5,344,344	5,465,475	5,233,211	5,167,005
Ordinary maintenance	7,114,856	7,233,202	7,278,538	7,549,628	7,670,763	8,086,777	8,405,911	8,691,565	9,512,161
General expenses and other	1,065,484	1,261,164	1,660,674	1,344,796	1,266,225	1,648,250	3,392,589	3,994,635	3,614,659
Extraordinary maintenance	684,827	878,992	470,492	906,123	513,578	544,421	535,321	722,493	572,554
Depreciation expense	5,990,258	7,048,575	7,324,200	7,313,084	7,079,744	7,257,922	7,457,298	7,661,892	7,829,671
Total operating expenses	64,542,542	70,453,845	71,341,204	69,877,839	67,557,768	69,675,299	69,886,576	74,831,634	75,364,229
Operating loss	(5,674,672)	(7,390,408)	(6,899,387)	(6,107,165)	(5,300,341)	(3,968,491)	(4,722,950)	(9,169,972)	(4,963,479)
Nonoperating revenues and capital contributions:									
Capital contributions	7,660,878	9,661,647	5,171,832	5,060,732	7,586,119	3,897,192	6,508,330	9,963,344	16,115,238
Gain on disposition of capital assets	578,219	462,814	1,814,379	122,677	15,316	1,291,401	22,500	7,116	68,959
Other, mainly investment income	6,218	442,499	280,449	581,542	933,751	858,781	517,198	337,255	124,574
Total nonoperating revenues and capital contributions	8,245,315	10,566,960	7,266,660	5,764,951	8,535,186	6,047,374	7,048,028	10,307,715	16,308,771
Change in net assets	2,570,643	3,176,552	367,273	(342,214)	3,234,845	2,078,883	2,325,078	1,137,743	11,345,292
Beginning net assets	143,639,590	146,210,233	149,386,785	149,754,058	149,411,844	152,646,689	154,720,112	157,045,190	158,182,933
Ending net assets	\$ 146,210,233	\$ 149,386,785	\$ 149,754,058	\$ 149,411,844	\$ 152,646,689	\$ 154,725,572	\$ 157,045,190	\$ 158,182,933	\$ 169,528,225

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

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assets	\$ 153,832,327	\$ 154,451,655	\$ 158,622,381	\$ 158,660,621	\$ 156,376,581	\$ 160,884,353	\$ 161,336,724	\$ 164,973,028	\$ 166,552,226	\$ 177,741,360
Liabilities	10,192,737	8,241,422	9,235,596	8,906,563	6,964,247	8,367,397	6,616,612	7,927,839	8,369,294	8,213,135
Net assets	143,639,590	146,210,233	149,386,785	149,754,058	149,412,334	152,516,956	154,720,112	157,045,189	158,182,932	169,528,225
Agencywide increase/(decrease) as a percent of prior year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assets	6.40%	0.40%	2.70%	0.02%	(1.44)%	2.88%	0.28%	2.25%	0.96%	6.72%
Liabilities	3.02%	(19.14)%	12.06%	(3.56)%	(21.81)%	20.15%	(20.92)%	19.82%	5.57%	(1.87)%
Net Assets	6.65%	1.79%	2.17%	0.25%	(0.23)%	2.08%	1.44%	1.50%	0.72%	7.17%

Public Housing Agency of the City of Saint Paul

**Agencywide Net Assets by Type
Last 9 Fiscal Years
(Unaudited)**

Fiscal Year	Invested in Capital Assets, Net of Related Debt	Restricted Assets	Unrestricted Assets	Total
2003	\$ 122,139,511	\$ 12,621,856	\$ 11,448,866	\$ 146,210,233
2004	135,794,983	13,233,355	358,447	149,386,785
2005	134,558,798	14,607,520	587,740	149,754,058
2006	135,311,831	11,938,272	2,161,741	149,411,844
2007	136,491,401	12,534,707	3,620,581	152,646,689
2008	135,010,603	17,923,003	1,791,966	154,725,572
2009	135,509,070	13,059,293	8,476,826	157,045,189
2010	138,923,062	10,133,729	9,126,141	158,182,932
2011	147,900,662	18,578,425	3,049,138	169,528,225

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

Public Housing Agency of the City of Saint Paul

Agencywide Capital Assets Last 10 Fiscal Years (Unaudited)

Low Rent Capital Assets	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Land and land improvements	\$ 31,041,711	\$ 31,165,820	\$ 31,315,783	\$ 31,448,981	\$ 31,545,999	\$ 31,631,234	\$ 32,273,883	\$ 32,757,776	\$ 32,757,776	\$ 32,743,494
Buildings	188,135,048	196,149,373	204,493,125	211,708,657	219,653,777	220,144,038	233,125,768	239,670,627	246,214,818	256,722,911
Furniture, equipment and machinery	2,160,408	2,174,586	2,082,025	2,093,381	1,998,987	2,051,372	2,140,387	2,105,231	2,010,396	2,108,753
Accumulated depreciation	(112,714,674)	(118,595,940)	(125,254,237)	(131,501,336)	(138,165,064)	(144,721,552)	(151,006,162)	(157,886,661)	(164,944,992)	(172,215,362)
Low Rent total capital assets, net	\$ 108,622,493	\$ 110,893,839	\$ 112,636,696	\$ 113,749,683	\$ 115,033,699	\$ 109,105,092	\$ 116,533,876	\$ 116,646,973	\$ 116,037,998	\$ 119,359,796
Low Rent Increase/(Decrease) as a Percent of Prior Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Land and land improvements	0.68%	0.40%	0.48%	0.43%	0.31%	0.27%	2.03%	1.50%	0.00%	(0.04)%
Buildings	4.72%	4.26%	4.25%	3.53%	3.75%	0.22%	5.90%	2.81%	2.73%	4.27%
Furniture, equipment and machinery	(29.25)%	0.66%	(4.26)%	0.55%	(4.51)%	2.62%	4.34%	(1.64)%	(4.50)%	4.89%
Accumulated depreciation	5.45%	5.22%	5.61%	4.99%	5.07%	4.75%	4.34%	4.56%	4.47%	4.41%
	1.84%	2.09%	1.57%	0.99%	1.13%	(5.15)%	6.81%	0.10%	(0.52)%	2.86%
Business Activity Capital Assets	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Land and land improvements	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071
Buildings	-	-	11,601,850	12,033,652	12,894,772	12,894,772	12,912,734	12,924,774	12,933,539	12,976,413
Furniture, equipment and machinery	-	-	65,058	66,504	66,504	66,504	66,504	66,504	74,574	74,574
Accumulated depreciation	(3,898)	(19,349)	(237,459)	(643,785)	(1,071,659)	(1,513,885)	(1,956,111)	(2,399,436)	(2,844,442)	(3,280,975)
Business Activities total capital assets, net	\$ 1,859,173	\$ 1,843,722	\$ 13,292,520	\$ 13,319,442	\$ 13,752,688	\$ 13,310,462	\$ 12,886,198	\$ 12,454,913	\$ 12,026,742	\$ 11,633,083
Business Activity Increase/(Decrease) as a Percent of Prior Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Land and land improvements	(9.67)%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Buildings	(100.00)%	N/A	N/A	3.72%	7.16%	0.00%	0.14%	0.09%	0.07%	0.33%
Furniture, equipment and machinery	(100.00)%	N/A	N/A	2.22%	0.00%	0.00%	0.00%	0.00%	12.13%	0.00%
Accumulated depreciation	(99.19)%	396.38%	1,127.24%	171.11%	66.46%	41.27%	29.21%	22.66%	18.55%	15.35%
	(48.37)%	(0.83)%	620.96%	0.20%	3.25%	(3.22)%	(3.19)%	(3.35)%	(3.44)%	(3.27)%

Note 1: Prior to fiscal year 1999, capital asset data was not kept in categories as shown above nor was depreciation calculated. N/A is placed in columns where this note applies.

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

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

Note 4: Business Activity — late fiscal year 2004 moved into newly built central administrative office building located at 555 N. Wabasha Street.

Public Housing Agency of the City of Saint Paul

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Executive	6.00	6.00	4.00	3.00	3.00	3.50	3.25	3.50	3.00	3.50
Human Resources	3.50	4.00	2.50	2.50	2.50	2.00	3.00	3.00	3.00	3.00
Section 8	23.00	24.00	24.00	24.00	22.00	21.00	22.00	25.63	25.00	27.00
Public Housing Policy	-	-	3.50	3.00	3.00	1.50	1.25	1.00	1.00	1.00
Equal Opportunity and Diversification	-	-	3.00	2.50	2.50	1.80	0.90	0.38	0.75	0.75
Finance	14.33	14.50	14.50	15.50	14.50	13.50	13.50	14.50	15.50	15.50
Technical Service	14.00	14.00	13.00	12.00	-	-	-	-	-	-
Maintenance	96.00	92.00	87.00	88.00	95.00	95.00	97.00	97.00	100.00	100.00
Resident Services	91.08	89.16	83.85	85.00	79.69	77.34	76.84	75.03	80.13	81.86
Total agency FTE	247.91	243.66	235.35	235.50	222.19	215.64	217.74	220.04	228.38	232.61

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

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

Note 3: During fiscal year 2006, the Technical Service department was dissolved and merged into the Maintenance department.

Public Housing Agency of the City of Saint Paul

**Unit Type Composition
Last 10 Fiscal Years
(Unaudited)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Family	1,729	1,728	1,728	1,710	1,710	1,710	1,701	1,701	1,701	1,700
Hi-rise	2,545	2,545	2,545	2,548	2,548	2,548	2,548	2,548	2,548	2,548
Total units	4,274	4,273	4,273	4,258	4,258	4,258	4,249	4,249	4,249	4,248

Public Housing Agency of the City of Saint Paul

**Unit Demographics
March 31, 2011
(Unaudited)**

Unit Inventory	Units
Major family developments:	
McDonough Homes	580
Roosevelt Homes	314
Mt. Airy Homes	298
Dunedin Homes	104
Major hi-rise developments:	
Mt. Airy	153
Central	141
Valley	159
Neill	104
Dunedn	142
Cleveland	144
Iowa	148
Wilson	187
Front	151
Ravoux	220
Wabasha	71
Montreal	185
Exchange	194
Edgerton	219
Hamline	186
Seal	144
Scattered family units	404
Total units	<u><u>4,248</u></u>
PHA units by bedroom size:	
0 bedrooms	124
1 bedroom	2,453
2 bedrooms	569
3 bedrooms	718
4 bedrooms	272
5 bedrooms	107
6 bedrooms	5
Total units	<u><u>4,248</u></u>

Public Housing Agency of the City of Saint Paul

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

Fiscal Year	Low Rent Public Housing			Section 8		
	Average Monthly Units	Average Monthly Vacancies	Average Monthly Utilization Rate	HUD Authorized Average Monthly Units	Average Monthly Vouchers Utilized	Average Monthly Utilization Rate
2002	4,204	42	99.0%	3,763	3,739	99.4%
2003	4,212	34	99.2%	3,965	3,925	99.0%
2004	4,215	32	99.2%	4,059	4,092	100.8%
2005	4,211	29	99.3%	4,059	3,954	97.4%
2006	4,210	25	99.4%	4,066	4,006	98.5%
2007	4,208	27	99.4%	4,095	4,032	98.5%
2008	4,220	20	99.5%	4,103	4,181	101.9%
2009	4,220	14	99.7%	4,121	4,027	97.7%
2010	4,230	4	99.9%	4,286	4,373	102.0%
2011	4,227	7	99.8%	4,310	4,155	96.4%
10-year average	4,216	23	99.4%	4,083	4,048	99.2%