

HACSA W-3.a.

## HACSA MEMORANDUM

**TO:** HACSA Board of Commissioners

**FROM:** Larry A. Abel, Deputy Director

**AGENDA ITEM TITLE:** REPORT/Review of Audit Report and Project Based Accounting Report

**AGENDA DATE:** February 4, 2004

### I MOTION

None required.

### II ISSUE

Each year the Board is presented with the Agency's audit and project based accounting report for review.

### III DISCUSSION

#### A. Background/Analysis

Chapter 297 (Audits of Public Funds and Financial Records) of Oregon Revised Statutes and Office of Management and Budget Circular A-133 require an annual organization-wide audit of the Agency's financial statements, accounting systems, and compliance with financial requirements of our various grants.

The organization-wide audit for the year ended September 30, 2003 has been completed. There were no findings and the report has been submitted to HUD and the State of Oregon.

HACSA's financial statements include Management's Discussion and Analysis (MD&A) on pages three through nine. As of now, Congress has not passed a HUD appropriations bill for the current fiscal year (October 1, 2003 through September 30, 2004). HUD has reduced our Public Housing operating subsidy by about 5% (\$95,000). They project a cut of 9% (\$170,000) in the fiscal year ending September 30, 2005.

The House version of this year's appropriations bill contains provisions that would have serious negative consequences for our Section 8 program. It makes it likely that not all of our vouchers would be funded and puts a cap on administrative fees, which would result in a substantial reduction of revenue. The Senate version of the bill is much less contentious.

Detailed financial data schedules (pages 43 to 46 of the audit report) were electronically submitted to HUD's Real Estate Assessment Center (REAC) last December. REAC analyzes and scores the financial data as part of the Public Housing Assessment System (PHAS). HUD regulations require that year-end project based accounting reports be distributed to the Board.

B. Recommendation

None required.

**IV IMPLEMENTATION/FOLLOW-UP**

None required.

**V ATTACHMENTS**

Project Based Accounting Report  
Audited Financial Statements

Project Based Report  
October 2002 - September 2003

	SCATTERED SITES	FLORENCE 6-1	MCKENZIE VILLAGE 6-2,3	PARKVIEW 6-4	LINDBORG 6-5	CRESWELL 6-5/6-18	RIVERVIEW 6-7	VENETA 6-9	MATT DRIVE 6-24	TOTAL
DWELLING RENT	232,958	49,951	318,869	330,390	73,177	48,838	98,610	66,295	37,942	1,257,030
MAINT CHARGES/LEGAL FEES	11,389	746	7,899	3,228	602	88	1,263	465	2,424	28,104
LATE CHARGES	1,694	100	1,725	698	150	75	200	525	575	5,742
INTEREST	3,888	877	5,028	4,356	1,169	965	1,754	1,432	1,052	20,522
OFFICE RENT/MISC*	5,580	2,411	7,310	6,164	1,655	1,365	2,517	3,041	2,659	32,702
WASHER/DRYER	-	-	-	7,496	1,232	1,603	3,567	1,127	-	15,026
COMP GRANT INCOME	58,620	13,223	75,810	65,672	17,630	14,545	26,445	21,597	15,867	309,409
<b>TOTAL INCOME</b>	<b>\$314,129</b>	<b>\$67,308</b>	<b>\$416,640</b>	<b>\$418,004</b>	<b>\$95,615</b>	<b>\$67,479</b>	<b>\$134,355</b>	<b>\$94,483</b>	<b>\$60,520</b>	<b>\$1,668,534</b>
DIRECT SALARIES	37,878	4,954	17,417	25,876	6,843	6,924	15,363	10,156	7,012	132,423
INDIRECT SALARIES*	108,699	24,519	140,574	121,776	32,692	26,971	49,037	40,047	29,422	573,736
OTHER ADMIN. EXP	2,165	1,198	3,024	6,294	2,101	729	2,485	879	1,614	20,489
INDIRECT OTHER ADMIN EXP*	24,155	5,448	31,238	27,061	7,265	5,993	10,897	8,899	6,538	127,495
AUDITING FEES*	1,516	342	1,960	1,698	456	376	684	558	410	8,000
RESIDENT PARTICIPATION	128	-	16	16	-	-	-	-	-	161
INDIRECT RESIDENT PARTICIPATION*	2,818	636	3,644	3,157	847	699	1,271	1,038	763	14,873
DIRECT TENANT SERVICES	12	15	-	24	12	11	70	19	13	174
INDIRECT TENANT SERVICES*	13,688	3,087	17,702	15,334	4,117	3,396	6,175	5,043	3,705	72,247
WATER/SEWER	8,150	20,907	53,751	15,913	10,882	10,545	9,008	37,205	10,302	176,662
ELECTRICITY	2,223	1,960	9,414	52,092	3,773	2,981	10,323	2,635	3,254	88,654
GAS/OIL/STEAM	-	-	-	62,720	17,238	885	-	-	-	80,844
DIRECT MAINT LABOR	97,823	9,242	124,096	43,322	7,963	17,803	21,188	29,250	35,102	385,789
INDIRECT MAINT LABOR*	12,791	2,885	16,541	14,329	3,847	3,174	5,770	4,712	3,462	67,512
DIRECT MATERIALS	19,303	1,018	15,850	10,590	1,550	4,344	1,441	3,744	9,079	66,919
INDIRECT MATERIALS*	13,642	3,077	17,642	15,283	4,103	3,385	6,154	5,026	3,693	72,004
GARBAGE	31,535	2,726	25,353	10,506	3,126	5,139	7,620	10,488	9,793	106,286
INDIRECT GARBAGE*	117	26	151	131	35	29	53	43	32	615
ELEVATOR	-	-	2,035	6,655	1,336	-	2,883	-	-	12,908
UTILITIES - VACATES	2,883	2,115	1,135	-	-	669	-	4,066	1,559	12,427
VACATE CLEANING	10,119	2,846	17,637	4,287	1,880	2,760	6,235	4,044	6,836	56,644
YARD MAINTENANCE	4,283	-	4,764	12,775	5,533	609	8,275	8,628	-	44,866
JANITORIAL	-	-	12,584	17,992	1,350	700	7,420	-	550	40,597
DIRECT CONTRACT COSTS	35,355	1,571	15,496	13,591	3,098	5,149	4,476	3,729	7,120	89,585
INDIRECT CONTRACT COSTS*	1,007	227	1,302	1,128	303	250	454	371	272	5,314
VEHICLE EXPENSE	1,025	-	6,415	182	-	268	-	518	150	8,557
INDIRECT VEHICLE EXPENSE*	643	145	832	720	193	160	290	237	174	3,394
SECURITY AIDES	-	4,776	5,293	2,366	-	-	2,411	-	-	14,846
DIRECT FRINGE	73,240	8,652	73,135	37,593	8,419	14,364	20,431	23,774	25,057	284,667
INDIRECT FRINGE*	55,966	12,624	72,378	62,699	16,832	13,886	25,248	20,619	15,149	295,401
PMT IN LIEU OF TAXES	18,207	2,359	22,204	18,373	3,755	2,905	7,094	1,605	1,296	77,796
INSURANCE*	6,034	1,361	7,803	6,760	1,815	1,497	2,722	2,223	1,633	31,847
COLLECTION LOSSES	3,759	577	4,652	2,319	171	141	641	351	553	13,165
EXTRAORDINARY MAINTENANCE	7,711	-	12,095	7,915	760	9,886	870	-	3,501	42,737
BETTERMENTS AND ADDITIONS	-	-	9,023	-	-	-	-	-	-	9,023
CASUALTY LOSSES	-	-	-	-	-	-	-	1,838	-	1,838
<b>TOTAL EXPENDITURES</b>	<b>\$596,874</b>	<b>\$119,292</b>	<b>\$747,152</b>	<b>\$621,478</b>	<b>\$152,293</b>	<b>\$146,635</b>	<b>\$236,988</b>	<b>\$231,747</b>	<b>\$188,041</b>	<b>\$3,040,491</b>
DEFICIT BEFORE SUBSIDY	-282,745	-51,984	-330,512	-203,474	-56,678	-79,146	-102,633	-137,264	-127,522	-1,371,958
HUD SUBSIDY*	330,887	74,636	427,914	370,693	99,515	82,100	149,272	121,906	89,563	1,745,488
<b>RESIDUAL RCPTS OR DEFICIT</b>	<b>\$48,143</b>	<b>\$22,652</b>	<b>\$97,402</b>	<b>\$167,219</b>	<b>\$42,837</b>	<b>\$2,954</b>	<b>\$46,640</b>	<b>\$15,358</b>	<b>\$37,958</b>	<b>\$174,530</b>

\*Allocated based on number of units



HOUSING AND COMMUNITY  
SERVICES AGENCY OF LANE COUNTY

FINANCIAL STATEMENTS

FISCAL YEAR ENDED  
SEPTEMBER 30, 2003

**BILL A. KILLOUGH**

Certified Public Accountant

HOUSING AND COMMUNITY  
SERVICES AGENCY OF LANE COUNTY

FINANCIAL STATEMENTS

FISCAL YEAR ENDED  
SEPTEMBER 30, 2003

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2003

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
REQUIRED SUPPLEMENTAL INFORMATION:	
Management's Discussion and Analysis (MD & A)	3-9
BASIC FINANCIAL STATEMENTS:	
Statement of Net Assets	10
Statement of Revenues, Expenses and Changes in Fund Net Assets	11
Statement of Cash Flows	12
Notes to Financial Statements	13-32
SUPPLEMENTAL INFORMATION:	
<u>Department of Housing and Urban Development</u> <u>Public and Section 8 Housing:</u>	
Statement of Net Assets	33
Statement of Revenues, Expenses and Changes in Fund Net Assets	34
Statement of Modernization Costs - Completed Project OR16P00670800	35
<u>Department of Housing and Urban Development</u> <u>Section 8 New Construction and Section 236 Housing</u>	
Statement of Net Assets	36
Statement of Revenues, Expenses and Changes in Fund Net Assets	37

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2003

TABLE OF CONTENTS

	<u>PAGE</u>
<b>SUPPLEMENTAL INFORMATION - CONTINUED:</b>	
<u>Community Development Funds</u>	
Statement of Net Assets	38
Statement of Revenues, Expenses and Changes in Fund Net Assets	39
Statement of Revenues and Expenses - CSA Fund	40
Statement of Revenues and Expenses - CSA Fund (DHUD Grant Funds)	41
Statement of Revenues and Expenses - CSA Fund (Weatherization Program)	42
<b>FINANCIAL DATA SCHEDULES</b>	43-46
<b>REQUIRED AUDIT DISCLOSURES</b>	47-50
<b>REPORTS REQUIRED BY GAO AND OMB A-133:</b>	
Schedule of Federal Awards Expended	51
Independent Auditor's Report on Internal Control Structure Related Matters Noted in a Financial Statement Audit Conducted in Accordance With Government Auditing Standards	52-53
Independent Auditor's Report on Compliance With Laws and Regulation Based on an Audit of Financial Statements Performed in Accordance With Governmental Auditing Standards	54



HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2003

TABLE OF CONTENTS

PAGE

REPORTS REQUIRED BY GAO AND OMB A-133 - CONTINUED:

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Governmental Auditing Standards	55-56
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	57-58
Schedule of Findings and Questioned Costs	59

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY

SEPTEMBER 30, 2003

BOARD OF COMMISSIONERS

Bill Dwyer	5558 Thurston Road Springfield, OR 97478
June Gallagher	255 High Street #318 Eugene, OR 97401
Bobbie Green, Sr.	1754 N. Danebo Avenue Eugene, OR 97402
Anna Morrison	P.O. Box 404 Florence, OR 97439
Judith Pothier	350 S. 2 <sup>nd</sup> Avenue #30 Creswell, OR 97426
C. Peter Sorenson	3780 Emerald Eugene, OR 97405
Don Hampton	76513 Sanford Street Oakridge, Oregon 97463

ADMINISTRATION

Chris Todis	Executive Director
Larry A. Abel	Deputy Director

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Housing and Community  
Services Agency of Lane County, Oregon  
177 Day Island Road  
Eugene, Oregon 97401

I have audited the accompanying basic financial statements of the Housing and Community Services Agency of Lane County, Oregon (HACSA) as of and for the year ended September 30, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards of the United States of America, and the standard applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of September 30, 2003, and the results of its operations and its cash flows of its proprietary fund types for the year then ended, in accordance with generally accepted accounting principles of the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated December 15, 2003 on my consideration of the Housing and Community Services Agency of Lane County, Oregon's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information, and accordingly, express no opinion on it.

My audit was made for the purpose of forming an opinion on the basic financial statements of the Housing and Community Services Agency of Lane County, Oregon as a whole. The accompanying financial information listed as Supplemental Information in the table of contents, including the schedule of federal awards expended and the financial data schedule, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Bue Kellough*

Certified Public Accountant

Eugene, Oregon  
December 15, 2003

REQUIRED SUPPLEMENTAL INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD& A)

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Our discussion and analysis of the Housing and Community Services Agency (HACSA) of Lane County's financial performance provides an overview of the Agency's financial activities for the fiscal year ended September 30, 2003. Please read it in conjunction with the Agency's financial statements, which begin on page 10.

### **FINANCIAL HIGHLIGHTS**

- The Agency reported combined net assets (assets less liabilities) of \$35,244,720 as of September 30, 2003. This represents an increase of \$1,613,842, or 4.8%, over the prior year.
- Capital grants from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture (USDA) accounted for \$1,350,293 of the increase in net assets.
- 24.6% (\$8,672,472) of combined net assets was unrestricted and, therefore, had no constraints on future use. This compares to 23.6% (\$7,944,977) last year.
- Total combined revenue for the year ended September 30, 2003 aggregated \$25,152,971, an increase of \$933,778, or 3.9%, over the prior year. The increase in total revenue, excluding capital grants, was \$484,095, or 2.1% over last year.
- Revenues exceeded expenses by \$1,712,940, as compared to \$1,345,219 last year.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements which are listed in the Table of Contents. The basic financial statements reflect the financial position, results of operations and cash flows of HACSA, as a whole, as of and for the year ended September 30, 2003. The supplemental information reflects the combining financial statements of the Agency's major funds. It also includes combining financial data schedules that were filed with HUD's Real Estate Assessment Center (REAC).

### **Reporting the Agency as a Whole**

One of the most important questions about the Agency's financial status is, "Is the Agency as a whole better or worse off as a result of the year's activities?" The Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Fund Net Assets and the Statement of Cash Flows report information about HACSA as a whole in a way that helps answer this question.

The Statement of Net Assets presents HACSA's financial position as of September 30, 2003. It is as if someone took a snapshot of the Agency's accounts on that specific date and said "this is how it looks - right now." Assets are defined as what the Agency owns and liabilities are what it owes. Therefore, net assets are simply what is owned less what is owed. While the Statement of Net Assets presents the financial position as of a specific date, the Statement of Revenues, Expenses and Changes in Fund Balances measures the Agency's results and change in net assets for a period of time; in this case the year ended September 30, 2003. The Statement of Cash Flows is an analysis of the increase or decrease in the Agency's cash balances during the year.

## Reporting the Agency's Most Significant Funds

Our analysis of HACSA's major funds begins on page 33. A fund is a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities. Generally accepted accounting principles (GAAP) requires state and local governments to use the enterprise fund type to account for business-type activities. All of the Agency's transactions are recorded in enterprise funds. Enterprise funds use the accrual basis of accounting; revenue is recorded when earned and expenses are recorded when incurred, regardless of when the cash is received or disbursed.

## FINANCIAL ANALYSIS

All of HACSA's activities are accounted for in public housing, Section 8 and community development funds. The details of each fund is set forth in the supplemental information beginning on page 33. The following analysis pertains to the Agency as a whole.

### Net Assets

Net assets increased by \$1,613,842, or 4.8%, over last year. This increase is due primarily to capital grants of \$1,190,829 from HUD.

**TABLE 1**  
**NET ASSETS**

	<u>September 30</u>	
	<u>2003</u>	<u>2002</u>
Current Assets	\$ 6,686,232	\$ 5,877,885
Restricted Assets	1,052,661	994,299
Capital Assets, Net	30,690,393	30,111,483
Other Assets	<u>4,435,846</u>	<u>4,452,226</u>
	<u>42,865,132</u>	<u>41,435,893</u>
Current Liabilities	2,392,221	2,339,575
Noncurrent Liabilities	<u>5,228,191</u>	<u>5,465,439</u>
	<u>7,620,412</u>	<u>7,805,014</u>
Net Assets (due to and due from other funds eliminated)	<u>\$35,244,720</u>	<u>\$33,630,879</u>
Classification of Net Assets:		
Investment in Capital Assets, Net of Related Debt	\$25,519,587	\$24,691,601
Restricted Net Assets	1,052,661	994,301
Unrestricted Net Assets	<u>8,672,472</u>	<u>7,944,977</u>
<b>Total Net Assets</b>	<u><b>\$35,244,720</b></u>	<u><b>\$33,630,879</b></u>

## Changes in Net Assets

Total revenues increased by \$933,778, or 3.9% over last year. Additions over last year's revenues result primarily from increases in the HUD Section 8 housing assistance payments, HUD public housing and U.S. Department of Agriculture (USDA) capital grants, and development fees to assist with the construction of affordable housing.

Total expenses increased by \$566,057 or 2.5% over last year.

**TABLE 2**  
**CHANGES IN NET ASSETS**

	<b>Year Ended</b>	
	<b>September 30</b>	
	<b>2003</b>	<b>2002</b>
<b>Revenues:</b>		
Dwelling Rent	\$ 2,339,831	\$ 2,384,061
Federal Operating Grants	20,051,235	19,891,661
Federal Capital Grants	1,350,293	900,610
Interest	243,186	306,032
Other	<u>1,168,426</u>	<u>736,829</u>
	<u>25,152,971</u>	<u>24,219,193</u>
<b>Expenses:</b>		
Administration	4,609,744	4,476,713
Resident Services	305,236	420,014
Utilities	460,205	459,063
Maintenance	2,908,552	2,622,185
Protective Services	24,767	36,585
General Expense	199,270	230,035
Interest	291,083	301,752
Housing Assistance Payments	13,741,643	13,336,944
Depreciation	<u>899,531</u>	<u>990,683</u>
	<u>23,440,031</u>	<u>22,873,974</u>
<b>Increase in Net Assets (before dividends</b>		
<b>of \$9,440 in both years)</b>	<u><b>\$ 1,712,940</b></u>	<u><b>\$1,345,219</b></u>



## HUD's Real Estate Assessment Center (REAC)

REAC evaluates all public housing authorities (PHA's) on an annual basis. Using the Public Housing Assessment System (PHAS), PHA's are rated for the physical status of their properties, financial condition, management proficiency, and resident satisfaction. Financial condition is assessed for the agency as a whole. All other indicators are applied only to the public housing program. An aggregate score of 90 or above designates the PHA as a "high performer." HACSA received a high performer designation in all five years that PHAS has been in place. Our score for financial condition, for the year ended September 30, 2003, is 30 (out of 30). We have not yet received our scores for the other indicators. However, we expect that they will result in another high performer designation.

**TABLE 3**  
**PUBLIC HOUSING ASSESSMENT SYSTEM**

<b>PHAS Indicator</b>	<b>Year Ended</b>	<b>Maximum</b>
	<b>September 30</b>	
	<b>2002</b>	<b>Score</b>
Physical	27	30
Financial	30	30
Management	30	30
Resident	9	10
<b>Total Score</b>	<b>96</b>	<b>100</b>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

This year's additions of \$1,478,442 are primarily due to comprehensive modernization at Veneta Village and Laurelwood Homes, (both public housing developments), rehabilitation at Camas Apartments, a USDA Rural Development project, and the construction of a community room at Village Oaks Apartments, a HUD Section 236 housing development.

**TABLE 4**  
**CAPITAL ASSETS**

	<b>September 30</b>	
	<b>2003</b>	<b>2002</b>
Land	\$ 7,885,396	\$ 7,885,359
Buildings and improvements	37,021,129	35,788,061
Equipment	1,946,785	1,910,012
Construction in progress	<u>1,280,342</u>	<u>1,071,778</u>
Total	48,133,652	46,655,210
Less: Accumulated depreciation	<u>(17,443,258)</u>	<u>(16,543,727)</u>
<b>Net Capital Assets</b>	<b><u>\$30,690,394</u></b>	<b><u>\$ 30,111,483</u></b>

### Long-term Debt

Long-term debt aggregated \$5,965,805 on September 30, 2003. The decrease, \$249,077 from the balance on September 30, 2002, represents the amount of principal paid during the year.

### BUDGETS, SIGNIFICANT CHANGES AND ECONOMIC FACTORS

The Agency's budget for the year ended September 30, 2003 was approved by the HACSA Board of Commissioners on September 25, 2002. In April 2002, two public housing residents were appointed to the HACSA Board, which was expanded to seven members. The other five HACSA commissioners are also the Lane County Board of Commissioners. HACSA is a component unit of Lane County and its financial statements are, therefore, included in Lane County's financial statements.

HACSA's actual expenditures for the year ended September 30, 2003 aggregated \$24,349,666, \$1,010,334 less than the original budget. This difference is due primarily to the anticipated purchase of Munsel Park Apartments (another USDA project), which was included in the budget. The transaction was completed subsequent to September 30, 2003.

**TABLE 5**  
**VARIATIONS BETWEEN BUDGET AND ACTUAL AMOUNTS**

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
Personal Services	\$ 5,159,979	\$ 5,335,949	\$ ( 175,970)
Materials and Services	17,089,438	16,378,451	710,987
Capital Outlay	1,478,442	3,000,000	(1,521,558)
Debt Service	<u>621,807</u>	<u>645,600</u>	<u>( 23,793)</u>
<b>Total Expenditures</b>	<b><u>\$24,349,666</u></b>	<b><u>\$25,360,000</u></b>	<b><u>\$(1,010,334)</u></b>

The budget for the fiscal year ending September 30, 2004 was approved by the HACSA Board on September 24, 2003. Federal funding accounts for approximately 85% of HACSA's revenues. HUD alone comprises 83%. As of this date, the Congress has not passed a HUD appropriations bill for the fiscal year ending September 30, 2004. We are very concerned about proposed major cuts to our Public Housing and Section 8 funding.

HUD has reduced the funding of the public housing operating subsidy by about 5% (\$95,000) for FY 2004. They project a cut of 9% (\$170,000) in FY 2005.

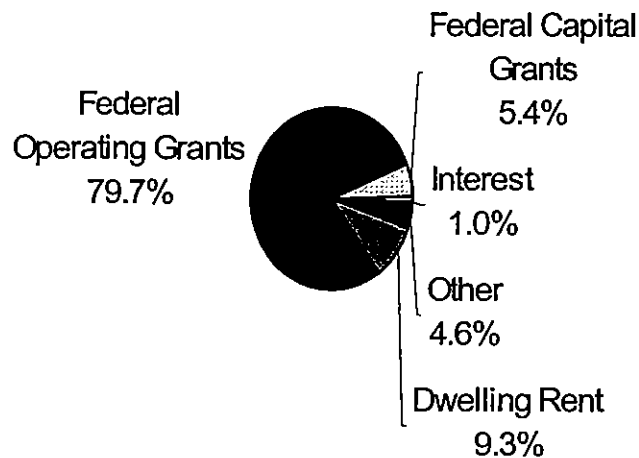
The House version of this year's appropriations bill contains provisions that would have serious negative consequences for our Section 8 program. It makes it likely that not all of our vouchers would be funded and puts a cap on administrative fees, which would result in a substantial reduction of revenue. The Senate version of the bill is much less contentious.

## CONTACTING HACSA'S FINANCIAL MANAGEMENT

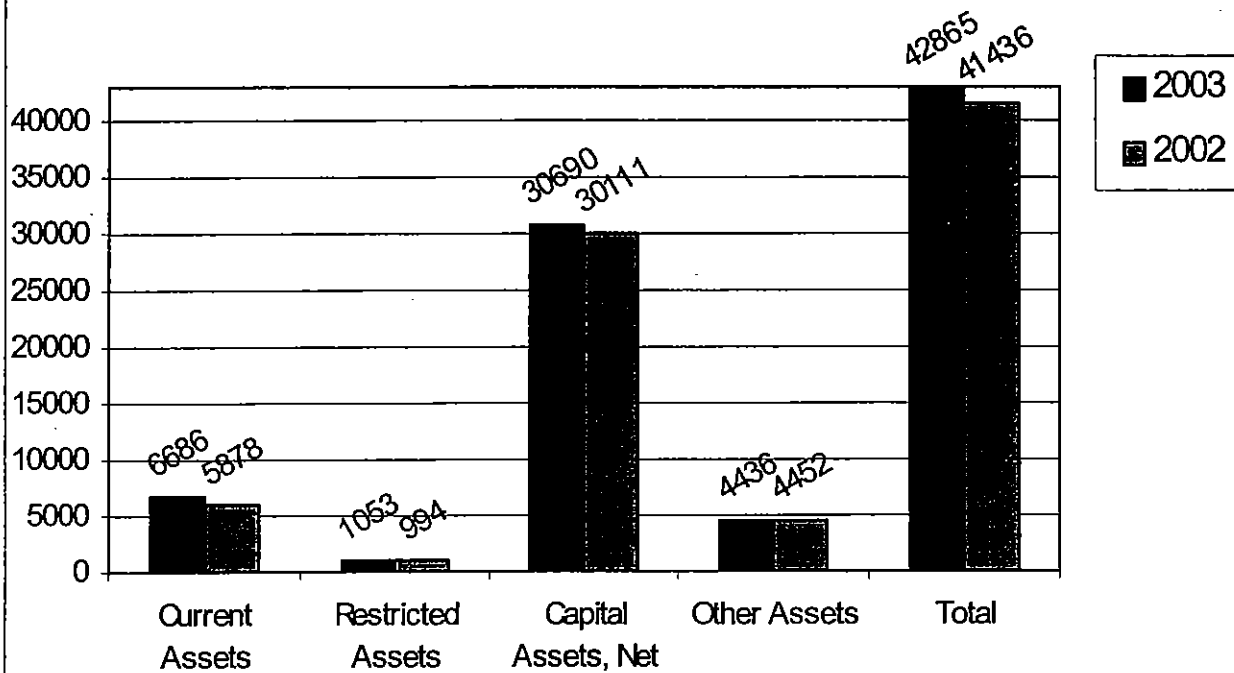
This financial report is intended to provide its readers with a general overview of HACSA's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or wish to request additional information, contact Larry Abel, Deputy Director, Housing and Community Services Agency of Lane County, 177 Day Island Road, Eugene, OR, 97401; email: [label@hacsa.lane.or.us](mailto:label@hacsa.lane.or.us); telephone: (541) 682-2503.

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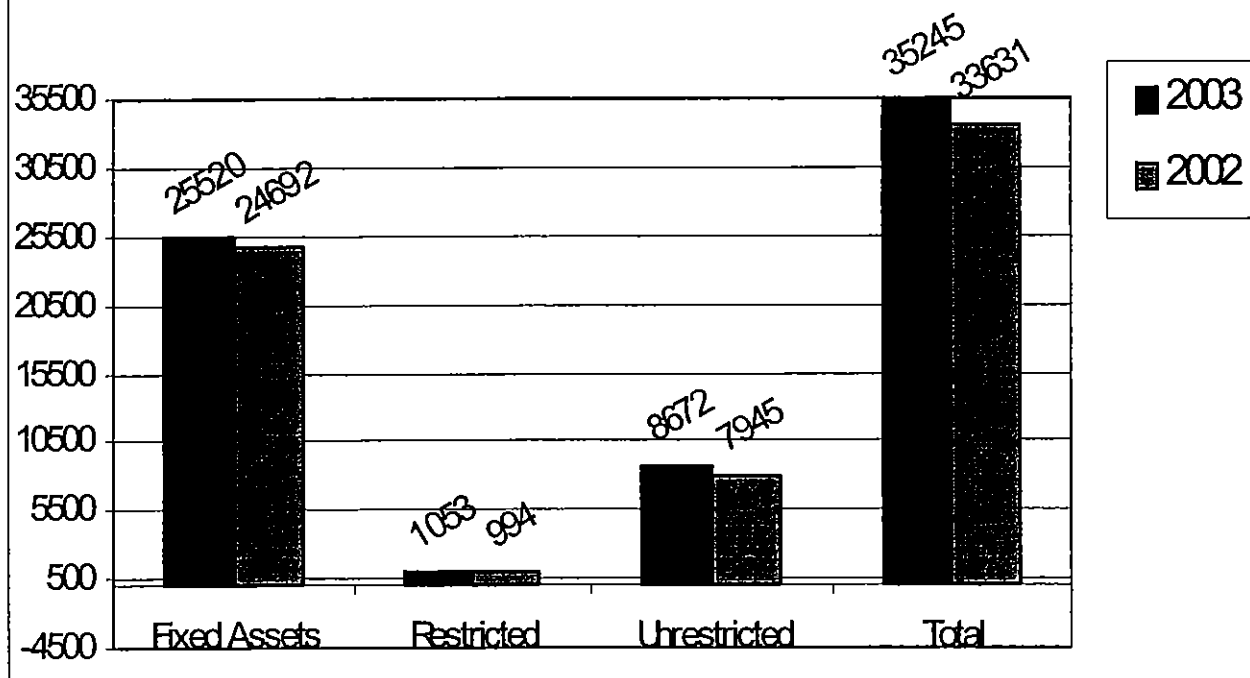
### REVENUE Year Ended September 30, 2003



# **~ TOTAL ASSETS ~** (in thousands of dollars)



# **~ NET ASSETS ~** (in thousands of dollars)



## **BASIC FINANCIAL STATEMENTS**

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
ENTERPRISE FUNDS  
STATEMENT OF NET ASSETS  
September 30, 2003

	Public and Section 8 Programs	Section 8 New Construction and Section 236 Housing	Community Development Funds	Total
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash	\$ 1,233,377	\$ 40,611	\$ 274,491	\$ 1,548,479
Investments - unrestricted	1,219,920	-	1,586,271	2,806,191
<b>Receivables:</b>				
Accounts from tenants	14,171	5,023	17,150	36,344
Due from other funds	903,399	189,348	1,884,919	2,977,666
Due from DHUD	71,068	-	-	71,068
Current portion of long-term loans	-	-	752,605	752,605
Other receivables	77,727	-	1,166,262	1,243,989
Inventory	62,865	-	-	62,865
Prepaid expenses	49,737	3,729	111,225	164,691
<b>Total Current Assets</b>	<b>3,632,264</b>	<b>238,711</b>	<b>5,792,923</b>	<b>9,663,898</b>
<b>Restricted Assets:</b>				
Restricted investments	-	473,378	425,722	899,100
FSS escrow deposits	153,561	-	-	153,561
<b>Total Restricted Assets</b>	<b>153,561</b>	<b>473,378</b>	<b>425,722</b>	<b>1,052,661</b>
<b>Fixed Assets, Net of Depreciation</b>	<b>17,298,348</b>	<b>6,646,042</b>	<b>6,746,003</b>	<b>30,690,393</b>
<b>Other Assets:</b>				
Deposits	1,144	-	-	1,144
Loans receivable	-	-	2,123,023	2,123,023
Investments in limited partnerships	-	-	2,253,464	2,253,464
Deferred charges	-	-	32,479	32,479
Unamortized bond discount	-	-	25,736	25,736
<b>Total Other Assets</b>	<b>1,144</b>	<b>-</b>	<b>4,434,702</b>	<b>4,435,846</b>
<b>Total Assets</b>	<b>\$ 21,085,317</b>	<b>\$ 7,358,131</b>	<b>\$ 17,399,350</b>	<b>\$ 45,842,798</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 172,841	\$ 17,301	\$ 538,381	\$ 728,523
Due to other funds	1,281,049	180,166	1,516,451	2,977,666
Security deposits	147,820	33,892	41,065	222,877
Deferred revenue	-	-	471,711	471,711
Current portion of long-term debt	-	122,028	847,082	969,110
<b>Total Current Liabilities</b>	<b>1,601,710</b>	<b>353,487</b>	<b>3,414,690</b>	<b>5,369,887</b>
<b>Current Liabilities Payable From Current Restricted Assets:</b>				
FSS escrow deposits	231,496	-	-	231,496
<b>Long-Term Liabilities:</b>				
Bonds payable	-	-	1,035,000	1,035,000
Notes payable	-	1,546,285	2,415,410	3,961,695
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>1,546,285</b>	<b>3,450,410</b>	<b>4,996,695</b>
<b>Total Liabilities</b>	<b>1,833,206</b>	<b>1,899,772</b>	<b>6,865,100</b>	<b>10,598,078</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	17,298,348	4,977,729	3,243,510	25,519,587
Restricted	153,561	473,378	425,722	1,052,661
Unrestricted	1,800,202	7,252	6,865,018	8,672,472
<b>Net Assets</b>	<b>19,252,111</b>	<b>5,458,359</b>	<b>10,534,250</b>	<b>35,244,720</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 21,085,317</b>	<b>\$ 7,358,131</b>	<b>\$ 17,399,350</b>	<b>\$ 45,842,798</b>

The accompanying notes are an integral  
part of the financial statements.  
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HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
ENTERPRISE FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Public and Section 8 Programs	Section 8 New Construction and Section 236 Housing	Community Development Funds	Total
<b>OPERATING INCOME:</b>				
Dwelling rent	\$ 1,257,030	\$ 393,721	\$ 689,080	\$ 2,339,831
Management and administration fees	-	-	973,740	973,740
Housing assistance receipts	15,994,967	-	-	15,994,967
Other income	88,786	24,902	88,209	201,897
Operating Grants	1,898,723	-	1,609,307	3,508,030
Subsidy income - DHUD	-	541,027	-	541,027
<b>Total Operating Income</b>	<b>19,239,506</b>	<b>959,650</b>	<b>3,360,336</b>	<b>23,559,492</b>
<b>OPERATING EXPENSES:</b>				
Administration	3,277,626	265,344	1,066,774	4,609,744
Tenant services	125,904	-	179,332	305,236
Utilities	350,574	64,297	45,334	460,205
Ordinary maintenance	1,306,336	306,174	1,251,467	2,863,977
Protective services	16,989	7,778	-	24,767
Non-routine maintenance	44,575	-	-	44,575
General expense	128,982	23,326	46,962	199,270
Housing assistance payments	13,613,270	-	128,373	13,741,643
Depreciation	618,257	140,368	140,906	899,531
<b>Total Operating Expenses</b>	<b>19,482,513</b>	<b>807,287</b>	<b>2,859,148</b>	<b>23,148,948</b>
<b>Net Operating Income (Loss)</b>	<b>(243,007)</b>	<b>152,363</b>	<b>501,188</b>	<b>410,544</b>
<b>NON-OPERATING INCOME (EXPENSES):</b>				
Interest income	37,681	6,481	199,024	243,186
Interest expense	-	(102,006)	(189,077)	(291,083)
Capital grants	1,190,829	-	159,464	1,350,293
<b>Net Other Income (Expense)</b>	<b>1,228,510</b>	<b>(95,525)</b>	<b>169,411</b>	<b>1,302,396</b>
<b>Net Income (Loss)</b>	<b>985,503</b>	<b>56,838</b>	<b>670,599</b>	<b>1,712,940</b>
<b>Net Assets - Beginning of Year</b>	<b>18,755,250</b>	<b>5,247,664</b>	<b>9,627,964</b>	<b>33,630,878</b>
<b>Prior Year Adjustments</b>	<b>(89,658)</b>	<b>-</b>	<b>-</b>	<b>(89,658)</b>
<b>Equity Transfers</b>	<b>(398,984)</b>	<b>163,297</b>	<b>235,687</b>	<b>-</b>
<b>Dividend Distribution to CSA Fund</b>	<b>-</b>	<b>(9,440)</b>	<b>-</b>	<b>(9,440)</b>
<b>Net Assets - End of Year</b>	<b>\$ 19,252,111</b>	<b>\$ 5,458,359</b>	<b>\$ 10,534,250</b>	<b>\$ 35,244,720</b>

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

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Public and Section 8 Programs	Section 8 New Construction and Section 236 Housing	Community Development Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Dwelling rent	\$ 1,246,394	\$ 393,346	\$ 689,441	\$ 2,329,181
Management and administration fees	-	-	1,123,889	1,123,889
Housing assistance payments	15,994,967	-	-	15,994,967
Other operating receipts	88,786	24,902	88,209	201,897
Payments for operations	(5,163,522)	(522,745)	(2,154,438)	(7,840,705)
Housing assistance payments	(13,613,270)	-	(128,373)	(13,741,643)
Operating grants	1,898,723	541,027	1,609,307	4,049,057
<b>Cash Flows Provided by (used for)</b>				
Operations	452,078	436,530	1,228,035	2,116,643
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Federal grants	1,190,829	-	159,464	1,350,293
Purchase of fixed assets	(1,124,893)	(110,086)	(243,462)	(1,478,441)
Dividends paid	-	(9,440)	-	(9,440)
Principal payments on long-term debt	-	(154,521)	(94,556)	(249,077)
Interest on long-term debt	-	(102,006)	(189,077)	(291,083)
<b>Cash Flows Provided by (Used for)</b>				
Financing	65,936	(376,053)	(367,631)	(677,748)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Net purchases of investments	(15,450)	(63,972)	(1,004,108)	(1,083,530)
Increase in temporary loans receivable	-	-	(26,679)	(26,679)
Interest and dividend income	37,681	6,481	199,024	243,186
<b>Cash Flows Provided by (Used for)</b>				
Financing	22,231	(57,491)	(831,763)	(867,023)
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	540,245	2,986	28,641	571,872
<b>Cash and Cash Equivalents - Beginning of Year</b>	846,693	37,625	245,850	1,130,168
<b>Cash and Cash Equivalents - End of Year</b>	\$ 1,386,938	\$ 40,611	\$ 274,491	\$ 1,702,040
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Net Income (Loss) From Operations	\$ (243,007)	\$ 152,363	\$ 501,188	\$ 410,544
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation	618,257	140,368	140,906	899,531
Equity transfers	(398,984)	163,297	235,687	-
Prior year adjustments	(89,658)	-	-	(89,658)
(Increase) Decrease in receivables	(15,080)	(147,842)	41,464	(121,458)
(Increase) Decrease in inventory	(1,930)	-	-	(1,930)
(Increase) Decrease in deferred expenses	-	-	40,754	40,754
(Increase) Decrease in prepaid expenses	14,546	221	13,112	27,879
(Increase) Decrease in bond discount	-	-	1,992	1,992
Increase (Decrease) in accounts payable	542,057	127,041	231,166	900,264
Increase (Decrease) in security deposits	4,844	1,082	(295)	5,631
Increase (Decrease) in escrow deposits	22,047	-	-	22,047
Increase (Decrease) in deferred revenue	(1,014)	-	22,061	21,047
<b>Net Cash Provided (Used) For Operations</b>	\$ 452,078	\$ 436,530	\$ 1,228,035	\$ 2,116,643

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



HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Organization**

The Housing And Community Services Agency (HACSA) of Lane County, Oregon was created by resolution of the County Board of Commissioners, pursuant to ORS 456.085. Its primary functions are planning, development, and operation of low-income housing projects funded by the U.S. Department of Housing and Urban Development (DHUD), and the administration and operation of other programs related to low-income housing assistance. These include weatherization, community development, and community service programs. Funding for these programs is primarily provided by DHUD and other federal agencies, including the Department of Energy.

The seven-member Board of Commissioners acts as the governing body under the provisions of ORS 456.085.

Day-to-day management of HACSA is the responsibility of an Executive Director appointed by the Board of Commissioners.

The accounting system of HACSA is designed to generate that information necessary to prepare financial statements based on principles applicable to reports required by the various federal agencies, and state, county and Agency requirements. The accounting policies of HACSA conform to generally accepted accounting principles of the United States of America.

**B. Reporting Entity**

All significant activities and organization over which HACSA exercises oversight responsibility have been included in the financial statements. My evaluation of the reporting entity was in accordance with Statement No. 14 of the Governmental Accounting Standards Board (GASB). Based on the criteria contained therein, HACSA is a component unit of Lane County. The Agency does not have any entities considered to be component units of HACSA for the fiscal year 2003.

**C. Fund Accounting**

The accounts of HACSA are organized on the basis of funds, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

C. Fund Accounting - Continued

expenditures as appropriated. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are combined into agency-wide enterprise fund financial statements which are reported as basic financial statements. The individual funds are reported in the supplemental information as follows:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PUBLIC AND SECTION  
8 HOUSING:

I. Public Housing Fund

This fund accounts for properties owned by HACSA, financed through long-term debt, and rented to low-income families.

II. Section 8 Housing Assistance Payments

The Section 8 Housing Assistance Payments are separated into two funds as follows:

a. Section 8 Moderate Rehabilitation

This fund accounts for rent subsidy payments made to private owners who agree to rehabilitate substandard dwellings which will be used to house low-income families upon completion.

b. Section 8 Vouchers

This fund accounts for rent subsidy payments to low-income families who locate their own rental units and negotiate the monthly rent.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8 NEW  
CONSTRUCTION AND SECTION 236 PROGRAMS:

III. Abbie Lane Apartments

This fund accounts for twenty-five units of affordable housing owned by HACSA and subsidized with Section 8 housing assistance payments from DHUD. Purchase of these units was provided with loans from various public and private sources.

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

C. Fund Accounting - Continued

IV. Village Oaks Apartments

This fund accounts for a project financed by DHUD with loans of \$465,874 and contributed capital of \$2,126,871 for the acquisition and operation of housing for low-income families.

V. 14 Pines Apartments

This fund accounts for a project financed by DHUD with loans of \$577,996 and contributed capital of \$2,329,638 for the acquisition and operation of housing for low-income families.

COMMUNITY DEVELOPMENT FUNDS:

VI. Agency Fund

The Agency Fund is used to account for financial resources except those otherwise required by grant terms to be accounted for in a separate fund. The primary source of revenue is from rental fees charged and interest earned.

VII. CSA Fund

This fund accounts for the various community development projects funded through various federal, state and local sources. These projects include affordable housing, weatherization, and drug elimination, programs.

VIII. Firwood Apartments

This fund accounts for an affordable housing project funded with revenue bonds issued by HACSA and being retired over a period of thirty years.

IX. Heeran Center

This fund accounts for the operation of a sixteen-bed residential mental health treatment facility. The project was funded with loans of \$1,372,849 and contributed capital of \$245,000.

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

C. Fund Accounting - Continued

X. Signpost House

This fund accounts for sixteen units purchased with a City of Eugene "HOME" grant of \$516,170 to provide housing for clients enrolled in the Shelter+Care program.

XI. Camas Apartments

This fund accounts for thirty-six units of affordable housing financed by the U.S. Department of Agriculture (USDA) with loans of \$536,186 and a State of Oregon "HOME" grant of \$574,854.

D. Budgets and Budgetary Accounting

A budget is prepared by the administrative and fiscal staff for each of the separate projects within each fund and for the total operation of HACSA after coordination, consultation, and receipt of approvals of service levels from the various grantor agencies. A consolidated budget is submitted to the Board of Commissioners for approval, modification and adoption. The Authority is not subject to Oregon Local Budget Law under ORS 294.316(8).

E. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

The accrual basis of accounting is used in all fund types of HACSA. Under the accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Expenditures are recorded at the time liabilities are incurred except for principal and interest on general obligation bonds which are recorded when due.

The basis of accounting is in accordance with generally accepted accounting principles of the United States of America.

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

F. Investments

Investments are stated at cost and consist of money market rate accounts, federally insured investments, investments in the State of Oregon Local Government Investment Pool, and low-income housing tax credit limited partnerships. Cost of these investments approximate market value, therefore no adjustment for unrealized gain or loss has been made on these financial statements.

G. Inventories

Inventories are stated at cost, on a first-in, first-out basis.

H. Accounts Receivable

Accounts receivable are shown at net realizable value. A provision for uncollectible amounts has been established in an amount determined by management.

I. Land, Structures and Equipment

These assets are recorded at cost or estimated historical cost. Depreciation is recorded on the straight-line method over estimated useful lives ranging from three to forty years. Capitalization threshold is \$2,500.

J. Income Taxes

The Agency is exempt from Federal income taxes under Internal Revenue Code Section 115.

K. Use of Estimates

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

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

NOTE 2. CASH AND INVESTMENTS:

At September 30, 2003, cash and investments were grouped in categories based on the level or risk assumed by HACSA at year end. Category 1 includes investments that are insured or registered or for which securities are held by HACSA or its agent in the HACSA's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department in HACSA's name. Category 3 includes uninsured and unregistered investments.

A. Cash

Cash balances are carried at cost. The balances at September 30, 2003 by major type are as follows:

		<u>Risk Category</u>
Uninsured (Petty Cash)	\$ 570	1
Insured by FDIC (Demand Deposits)	200,000	1
Uninsured, collateral held by depository institution (Demand Deposits)	<u>1,501,470</u>	1
Total Cash	<u>\$1,702,040</u>	

B. Investments

Oregon statutes authorize HACSA to participate in the following types of investments:

1. Obligations of the United States, agencies or instrumentalities of the United States and the States of Oregon, Washington, Idaho and California.
2. Certificates of deposit, savings accounts or share accounts held in banks, savings and loan associations, or credit unions.
3. Fixed or variable life insurance or annuity contracts.
4. Bankers acceptances.
5. Commercial paper.
6. Repurchase and reverse repurchase agreements.
7. State of Oregon Local Government Investment Pool.

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2003

NOTE 2. CASH AND INVESTMENTS - CONTINUED:

B. Investments - Continued

Investments of HACSA consist of the following:

		<u>Risk Category</u>
State of Oregon Local Government Investment Pool	\$1,668,467	N/A
Federally issued investments	1,219,922	1
Investments with fiscal agent	816,903	2
Limited partnerships	<u>2,253,464</u>	3
Total Investments	<u>\$5,958,756</u>	

The agency has established specific uses and restrictions on several of their investments. The above investments have been restricted as follows:

Section 8 New Construction and Section 236 Housing:

Abbie Lane Apartments

Tax and insurance reserve	\$ 8,595
Replacement reserve	72,040

Fourteen Pines Apartments

Insurance reserve	3,700
Grant replacement reserve	206,655
Residual receipts reserve	416

Village Oaks Apartments

Insurance reserve	2,032
Replacement reserve	<u>179,939</u>

Total Section 8 New Construction	<u>\$ 473,377</u>
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HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

NOTE 2. CASH AND INVESTMENTS - CONTINUED

B. Investments - Continued

Community Development Funds:

CSA Fund

Neighborhood reserve	\$ 54,013
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Agency Fund

Walnut Park reserve	82,196
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Firwood Apartments

Lease payment reserve	2,578
Bond fund P & I	62,110
Bond reserve	123,961
Note payment reserve	2,546

Heeran Center

Grant replacement reserve	53,070
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Camas Apartments

Replacement reserve	<u>45,248</u>
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Total Community Development Funds	<u>\$ 425,722</u>
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NOTE 3. RECEIVABLES:

Receivables of HACSA consist of the following:

Tenant Charges

These amounts represent charges to tenants for damages, rent and other miscellaneous items.

DHUD

This represents annual settlement with DHUD for amounts expended by HACSA in excess of funds received from DHUD.



HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

**NOTE 4. LOANS RECEIVABLE:**

Loans receivable by HACSA result from low interest loans made to limited partnership to develop low-income housing projects.

**NOTE 5. LAND, STRUCTURES AND EQUIPMENT:**

Land, structures and equipment are accounted for in the individual funds in which the assets were purchased. The following is a summary of fixed asset activity by fund:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Public Housing	\$ 31,159,472	\$1,110,193	\$32,269,665
Section 8 - Vouchers	44,819	14,700	59,519
Abbie Lane	1,421,473	-	1,421,473
Village Oaks	2,572,929	110,086	2,683,015
14 Pines	3,781,145	-	3,781,145
Agency Fund	587,939	-	587,939
CSA Fund	1,415,835	36	1,415,871
Firwood Apartments	2,288,727	4,002	2,292,729
Heeran Center	1,511,884	80,776	1,592,660
Camas Apartments	1,165,338	100,580	1,265,918
Signpost House	<u>705,649</u>	<u>58,069</u>	<u>763,718</u>
Total	46,655,210	<u>\$1,478,442</u>	\$ 48,133,652
Accumulated Depreciation	<u>(16,543,727)</u>	<u>\$ (899,531)</u>	<u>(17,443,258)</u>
Total Land, Structure and Equipment	<u>\$ 30,111,483</u>		<u>\$ 30,690,394</u>

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

**NOTE 5. LAND, STRUCTURES AND EQUIPMENT - CONTINUED:**

The Authority records depreciation on fixed assets using the straight-line method over estimated useful lives ranging from three to forty years. The following is a summary of depreciation expense reported for the current fiscal year.

Building and structures	\$ 829,271
Equipment	<u>70,260</u>
Total Depreciation Expense	<u>\$ 899,531</u>

**NOTE 6. ACCOUNTS PAYABLE - DHUD:**

Accounts payable to DHUD represent cash receipts in excess of annual contributions earned for the current fiscal year. This excess is repayable to DHUD at September 30, 2003.

**NOTE 7. TENANT SECURITY DEPOSITS:**

The following is a summary of deposits held by HACSA to tenants upon termination of rental contracts:

Public Housing	\$147,820
Abbie Lane Apartments	4,094
Village Oaks	18,722
Fourteen Pines	11,176
CSA Fund - Shelter + Care	9,225
Firwood Apartments	17,133
Signpost House	1,010
Camas Apartments	<u>13,697</u>
Total	<u>\$222,877</u>

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

**NOTE 8. LONG-TERM DEBT:**

For the year ending September 30, 2003 the Agency completed the following long-term debt transactions:

	Balance September 30, 2002	New Issues	Principal Retirement	Balance September 30, 2003
<b>BONDS PAYABLE:</b>				
Firwood Apartments Revenue Bonds:				
Series A	\$ 840,000	\$ -	\$ 25,000	\$ 815,000
Series B	<u>265,000</u>	<u>-</u>	<u>10,000</u>	<u>255,000</u>
Bonds Payable	<u>\$1,105,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$1,070,000</u>
<b>NOTES PAYABLE:</b>				
Abbie Lane Apartments				
Wells Fargo Bank	\$ 404,694	\$ -	\$ 33,946	\$ 370,748
State of Oregon - HCS	<u>76,167</u>	<u>-</u>	<u>3,270</u>	<u>72,897</u>
Total	<u>480,861</u>	<u>-</u>	<u>37,216</u>	<u>443,645</u>
Firwood Apartments				
Ralph Greenhoot	338,556	-	8,305	330,251
City of Eugene	<u>170,058</u>	<u>-</u>	<u>6,618</u>	<u>163,440</u>
Total	<u>508,614</u>	<u>-</u>	<u>14,923</u>	<u>493,691</u>
CSA Fund				
City of Eugene	45,000	-	-	45,000
City of Eugene	750,000	-	-	750,000
Umpqua Bank	<u>103,450</u>	<u>-</u>	<u>3,848</u>	<u>99,602</u>
Total	<u>898,450</u>	<u>-</u>	<u>3,848</u>	<u>894,602</u>
Village Oaks Apartments				
FHA 126-44037	<u>344,844</u>	<u>-</u>	<u>25,437</u>	<u>319,407</u>
14 Pines Apartments				
FHA	431,699	-	30,910	400,789
City of Eugene	<u>565,430</u>	<u>-</u>	<u>60,958</u>	<u>504,472</u>
Total	<u>997,129</u>	<u>-</u>	<u>91,868</u>	<u>905,261</u>
Heeran Center Fund				
Oregon HCS	1,200,924	-	30,583	1,170,341
Oregon Dept. of Human Resources	<u>24,500</u>	<u>-</u>	<u>-</u>	<u>24,500</u>
Total	<u>1,225,424</u>	<u>-</u>	<u>30,583</u>	<u>1,194,841</u>
Signpost				
City of Eugene	<u>123,466</u>	<u>-</u>	<u>5,465</u>	<u>118,001</u>
Camas Apartments				
Rural Development	189,138	-	1,939	187,199
Rural Development	<u>341,956</u>	<u>-</u>	<u>2,799</u>	<u>339,157</u>
Total	<u>531,094</u>	<u>-</u>	<u>4,738</u>	<u>526,356</u>
<b>Total Notes Payable</b>	<u><b>\$5,109,882</b></u>	<b>\$</b>	<u><b>\$ 214,078</b></u>	<u><b>\$4,895,804</b></u>

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

**NOTE 10. FUTURE REQUIREMENTS - LONG-TERM DEBT:**

The annual requirements to amortize all long-term debt outstanding as of September 30, 2003 are as follows:

Firwood Apartments - Series A Bonds

Original amount	\$ 965,000
Unpaid principal	\$ 815,000
Interest rate	5.0%-6.7%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 25,000	\$ 52,720	\$ 77,720
9-30-2005	25,000	51,208	76,208
9-30-2006	30,000	49,515	79,515
9-30-2007	30,000	47,617	77,617
9-30-2008	30,000	45,683	75,683
Thereafter	<u>675,000</u>	<u>333,415</u>	<u>1,008,415</u>
Total	<u>\$ 815,000</u>	<u>\$ 580,158</u>	<u>\$1,395,158</u>

Firwood Apartments - Series B Bonds

Original amount	\$ 470,000
Unpaid principal	\$ 255,000
Interest rate	6.7%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	10,000	17,085	27,085
9-30-2005	15,000	16,080	31,080
9-30-2006	15,000	15,075	30,075
9-30-2007	15,000	13,735	28,735
9-30-2008	15,000	12,900	27,900
Thereafter	<u>185,000</u>	<u>76,825</u>	<u>261,825</u>
Total	<u>\$ 255,000</u>	<u>\$ 151,700</u>	<u>\$ 406,700</u>

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

NOTE 10. FUTURE REQUIREMENTS - LONG-TERM DEBT - CONTINUED:

Abbie Lane Apartments - Note Payable

Original amount	\$ 759,500
Unpaid principal	\$ 370,748
Interest rate	7.25%
Annual payment	\$ 62,174

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 36,491	\$ 25,683	\$ 62,174
9-30-2005	39,227	22,947	62,174
9-30-2006	42,167	20,007	62,174
9-30-2007	45,328	16,846	62,174
9-30-2008	48,725	13,449	62,174
Thereafter	<u>158,810</u>	<u>17,347</u>	<u>176,157</u>
Total	<u>\$ 370,748</u>	<u>\$ 116,279</u>	<u>\$ 487,027</u>

Abbie Lane Apartments - Oregon Housing

Original amount	\$ 99,900
Unpaid principal	\$ 72,897
Interest rate	2.5%
Annual payment	\$ 3,457

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	3,278	179	3,457
9-30-2005	3,287	170	3,457
9-30-2006	3,295	162	3,457
9-30-2007	3,302	155	3,457
9-30-2008	3,312	145	3,457
Thereafter	<u>56,423</u>	<u>1,189</u>	<u>57,612</u>
Total	<u>\$ 72,897</u>	<u>\$ 2,000</u>	<u>\$ 74,897</u>

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2003

NOTE 10. FUTURE REQUIREMENTS - LONG-TERM DEBT - CONTINUED:

Firwood Apartments - Ralph Greenhoot

Original amount	\$ 388,760
Unpaid principal	\$ 330,251
Interest rate	5.0%
Annual payment	\$ 25,043

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 8,728	\$ 16,315	\$ 25,043
9-30-2005	9,174	15,869	25,043
9-30-2006	9,645	15,398	25,043
9-30-2007	10,138	14,905	25,043
9-30-2008	10,657	14,386	25,043
Thereafter	<u>281,909</u>	<u>133,410</u>	<u>415,319</u>
Total	<u>\$ 330,251</u>	<u>\$ 210,283</u>	<u>\$ 540,534</u>

Firwood Apartments - City of Eugene

Original amount	\$ 206,000
Unpaid principal	\$ 163,440
Interest rate	3.5%
Annual payment	\$ 12,046

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 6,836	\$ 5,210	\$ 12,046
9-30-2005	7,061	4,985	12,046
9-30-2006	7,294	4,752	12,046
9-30-2007	7,540	4,506	12,046
9-30-2008	7,815	4,231	12,046
Thereafter	<u>126,894</u>	<u>28,707</u>	<u>155,602</u>
Total	<u>\$ 163,440</u>	<u>\$ 52,392</u>	<u>\$ 215,832</u>

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2003

NOTE 10. FUTURE REQUIREMENTS - LONG-TERM DEBT - CONTINUED:

Village Oaks Apartments - FHA 126-44037

Original amount	\$ 465,874
Unpaid principal	\$ 319,407
Interest rate	7.5%
Annual payment	\$ 50,437

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 27,411	\$ 23,026	\$ 50,437
9-30-2005	29,539	20,898	50,437
9-30-2006	31,832	18,605	50,437
9-30-2007	34,177	16,260	50,437
9-30-2008	36,522	13,915	50,437
Thereafter	<u>159,926</u>	<u>22,518</u>	<u>182,444</u>
Total	<u>\$ 319,407</u>	<u>\$ 115,222</u>	<u>\$ 434,629</u>

Of the above amounts, the Department of Housing and Urban Development provides an annual interest subsidy which reduces the net payment the Agency is required to make on the above loan. The subsidies provided by DHUD over the life of the loan are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 32,444
2005	32,291
2006	32,126
2007	31,953
2008	31,755
Thereafter	<u>114,706</u>
Total	<u>\$ 275,275</u>

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2003

NOTE 10. FUTURE REQUIREMENTS - LONG-TERM DEBT - CONTINUED:

Fourteen Pines Apartments - GMAC Commercial Mortgage

Original amount	\$ 577,996
Unpaid principal	\$ 400,789
Interest rate	7.0%
Annual payment	\$ 60,150

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 33,144	\$ 27,006	\$ 60,150
9-30-2005	35,540	24,610	60,150
9-30-2006	38,110	22,040	60,150
9-30-2007	40,870	19,280	60,150
9-30-2008	43,819	16,331	60,150
Thereafter	<u>209,306</u>	<u>31,279</u>	<u>240,585</u>
Total	<u>\$ 400,789</u>	<u>\$ 140,546</u>	<u>\$ 541,335</u>

Of the above amounts, the Department of Housing and Urban Development provides an annual interest subsidy which reduces the net payment the Agency is required to make on the above loan. The subsidies provided by DHUD over the life of the loan are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 37,418
2005	37,234
2006	37,036
2007	36,821
2008	36,596
Thereafter	<u>143,928</u>
Total	<u>\$ 329,033</u>



HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2003

NOTE 10. FUTURE REQUIREMENTS - LONG-TERM DEBT - CONTINUED:

Fourteen Pines Apartments - City of Eugene

Original amount	\$ 750,000
Unpaid principal	\$ 504,472
Interest rate	7.0%
Annual payment	\$ 40,414

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 21,704	\$ 18,710	\$ 40,414
9-30-2005	22,475	17,939	40,414
9-30-2006	23,275	17,139	40,414
9-30-2007	24,103	16,311	40,414
9-30-2008	24,960	15,454	40,414
Thereafter	<u>387,955</u>	<u>107,477</u>	<u>495,432</u>
Total	<u>\$ 504,472</u>	<u>\$ 193,030</u>	<u>\$ 697,502</u>

Heeran Center - Oregon Housing and Community Service

Original amount	\$1,348,349
Unpaid principal	\$1,170,341
Interest rate	3.69%
Annual payment	\$ 74,383

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 31,731	\$ 42,652	\$ 74,383
9-30-2005	32,922	41,461	74,383
9-30-2006	34,157	40,226	74,383
9-30-2007	35,439	38,944	74,383
9-30-2008	36,769	37,614	74,383
Thereafter	<u>999,323</u>	<u>382,948</u>	<u>1,382,271</u>
Total	<u>\$1,170,341</u>	<u>\$ 583,845</u>	<u>\$1,754,186</u>

At September 30, 2003 the Heeran Center was obligated on a long-term debt to the State of Oregon in the amount of \$24,500. Repayment terms have not been determined as of September 30, 2003.

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

NOTE 10. FUTURE REQUIREMENTS - LONG-TERM DEBT - CONTINUED:

CSA Fund - Umpqua Bank

Original amount	\$ 120,000
Unpaid principal	\$ 99,602
Interest rate	7.75%
Annual payment	\$ 11,882

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 4,348	\$ 7,534	\$ 11,882
9-30-2005	4,697	7,185	11,882
9-30-2006	5,074	6,808	11,882
9-30-2007	5,476	6,406	11,882
9-30-2008	5,932	5,950	11,882
Thereafter	<u>74,075</u>	<u>26,653</u>	<u>100,728</u>
Total	<u>\$ 99,602</u>	<u>\$ 60,536</u>	<u>\$ 160,138</u>

CSA Fund - City of Eugene

Original amount	\$750,000
Unpaid principal	\$750,000
Interest rate	-

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2003	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 750,000</u>

At September 30, 2003 the CSA Fund was obligated on a long-term debt to the City of Eugene in the amount of \$45,000. Repayment terms have not been determined as of September 30, 2003.

Signpost House - City of Eugene

Original amount	\$127,678
Unpaid principal	\$118,001
Interest rate	5.0%
Annual payment	\$ 11,112

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 5,312	\$ 5,800	\$ 11,112
9-30-2005	5,584	5,528	11,112
9-30-2006	5,860	5,252	11,112
9-30-2007	6,170	4,942	11,112
9-30-2008	6,486	4,626	11,112
Thereafter	<u>88,589</u>	<u>25,313</u>	<u>113,902</u>
Total	<u>\$ 118,001</u>	<u>\$ 51,461</u>	<u>\$ 169,462</u>

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2003

NOTE 10. FUTURE REQUIREMENTS - LONG-TERM DEBT - CONTINUED:

Camas Apartments - Rural Development

Original amount	\$ 191,239
Unpaid principal	\$ 187,185
Interest rate	6.875%
Annual payment	\$ 14,882

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 2,092	\$ 12,790	\$ 14,882
9-30-2005	2,240	12,642	14,882
9-30-2006	2,399	12,483	14,882
9-30-2007	2,570	12,312	14,882
9-30-2008	2,752	12,130	14,882
Thereafter	<u>175,146</u>	<u>183,454</u>	<u>358,600</u>
Total	<u>\$ 187,199</u>	<u>\$ 245,811</u>	<u>\$ 433,010</u>

Of the above amounts, Rural Development provides an annual interest subsidy which reduces the net payment the Agency is required to make on the above loan. The subsidies provided by RD over the life of the loan are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 7,782
2005	7,782
2006	7,782
2007	7,782
2008	7,782
Thereafter	<u>187,426</u>
Total	<u>\$ 226,336</u>

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2003

NOTE 10. FUTURE REQUIREMENTS - LONG-TERM DEBT - CONTINUED:

Camas Apartments - Rural Development

Original amount	\$ 344,947
Unpaid principal	\$ 339,157
Interest rate	6.875%
Annual payment	\$ 26,221

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9-30-2004	\$ 3,035	\$ 23,186	\$ 26,221
9-30-2005	3,250	22,971	26,221
9-30-2006	3,481	22,740	26,221
9-30-2007	3,728	22,493	26,221
9-30-2008	3,992	22,229	26,221
Thereafter	<u>321,671</u>	<u>384,570</u>	<u>706,241</u>
Total	<u>\$ 339,157</u>	<u>\$ 498,189</u>	<u>\$ 837,346</u>

Of the above amounts, Rural Development provides an annual interest subsidy which reduces the net payment the Agency is required to make on the above loan. The subsidies provided by RD over the life of the loan are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 14,322
2005	14,322
2006	14,322
2007	14,322
2008	14,322
Thereafter	<u>371,175</u>
Total	<u>\$ 442,785</u>

## SUPPLEMENTAL INFORMATION

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
PUBLIC HOUSING AND SECTION 8 HOUSING  
FINANCIAL STATEMENTS

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 ENTERPRISE FUNDS  
 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 PUBLIC HOUSING AND SECTION 8 PROGRAM  
 STATEMENT OF NET ASSETS  
 September 30, 2003

	Annual Contribution Contract			
	OR006MR		OR006VO	Total
	Public	Section 8	Section 8	
	Housing	Moderate	Vouchers	9/30/03
	Rehabilitation			
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash - unrestricted	\$ 441,236	\$ -	\$ 792,141	\$ 1,233,377
Investments - unrestricted	909,228	7,457	303,235	1,219,920
<b>Receivables:</b>				
Accounts from tenants - net	14,171	-	-	14,171
Due from other funds	865,858	37,541		903,399
Due from DHUD	31,766	5,437	33,865	71,068
Other receivables	10,508	162	67,057	77,727
Inventory	62,865	-	-	62,865
Prepaid expenses	46,815	-	2,922	49,737
<b>Total Current Assets</b>	<b>2,382,447</b>	<b>50,597</b>	<b>1,199,220</b>	<b>3,632,264</b>
<b>Restricted Assets:</b>				
FSS escrow deposits	-	-	153,561	153,561
<b>Fixed Assets:</b>				
Land, structures and equipment - net	17,275,740	-	22,608	17,298,348
<b>Other Assets:</b>				
Deposits	1,144	-	-	1,144
<b>Total Assets</b>	<b>\$ 19,659,331</b>	<b>\$ 50,597</b>	<b>\$ 1,375,389</b>	<b>\$ 21,085,317</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 147,527	\$ -	\$ 25,314	\$ 172,841
Due to other funds	485,206	19,797	776,046	1,281,049
Security deposits	147,820	-	-	147,820
<b>Total Current Liabilities</b>	<b>780,553</b>	<b>19,797</b>	<b>801,360</b>	<b>1,601,710</b>
<b>Current Liabilities Payable From Current Restricted Assets:</b>				
FSS escrow deposits	77,935	-	153,561	231,496
<b>Total Liabilities</b>	<b>858,488</b>	<b>19,797</b>	<b>954,921</b>	<b>1,833,206</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	17,275,740	-	22,608	17,298,348
Restricted	-	-	153,561	153,561
Unrestricted	1,525,103	30,800	244,299	1,800,202
<b>Net Assets</b>	<b>18,800,843</b>	<b>30,800</b>	<b>420,468</b>	<b>19,252,111</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 19,659,331</b>	<b>\$ 50,597</b>	<b>\$ 1,375,389</b>	<b>\$ 21,085,317</b>

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 ENTERPRISE FUNDS  
 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 PUBLIC HOUSING AND SECTION 8 PROGRAMS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Annual Contribution Contract			
	OR006MR			
	Public	Section 8	OR006VO	Total
	Housing	Moderate	Section 8	9/30/03
		Rehabilitation	Vouchers	
<b>OPERATING INCOME:</b>				
Dwelling rent	\$ 1,257,030	\$ -	\$ -	\$ 1,257,030
Housing assistance receipts	2,381,697	293,712	13,319,558	15,994,967
Other operating income	81,572	-	7,214	88,786
Operating grants	-	29,233	1,869,490	1,898,723
<b>Total Operating Income</b>	<b>3,720,299</b>	<b>322,945</b>	<b>15,196,262</b>	<b>19,239,506</b>
<b>OPERATING EXPENSES:</b>				
Administration	1,390,083	18,887	1,868,656	3,277,626
Tenant services	125,904	-	-	125,904
Utilities	350,574	-	-	350,574
Ordinary maintenance	1,306,336	-	-	1,306,336
Protective services	16,989	-	-	16,989
Non-routine maintenance	44,575	-	-	44,575
General expense	122,808	62	6,112	128,982
Housing assistance payments	-	293,712	13,319,558	13,613,270
Depreciation and amortization	616,735	-	1,522	618,257
<b>Total Operating Expenses</b>	<b>3,974,004</b>	<b>312,661</b>	<b>15,195,848</b>	<b>19,482,513</b>
<b>Net Operating Income (Loss)</b>	<b>(253,705)</b>	<b>10,284</b>	<b>414</b>	<b>(243,007)</b>
<b>NON-OPERATING INCOME (EXPENSE):</b>				
Interest income	20,522	399	16,760	37,681
Capital grants	1,190,829	-	-	1,190,829
<b>Net Non-Operating Income (Expense)</b>	<b>1,211,351</b>	<b>399</b>	<b>16,760</b>	<b>1,228,510</b>
<b>Net Income (Loss)</b>	<b>957,646</b>	<b>10,683</b>	<b>17,174</b>	<b>985,503</b>
<b>Net Assets - Beginning of Year</b>	<b>17,932,855</b>	<b>20,117</b>	<b>802,278</b>	<b>18,755,250</b>
<b>Prior Year Adjustments</b>	<b>(89,658)</b>	<b>-</b>	<b>-</b>	<b>(89,658)</b>
<b>Equity Transfers</b>	<b>-</b>	<b>-</b>	<b>(398,984)</b>	<b>(398,984)</b>
<b>Net Assets - End of Year</b>	<b>\$ 18,800,843</b>	<b>\$ 30,800</b>	<b>\$ 420,468</b>	<b>\$ 19,252,111</b>



HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 STATEMENT OF MODERNIZATION COSTS - COMPLETED  
 CAPITAL FUND PROGRAM  
 September 30, 2003

1. The actual Modernization Costs on Modernization Project Number OR16P00670800 are as follows:

	Funds Approved	Funds Expended	Excess of Funds Approved	Funds Advanced	Funds Expended	Excess of Funds Advanced
Operations	\$ 225,738	\$ 225,738	\$ -	\$ 225,738	\$ 225,738	\$ -
Management improvements	55,847	55,847	-	55,847	55,847	-
Administration	143,699	143,699	-	143,699	143,699	-
Fees and costs	82,192	82,192	-	82,192	82,192	-
Site improvements	92,318	92,318	-	92,318	92,318	-
Dwelling structures	753,741	753,741	-	753,741	753,741	-
Dwelling equipment	10,666	10,666	-	10,666	10,666	-
Non-dwelling equipment	67,845	67,845	-	67,845	67,845	-
Relocation costs	16,947	16,947	-	16,947	16,947	-
<b>Total</b>	<b>\$1,448,993</b>	<b>\$1,448,993</b>	<b>\$ -</b>	<b>\$1,448,993</b>	<b>\$1,448,993</b>	<b>\$ -</b>

2. All modernization work in connection with this Capital Fund Program has been completed.
3. All modernization costs or liabilities therefore incurred by the Housing Authority have been fully paid.
4. There are no undercharged mechanics, laborers, contractors or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.
5. The time in which such liens could be filed has expired.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 8 NEW CONSTRUCTION AND  
SECTION 236 HOUSING

FINANCIAL STATEMENTS

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 ENTERPRISE FUNDS  
 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 SECTION 8 NEW CONSTRUCTION AND SECTION 236 HOUSING  
 STATEMENT OF NET ASSETS  
 September 30, 2003

	Abbie Lane Apartments	Village Oaks Apartments	Fourteen Pines Apartments	Total 9/30/03
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash	\$ 10,713	\$ 18,722	\$ 11,176	\$ 40,611
Accounts receivable - net	651	2,164	2,208	5,023
Due from other funds	52,775	128,297	8,276	189,348
Prepaid expenses	561	1,544	1,624	3,729
<b>Total Current Assets</b>	<b>64,700</b>	<b>150,727</b>	<b>23,284</b>	<b>238,711</b>
<b>Restricted Assets:</b>				
Investments - restricted	80,635	181,972	210,771	473,378
<b>Fixed Assets:</b>				
Land, structures and equipment, net of depreciation	911,378	2,376,848	3,357,816	6,646,042
<b>Total Assets</b>	<b>\$ 1,056,713</b>	<b>\$ 2,709,547</b>	<b>\$ 3,591,871</b>	<b>\$ 7,358,131</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 7,482	\$ 4,490	\$ 5,329	\$ 17,301
Tenant security deposits	4,094	18,722	11,176	33,992
Due to other funds	45,942	134,224	-	180,166
Current portion of long-term debt	39,769	27,411	54,848	122,028
<b>Total Current Liabilities</b>	<b>97,287</b>	<b>184,847</b>	<b>71,353</b>	<b>353,487</b>
<b>Non-Current Liabilities:</b>				
Mortgages payable	403,876	291,996	850,413	1,546,285
<b>Total Liabilities</b>	<b>501,163</b>	<b>476,843</b>	<b>921,766</b>	<b>1,899,772</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	467,733	2,057,441	2,452,555	4,977,729
Restricted	80,635	181,972	210,771	473,378
Unrestricted	7,182	(6,709)	6,779	7,252
<b>Total Fund Equity</b>	<b>555,550</b>	<b>2,232,704</b>	<b>2,670,105</b>	<b>5,458,359</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,056,713</b>	<b>\$ 2,709,547</b>	<b>\$ 3,591,871</b>	<b>\$ 7,358,131</b>

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 ENTERPRISE FUNDS  
 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 SECTION 8 NEW CONSTRUCTION AND SECTION 236 HOUSING  
 FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Abbie Lane Apartments	Village Oaks Apartments	Fourteen Pines Apartments	Total 9/30/03
<b>OPERATING INCOME:</b>				
Dwelling rental	\$ 37,691	\$ 240,942	\$ 110,977	\$ 389,610
Excess dwelling rents retained	-	3,858	253	4,111
Other tenant charges	436	4,783	6,673	11,892
Other receipts	2,087	5,233	5,690	13,010
Subsidy income - DHUD	204,638	63,382	273,007	541,027
<b>Total Operating Income</b>	<b>244,852</b>	<b>318,198</b>	<b>396,600</b>	<b>959,650</b>
<b>OPERATING EXPENSES:</b>				
Administrative expense	85,451	91,663	88,230	265,344
Utilities	9,928	34,717	19,652	64,297
Maintenance	54,563	122,421	129,190	306,174
Protective services	-	5,624	2,154	7,778
General expense	11,448	6,152	5,726	23,326
Depreciation	27,390	44,694	68,284	140,368
<b>Total Operating Expenses</b>	<b>188,780</b>	<b>305,271</b>	<b>313,236</b>	<b>807,287</b>
<b>Net Operating Income (Loss)</b>	<b>56,072</b>	<b>12,927</b>	<b>83,364</b>	<b>152,363</b>
<b>NON-OPERATING INCOME (EXPENSE):</b>				
Interest income	1,158	3,848	1,475	6,481
Interest expense	(28,311)	(25,000)	(48,695)	(102,006)
<b>Net Non-Operating Income (Expense)</b>	<b>(27,153)</b>	<b>(21,152)</b>	<b>(47,220)</b>	<b>(95,525)</b>
<b>Net Income (Loss)</b>	<b>28,919</b>	<b>(8,225)</b>	<b>36,144</b>	<b>56,838</b>
<b>Net Assets - Beginning of Year</b>	<b>491,631</b>	<b>2,113,272</b>	<b>2,642,761</b>	<b>5,247,664</b>
<b>Equity Transfers</b>	<b>35,000</b>	<b>128,297</b>	<b>-</b>	<b>163,297</b>
<b>Dividends Paid</b>	<b>-</b>	<b>(640)</b>	<b>(8,800)</b>	<b>(9,440)</b>
<b>Net Assets - End of Year</b>	<b>\$ 555,550</b>	<b>\$ 2,232,704</b>	<b>\$ 2,670,105</b>	<b>\$ 5,458,359</b>

**COMMUNITY DEVELOPMENT FUNDS**

**FINANCIAL STATEMENTS**

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
ENTERPRISE FUNDS  
COMMUNITY DEVELOPMENT FUNDS  
STATEMENT OF NET ASSETS  
September 30, 2003

	Agency Fund	CSA Fund	Firwood Apartments	Heeran Center	Signpost House	Camas Apartments	Total 9/30/03
<b>ASSETS:</b>							
<b>Current Assets:</b>							
Cash	\$ -	\$ 262,246	\$ 50	\$ -	\$ -	\$ 12,195	\$ 274,491
Investments - unrestricted	1,586,271	-	-	-	-	-	1,586,271
Tenant receivables	-	-	4,913	4,000	-	8,237	17,150
Grants receivable	-	246,083	-	-	-	-	246,083
Other accounts receivable	-	882,597	-	239	5,123	32,220	920,179
Current portion of long-term loan receivable	-	752,605	-	-	-	-	752,605
Due from other funds	433,686	995,459	353,090	102,684	-	-	1,884,919
Prepaid expenses	-	105,638	3,863	399	395	930	111,225
<b>Total Current Assets</b>	<b>2,019,957</b>	<b>3,244,628</b>	<b>361,916</b>	<b>107,322</b>	<b>5,518</b>	<b>53,582</b>	<b>5,792,923</b>
<b>Restricted Assets:</b>							
Investments - restricted	82,196	54,013	191,195	53,070	-	45,248	425,722
<b>Fixed Assets:</b>							
Equipment and structures - net	57,785	1,290,166	1,998,968	1,435,749	734,667	1,228,668	6,746,003
<b>Other Assets:</b>							
Loans receivable	-	2,123,023	-	-	-	-	2,123,023
Investments in limited partnerships	-	2,253,464	-	-	-	-	2,253,464
Deferred charges	-	32,479	-	-	-	-	32,479
Bond discounts - net	-	-	25,736	-	-	-	25,736
<b>Total Other Assets</b>	<b>-</b>	<b>4,408,966</b>	<b>25,736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,434,702</b>
<b>Total Assets</b>	<b>\$2,159,938</b>	<b>\$8,997,773</b>	<b>\$2,577,815</b>	<b>\$1,596,141</b>	<b>\$ 740,185</b>	<b>\$1,327,498</b>	<b>\$17,399,350</b>
<b>LIABILITIES:</b>							
<b>Current Liabilities:</b>							
Accrued liabilities	\$ 472,510	\$ 21,104	\$ 33,963	\$ 2,277	\$ 148	\$ 8,379	\$ 538,381
Due to other funds	746,785	608,641	-	-	100,691	60,334	1,516,451
Tenant security deposits	-	9,225	17,133	-	1,010	13,697	41,065
Deferred revenue	-	471,711	-	-	-	-	471,711
Current portion of long-term debt	-	754,348	50,564	31,731	5,312	5,127	847,082
<b>Total Current Liabilities</b>	<b>1,219,295</b>	<b>1,865,029</b>	<b>101,660</b>	<b>34,008</b>	<b>107,161</b>	<b>87,537</b>	<b>3,414,690</b>
<b>Non-Current Liabilities:</b>							
Loans payable	-	140,254	478,128	1,163,110	112,689	521,229	2,415,410
Bonds payable	-	-	1,035,000	-	-	-	1,035,000
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>140,254</b>	<b>1,513,128</b>	<b>1,163,110</b>	<b>112,689</b>	<b>521,229</b>	<b>3,450,410</b>
<b>Total Liabilities</b>	<b>1,219,295</b>	<b>2,005,283</b>	<b>1,614,788</b>	<b>1,197,118</b>	<b>219,850</b>	<b>608,766</b>	<b>6,865,100</b>
<b>NET ASSETS:</b>							
Invested in capital assets, net of related debt	57,785	1,190,564	435,276	240,908	616,666	702,311	3,243,510
Restricted net assets	82,196	54,013	191,195	53,070	-	45,248	425,722
Unrestricted net assets	800,662	5,747,913	336,556	105,045	(96,331)	(28,827)	6,865,018
<b>Total Fund Equity</b>	<b>940,643</b>	<b>6,992,490</b>	<b>963,027</b>	<b>399,023</b>	<b>520,335</b>	<b>718,732</b>	<b>10,534,250</b>
<b>Total Liabilities and Equity</b>	<b>\$2,159,938</b>	<b>\$8,997,773</b>	<b>\$2,577,815</b>	<b>\$1,596,141</b>	<b>\$ 740,185</b>	<b>\$1,327,498</b>	<b>\$17,399,350</b>

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
ENTERPRISE FUNDS  
COMMUNITY DEVELOPMENT FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Agency Fund	CSA Fund	Firwood Apartments	Heeran Center	Signpost House	Camas Apartments	Total 9/30/03
<b>OPERATING INCOME:</b>							
Dwelling rents	\$ -	\$ -	\$ 360,506	\$ 168,550	\$ 62,914	\$ 97,110	\$ 689,080
Management and administration fees	-	973,740	-	-	-	-	973,740
Equipment rents	58,855	-	-	-	-	-	58,855
Other income	-	-	12,542	-	8,999	7,813	29,354
Operating grants	-	1,520,192	-	-	-	89,115	1,609,307
<b>Total Operating Income</b>	<b>58,855</b>	<b>2,493,932</b>	<b>373,048</b>	<b>168,550</b>	<b>71,913</b>	<b>194,038</b>	<b>3,360,336</b>
<b>OPERATING EXPENSES:</b>							
Administrative expense	141	952,293	58,289	11,708	3,977	40,366	1,066,774
Tenant services	-	175,300	-	-	4,032	-	179,332
Utilities	-	-	27,589	-	6,544	11,201	45,334
Ordinary maintenance	-	988,020	92,514	61,527	23,744	85,662	1,251,467
General expense	-	3,790	38,416	1,217	814	2,725	46,962
Housing assistance payments	-	128,373	-	-	-	-	128,373
Depreciation	32,242	12,079	37,011	28,502	13,483	17,589	140,906
<b>Total Operating Expenses</b>	<b>32,383</b>	<b>2,259,855</b>	<b>253,819</b>	<b>102,954</b>	<b>52,594</b>	<b>157,543</b>	<b>2,859,148</b>
<b>Net Operating Income</b>	<b>26,472</b>	<b>234,077</b>	<b>119,229</b>	<b>65,596</b>	<b>19,319</b>	<b>36,495</b>	<b>501,188</b>
<b>NON-OPERATING INCOME (EXPENSES):</b>							
Interest income	24,570	171,006	1,778	901	-	769	199,024
Capital grant income	-	-	-	-	-	159,464	159,464
Interest expense	-	(8,034)	(94,894)	(43,753)	(6,058)	(36,338)	(189,077)
<b>Total Non-Operating Income (Expense)</b>	<b>24,570</b>	<b>162,972</b>	<b>(93,116)</b>	<b>(42,852)</b>	<b>(6,058)</b>	<b>123,895</b>	<b>169,411</b>
<b>Net Income (Loss)</b>	<b>51,042</b>	<b>397,049</b>	<b>26,113</b>	<b>22,744</b>	<b>13,261</b>	<b>160,390</b>	<b>670,599</b>
<b>Net Assets - Beginning of Year</b>	<b>889,601</b>	<b>6,359,754</b>	<b>936,914</b>	<b>376,279</b>	<b>507,074</b>	<b>558,342</b>	<b>9,627,964</b>
<b>Equity Transfers</b>	<b>-</b>	<b>\$ 235,687</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235,687</b>
<b>Net Assets - End of Year</b>	<b>\$ 940,643</b>	<b>\$6,992,490</b>	<b>\$ 963,027</b>	<b>\$ 399,023</b>	<b>\$ 520,335</b>	<b>\$ 718,732</b>	<b>\$ 10,534,250</b>

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 ENTERPRISE FUNDS  
 CSA FUND  
 STATEMENT OF REVENUES AND EXPENSES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2003

	DHUD Grant Programs	Weatherization Programs	Other Programs	Total 9/30/03
<b>OPERATING INCOME:</b>				
Operating grants	\$ 397,679	\$ 607,203	\$ 515,310	\$ 1,520,192
Management and administration fees	-	952,309	21,431	973,740
<b>Total Operating Income</b>	<b>397,679</b>	<b>1,559,512</b>	<b>536,741</b>	<b>2,493,932</b>
<b>OPERATING EXPENSES:</b>				
Administration expense	93,588	499,651	359,054	952,293
Tenant services	175,300	-	-	175,300
General expense	-	2,568	1,222	3,790
Maintenance	418	938,111	49,491	988,020
Housing assistance payments	128,373	-	-	128,373
Depreciation	862	-	11,217	12,079
<b>Total Operating Expenses</b>	<b>398,541</b>	<b>1,440,330</b>	<b>420,984</b>	<b>2,259,855</b>
<b>Total Operating Income (Loss)</b>	<b>(862)</b>	<b>119,182</b>	<b>115,757</b>	<b>234,077</b>
<b>NON-OPERATING INCOME (EXPENSES):</b>				
Interest income	402	-	170,604	171,006
Interest expense	-	-	(8,034)	(8,034)
<b>Total Other Income</b>	<b>402</b>	<b>-</b>	<b>162,570</b>	<b>162,972</b>
<b>Net Income (Loss)</b>	<b>\$ (460)</b>	<b>\$ 119,182</b>	<b>\$ 278,327</b>	<b>\$ 397,049</b>



HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY  
 ENTERPRISE FUNDS  
 CSA FUND  
 STATEMENT OF REVENUES AND EXPENSES  
 DHUD GRANT FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Shelter + Care Grant	Drug Elimination	Neighborhood Network	Resident Opportunity and Supportive Services	Total 9/30/03
<b>OPERATING INCOME:</b>					
Operating grants	\$ 141,756	\$ 125,142	\$ 7,227	\$ 123,554	\$ 397,679
<b>Total Operating Income</b>	<b>141,756</b>	<b>125,142</b>	<b>7,227</b>	<b>123,554</b>	<b>397,679</b>
<b>OPERATING EXPENSES:</b>					
Administration	13,383	30,617	7,227	42,361	93,588
Tenant services	-	94,525	-	80,775	175,300
Maintenance	-	-	-	418	418
Housing assistance payments	128,373	-	-	-	128,373
Depreciation	-	-	862	-	862
<b>Total Operating Expenses</b>	<b>141,756</b>	<b>125,142</b>	<b>8,089</b>	<b>123,554</b>	<b>398,541</b>
<b>Total Operating Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (862)</b>	<b>\$ -</b>	<b>\$ (862)</b>
<b>Non-Operating Income (Expenses):</b>					
Interest Income	-	-	402	-	402
<b>Total Other Income</b>	<b>-</b>	<b>-</b>	<b>402</b>	<b>-</b>	<b>402</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (460)</b>	<b>\$ -</b>	<b>\$ (460)</b>

FOR THE YEAR ENDED SEPTEMBER 30, 2003

Net Income (Loss)

**FINANCIAL DATA SCHEDULES**

Line Item No.	Account Description	Business Activities	Rural Rental Assistance Payments	Interest Reduction Payments, Rental and Cooperative Housing for Lower I	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program
111	Cash - Unrestricted	\$262,296	\$0	\$0	\$6,770	\$0	\$441,236	\$0
113	Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
114	Cash - Tenant Security Deposits	\$0	\$12,195	\$29,898	\$3,943	\$0	\$0	\$0
100	<b>Total Cash</b>	<b>\$262,296</b>	<b>\$12,195</b>	<b>\$29,898</b>	<b>\$10,713</b>	<b>\$0</b>	<b>\$441,236</b>	<b>\$0</b>
121	Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$57,552	\$0	\$31,416
124	Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
125	Accounts Receivable - Miscellaneous	\$544,902	\$32,219	\$0	\$0	\$9,225	\$834	\$0
126	Accounts Receivable - Tenants - Dwelling Rents	\$8,913	\$8,336	\$4,372	\$651	\$0	\$18,671	\$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	(\$99)	\$0	\$0	\$0	(\$4,500)	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127	Notes, Loans, & Mortgages Receivable - Current	\$752,605	\$0	\$0	\$0	\$0	\$0	\$0
128	Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0
128.1	Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	(\$5,000)	\$0
129	Accrued Interest Receivable	\$333,832	\$0	\$0	\$0	\$0	\$8,675	\$0
120	<b>Total Receivables, net of allowances for doubtful accounts</b>	<b>\$1,640,252</b>	<b>\$40,456</b>	<b>\$4,372</b>	<b>\$651</b>	<b>\$66,777</b>	<b>\$24,680</b>	<b>\$31,416</b>
131	Investments - Unrestricted	\$1,586,271	\$0	\$0	\$0	\$0	\$909,228	\$0
132	Investments Restricted	\$326,462	\$45,248	\$392,742	\$80,635	\$0	\$0	\$0
142	Prepaid Expenses and Other Assets	\$110,294	\$930	\$3,167	\$561	\$0	\$46,815	\$0
143	Inventories	\$0	\$0	\$0	\$0	\$0	\$62,865	\$0
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$1,884,919	\$0	\$136,573	\$52,775	\$0	\$865,858	\$0
150	<b>Total Current Assets</b>	<b>\$5,810,494</b>	<b>\$98,829</b>	<b>\$566,752</b>	<b>\$145,335</b>	<b>\$66,777</b>	<b>\$2,350,682</b>	<b>\$31,416</b>
161	Land	\$1,578,887	\$368,841	\$1,359,337	\$214,386	\$0	\$4,363,945	\$0
162	Buildings	\$4,400,677	\$897,077	\$5,091,303	\$1,190,053	\$0	\$25,436,791	\$0
163	Furniture, Equipment & Machinery - Dwellings	\$20,000	\$0	\$0	\$8,906	\$0	\$0	\$0
164	Furniture, Equipment & Machinery - Administration	\$641,597	\$0	\$13,520	\$8,128	\$0	\$1,192,590	\$0
166	Accumulated Depreciation	(\$1,134,238)	(\$37,249)	(\$729,495)	(\$510,095)	\$0	(\$14,993,926)	\$0
167	Construction In Progress	\$4,002	\$0	\$0	\$0	\$0	\$0	\$0
160	<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	<b>\$5,510,925</b>	<b>\$1,228,669</b>	<b>\$5,734,665</b>	<b>\$911,378</b>	<b>\$0</b>	<b>\$15,999,400</b>	<b>\$0</b>
171	Notes, Loans, & Mortgages Receivable - Non Current	\$2,123,023	\$0	\$0	\$0	\$0	\$0	\$0
174	Other Assets	\$58,215	\$0	\$0	\$0	\$0	\$1,144	\$0
176	Investments in Joint Ventures	\$2,253,463	\$0	\$0	\$0	\$0	\$0	\$0
180	<b>Total Non-Current Assets</b>	<b>\$9,945,626</b>	<b>\$1,228,669</b>	<b>\$5,734,665</b>	<b>\$911,378</b>	<b>\$0</b>	<b>\$16,000,544</b>	<b>\$0</b>
190	<b>Total Assets</b>	<b>\$15,756,120</b>	<b>\$1,327,498</b>	<b>\$6,301,417</b>	<b>\$1,056,713</b>	<b>\$66,777</b>	<b>\$18,351,226</b>	<b>\$31,416</b>
312	Accounts Payable <= 90 Days	\$15,009	\$7,206	\$7,222	\$2,887	\$0	\$46,665	\$0
321	Accrued Wage/Payroll Taxes Payable	\$11,287	\$0	\$2,596	\$1,003	\$0	\$23,066	\$0
322	Accrued Compensated Absences - Current Portion	\$472,510	\$0	\$0	\$0	\$0	\$0	\$0
325	Accrued Interest Payable	\$31,197	\$1,174	\$0	\$1,136	\$0	\$0	\$0
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$2,456	\$0	\$77,796	\$0
341	Tenant Security Deposits	\$18,143	\$13,697	\$29,898	\$4,094	\$9,225	\$147,820	\$0
342	Deferred Revenues	\$471,711	\$0	\$0	\$0	\$0	\$0	\$0
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$91,955	\$5,127	\$82,259	\$39,769	\$0	\$0	\$0
344	Current Portion of Long-term Debt - Operating Borrowings	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0
347	Interprogram Due To	\$1,210,033	\$60,334	\$134,224	\$45,942	\$57,552	\$453,440	\$31,416
310	<b>Total Current Liabilities</b>	<b>\$3,071,845</b>	<b>\$87,538</b>	<b>\$256,199</b>	<b>\$97,287</b>	<b>\$66,777</b>	<b>\$748,787</b>	<b>\$31,416</b>
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$2,884,181	\$521,229	\$1,142,409	\$403,876	\$0	\$0	\$0
353	Noncurrent Liabilities - Other	\$45,000	\$0	\$0	\$0	\$0	\$77,936	\$0
350	<b>Total Noncurrent Liabilities</b>	<b>\$2,929,181</b>	<b>\$521,229</b>	<b>\$1,142,409</b>	<b>\$403,876</b>	<b>\$0</b>	<b>\$77,936</b>	<b>\$0</b>
300	<b>Total Liabilities</b>	<b>\$6,001,026</b>	<b>\$608,767</b>	<b>\$1,398,608</b>	<b>\$501,163</b>	<b>\$66,777</b>	<b>\$826,723</b>	<b>\$31,416</b>
508	<b>Total Contributed Capital</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
508.1	Invested in Capital Assets, Net of Related Debt	\$2,534,789	\$702,311	\$4,509,997	\$467,733	\$0	\$15,999,400	\$0
511	<b>Total Reserved Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
511.1	Restricted Net Assets	\$326,462	\$45,248	\$392,742	\$80,635	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$6,893,843	(\$28,828)	\$70	\$7,182	\$0	\$1,525,103	\$0
513	<b>Total Equity/Net Assets</b>	<b>\$9,755,094</b>	<b>\$718,731</b>	<b>\$4,902,809</b>	<b>\$555,550</b>	<b>\$0</b>	<b>\$17,524,503</b>	<b>\$0</b>
600	<b>Total Liabilities and Equity/Net Assets</b>	<b>\$15,756,120</b>	<b>\$1,327,498</b>	<b>\$6,301,417</b>	<b>\$1,056,713</b>	<b>\$66,777</b>	<b>\$18,351,226</b>	<b>\$31,416</b>

## Financial Data Schedule

Fiscal Year End 9/30/2009

Line Item No.	Account Description	Business Activities	Rural Rental Assistance Payments	Interest Reduction Payments_Rental and Cooperative Housing for Lower I	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program
703	Net Tenant Rental Revenue	\$591,969	\$97,109	\$356,029	\$37,691	\$0	\$1,257,030	\$0
704	Tenant Revenue - Other	\$0	\$3,216	\$11,456	\$436	\$0	\$33,846	\$0
705	Total Tenant Revenue	\$591,969	\$100,325	\$367,485	\$38,127	\$0	\$1,290,876	\$0
706	HUD PHA Operating Grants	\$19,102	\$0	\$336,389	\$204,638	\$141,756	\$2,055,897	\$125,142
706.1	Capital Grants	\$0	\$159,464	\$0	\$0	\$0	\$0	\$0
708	Other Government Grants	\$496,208	\$89,115	\$0	\$0	\$0	\$0	\$0
711	Investment Income - Unrestricted	\$192,214	\$0	\$0	\$327	\$0	\$20,522	\$0
712	Mortgage Interest Income	\$1,492	\$0	\$0	\$0	\$0	\$0	\$0
714	Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0
715	Other Revenue	\$1,054,138	\$4,597	\$10,923	\$2,087	\$0	\$47,727	\$0
720	Investment Income - Restricted	\$4,147	\$769	\$5,324	\$831	\$0	\$0	\$0
700	Total Revenue	\$2,359,270	\$354,270	\$720,121	\$246,010	\$141,756	\$3,415,022	\$125,142
911	Administrative Salaries	\$353,486	\$8,800	\$71,572	\$53,331	\$9,350	\$706,160	\$20,386
912	Auditing Fees	\$1,453	\$1,600	\$1,300	\$500	\$0	\$8,000	\$0
913	Outside Management Fees	\$3,600	\$18,342	\$49,920	\$0	\$0	\$0	\$0
915	Employee Benefit Contributions - Administrative	\$138,061	\$4,193	\$38,279	\$24,839	\$3,700	\$236,734	\$9,731
916	Other Operating - Administrative	\$51,150	\$7,430	\$17,190	\$6,461	\$333	\$147,985	\$500
921	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$71,333	\$0
922	Relocation Costs	\$4,032	\$0	\$0	\$0	\$0	\$0	\$0
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$26,404	\$0
924	Tenant Services - Other	\$0	\$0	\$1,631	\$321	\$0	\$16,121	\$94,525
931	Water	\$6,510	\$1,377	\$12,133	\$2,820	\$0	\$55,588	\$0
932	Electricity	\$15,059	\$3,932	\$11,445	\$2,266	\$0	\$88,654	\$0
933	Gas	\$59	\$0	\$10,501	\$0	\$0	\$18,123	\$0
934	Fuel	\$0	\$0	\$0	\$0	\$0	\$62,720	\$0
935	Labor	\$0	\$0	\$0	\$0	\$0	\$2,924	\$0
937	Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$1,491	\$0
938	Other Utilities Expense	\$12,505	\$5,892	\$20,291	\$4,842	\$0	\$121,074	\$0
941	Ordinary Maintenance and Operations - Labor	\$43,199	\$15,690	\$87,004	\$22,203	\$0	\$436,437	\$0
942	Ordinary Maintenance and Operations - Materials and Other	\$513,261	\$35,814	\$37,837	\$15,873	\$0	\$152,863	\$0
943	Ordinary Maintenance and Operations - Contract Costs	\$364,049	\$26,704	\$79,931	\$6,342	\$0	\$381,191	\$0
945	Employee Benefit Contributions - Ordinary Maintenance	\$23,936	\$7,454	\$46,839	\$10,146	\$0	\$313,295	\$0
951	Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$14,846	\$0
952	Protective Services - Other Contract Costs	\$0	\$0	\$7,778	\$0	\$0	\$0	\$0
955	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$2,143	\$0
961	Insurance Premiums	\$9,077	\$1,958	\$10,049	\$1,653	\$0	\$31,847	\$0
962	Other General Expenses	\$29,647	\$0	\$0	\$0	\$0	\$0	\$0
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$9,552	\$0	\$77,796	\$0
964	Bad Debt - Tenant Rents	\$4,325	\$767	\$1,828	\$242	\$0	\$13,165	\$0
967	Interest Expense	\$152,739	\$36,338	\$73,696	\$28,311	\$0	\$0	\$0
969	Total Operating Expenses	\$1,726,148	\$176,291	\$579,224	\$189,702	\$13,383	\$2,986,894	\$125,142
970	Excess Operating Revenue over Operating Expenses	\$633,122	\$177,979	\$140,897	\$56,308	\$128,373	\$428,128	\$0
971	Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$42,737	\$0
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$0	\$0	\$0	\$1,838	\$0
973	Housing Assistance Payments	\$0	\$0	\$0	\$0	\$128,373	\$0	\$0
974	Depreciation Expense	\$122,455	\$17,589	\$112,978	\$27,390	\$0	\$616,735	\$0
900	Total Expenses	\$1,848,603	\$193,880	\$692,202	\$217,092	\$141,756	\$3,648,204	\$125,142
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$510,667	\$160,390	\$27,919	\$28,918	\$0	(\$233,182)	\$0
1102	Debt Principal Payments - Enterprise Funds	\$89,818	\$4,738	\$117,305	\$37,216	\$0	\$0	\$0
1103	Beginning Equity	\$9,008,739	\$558,341	\$4,756,033	\$491,632	\$0	\$16,896,876	\$0
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$235,688	\$0	\$118,857	\$35,000	\$0	\$860,809	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1114	Prorate Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1116	Total Annual Contributions Available	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1120	Unit Months Available	1,440	420	1,560	300	156	8,448	0
1121	Number of Unit Months Leased	1,411	411	1,511	291	156	8,360	0

Line Item No.	Account Description	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OR006MR0002	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Other Federal Program 1	Weatherization Assistance for Low-Income Persons	Total
111	Cash - Unrestricted	\$0	\$0	\$792,141	\$0	\$0	\$0	\$0	\$1,502,44
113	Cash - Other Restricted	\$0	\$0	\$153,561	\$0	\$0	\$0	\$0	\$153,56
114	Cash - Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,03
100	Total Cash	\$0	\$0	\$945,702	\$0	\$0	\$0	\$0	\$1,702,04
121	Accounts Receivable - PHA Projects	\$5,437	\$0	\$33,855	\$31,766	\$0	\$0	\$0	\$71,06
122	Accounts Receivable - HUD Other Projects	\$0	\$20,557	\$0	\$0	\$0	\$10,936	\$0	\$120,46
124	Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$124,965	\$0	\$658	\$125,62
125	Accounts Receivable - Miscellaneous	\$0	\$0	\$60,467	\$0	\$0	\$0	\$0	\$647,64
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,94
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,59)
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$
127	Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$752,60
128	Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,00
128.1	Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,00)
129	Accrued Interest Receivable	\$162	\$0	\$6,589	\$0	\$0	\$0	\$0	\$349,25
120	Total Receivables, net of allowances for doubtful accounts	\$5,599	\$20,557	\$100,921	\$31,766	\$124,965	\$10,936	\$658	\$2,104,00
131	Investments - Unrestricted	\$7,457	\$0	\$303,235	\$0	\$0	\$0	\$0	\$2,806,19
132	Investments Restricted	\$0	\$0	\$0	\$0	\$0	\$54,013	\$0	\$899,10
142	Prepaid Expenses and Other Assets	\$0	\$0	\$2,922	\$0	\$0	\$0	\$0	\$164,68
143	Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,86
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$
144	Interprogram Due From	\$37,541	\$0	\$0	\$0	\$0	\$0	\$0	\$2,977,66
150	Total Current Assets	\$50,597	\$20,557	\$1,352,780	\$31,766	\$124,965	\$64,949	\$658	\$10,716,55
161	Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,885,39
162	Buildings	\$0	\$0	\$0	\$0	\$0	\$5,229	\$0	\$37,021,13
163	Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,90
164	Furniture, Equipment & Machinery - Administration	\$0	\$0	\$59,519	\$0	\$0	\$2,525	\$0	\$1,917,87
166	Accumulated Depreciation	\$0	\$0	(\$36,911)	\$0	\$0	(\$1,344)	\$0	(\$17,443,25)
167	Construction In Progress	\$0	\$0	\$0	\$1,276,340	\$0	\$0	\$0	\$1,280,34
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0	\$0	\$22,608	\$1,276,340	\$0	\$6,410	\$0	\$30,690,39
171	Notes, Loans, & Mortgages Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,123,02
174	Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,35
176	Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,253,46
180	Total Non-Current Assets	\$0	\$0	\$22,608	\$1,276,340	\$0	\$6,410	\$0	\$35,126,24
190	Total Assets	\$50,597	\$20,557	\$1,375,388	\$1,308,106	\$124,965	\$71,359	\$658	\$45,842,79
312	Accounts Payable <= 90 Days	\$0	\$0	\$6,288	\$0	\$0	\$0	\$0	\$85,27
321	Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$19,026	\$0	\$0	\$0	\$0	\$56,97
322	Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$472,51
325	Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,50
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$80,25
341	Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$222,87
342	Deferred Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$471,71
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$219,11
344	Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750,00
347	Interprogram Due To	\$19,797	\$20,557	\$776,046	\$31,766	\$124,965	\$10,936	\$658	\$2,977,66
310	Total Current Liabilities	\$19,797	\$20,557	\$801,360	\$31,766	\$124,965	\$10,936	\$658	\$5,369,88
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,951,69
353	Noncurrent Liabilities - Other	\$0	\$0	\$153,561	\$0	\$0	\$0	\$0	\$276,49
350	Total Noncurrent Liabilities	\$0	\$0	\$153,561	\$0	\$0	\$0	\$0	\$5,228,19
300	Total Liabilities	\$19,797	\$20,557	\$954,921	\$31,766	\$124,965	\$10,936	\$658	\$10,698,08
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$
508.1	Invested in Capital Assets, Net of Related Debt	\$0	\$0	\$22,608	\$1,276,340	\$0	\$6,410	\$0	\$25,519,58
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$
511.1	Restricted Net Assets	\$0	\$0	\$153,561	\$0	\$0	\$54,013	\$0	\$1,052,68
512.1	Unrestricted Net Assets	\$30,800	\$0	\$244,298	\$0	\$0	\$0	\$0	\$8,672,46
513	Total Equity/Net Assets	\$30,800	\$0	\$420,467	\$1,276,340	\$0	\$60,423	\$0	\$35,244,71
600	Total Liabilities and Equity/Net Assets	\$50,597	\$20,557	\$1,375,388	\$1,308,106	\$124,965	\$71,359	\$658	\$45,842,79

Line Item No.	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OR006MR0002	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Other Federal Program 1	Weatherization Assistance for Low-Income Persons	Total
703	Net Tenant Rental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,339,82
704	Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,95
705	Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,388,78
706	HUD PHA Operating Grants	\$322,945	\$123,554	\$15,189,048	\$325,799	\$0	\$7,227	\$0	\$18,851,49
706.1	Capital Grants	\$0	\$0	\$0	\$1,190,828	\$0	\$0	\$0	\$1,350,29
708	Other Government Grants	\$0	\$0	\$0	\$0	\$417,463	\$0	\$189,740	\$1,192,52
711	Investment Income - Unrestricted	\$399	\$0	\$16,760	\$0	\$0	\$0	\$0	\$230,22
712	Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,45
714	Fraud Recovery	\$0	\$0	\$7,214	\$0	\$0	\$0	\$0	\$7,21
715	Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,118,47
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$402	\$0	\$11,47
700	Total Revenue	\$323,344	\$123,554	\$15,213,022	\$1,616,628	\$417,463	\$7,629	\$189,740	\$25,152,97
911	Administrative Salaries	\$11,549	\$25,058	\$1,160,476	\$180,118	\$183,039	\$2,399	\$96,127	\$2,861,85
912	Auditing Fees	\$500	\$0	\$4,000	\$0	\$105	\$0	\$42	\$17,50
913	Outside Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$71,86
915	Employee Benefit Contributions - Administrative	\$5,211	\$11,180	\$523,925	\$71,054	\$71,896	\$370	\$38,189	\$1,177,36
916	Other Operating - Administrative	\$1,627	\$8,123	\$180,255	\$40,033	\$11,786	\$4,458	\$3,888	\$479,21
921	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$71,33
922	Relocation Costs	\$0	\$0	\$0	\$11,160	\$0	\$0	\$0	\$15,19
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,40
924	Tenant Services - Other	\$0	\$80,775	\$0	\$885	\$0	\$0	\$0	\$194,25
931	Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$78,42
932	Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$121,35
933	Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,68
934	Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,72
935	Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,82
937	Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,49
938	Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$154,60
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$604,53
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$418	\$0	\$22,550	\$74,151	\$0	\$24,591	\$877,35
943	Costs	\$0	\$0	\$0	\$0	\$95,583	\$0	\$26,618	\$980,41
945	Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$401,67
951	Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,84
952	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,77
955	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,14
961	Insurance Premiums	\$62	\$0	\$6,112	\$0	\$903	\$0	\$285	\$61,94
962	Other General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,64
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,34
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,32
967	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$291,08
969	Total Operating Expenses	\$18,949	\$123,554	\$1,874,768	\$325,800	\$417,463	\$7,227	\$189,740	\$8,764,28
970	Excess Operating Revenue over Operating Expenses	\$304,395	\$0	\$13,338,254	\$1,190,828	\$0	\$402	\$0	\$16,398,68
971	Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,73
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,83
973	Housing Assistance Payments	\$293,712	\$0	\$13,319,558	\$0	\$0	\$0	\$0	\$13,741,64
974	Depreciation Expense	\$0	\$0	\$1,522	\$0	\$0	\$862	\$0	\$899,53
900	Total Expenses	\$312,661	\$123,554	\$15,195,848	\$325,800	\$417,463	\$8,089	\$189,740	\$23,440,03
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$10,683	\$0	\$17,174	\$1,190,828	\$0	(\$460)	\$0	\$1,712,93
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$249,07
1103	Beginning Equity	\$20,117	\$0	\$802,278	\$1,035,979	\$0	\$60,883	\$0	\$33,630,87
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	(\$398,985)	(\$950,467)	\$0	\$0	\$0	(\$99,09)
1113	Maximum Annual Contributions Commitment (Per ACC)	\$298,152	\$0	\$14,324,948	\$0	\$0	\$0	\$0	\$14,623,10
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$
1115	Contingency Reserve, ACC Program Reserve	\$260,968	\$0	\$135,226	\$0	\$0	\$0	\$0	\$396,19
1116	Total Annual Contributions Available	\$559,120	\$0	\$14,460,174	\$0	\$0	\$0	\$0	\$15,019,29
1120	Unit Months Available	480	0	31,176	0	0	0	0	43,98
1121	Number of Unit Months Leased	480	0	31,151	0	0	0	0	43,77

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
REQUIRED AUDIT COMMENTS AND DISCLOSURES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

The Minimum Standards for Audit of Oregon Municipal Corporations, prescribed by Statute and administered by the Oregon Secretary of State in cooperation with the Oregon State Board of Accountancy, stipulate the statements, schedules, comments and disclosures required to be included in audited financial statements to be filed with its office. The financial statements appear in the preceding sections of this report. The required comments and disclosures relating to the audit of such financial statements follow:



HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
REQUIRED AUDIT DISCLOSURES  
SEPTEMBER 30, 2003

I.     Organization

The Housing and Community Services Agency of Lane County was created by resolution of the County Board of Commissioners, pursuant to ORS 456.085. Its primary functions are planning, development, and operation of low-income housing projects funded by the U.S. Department of Housing and Urban Development (DHUD), and the administration and operation of other programs related to low-income housing assistance. These include weatherization, community development and community service programs. Funding for these programs is primarily provided by DHUD and other federal agencies, including the Department of Energy.

The seven-member Board of Commissioners acts as the governing body under the provisions of ORS 456.085.

II.    Internal Control

I have made a study and evaluation of the Agency's internal control structure to the extent considered necessary to satisfy generally accepted auditing standards.

My reports on the Agency's internal controls appears on pages 52-58.

III.   Adequacy of Accounting Records

I found the accounting records of the Agency to be adequate for the purposes of this report.

IV.    Collateral Securing Bank Deposits

ORS Chapter 295 requires the depository to maintain a custodial deposit in the form of certificates of participation by a depository pool manager equal to 25% on monies on deposit in excess of those insured by the Federal Deposit Insurance Corporation. I reviewed the Agency's bank deposit and related collateral records and determined that collateral requirements were adequate to comply with ORS Chapter 295 during the year.

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
REQUIRED AUDIT DISCLOSURES  
SEPTEMBER 30, 2003

V. Indebtedness

Retirement of long-term indebtedness of the Agency is being accomplished within the provisions of bond indentures and loan agreements with various entities. Financing for debt retirement is provided by these federal agencies and the debts are secured by mortgages on the properties built and acquired with the bond proceeds. The bonds are not general obligations of the Agency and ad valorem taxes are not to be levied to provide for their retirement. Legal debt limits under ORS Chapter 287 are not applicable.

VI. Budgets

The Agency is excepted from the provisions of Local Budget Law under ORS 294.316(8). No taxes are authorized or being levied for operations or debt retirement. Projects are budgeted within individual funds and combined into a single consolidated budget. Budgets were prepared and approved in accordance with administrative directives and project grantor requirements and not in accordance with Local Budget Law.

VII. Insurance and Fidelity Bond Coverage

I have examined certain policies and bonds and made tests to determine that policies were in force at September 30, 2003. The coverage of public officials appears to comply with legal requirements as set forth in ORS 332.525. I am not competent by training to evaluate the adequacy of coverage.

VIII. Programs Funded From Outside Sources

The Agency operates various programs funded wholly or partially by governmental agencies. The schedule of federal financial assistance and my related reports on compliance with laws and regulations and internal controls used in administering federal assistance programs appears on pages 51-58.

IX. Investments

For the year ended September 30, 2003 the Agency invested excess monies in temporary market rate accounts, Federal government securities, and the State of Oregon Local Government Investment Pool.

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
REQUIRED AUDIT DISCLOSURES  
SEPTEMBER 30, 2003

X. Public Contracts and Purchasing

I reviewed the purchasing, contracting and procurement policies of the Agency as it related to construction projects and found them to be in compliance with legal requirements.

REPORTS REQUIRED BY GAO AND OMB A-133

COMPLIANCE SUPPLEMENT

HOUSING AND COMMUNITY SERVICES  
 AGENCY OF LANE COUNTY, OREGON  
 SCHEDULE OF FEDERAL AWARDS EXPENDED  
 FOR THE YEAR ENDED SEPTEMBER 30, 2003

Federal Grantor/Program Title	Federal CFDA Number	Amount Expended 2003
<b>U.S. Department of Housing and Urban Development:</b>		
<b>Direct Payments:</b>		
Section 8		
Moderate Rehabilitation #2	* 14.856	\$ 312,661
Vouchers	* 14.855	15,189,048
Public Housing	* 14.850a	2,055,897
Shelter + Care	14.238	141,756
Public and Indian Housing Drug Elimination	14.854	125,142
N/CS/R Section 8 Programs	14.182	204,638
Interest Reduction Payments - Rental and Cooperative Housing for Lower I	* 14.103	336,389
Resident Opportunity and Supportive Services	14.870	123,554
Public Housing Capital Fund Program	* 14.872	<u>1,516,628</u>
<b>Total Department of Housing and Urban Development</b>		<u>20,005,713</u>
<b>United States Department of Energy:</b>		
Passed through the State of Oregon: Weatherization Assistance for Low Income Persons	81.042	<u>189,740</u>
<b>United States Department of Agriculture:</b>		
Rural Rental Assistance Payments	10.427	<u>89,115</u>
<b>Other Federal Programs:</b>		
Neighborhood Networks	14.8	<u>7,227</u>
<b>Total Federal Financial Assistance</b>		<u><u>\$ 20,291,795</u></u>

\* Denotes Major Program

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT  
CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Housing and Community Services  
Agency of Lane County  
177 Day Island Road  
Eugene, Oregon 97401

I have audited the financial statements of the Housing and Community Services Agency of Lane County, for the year ended September 30, 2003, and have issued my report thereon dated December 15, 2003.

I conducted my audit in accordance with generally accepted auditing standards of the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Housing and Community Services Agency of Lane County, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and the transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with regulatory requirements to the Department of Housing and Urban Development. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of the Housing and Community Services Agency of Lane County, for the year ended September 30, 2003, I obtained an understanding of the internal control structure. With respect to the internal control structure. I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on

the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the management, others within the organization, Board of Commissioners, and federal awarding agencies and pass - through entities and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Bue Kellough*

Certified Public Accountant

Eugene, Oregon  
December 15, 2003

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL AUDITING STANDARDS**

Housing and Community Services  
Agency of Lane County  
177 Day Island Road  
Eugene, Oregon 97401

I have audited the financial statements of the Housing and Community Services Agency of Lane County as of and for the year ended September 30, 2003 and have issued my report thereon dated December 15, 2003.

I conducted my audit in accordance with generally accepted auditing standards of the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Housing and Community Services Agency of Lane County is the responsibility of the Agency's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express an opinion.

The results of my test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and the use of management, others within this organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Bill Killough*

Certified Public Accountant

Eugene, Oregon  
December 15, 2003



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

Housing and Community Services  
Agency of Lane County  
177 Day Island Road  
Eugene, Oregon 97401

I have audited the financial statements of the Housing and Community Services Agency of Lane County, for the year ended September 30, 2003 and have issued my report thereon dated December 15, 2003. I conducted my audit in accordance with generally accepted auditing standards of 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.

Compliance

As part of obtaining reasonable assurance about whether the Housing and Community Services Agency of Lane County, Oregon's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit for the year ended September 30, 2003 I considered the Agency's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the Agency's financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control structure would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in

relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the management, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*B. J. Killough*

Certified Public Accountant

Eugene, Oregon  
December 15, 2003

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Housing and Community Services  
Agency of Lane County  
177 Day Island Road  
Eugene, Oregon 97401

I have audited the compliance of the Housing and Community Services Agency of Lane County, Oregon with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs as of and for the year ended September 30, 2003. The Housing and Community Services Agency of Lane County, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant applicable to each of its major federal programs is the responsibility of the Agency's management. My responsibility is to express an opinion on the Agency's compliance based on my audit.

I conducted my audit in accordance with generally accepted auditing standards of the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing and Community Services Agency of Lane County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Agency's compliance with those requirements.

In my opinion, the Housing and Community Services Agency of Lane County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal financial assistance programs for the year ended September 30, 2003.

### Internal Control Over Compliance

The management of the Housing and Community Services Agency of Lane County, Oregon is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit for the year ended September 30, 2003 I considered the Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinions on the Agency's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the management, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*B. J. Keenough*

Certified Public Accountant

Eugene, Oregon  
December 15, 2003

HOUSING AND COMMUNITY SERVICES  
AGENCY OF LANE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2003

1. SUMMARY OF AUDITOR'S RESULTS:

- A. I have issued an unqualified opinion on the financial statements of the Housing and Community Services Agency of Lane County for the year ended September 30, 2003.
- B. No reportable conditions were disclosed during my audit.
- C. No instances of noncompliance material to the financial statements were disclosed during my audit.
- D. I have issued an unqualified opinion on the compliance for major programs of the Housing and Community Services Agency of Lane County for the year ended September 30, 2003.
- E. No audit findings were disclosed during my audit.
- F. Federal programs audited as major for the year ended September 30, 2003:
  - Public Housing Capital Fund Program
  - Interest Reduction Payments - Rental and Cooperative Housing for Lower I
  - Public Housing
  - Section 8 Moderate Rehabilitation II
  - Section 8 Voucher
- G. The threshold used to determine Type A programs from Type B programs was \$300,000.
- H. The Housing and Community Services Agency of Lane County qualifies as a low-risk auditee.

2. FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS:

For the year ended September 30, 2003 there were no audit findings required to be reported in accordance with generally accepted accounting standards.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

For the year ended September 30, 2003 there were no findings or questioned costs disclosed by my audit.

4. PRIOR YEAR AUDIT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS:

For the year ended September 30, 2002 there were no audit findings required to be reported in accordance with generally accepted governmental accounting standards.