

HACSA MEMORADUM

TO: HACSA Board of Commissioners
FROM: Laurie Larson-Lewis, Finance Manager
AGENDA ITEM TITLE: REPORT/Review of Audit Report

I MOTION

None required

II ISSUE

Each year the Board is presented with the Agency's audited financial statements 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, 2009 has been completed. There were no findings and the report has been submitted to the State of Oregon.

Since five of the seven members of HACSA's Board of Commissioners are also Lane County Commissioners, HACSA is considered a component unit of Lane County. Therefore, HACSA's financial statements will be blended with those of Lane County for its fiscal year ended June 30, 2010 by including them in the appropriate statements, notes and schedules of Lane County's Comprehensive Annual Financial Report

The Agency's basic (combined) financial statements and related notes are included on pages 12 through 37 of the report. Supplementary information, which includes the financial statements of HACSA's various programs, and detailed financial data schedules, which were electronically submitted to HUD's Real Estate Assessment Center (REAC), begins on page 38.

HACSA's Management Discussion and Analysis (MD&A) are included on pages three through eleven. We expect our funding to be stable through the end of this calendar year.

B. Recommendation

None required

IV IMPLEMENTATION/FOLLOW-UP

None required

V Attachments

Audited Financial Statements

Letter from Auditor



William E. Maas, P.C.
Certified Public Accountant
925 Country Club Road, Suite 101
Eugene, Oregon 97401-2271

Bill Maas, CPA

June 24, 2010

Telephone: 541/345-3900 • Fax: 541/345-3358
E-Mail: bmaascpa@msn.com

Board of Commissioners
Housing and Community Services Agency of Lane County

I have audited the financial statements of the Housing and Community Services Agency of Lane County (HACSA) for the year ended September 30, 2009, and have issued my report thereon dated June 24, 2010. Professional standards require that I provide you with the following information related to my audit.

My Responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in my engagement letter, my responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit does not relieve you or management of your responsibilities.

In planning and performing my audit, I considered HACSA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on internal control over financial reporting. I also considered 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 opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether HACSA'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. Also, in accordance with OMB Circular A-133, I examined, on a test basis, evidence about HACSA's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on HACSA's compliance with those requirements. While my audit provides a reasonable basis for my opinion, it does not provide a legal determination on HACSA's compliance with those requirements.

Planned Scope and Timing of the Audit

I performed the audit according to the planned scope and timing previously discussed with Larry Abel in September of 2009. However the original schedule was subsequently extended due to the continuing delays by HUD in finalizing guidance on the new Financial Data Schedules, and difficulties preparing the schedules and reconciling them to the accounting record.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by HACSA are described in Note 1 to the financial statements. GASB Statement No. 45, Other Postemployment Benefits, became effective this fiscal year, but management has concluded that the potential liability is immaterial, so no adjustment has been made to accrue a liability. The application of existing policies was not changed during the year, although the accounting program continues to be modified for the adoption of HUD's project based asset management model. I noted no transactions entered into by HACSA during the year for which there is a lack of authoritative guidance or consensus. There were no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no particularly sensitive estimates affecting the financial statements of HACSA. Depreciation is the most significant estimate, which is based on standard useful lives ranging from three to forty years.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are the long-term debt and cash and investment disclosures. The disclosures were modified to include more information on the Agency's investment in limited partnerships and the loans made to them.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements other than trivial items noted in this year's audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated June 24, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to HACSA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as HACSA's auditor. However, these discussions occurred in the normal course of our professional relationship and my responses were not a condition to my retention.

This information is intended solely for the use of the Board of Commissioners of HACSA and is not intended to be and should not be used by anyone other than those specified parties.

Sincerely,

Quinc Mason, PC

HOUSING AND COMMUNITY SERVICES

AGENCY OF LANE COUNTY

(A Component Unit of Lane County, Oregon)

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2009



**WILLIAM E. MAAS, P.C.
CERTIFIED PUBLIC ACCOUNTANT**

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

September 30, 2009

BOARD OF COMMISSIONERS

Bill Dwyer	5558 Thurston Road Springfield, OR 97478
Joseph Inman	840 Holly Street #218 Junction City, OR 97448
Rob Handy	455 River Road Eugene, OR 97404
Bill Fleenor	09359 Highway 126 Mapleton, OR 97453
Judith Pothier	135 W. Olympic Springfield, OR 97477
C. Peter Sorenson	3780 Emerald Eugene, OR 97405
Faye Stewart	34234 Garoutte Road Cottage Grove, OR 97424

ADMINISTRATION

Larry Abel	Executive Director
Dorothy Cummings	Deputy Director

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2009

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-11
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	12
Statement of Revenue, Expenses and Changes in Net Assets	13
Statements of Cash Flows	14
Notes to the Financial Statements	15-37
SUPPLEMENTARY INFORMATION	
Combined Statement of Net assets	38
Statement of Net Assets:	
Public Housing	39
HUD Section 8 New Construction and Section 236 Housing	40
Community Development	41
Combined Statement of Revenues, Expenses and Changes in Net Assets	42
Statement of Revenues, Expenses and Changes in Net Assets	
Public Housing	43
HUD Section 8 New Construction and Section 236 Housing	44
Community Development	45
Statement of Revenues and Expenses – Community Development:	
CSA Programs	46
HUD Grant Programs	47
Weatherization Programs	48
Actual Modernization Cost Certificate – Completed Project OR16P00650105	49
AUDITOR'S COMMENTS	50-51
FEDERAL FINANCIAL SECTION	
Schedule of Expenditures of Federal Awards	52-53
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	54-55
Report on Compliance With Requirements Applicable to Each Major Program and On Internal Control Over Compliance in Accordance With OMB Circular A-133	56-57
Schedule of Findings and Questioned Costs	58
FINANCIAL DATA SCHEDULE	59-70



Bill Maas, CPA

William E. Maas, P.C.
Certified Public Accountant
925 Country Club Road, Suite 101
Eugene, Oregon 97401-2271

Telephone: 541/345-3900 • Fax: 541/345-3358
E-Mail: bmaascpa@msn.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing and Community Services Agency of Lane County
Eugene, Oregon

I have audited the accompanying basic financial statements of the Housing and Community Services Agency of Lane County (HACSA), a component unit of Lane County, Oregon as of and for the year ended September 30, 2009 as listed in the table of contents. These 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.

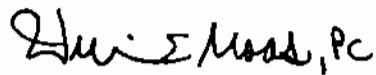
I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that I 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 of HACSA as of September 30, 2009, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 24, 2010, on my consideration of the HACSA's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide the opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of 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 accounting principles generally accepted in the United States of America. 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 HACSA. The accompanying financial statements and schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in my opinion, is fairly stated in all material respects in relation to the financial statements referred to above.

Eugene E. Moore, PC

Eugene, Oregon
June 24, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)

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, 2009. Please read it in conjunction with the Agency's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The Agency reported combined net assets (assets less liabilities) of \$42,345,777 as of September 30, 2009. This represents a decrease of \$756,259 or 1.8% from the prior year.
- 31% (\$13,192,549) of combined net assets was unrestricted and, therefore, had no constraints on future use. This compares to 29% (\$12,429,626) last year.
- Total combined revenue for the year ended September 30, 2009 aggregated \$24,391,616, a decrease of \$1,376,636, or 5.3% under the prior year. The difference was due primarily to a decrease in housing assistance grants. Restricted net assets were used to make up the difference between housing assistance grants and housing assistance payments (HAP).
- Expenses exceeded revenue by \$756,259, compared to excess revenue of \$1,994,711 last year. This year's net loss was caused by the decrease in revenue, explained above.

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, 2009. The supplemental information reflects the combining financial statements of the Agency's major programs.

Reporting the Agency as a Whole

One of the most important uses of this MD & A is to compare this year's financial position and changes in net assets to last year's. The Statement of Net Assets, the Statement of Revenue, Expenses and Changes in Net Assets and the Statement of Cash Flows report information about HACSA as a whole in a way that presents this comparison.

The Statement of Net Assets presents HACSA's financial position as of September 30, 2009. 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 Revenue, Expenses and Changes in Net Assets measures the Agency's results and change in net assets for a period of time; in this case the year ended September 30, 2009. 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 Programs

Our analysis of HACSA's major programs begins on page 35. Each major program is a self-balancing set of accounts, which is 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 one enterprise fund. 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 Housing Choice Vouchers, Section 8 New Construction and Section 236 Housing, and Community Development programs. The details of each program are set forth in the supplemental information beginning on page 35. The following analysis pertains to the Agency as a whole.

Net Assets

Net assets decreased by \$756,259, (or 1.8%, under last year) which is the net loss for the year ended September 30, 2009.

TABLE 1
NET ASSETS

	September 30	
	<u>2009</u>	<u>2008</u>
Current Assets	\$ 8,571,682	\$ 9,956,144
Restricted Assets	2,911,350	2,665,988
Capital Assets, Net	32,952,248	32,491,433
Other Assets	<u>7,821,483</u>	<u>6,869,566</u>
	<u>52,256,763</u>	<u>51,983,131</u>
Current Liabilities	3,571,231	2,333,237
Noncurrent Liabilities	<u>6,339,755</u>	<u>6,547,858</u>
	<u>9,910,986</u>	<u>8,881,095</u>
Net Assets	<u>\$42,345,777</u>	<u>\$43,102,036</u>
Classification of Net Assets:		
Investment in Capital Assets, Net of Related Debt	\$25,581,474	\$25,963,365
Restricted Net Assets	3,571,754	4,709,045
Unrestricted Net Assets	<u>13,192,549</u>	<u>12,429,626</u>
Total Net Assets	<u>\$42,345,777</u>	<u>\$43,102,036</u>

TABLE 2
CHANGES IN NET ASSETS

	Year Ended September 30	
	2009	2008
Revenues:		
Dwelling Rent	\$ 3,143,292	\$ 2,884,870
Federal Operating Grants	19,794,980	20,347,853
Federal Capital Grants	703,992	1,029,109
Interest	275,955	461,586
Other	473,397	1,044,834
	<u>24,391,616</u>	<u>25,768,252</u>
Expenses:		
Administration	4,420,975	4,147,022
Resident Services	67,789	86,221
Utilities	700,918	638,265
Maintenance	4,193,534	3,615,553
Protective Services	27,387	30,316
General Expense	316,457	299,978
Interest	288,106	288,172
Housing Assistance Payments	13,946,947	13,569,831
Depreciation	1,185,762	1,098,183
	<u>25,147,875</u>	<u>23,773,451</u>
Net Income (loss)	\$ (756,259)	\$ 1,994,711
Prior Period Adjustments		128,499
Increase (decrease) in Net Assets	<u>\$ (756,259)</u>	<u>\$ 2,123,210</u>

HUD's Real Estate Assessment Center (REAC)

REAC evaluates all public housing authorities (PHAs) on an annual basis. Using the Public Housing Assessment System (PHAS), PHAs 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 11 years that PHAS has been in place. Due to changes in HUD's financial reporting, they did not score our financial data for 2008.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

This year's additions of \$1,626,577 are primarily due to comprehensive modernization at Laurelwood Homes, a public housing development, and the acquisition of Richardson Bridge Apartments, a former limited Partnership, at the end of the compliance period.

TABLE 4
CAPITAL ASSETS

	September 30	
	2009	2008
Land	\$ 8,859,865	\$ 8,300,797
Buildings and improvements	44,999,162	43,702,987
Equipment	2,222,070	2,189,407
Construction in progress	805,769	1,047,096
Total	56,866,866	55,240,287
Less: Accumulated depreciation	(23,934,618)	(22,748,854)
Net Capital Assets	<u>\$32,952,248</u>	<u>\$ 32,491,433</u>

Long-term Debt

Long-term debt aggregated \$6,370,776 on September 30, 2009. The decrease of \$157,291 from the balance on September 30, 2008 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, 2009 was approved by the HACSA Board of Commissioners on September 24, 2008. HACSA's Board of Commissioners includes two public housing residents and five Commissioners from 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, 2009 aggregated \$26,337,421, \$3,087,579 less than the original budget. This difference is due primarily to the delays in the budgeted rehabilitation of the Norsemen Village Apartments and the decision not to acquire Hawthorn Apartments.

TABLE 5
VARIATIONS BETWEEN BUDGET AND ACTUAL AMOUNTS

	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
Personal Services	\$ 6,007,456	\$ 5,381,893	\$ 625,563
Materials and Services	17,954,664	17,853,805	100,859
Capital Outlay	1,626,577	5,314,562	(3,687,985)
Debt Service	<u>748,724</u>	<u>874,740</u>	<u>(126,016)</u>
Total Expenditures	<u>\$26,337,421</u>	<u>\$29,425,000</u>	<u>\$ (3,087,579)</u>

The budget for the fiscal year ending September 30, 2010 was approved by the HACSA Board on September 29, 2009. Federal funding accounts for approximately 84% of HACSA's revenues; HUD alone comprises 76%.

HACSA's three largest programs are Section 8 Housing Choice Vouchers (HCV), Public Housing and Weatherization.

Section 8 Housing Choice Vouchers Program

In February 2010 we received this (calendar) year's funding allocation for HCV housing assistance payments (HAP). To date we have received HUD's calculation of HCV administrative fees only through December 2009. Due to funding limitations, HUD has prorated HAP at 99%. We expect that administrative fees will be prorated at about 90%. We believe that this year's funding will enable us to lease 100% (currently 2,659 per month) of the vouchers that have been allocated to us by HUD. In 2009 our lease rate was 99.99%. In June 2010 we received funding for 25 vouchers under the HUD-Veterans Affairs Supportive Housing (VASH) program. This is in addition to the 35 VASH vouchers that we received in 2009. HUD rental assistance for homeless veterans, administered by HACSA, will be combined with case management and clinical services provided by the Department of Veterans Affairs. Although funding for next fiscal year has not yet been appropriated, the President's proposed budget fully funds the HCV program.

Public Housing Program

The year ended September 30, 2009 was HACSA's second complete fiscal year under the new HUD project-based/asset management model. When HUD introduced this model, they also revised the calculations of public housing operating subsidies nation-wide. 75% of all public housing authorities (PHAs) received increases, while 25% (including all Oregon PHAs) received decreases. HUD approved HACSA's early (the deadline is September 30, 2011) conversion to asset management. This "stopped our loss" of operating subsidy at \$96,000 per year. Had we waited until the deadline, our loss would have been \$400,000 per year.

The Agency's \$96,000 reduction in operating subsidy has been compounded because, nationwide, overall subsidy eligibility exceeds appropriations and, therefore, the subsidy is subject to proration. In (calendar year) 2009 the proration was 88.4%. We project that the total of operating subsidy and resident rents will be about \$70,000 less than the corresponding amount in 2009. Even with these reductions, HACSA has been able to manage and maintain our public housing without decreasing the quality and quantity of services.

In addition to operating subsidies, HUD provides PHAs with capital fund grants for improvements to and modernization of public housing units. The amount of the grant in fiscal year 2009 was about \$1,268,000. The comparable amount in fiscal year 2008 was \$1,272,000. The amount for fiscal year 2010 is \$1,256,000. In 2009, under the American Recovery and Reinvestment Act (ARRA), HACSA was awarded \$1,600,000 in additional capital improvement funding. All work items have been fully obligated by the required deadline of March 17, 2010. HACSA has also received \$145,000 of competitive ARRA improvement funding.

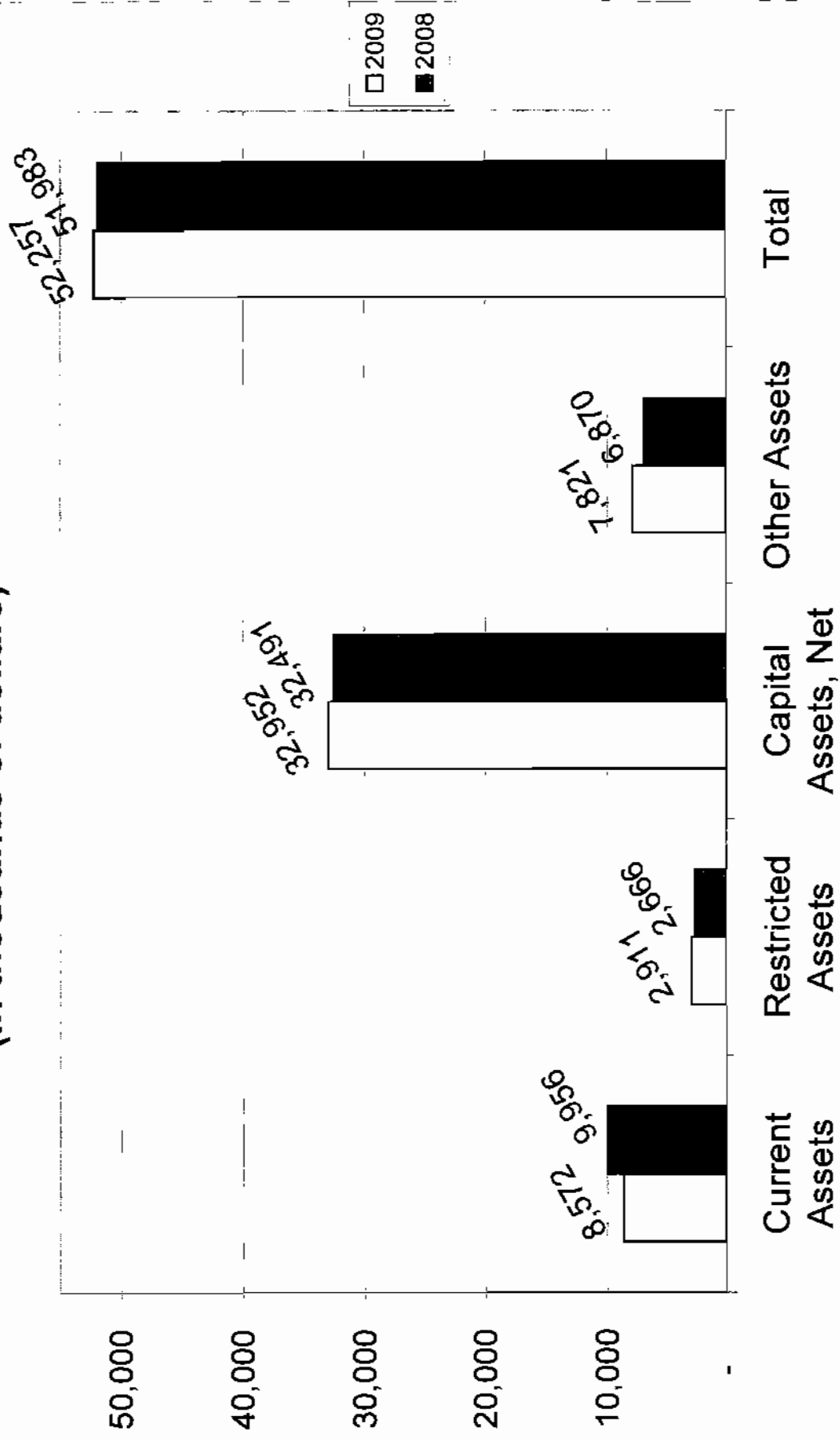
Weatherization

Cost effective measures are installed by private contractors and are paid for with public and private funds from federal grants and participating electric and natural gas utilities. 15 separate funding sources make up this year's budget. Funding aggregated approximately \$2,000,000 during the fiscal year ended September 30, 2009. We anticipate a similar amount through this fiscal year. HACSA was granted about \$2,700,000 in Department of Energy (DOE) ARRA funding that will be accessible through March 2012. The Agency has hired three FTEs to help administer this program, and will add an additional FTE in FY 2010.

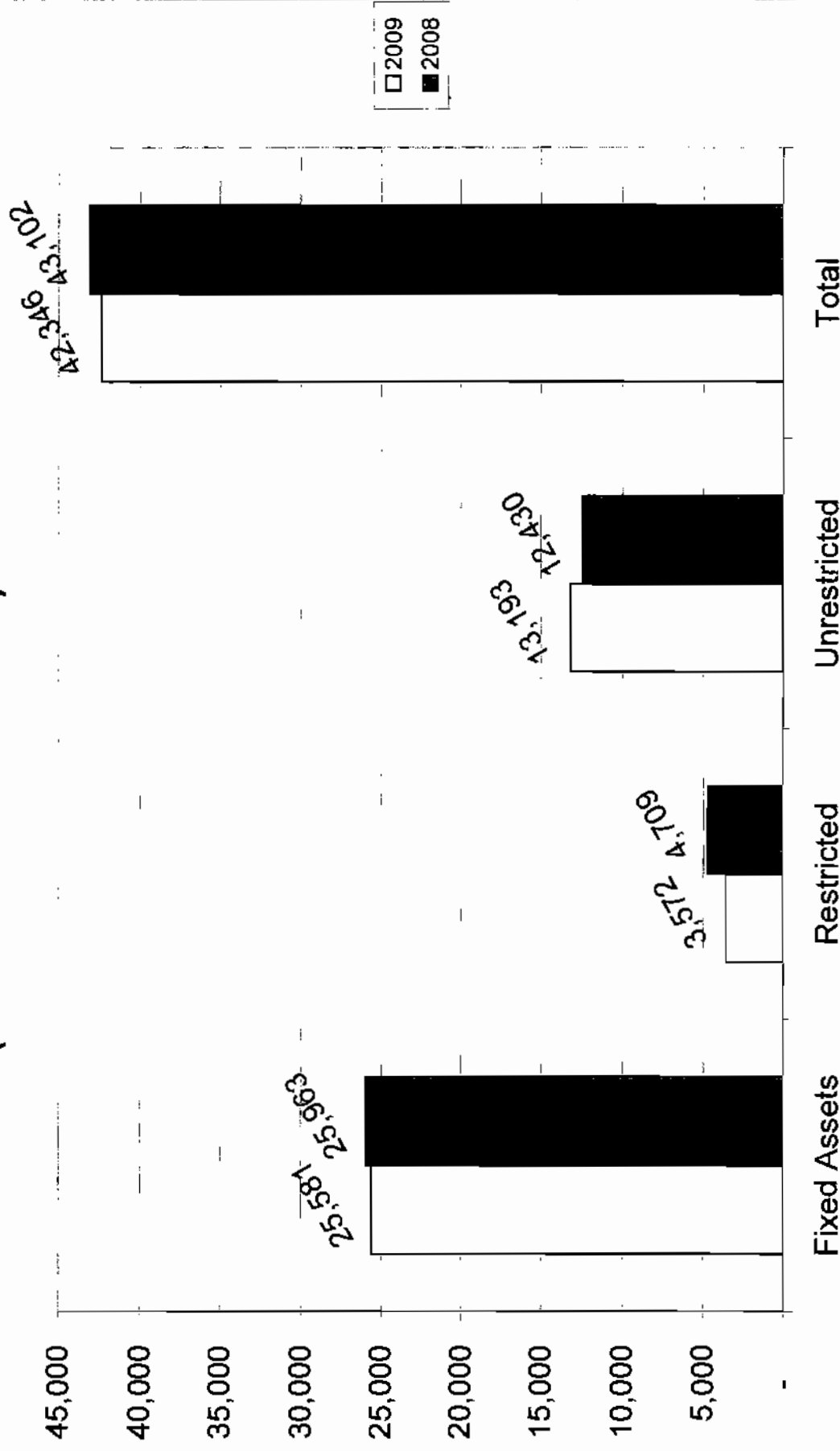
CONTACTING HACSA'S FINANCIAL MANAGEMENT

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, Executive Director, Housing and Community Services Agency of Lane County, 177 Day Island Road, Eugene, OR, 97401; email: label@hacsa.us; telephone: (541) 682-2503.

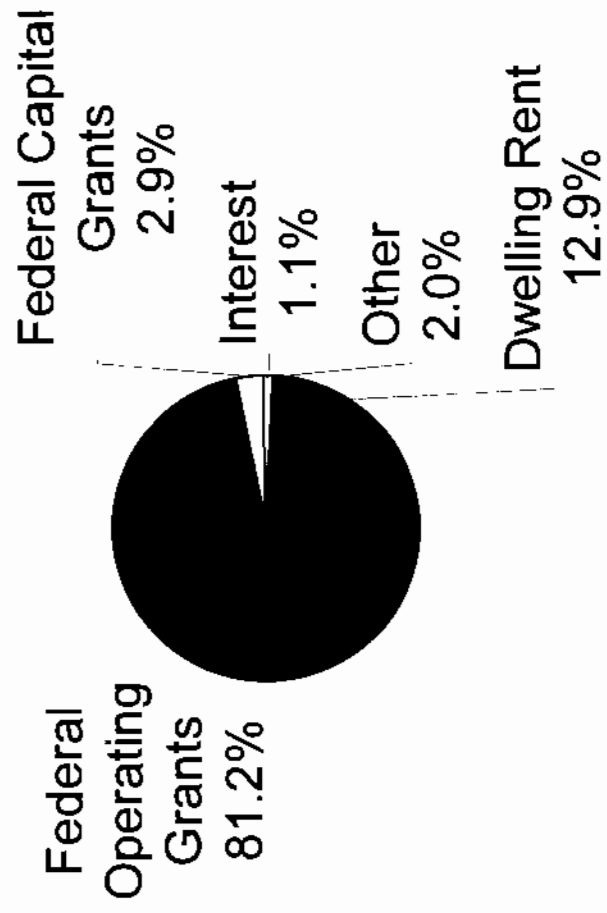
~TOTAL ASSETS ~ (in thousands of dollars)



~ NET ASSETS ~ (in thousands of dollars)



**REVENUE Year Ended
September 30, 2009**



BASIC FINANCIAL STATEMENTS

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

STATEMENT OF NET ASSETS

September 30, 2009

ASSETS:

Current Assets:

Cash and cash equivalents	\$ 2,332,138
Accounts receivable:	
HUD	403,967
Grants	579,816
Tenants	62,432
Other	1,336,238
Investments	3,748,272
Prepaid expenses	54,108
Inventory	54,711
Total Current Assets	<u>8,571,682</u>

Restricted Assets:

Cash and cash equivalents	239,676
Investments	2,339,864
FSS escrow deposits	<u>331,810</u>
Total Restricted Assets	<u>2,911,350</u>

Fixed Assets, Net of Depreciation

32,952,248

Other Assets:

Loans receivable	4,947,655
Investments in limited partnerships	1,623,468
Deposits	3,683
Deferred charges	1,232,894
Unamortized bond discount	<u>13,783</u>
Total Other Assets	<u>7,821,483</u>

Total Assets

\$ 52,256,763

LIABILITIES

Current Liabilities:

Accounts payable and accrued liabilities	\$ 1,139,476
Tenant security deposits	274,137
Deferred revenue	794,787
Line of credit	1,000,000
Current portion of long-term liabilities	<u>362,831</u>
Total Current Liabilities	<u>3,571,231</u>

Long-Term Liabilities:

FSS escrow deposits	331,810
Loans and bonds payable	<u>6,007,945</u>
Total Long-Term Liabilities	<u>6,339,755</u>

Total Liabilities

9,910,986

NET ASSETS:

Invested in capital assets, net of related debt	25,581,474
Restricted	3,571,754
Unrestricted	<u>13,192,549</u>
Total Net Assets	<u>42,345,777</u>
Total Liabilities and Net Assets	<u>\$ 52,256,763</u>

The accompanying notes are an integral part of the financial statements

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2009

OPERATING INCOME:

Dwelling rent	\$ 3,143,292
Housing assistance grants	12,364,655
Operating grants	6,850,429
HUD subsidy income	579,896
Other income	473,397

Total operating income	23,411,669
------------------------	------------

OPERATING EXPENSES:

Administration	4,420,975
Tenant services	67,789
Utilities	700,918
Ordinary maintenance	4,180,799
Protective services	27,387
General expense	316,457
Non-routine maintenance	12,735
Housing assistance payments	13,946,947
Depreciation	1,185,762

Total operating expenses	24,859,769
--------------------------	------------

Net operating income	(1,448,100)
----------------------	-------------

NON-OPERATING INCOME (EXPENSE):

Investment income	275,955
Interest expense	(288,106)
Capital grants	703,992

Net non-operating income (expense)	691,841
------------------------------------	---------

Net income (loss)	(756,259)
-------------------	-----------

Net assets, beginning of year	43,102,036
-------------------------------	------------

Net assets, end of year	\$ 42,345,777
-------------------------	---------------

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

Dwelling rent	\$ 3,106,052
Housing assistance grants	12,364,655
Operating grants	6,581,689
Other operating receipts	2,619,200
Payments to employees and related benefits	(4,792,928)
Payments to vendors and others for operations	(4,802,572)
Housing assistance payments	<u>(13,946,947)</u>

Net cash provided (used) by operating activities 1,129,149

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment purchases	(8,682,004)
Investment maturities and sales	8,600,000
Increase in deferred charges and other assets	(1,235,433)
Loans to limited partnerships	(164,231)
Interest income	<u>157,515</u>

Net cash provided (used) by investing activities (1,324,153)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital grants	561,700
Purchase of fixed assets	(1,034,693)
Proceeds from long-term debt	325,852
Principal payments on long-term debt	(483,273)
Interest on long-term debt	<u>(261,418)</u>

Net cash provided (used) by capital and related financing activities (891,832)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Increase in line of credit	1,000,000
Change in FSS escrow deposits	<u>(18,560)</u>

Net cash provided (used) by noncapital financing activities 981,440

Increase (decrease) in cash and cash equivalents (105,396)

Beginning cash and cash equivalents 3,009,020

Ending cash and cash equivalents \$ 2,903,624

REPORTED ON STATEMENT OF NET ASSETS:

Unrestricted	\$ 2,332,138
Restricted	239,676
FSS escrow deposits	<u>331,810</u>

Ending cash and cash equivalents \$ 2,903,624

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Net operating income (loss) \$ (1,448,100)

Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:

Depreciation	1,185,762
(Increase) decrease in receivables	1,136,221
(Increase) decrease in inventory	(605)
(Increase) decrease in prepaid expenses	76,812
Increase (decrease) in accounts payable and accrued liabilities	60,334
Increase (decrease) in tenant security deposits	21,272
Increase (decrease) in deferred revenue	<u>97,453</u>

Net cash provided (used) by operating activities \$ 1,129,149

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, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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 (HUD), 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 HUD 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.

Reporting Entity

All significant activities and organization over which HACSA exercises oversight responsibility have been included in the financial statements. Our 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 2009.

Program Accounting

The accounts of HACSA are organized on the basis of programs, each of which is a separate accounting entity. The operations of each program are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenue, and expenditures as appropriated.

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

PUBLIC HOUSING:

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

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM:

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

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED:

Program Accounting – Continued

SECTION 8 NEW CONSTRUCTION AND SECTION 236 HOUSING:

Abbie Lane Apartments

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

Village Oaks Apartments

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

14 Pines Apartments

This program accounts for a project financed by HUD 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:

Agency Program

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

CSA Programs

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

Firwood Apartments

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

Heeran Center

This program 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 \$245,000.

Signpost House

This program 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.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

Program Accounting - Continued

Camas Apartments

This program 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 \$574,584.

Norsemen Village Apartments

This program accounts for forty-four units of affordable housing financed by the USDA with loans of \$1,952,583 and a grant of \$20,000.

Richardson Bridge Apartments

This program accounts for thirty-one units of affordable housing acquired December 31, 2008 from a limited partnership in which HACSA was the general partner. HACSA exercised its option to purchase the property at the end of the certification period for the low income housing tax credit.

Budgets and Budgetary Accounting

A budget is prepared by the administrative and fiscal staff for each of the separate programs within each division 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).

Basis of Accounting

In accordance with GASB Statement No. 20, the basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the agency's ongoing operations. Operating revenues include rental income and operating subsidies and grants. Operating expenses include housing assistance payments, occupancy costs, tenant services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are classified as non-operating revenues and expenses. The agency has not applied Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989.

Investments

Investments are stated at cost and consist of 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 approximates market value, therefore no adjustment for unrealized gain or loss has been made on these financial statements.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED:

Inventories

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

Accounts Receivable

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

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. The Capitalization threshold is \$5,000.

Income Taxes

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in 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.

NOTE 2. CASH AND INVESTMENTS:

Cash

The cash balances at September 30, 2009 are as follows:

Petty Cash	\$ 1,120
Cash with fiscal agent (management company)	57,271
Checking, savings and money market accounts	<u>2,845,233</u>
Total	<u>\$ 2,903,624</u>

Cash balances are classified as follows:

Unrestricted	\$ 2,332,138
Restricted	<u>571,486</u>
Total	<u>\$ 2,903,624</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 2. CASH AND INVESTMENTS – CONTINUED:

Custodial credit risk for deposits:

This is the risk that deposits may not be returned to the Agency in the event of a bank failure. There were no balances as of September 30, 2009 that were not covered by Federal depository insurance or collateral pledged by the depository institution.

Investments

Investments of HACSA consist of the following:

State of Oregon Local Government Investment Pool	\$ 2,753,427
Federal Agency Securities:	
Federal Home Loan Mortgage Corp note, 2%, matures 12/22/11	600,000
Federal Home Loan Mortgage Corp note, 2%, matures 12/22/11	600,000
Investments with fiscal agents	<u>2,134,709</u>
Total	<u>\$ 6,088,136</u>

Investments are classified as follows:

Unrestricted	\$ 3,748,272
Restricted	<u>2,339,864</u>
Total	<u>\$ 6,088,136</u>

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

Obligations of the United States, agencies or instrumentalities of the United States and the States of Oregon, Washington, Idaho and California, certificates of deposit, savings accounts or share accounts held in banks, savings and loan association, or credit unions, fixed or variable life insurance or annuity contracts, banker's acceptances, commercial paper, repurchase and reverse repurchase agreements, and the State of Oregon Local Government Investment Pool.

The State of Oregon Local Government Investment Pool (Pool) is not registered with the U.S. Securities and Exchange Commission as an investment company and is not rated. Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool. These funds must be invested and managed as a prudent investor would, exercising reasonable care, skill, and caution. Investments of the Pool are further governed by portfolio guidelines issued by the Oregon Short Term Funds Board, which establish diversification rules and specify the types and maturities of investments.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 2. CASH AND INVESTMENTS – CONTINUED:

Restrictions on cash balances are as follows:

Family Self-Sufficiency (FSS) escrow deposits	\$ 331,810
Tenant security deposit accounts:	
Public housing	170,053
Abbie Lane Apartments	4,147
Village Oaks Apartments	23,900
Fourteen Pines Apartments	13,068
Camas Apartments	15,019
Norsemen Village Apartments	<u>13,489</u>
Total	<u>\$ 571,486</u>

Restrictions on investment balances are as follows:

Replacement reserve accounts:	
Abbie Lane Apartments	\$ 151,993
Village Oaks Apartments	179,750
Fourteen Pines Apartments	392,733
Heeran Center	76,723
Camas Apartments	56,886
Norsemen Village Apartments	69,090
Richardson Bridge Apartments	6,401
Tax and insurance reserves:	
Abbie Lane Apartments	10,926
Village Oaks Apartments	7,609
Fourteen Pines Apartments	2,450
Neighborhood Network reserves – CSA	13,975
Residual receipts reserve – Village Oaks Apartments	9,832
Residual receipts reserve – Fourteen Pines Apartments	429
Rehabilitation reserve – Norsemen Village Apartments	151,800
USDA rehabilitation reserve – Norsemen Village Apartments	796,320
Firwood Apartments bonded debt funds:	
Lease payment fund	5,831
Principal and interest fund	75,717
Bond reserve fund	113,501
Note payment fund	12,742
Agency Program:	
Walnut Park reserve	99,515
Deposit in lieu of performance bond	<u>105,641</u>
Total	<u>\$ 2,339,864</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 3. RECEIVABLES:

Receivables are reported in the following major categories:

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

Grants – Amounts due from other governmental agencies and utility companies for amounts expended in the weatherization and various other grant programs

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

Other – These include amounts due from limited partnerships, and all other miscellaneous receivables.

NOTE 4. LOANS RECEIVABLE:

Loans receivable of HACSA consist of low interest loans made to limited partnerships to develop low-income housing projects. HACSA is the general partner in all of the limited partnerships.

Note receivable – Munsel Park Limited Partnership:

Interest at 1.5%, .5% payable annually, principal and accrued interest due December 31, 2039	\$ 770,726
--	------------

Note receivable – Sheldon Village I Limited Partnership:

Interest at 5.57%, principal and accrued interest due January 1, 2033	284,195
---	---------

Note receivable – Sheldon Village I Limited Partnership:

Interest at 3.0%, principal and accrued interest due January 1, 2033	100,000
--	---------

Note receivable – The Orchards Limited Partnership:

Interest at 5.0%, principal and accrued interest due December 31, 2011	225,000
--	---------

Note receivable – Walnut Park Limited Partnership:

Interest at 3.0%, principal and accrued interest due December 31, 2011	515,000
--	---------

Note receivable – Sheldon Village II Limited Partnership:

Interest at 5.7%, principal and accrued interest due January 1, 2035	290,805
--	---------

Note receivable – Sheldon Village II Limited Partnership

Interest at 3.0%, principal and accrued interest due January 1, 2035	100,000
--	---------

Note receivable - Laurel Gardens Limited Partnership:

Interest at 3.0%, due annually, principal and accrued interest due January 1, 2014	77,840
--	--------

Note receivable – Laurel Gardens Limited Partnership:

Interest at 7.08%, due annually, principal and accrued interest due December 31, 2013	137,200
---	---------

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 4. LOANS RECEIVABLE - CONTINUED:

Note receivable - Laurel Gardens Limited Partnership:

Interest at 1.0%, principal and interest payments due annually, principal
and accrued interest due December 31, 2013 178,222

Note receivable - Jacob's Lane Limited Partnership:

Interest at 6.0%, .5% payable annually, principal and accrued interest
due January 1, 2029 406,440

Note receivable - Jacob's Lane Limited Partnership:

Interest at 1.0%, principal and interest payments of \$3,192 due annually,
principal and accrued interest due January 1, 2029 100,000

Note receivable - New Winds Limited Partnership:

Interest at 3.25%, principal and accrued interest due August 1, 2047 701,611

Note receivable - New Winds Limited Partnership:

Interest at 5.15%, principal and accrued interest due August 1, 2047 75,000

Note receivable - New Winds Limited Partnership:

Interest at 3.25%, principal and accrued interest due August 1, 2047 100,000

Note receivable - Turtle Creek Limited Partnership:

Interest at 5.01%, principal and accrued interest due October 1, 2047 867,000

Note receivable - Sponsors, Inc.:

Interest at 4%, principal and interest payable monthly, due December 31, 2014 18,616

Total \$4,947,655

All of the notes from the limited partnerships are secured by trust deeds on the property. Most do not call for payments until maturity. These notes are subordinated to other obligations of the partnerships, and payments may only be made to the extent that surplus cash is available.

NOTE 5. INVESTMENT IN LIMITED PARTNERSHIPS:

HACSA is the general partner in a number of limited partnerships formed to finance the construction of low-income housing. These partnerships provide low-income housing tax credits to the investors. HACSA has an option to purchase the limited partners interests after the tax credit compliance audit termination date, at the greater of its fair market value or an amount determined under the provision of the partnership agreement.

The investments are presented at cost.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 5. INVESTMENT IN LIMITED PARTNERSHIPS - CONTINUED:

The investments are as follows:

Munsel Park Limited Partnership, .01% interest	\$ 0
Sheldon Village I Limited partnership, .01% interest	244,094
The Orchards Limited Partnership, 1% interest	441,394
Walnut Park Limited Partnership, 1% interest	222,253
Sheldon Village II Limited Partnership, .01% interest	158,006
Laurel Gardens Limited Partnership, 1% interest	110,000
Jacob's Land Limited Partnership, .1% interest	447,499
New Winds Limited Partnership, .01% interest	111
Turtle Creek Limited Partnership, .01% interest	<u>111</u>
Total	<u>\$1,623,468</u>

HACSA provides management and accounting services to the limited partnerships. These fees are accrued to the extent net cash flow is not available in the partnerships. HACSA recognized \$63,759 in fees during the year.

NOTE 6. ROOSEVELT CROSSINGS:

HACSA has assumed the role of developer of an affordable housing project known as Roosevelt Crossings. The Project will be operated by Sponsors, Inc., a non-profit organization providing transitional housing to individuals from state prisons and other correctional facilities. Development costs of \$1,232,894 are reported as deferred charges on the statement of net assets. The costs, and the HOME loan from the City of Eugene which partially funded the project, will be transferred to a limited partnership upon completion.

NOTE 7. RICHARDSON BRIDGE APARTMENTS ACQUISITION:

The Richardson Bridge Apartments were acquired by HACSA as of December 31, 2008 from the limited partnership that was operating the project, in which HACSA was the general partner. HACSA assumed all liabilities and paid the existing mortgage in the amount of \$513,323 to acquire all of the assets of the project. The original investment in the partnership was \$445,755.

Assets acquired:	
Cash	63,865
Other current assets	44,690
Land	69,570
Building	847,252
Liabilities assumed (after mortgage payoff):	
Current liabilities	38,545
Net value	986,832

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 8. FIXED ASSETS:

Land, buildings and equipment are accounted for in the individual programs in which the assets were purchased. The following is a summary of fixed asset activity for the year ended September 30, 2009:

	Balance September 30, 2008	Additions	Deletions	Balance September 30, 2009
Capital assets not being depreciated				
Land	\$ 8,300,797	\$ 559,068	\$	\$ 8,859,865
Construction in progress	1,047,096	615,655	856,982	805,769
Total capital assets not being depreciated	9,347,893	1,174,723	856,982	9,665,634
Capital assets being depreciated:				
Buildings and improvements	43,702,987	1,545,141	248,966	44,999,162
Furniture and equipment	1,537,921	16,289		1,554,210
Vehicles	651,486	16,374		667,860
Total capital assets being depreciated	45,892,394	1,577,804	248,966	47,221,232
Less accumulated depreciation for:				
Buildings and improvements	20,698,878	1,132,727	(2)	21,831,607
Furniture and equipment	1,426,348	42,331		1,468,679
Vehicles	623,628	10,704		634,332
Total accumulated depreciation	22,748,854	1,185,762	(2)	23,934,618
Total capital assets being depreciated, net	23,143,540	392,042	248,968	23,286,614
Total capital assets, net	\$ 32,491,433	\$ 1,566,765	\$ 1,105,950	\$ 32,952,248

Depreciation expense is charged to the programs as follows:

Public Housing	\$ 768,712
Section 8 Housing Choice Vouchers	4,897
Abbie Lane Apartments	43,528
Village Oaks Apartments	50,909
Fourteen Pines Apartments	70,303
Agency Program	11,326
CSA Programs	4,431
Richardson Bridge	53,173
Firwood Apartments	64,163
Heeran Center	30,003
Signpost House	14,209
Camas Apartments	21,956
Norsemen Village Apartments	48,152

Total \$ 1,185,762

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT:

For the year ending September 30, 2009 the Agency completed the following long-term debt transactions:

	Balance September 30, 2008	Principal Retirement	Balance September 30, 2009
Bonds Payable:			
Firwood Apartments - Series A Revenue Bonds			
Original amount \$965,000, interest at 5.0% - 6.7%	\$ 675,000	\$ 35,000	\$ 640,000
Firwood Apartments - Series B Revenue Bonds			
Original amount \$470,000, interest at 6.7%	185,000	15,000	170,000
Total Bonds Payable	860,000	50,000	810,000
Notes Payable:			
Abbie Lane Apartments:			
Oregon Housing and Community Services Department			
Original amount \$759,000, interest at 7.75%, annual payment \$62,174, secured by property	158,811	52,377	106,434
Oregon Housing and Community Services Department			
Original amount \$99,000, interest at .25%, annual payment \$3,457, secured by property	56,423	3,320	53,103
City of Eugene Rehabilitation Loan			
Original amount \$487,881, interest at 2.0%, annual payment \$22,140, secured by property	436,297	16,255	420,042
Total	651,531	71,952	579,579
Firwood Apartments:			
Ralph Greenhoot			
Original amount \$388,760, interest at 5.0%, annual payment \$25,043, secured by property	280,983	11,250	269,733
City of Eugene Rehabilitation Loan			
Original amount \$206,000, interest at 3.5%, annual payment \$12,046, secured by property	126,930	8,008	118,922
City of Eugene Rehabilitation Loan			
Original amount \$250,000, interest at 2.0%, annual payment \$15,144, secured by property	250,000	6,802	243,198
	657,913	26,060	631,853

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

	Balance September 30, 2008	Principal Retirement	Balance September 30, 2009
Notes Payable - Continued:			
CSA Program:			
Umpqua Bank, original amount \$120,000, interest at 7.75%, annual payment \$11,882, secured by property	\$ 74,893	\$ 6,200	\$ 68,693
Village Oaks Apartments:			
Siuslaw Bank, original amount \$465,874, interest at 7.5%, annual payment \$50,437, secured by property	157,253	40,000	117,253
Fourteen Pines Apartments:			
Capmark Finance, Inc.			
Original amount \$806,600, interest at 7.5%, annual payment \$60,150, secured by property	209,311	46,986	162,325
City of Eugene Rehabilitation Loan			
Original amount \$750,000, interest at 3.5%, annual payment \$40,414, secured by property	387,961	176,271	211,690
Total	597,272	223,257	374,015
Heeran Center:			
Oregon Housing and Community Services Department			
Original amount \$1,348,349, interest at 3.69%, annual payment \$74,383, secured by property	999,324	38,149	961,175
Oregon Department of Human Resources			
Original amount \$24,500, terms not yet determined	24,500	-	24,500
Total	1,023,824	38,149	985,675
Signpost House:			
City of Eugene Rehabilitation Loan			
Original amount \$127,678, interest at 5.0%, annual payment \$11,112, secured by property	88,462	7,285	81,177
Camas Apartments:			
USDA Rural Development			
Original amount \$191,239, interest at 6.875%, annual payment \$14,882, secured by property	321,549	3,882	317,667
USDA Rural Development			
Original amount \$191,239, interest at 6.875%, annual payment \$14,882, secured by property	174,995	2,691	172,304
Total	496,544	6,573	489,971

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

	Balance September 30, 2008	Principal Retirement	Balance September 30, 2009
Notes Payable - Continued:			
Norsemen Village Apartments:			
USDA Rural Development			
Original amount \$1,079,937, interest at 5.375%, annual payment not yet determined, secured by property	\$ 1,079,037	\$ -	\$ 1,079,037
USDA Rural Development			
Original amount \$191,997, interest at 5.375%, annual payment \$12,953, secured by property	185,467	2,797	182,670
USDA Rural Development			
Original amount \$378,003, interest at 5.375%, annual payment \$26,579, secured by property	362,474	6,652	355,822
USDA Rural Development			
Original amount \$1,191,997, interest at 5.375%, annual payment \$12,953, secured by property	292,497	4,348	288,149
Total	1,919,475	13,797	1,905,678
CSA Program - City of Eugene HOME loan, related to Roosevelt Crossings project - see Note 8	-	(325,852)	325,982
Total	\$ 6,525,340	\$ 157,421	\$ 6,370,776

The annual requirements to amortize all long-term debt outstanding as of September 30, 2009 are as follows:

Firwood Apartments Revenue Bonds, Series A

Fiscal Years Ending	Principal	Interest	Total
September 30, 2010	\$ 35,000	\$ 41,329	\$ 76,329
September 30, 2011	40,000	38,910	78,910
September 30, 2012	40,000	36,300	76,300
September 30, 2013	45,000	33,495	78,495
September 30, 2014	45,000	30,525	75,525
September 30, 2015-2019	290,000	99,388	389,388
September 30, 2020-2024	145,000	9,882	154,882
Total	\$ 640,000	\$ 289,829	\$ 929,829

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

Firwood Apartments Revenue Bonds, Series B

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 20,000	\$ 10,720	\$ 30,720
September 30, 2011	20,000	9,380	29,380
September 30, 2012	20,000	8,040	28,040
September 30, 2013	20,000	6,700	26,700
September 30, 2014	25,000	5,193	30,193
September 30, 2015-2019	<u>65,000</u>	<u>5,863</u>	<u>70,863</u>
Total	<u>\$ 170,000</u>	<u>\$ 45,896</u>	<u>\$ 215,896</u>

Abbie Lane Apartments - OHCS

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 3,326	\$ 131	\$ 3,457
September 30, 2011	3,336	121	3,457
September 30, 2012	3,345	112	3,457
September 30, 2013	3,353	104	3,457
September 30, 2014	3,361	95	3,456
September 30, 2015-2019	16,933	351	17,284
September 30, 2020-2024	17,146	138	17,284
September 30, 2025-2029	<u>2,303</u>	<u>2</u>	<u>2,305</u>
Total	<u>\$ 53,103</u>	<u>\$ 1,054</u>	<u>\$ 54,157</u>

Abbie Lane Apartments - OHCS

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	56,303	5,870	62,173
September 30, 2011	<u>50,131</u>	<u>1,681</u>	<u>51,812</u>
Total	<u>\$ 106,434</u>	<u>\$ 7,551</u>	<u>\$ 113,985</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

Abbie Lane Apartments – City of Eugene Rehabilitation Loan

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 13,866	\$ 8,274	\$ 22,140
September 30, 2011	14,146	7,994	22,140
September 30, 2012	14,431	7,709	22,140
September 30, 2013	14,722	7,418	22,140
September 30, 2014	15,020	7,120	22,140
September 30, 2015-2019	79,770	30,930	110,700
September 30, 2020-2024	88,152	22,548	110,700
September 30, 2025-2029	97,415	13,285	110,700
September 30, 2030-2034	<u>82,520</u>	<u>3,310</u>	<u>85,830</u>
Total	<u>\$ 420,042</u>	<u>\$ 108,588</u>	<u>\$ 528,630</u>

Firwood Apartments – Ralph Greenhoot

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 11,825	\$ 13,218	\$ 25,043
September 30, 2011	11,430	12,613	25,043
September 30, 2012	13,066	11,977	25,043
September 30, 2013	13,735	11,308	25,043
September 30, 2014	14,437	10,606	25,043
September 30, 2015-2019	84,052	41,165	125,217
September 30, 2020-2024	107,868	17,348	125,216
September 30, 2025-2029	<u>12,320</u>	<u>181</u>	<u>12,501</u>
Total	<u>\$ 269,733</u>	<u>\$ 118,416</u>	<u>\$ 388,149</u>

Firwood Apartments – City of Eugene Rehabilitation Loan

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 8,012	\$ 4,035	\$ 12,047
September 30, 2011	8,297	3,750	12,047
September 30, 2012	8,592	3,454	12,046
September 30, 2013	8,898	3,149	12,047
September 30, 2014	9,214	2,832	12,046
September 30, 2015-2019	52,225	9,007	60,232
September 30, 2020-2024	<u>24,684</u>	<u>968</u>	<u>25,652</u>
Total	<u>\$ 118,922</u>	<u>\$ 27,195</u>	<u>\$ 146,117</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

Firwood Apartments – City of Eugene Rehabilitation Loan

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 10,375	\$ 4,769	\$ 15,144
September 30, 2011	10,584	4,560	15,144
September 30, 2012	10,798	4,346	15,144
September 30, 2013	11,016	4,128	15,144
September 30, 2014	11,238	3,906	15,144
September 30, 2015-2019	59,686	16,034	75,720
September 30, 2020-2024	65,958	9,762	75,720
September 30, 2025-2029	<u>63,543</u>	<u>2,881</u>	<u>66,424</u>
Total	<u>\$ 243,198</u>	<u>\$ 50,386</u>	<u>\$ 293,548</u>

CSA Program – Umpqua Bank

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 6,796	\$ 5,086	\$ 11,882
September 30, 2011	7,342	4,540	11,882
September 30, 2012	7,931	3,950	11,881
September 30, 2013	8,568	3,313	11,881
September 30, 2014	9,257	2,625	11,882
September 30, 2015-2019	<u>28,799</u>	<u>3,204</u>	<u>32,003</u>
Total	<u>\$ 68,693</u>	<u>\$ 22,718</u>	<u>\$ 91,411</u>

Village Oaks Apartments – Siuslaw Bank

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	43,105	7,332	50,437
September 30, 2011	46,451	3,986	50,437
September 30, 2012	<u>27,697</u>	<u>677</u>	<u>28,374</u>
Total	<u>\$ 117,253</u>	<u>\$ 11,995</u>	<u>\$ 129,248</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

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

<u>Fiscal Year</u>	<u>Amount</u>
2010	31,326
2011	31,132
2012	<u>20,706</u>
Total	<u>\$ 83,164</u>

Fourteen Pines Apartments – Capmark Finance, Inc.

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	50,383	9,767	60,150
September 30, 2011	54,025	6,124	60,149
September 30, 2012	<u>57,917</u>	<u>2,219</u>	<u>60,136</u>
Total	<u>\$ 162,325</u>	<u>\$ 18,110</u>	<u>\$ 180,435</u>

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

<u>Fiscal Year</u>	<u>Amount</u>
2010	35,810
2011	35,810
2012	<u>35,675</u>
Total	<u>\$ 107,295</u>

Fourteen Pines Apartments – City of Eugene Rehabilitation Loan

<u>Fiscal Years Ending</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 33,540	\$ 6,875	\$ 40,415
September 30, 2011	34,732	5,682	40,414
September 30, 2012	35,968	4,446	40,414
September 30, 2013	37,247	3,167	40,414
September 30, 2014	38,572	1,842	40,414
September 30, 2015-2019	<u>31,631</u>	<u>489</u>	<u>32,120</u>
Total	<u>\$ 211,690</u>	<u>\$ 22,501</u>	<u>\$ 234,191</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

Heeran Center – Oregon Housing and Community Services Department

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 39,581	\$ 34,802	\$ 74,383
September 30, 2011	41,066	33,317	74,383
September 30, 2012	42,607	31,776	74,383
September 30, 2013	44,207	31,176	74,383
September 30, 2014	45,866	28,517	74,383
September 30, 2015-2019	256,478	115,438	371,916
September 30, 2020-2024	308,357	63,559	371,916
September 30, 2025-2029	<u>183,013</u>	<u>9,143</u>	<u>192,156</u>
Total	<u>\$ 961,175</u>	<u>\$ 347,728</u>	<u>\$ 1,308,903</u>

Signpost House – City of Eugene Rehabilitation Loan

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 7,217	\$ 3,895	\$ 11,112
September 30, 2011	7,587	3,525	11,112
September 30, 2012	7,975	3,137	11,112
September 30, 2013	8,383	2,729	11,112
September 30, 2014	8,811	2,301	11,112
September 30, 2015-2019	<u>41,204</u>	<u>4,465</u>	<u>45,669</u>
Total	<u>\$ 81,177</u>	<u>\$ 20,052</u>	<u>\$ 101,229</u>

Camas Apartments – USDA Rural Development

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 4,522	\$ 21,699	\$ 26,221
September 30, 2011	4,843	21,378	26,221
September 30, 2012	5,187	21,034	26,221
September 30, 2013	5,554	20,667	26,221
September 30, 2014	5,949	20,272	26,221
September 30, 2015-2019	36,706	94,398	131,104
September 30, 2020-2024	51,714	79,391	131,105
September 30, 2025-2029	72,856	58,248	131,104
September 30, 2030-2034	102,643	28,461	131,304
September 30, 2035-2039	<u>27,693</u>	<u>1,140</u>	<u>28,833</u>
Total	<u>\$ 317,667</u>	<u>\$ 366,688</u>	<u>\$ 684,355</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

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>
2010	\$ 14,322
2011	14,322
2012	14,322
2013	14,322
2014	14,322
Thereafter	<u>285,243</u>
Total	<u>\$ 356,853</u>

Camas Apartments – USDA Rural Development

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 3,134	\$ 11,748	\$ 14,882
September 30, 2011	3,356	11,526	14,882
September 30, 2012	3,595	11,288	14,883
September 30, 2013	3,850	11,033	14,883
September 30, 2014	4,123	10,760	14,883
September 30, 2015-2019	25,440	40,972	74,412
September 30, 2020-2024	35,841	38,571	74,412
September 30, 2025-2029	50,494	23,918	74,412
September 30, 2030-2034	<u>42,471</u>	<u>4,942</u>	<u>47,413</u>
Total	<u>\$ 172,304</u>	<u>\$ 172,758</u>	<u>\$ 345,062</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>
2010	7,782
2011	7,782
2012	7,782
2013	7,782
2014	7,782
Thereafter	<u>140,734</u>
Total	<u>\$ 171,862</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

Norsemen Village Apartments – USDA Rural Development

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 3,213	\$ 9,740	\$ 12,953
September 30, 2011	3,390	9,563	12,953
September 30, 2012	3,576	9,376	12,952
September 30, 2013	3,773	9,179	12,952
September 30, 2014	3,981	8,972	12,953
September 30, 2015-2019	23,448	41,315	64,763
September 30, 2020-2024	30,659	34,104	64,763
September 30, 2025-2029	40,088	24,675	64,763
September 30, 2030-2034	52,417	12,346	64,763
September 30, 2035-2039	<u>18,125</u>	<u>762</u>	<u>30,758</u>
Total	<u>\$ 182,670</u>	<u>\$ 160,032</u>	<u>\$ 342,702</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>
2010	\$ 5,503
2011	5,503
2012	5,503
2013	5,503
2014	5,503
Thereafter	<u>117,410</u>
Total	<u>\$ 144,925</u>

Norsemen Village Apartments – USDA Rural Development

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 7,640	\$ 18,939	\$ 26,579
September 30, 2011	8,061	18,518	26,579
September 30, 2012	8,505	18,074	26,579
September 30, 2013	8,974	17,605	26,579
September 30, 2014	9,468	17,111	26,579
September 30, 2015-2019	55,765	77,131	132,896
September 30, 2020-2024	72,915	59,981	132,896
September 30, 2025-2029	95,339	37,557	132,896
September 30, 2030-2034	<u>89,155</u>	<u>9,378</u>	<u>122,897</u>
Total	<u>\$ 355,822</u>	<u>\$ 274,294</u>	<u>\$ 630,116</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

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>
2010	\$ 11,910
2011	11,910
2012	11,190
2013	11,190
2014	11,190
Thereafter	<u>259,043</u>
Total	<u>\$ 319,313</u>

Norsemen Village Apartments -- USDA Rural Development

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 4,993	\$ 15,366	\$ 20,359
September 30, 2011	5,269	15,091	20,360
September 30, 2012	5,559	14,801	20,360
September 30, 2013	5,865	14,495	20,360
September 30, 2014	6,188	14,171	20,359
September 30, 2015-2019	36,446	65,351	101,797
September 30, 2020-2024	47,655	54,143	101,798
September 30, 2025-2029	62,311	39,487	101,798
September 30, 2030-2034	81,474	20,324	101,798
September 30, 2035-2039	<u>32,389</u>	<u>1,545</u>	<u>33,943</u>
Total	<u>\$ 288,149</u>	<u>\$ 254,774</u>	<u>\$ 542,923</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>
2010	\$ 8,651
2011	8,651
2012	8,651
2013	8,651
2014	8,651
Thereafter	<u>186,705</u>
Total	<u>\$ 229,960</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 9. LONG TERM DEBT - CONTINUED:

Total future requirements for all long-term debt are shown below:

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2010	\$ 362,831	\$ 233,595	\$ 596,426
September 30, 2011	375,046	212,259	587,305
September 30, 2012	316,749	192,716	509,465
September 30, 2013	243,145	179,666	422,811
September 30, 2014	255,485	166,848	422,333
September 30, 2015-2019	1,182,583	653,501	1,836,084
September 30, 2020-2024	995,949	390,395	1,386,344
September 30, 2025-2029	679,682	209,377	889,059
September 30, 2030-2034	450,680	78,761	529,441
September 30, 2035-2039	78,207	3,447	81,654
Undetermined	<u>1,430,419</u>	<u>-</u>	<u>1,430,419</u>
Total	<u>\$ 6,370,776</u>	<u>\$ 2,320,565</u>	<u>\$ 8,691,341</u>

NOTE 10. LINE OF CREDIT:

HACSA borrowed \$1,000,000 on a short-term line of credit from Siuslaw Bank. The agreement, dated January 9, 2009, had a maturity date of January 1, 2010, and called for interest at a variable rate, originally at 6%. The maturity date was subsequently extended and the loan was paid in full during June, 2010.

NOTE 11. TENANT SECURITY DEPOSITS:

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

Public Housing	\$ 170,053
Abbie Lane Apartments	4,071
Village Oaks	23,900
Fourteen Pines	13,068
Richardson Bridge Apartments	15,782
Firwood Apartments	21,310
Signpost House	1,010
Camas Apartments	15,019
Norsemen Village Apartments	<u>9,924</u>
Total	<u>\$ 274,137</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

NOTE 12. RISK MANAGEMENT:

HACSA is exposed to various risks of loss related to errors and omissions, automobiles, damage to and destruction of assets, bodily injury, and workers' compensation. HACSA has obtained insurance from the Housing Authorities Risk Retention Pool to cover all risks except for workers' compensation and flood coverage. Those risks are covered by commercial insurance. There has been no significant reduction in coverage from the prior year, and settled claims have not exceeded the level of coverage in the past three years.

NOTE 13. PENSION PLAN:

HACSA has a defined contribution plan established under Section 401(k) of the Internal Revenue Code, covering substantially all employees working half-time or more after six months of service. The Agency makes a contribution of twelve percent of covered compensation, and employees have the option of making salary deferral contributions up to fifty percent of compensation, subject to the dollar limits specified in the Internal Revenue Code. The employer contribution for the year ended September 30, 2009 was \$408,287.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

COMBINED STATEMENT OF NET ASSETS

September 30, 2009

	Public Housing	Section 8 Housing Choice Vouchers	Section 8 New Construction and Section 236 Housing	Community Development	Total
ASSETS:					
Current Assets:					
Cash and cash equivalents	\$ 1,037,917	\$ 998,412	\$ 48	\$ 295,761	\$ 2,332,138
Accounts receivable:					
HUD	203,469	-	-	200,498	403,967
Grants	-	-	-	579,816	579,816
Tenants	32,193	-	7,560	22,679	62,432
Other	1,870	10,542	-	1,323,826	1,336,238
Investments	1,200,000	-	-	2,548,272	3,748,272
Prepaid expenses	11,662	-	5,635	36,811	54,108
Inventories	48,811	-	4,980	920	54,711
Due from other programs	570,014	986,744	22,140	1,881,373	3,460,271
Total Current Assets	3,105,936	1,995,698	40,363	6,889,956	12,031,953
Restricted Assets:					
Cash and cash equivalents	170,053	-	41,115	28,508	239,676
Investments	-	-	755,722	1,584,142	2,339,864
FSS escrow deposits	168,830	162,980	-	-	331,810
Total Restricted Assets	338,883	162,980	796,837	1,612,650	2,911,350
Fixed Assets, Net of Depreciation	17,836,379	10,108	6,380,796	8,724,965	32,952,248
Other Assets:					
Loans receivable	-	-	-	4,947,655	4,947,655
Investments in limited partnerships	-	-	-	1,623,468	1,623,468
Deposits	3,683	-	-	-	3,683
Deferred charges	-	-	-	1,232,894	1,232,894
Unamortized bond discount	-	-	-	13,783	13,783
Total Other Assets	3,683	-	-	7,817,800	7,821,483
Total Assets	\$ 21,284,881	\$ 2,168,786	\$ 7,217,996	\$ 25,045,371	\$ 55,717,034
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 336,293	\$ 137,249	\$ 24,429	\$ 641,505	\$ 1,139,476
Tenant security deposits	170,053	-	41,039	63,045	274,137
Deferred revenue	160,307	29,000	-	605,480	794,787
Due to other programs	398,902	37,740	94,134	2,929,495	3,460,271
Line of credit	-	-	-	1,000,000	1,000,000
Current portion of long-term liabilities	-	-	200,523	162,308	362,831
Total current liabilities	1,065,555	203,989	360,125	5,401,833	7,031,502
Long-Term Liabilities:					
FSS escrow deposits	168,830	162,980	-	-	331,810
Loans and bonds payable	-	-	870,324	5,137,621	6,007,945
Total Long-Term Liabilities	168,830	162,980	870,324	5,137,621	6,339,755
Total Liabilities	1,234,385	366,969	1,230,449	10,539,454	13,371,257
NET ASSETS:					
Invested in capital assets, net of related debt	17,836,379	10,108	5,309,950	2,425,037	25,581,474
Restricted	-	1,228,059	755,722	1,587,973	3,571,754
Unrestricted	2,214,117	563,650	(78,125)	10,492,907	13,192,549
	20,050,496	1,801,817	5,987,547	14,505,917	42,345,777
Total liabilities and net assets	\$ 21,284,881	\$ 2,168,786	\$ 7,217,996	\$ 25,045,371	\$ 55,717,034

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

PUBLIC HOUSING

STATEMENT OF NET ASSETS

For the Year Ended September 30, 2009

	Projects						ROSS	Central Office Cost Center	Total
	AMP 100	AMP 200	AMP 300	AMP 400	AMP 500	AMP 600			
ASSETS:									
Current Assets:									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,037,917	\$ 1,037,917
Accounts receivable:									
HUD	4,025	54,555	52,266	13,931	22,559	12,972	32,560	10,601	203,469
Tenants	930	18,970	9,194	1,793	964	342	-	-	32,193
Other	69	381	470	173	164	184	-	429	1,870
Investments	43,300	250,200	308,500	113,300	107,600	120,400	-	254,700	1,200,000
Prepaid expenses	-	-	-	-	-	-	-	11,662	11,662
Inventories	-	4,890	5,813	1,833	1,359	2,148	-	32,768	48,811
Due from other programs	-	55,121	-	116,483	6,015	-	-	392,395	570,014
Total Current Assets	50,324	384,117	376,243	247,513	138,661	136,046	32,560	1,740,472	3,105,936
Restricted Assets:									
Cash and cash equivalents	8,605	63,278	55,130	16,490	16,675	9,875	-	-	170,053
FSS escrow deposits	4,559	50,581	74,933	11,865	26,892	-	-	-	168,830
Total Restricted Assets	13,164	113,859	130,063	28,355	43,567	9,875	-	-	338,883
Fixed Assets - Net of Depreciation	2,679,518	4,044,561	4,884,077	1,735,616	1,759,789	2,193,536	-	539,282	17,836,379
Other Assets:									
Deposits	-	-	-	-	-	-	-	3,683	3,683
Total Assets	\$ 2,743,006	\$ 4,542,537	\$ 5,390,383	\$ 2,011,484	\$ 1,942,017	\$ 2,339,457	\$ 32,560	\$ 2,283,437	\$ 21,284,881
LIABILITIES:									
Current Liabilities:									
Accounts payable and accrued liabilities	\$ 9,330	\$ 60,320	\$ 41,863	\$ 38,688	\$ 22,081	\$ 22,399	\$ -	\$ 141,612	\$ 336,293
Tenant security deposits	8,605	63,278	55,130	16,490	16,675	9,875	-	-	170,053
Deferred revenue	4,025	54,555	52,266	13,931	22,558	12,972	-	-	160,307
Due to other programs	16,356	18,134	69,756	10,699	6,624	8,690	32,560	236,083	398,902
Total Current Liabilities	38,316	196,287	219,015	79,808	67,938	53,936	32,560	377,695	1,065,555
Long-Term Liabilities:									
FSS escrow deposits	4,559	50,581	74,933	11,865	26,892	-	-	-	168,830
Total Liabilities	42,875	246,868	293,948	91,673	94,830	53,936	32,560	377,695	1,234,385
NET ASSETS:									
Invested in capital assets, net of related debt	2,679,518	4,044,561	4,884,077	1,735,616	1,759,789	2,193,536	-	539,282	17,836,379
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	20,613	251,108	212,358	184,195	87,398	91,885	-	1,366,460	2,214,117
Total Net Assets	2,700,131	4,295,669	5,096,435	1,919,811	1,847,187	2,285,521	-	1,905,742	20,050,496
Total Liabilities and Net Assets	\$ 2,743,006	\$ 4,542,537	\$ 5,390,383	\$ 2,011,484	\$ 1,942,017	\$ 2,339,457	\$ 32,560	\$ 2,283,437	\$ 21,284,881

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

HUD SECTION 8 NEW CONSTRUCTION AND SECTION 236 HOUSING

STATEMENT OF NET ASSETS

For the Year Ended September 30, 2009

	Abbie Lane Apartments	Village Oaks Apartments	Fourteen Pines Apartments	Total
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 48	\$ -	\$ -	\$ 48
Accounts receivable:				
Tenants	5,365	(1,331)	3,526	7,560
Other	-	-	-	-
Prepaid expenses	1,530	-	4,105	5,635
Inventories	1,012	3,060	908	4,980
Due from other programs	22,140	-	-	22,140
Total Current Assets	30,095	1,729	8,539	40,363
Restricted Assets:				
Cash and cash equivalents	\$ 4,147	23,900	13,068	41,115
Investments	162,919	197,191	395,612	755,722
Total Restricted Assets	167,066	221,091	408,680	796,837
Fixed Assets - Net of Depreciation	1,187,834	2,208,682	2,984,280	6,380,796
Total Assets	\$ 1,384,995	\$ 2,431,502	\$ 3,401,499	\$ 7,217,996
LIABILITIES:				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 7,851	\$ 8,913	\$ 7,665	\$ 24,429
Tenant security deposits	4,071	23,900	13,068	41,039
Due to other programs	64,588	19,028	10,518	94,134
Current portion of long-term liabilities	73,495	43,105	83,923	200,523
Total Current Liabilities	150,005	94,946	115,174	360,125
Long-Term Liabilities:				
Loans payable	506,084	74,148	290,092	870,324
Total Liabilities	656,089	169,094	405,266	1,230,449
NET ASSETS:				
Invested in capital assets, net of related debt	608,257	2,091,428	2,610,265	5,309,950
Restricted	162,919	197,191	395,612	755,722
Unrestricted	(42,270)	(26,211)	(9,644)	(78,125)
Total Net Assets	728,906	2,262,408	2,996,233	5,987,547
Total Liabilities and Net Assets	\$ 1,384,995	\$ 2,431,502	\$ 3,401,499	\$ 7,217,996

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

COMMUNITY DEVELOPMENT

STATEMENT OF NET ASSETS

For the Year Ended September 30, 2009

	Agency Program	CSA Programs	Richardson Bridge Apartments	Finwood Apartments	Hoeran Center	Signpost House	Camas Apartments	Norseman Village Apartments	Total
ASSETS:									
Current Assets:									
Cash and cash equivalents	\$ -	\$ 205,960	\$ 60,982	\$ 50	\$ -	\$ -	\$ 28,377	\$ 392	\$ 295,761
Accounts receivable:									
HUD	-	200,498	-	-	-	-	-	-	200,498
Grants	-	579,816	-	-	-	-	-	-	579,816
Tenants	-	-	2,336	(1,518)	4,000	-	7,128	10,733	22,679
Other	-	1,280,229	37,467	-	-	6,130	-	-	1,323,826
Investments	2,548,272	-	-	-	-	-	-	-	2,548,272
Prepaid expenses	-	20,435	2,859	6,343	-	-	-	7,174	36,811
Inventories	-	-	-	920	-	-	-	-	920
Due from other programs	12,574	1,575,186	1,550	27,722	226,828	37,513	-	-	1,881,373
Total Current Assets	2,560,846	3,862,124	105,194	33,517	230,828	43,643	35,505	10,299	6,889,956
Restricted Assets:									
Cash and cash equivalents	-	-	-	-	-	-	15,019	13,489	28,508
Investments	205,156	13,975	6,401	207,791	76,723	-	56,886	1,017,210	1,584,142
Total Restricted Assets	205,156	13,975	6,401	207,791	76,723	-	71,905	1,030,699	1,612,650
Fixed Assets - Net of Depreciation	35,813	1,670,803	937,340	2,081,193	1,331,701	649,413	1,113,764	904,938	8,724,965
Other Assets:									
Loans receivable	-	4,947,655	-	-	-	-	-	-	4,947,655
Investments in limited partnerships	-	1,623,468	-	-	-	-	-	-	1,623,468
Deferred charges	-	1,232,894	-	-	-	-	-	-	1,232,894
Bond discounts - net	-	-	-	13,783	-	-	-	-	13,783
Total Other Assets	-	7,804,017	-	13,783	-	-	-	-	7,817,800
Total Assets	\$ 2,801,815	\$ 13,350,919	\$ 1,048,935	\$ 2,336,284	\$ 1,639,252	\$ 693,056	\$ 1,221,174	\$ 1,953,936	\$ 25,045,371
LIABILITIES:									
Current Liabilities:									
Accounts payable and accrued liabilities	\$ 474,968	\$ 56,386	\$ 21,230	\$ 27,513	\$ 5,260	\$ 299	\$ 9,525	\$ 46,324	\$ 641,505
Tenant security deposits	-	-	15,782	21,310	-	1,010	15,019	9,924	63,045
Deferred revenue	-	603,480	2,000	-	-	-	-	-	605,480
Due to other programs	803,078	982,333	1,067,515	-	-	-	69,327	7,242	2,929,495
Line of credit	-	1,000,000	-	-	-	-	-	-	1,000,000
Current portion of long-term liabilities	-	6,796	-	85,212	39,581	7,217	7,636	15,846	162,308
Total Current Liabilities	1,278,046	2,648,995	1,106,527	134,035	44,841	8,526	101,527	79,336	5,401,833
Long-Term Liabilities:									
Loans payable	-	387,879	-	1,356,640	946,094	73,960	482,316	1,890,732	5,137,621
Total Liabilities	1,278,046	3,036,874	1,106,527	1,490,675	990,935	82,486	583,843	1,970,068	10,539,454
NET ASSETS:									
Invested in capital assets, net of related debt	35,813	276,129	937,340	639,341	346,026	568,236	623,792	(1,001,640)	2,425,037
Restricted	205,156	13,975	6,401	207,791	76,723	-	56,886	1,021,041	1,587,973
Unrestricted	1,282,800	10,023,941	(1,001,333)	(1,523)	225,568	42,334	(43,347)	(35,533)	10,492,907
Total Net Assets	1,523,769	10,314,045	(57,592)	845,609	648,317	610,570	637,331	(16,132)	14,505,917
Total Liabilities and Net Assets	\$ 2,801,815	\$ 13,350,919	\$ 1,048,935	\$ 2,336,284	\$ 1,639,252	\$ 693,056	\$ 1,221,174	\$ 1,953,936	\$ 25,045,371

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY
COMBINED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2009

	Public Housing	Section 8 Housing Choice Vouchers	Section 8 New Construction and Section 236 Housing	Community Development	Total
OPERATING INCOME.					
Dwelling rent	\$ 1,667,859	\$ -	\$ 457,744	\$ 1,017,689	\$ 3,143,292
Management and administration fees	1,426,158	-	-	-	1,426,158
Housing assistance grants	-	12,364,655	-	-	12,364,655
Operating grants	2,155,611	2,083,024	-	2,611,794	6,850,429
HUD subsidy income	-	-	579,896	-	579,896
Other income	70,410	9,229	24,411	369,347	473,397
Total operating income	5,320,038	14,456,908	1,062,051	3,998,830	24,837,827
OPERATING EXPENSES:					
Administration	2,339,353	1,922,513	277,966	1,024,670	5,564,502
Asset management fee	84,360	-	-	-	84,360
Tenant services	66,375	-	1,352	62	67,789
Utilities	494,837	-	96,918	109,163	700,918
Ordinary maintenance	1,772,134	7,621	398,753	2,200,562	4,379,070
Protective services	21,777	-	5,610	-	27,387
General expense	219,833	12,519	18,414	65,691	316,457
Non-routine maintenance	12,735	-	-	-	12,735
Housing assistance payments	-	13,613,540	-	333,407	13,946,947
Depreciation	768,712	4,897	164,740	247,413	1,185,762
Total operating expenses	5,780,116	15,561,090	963,753	3,980,968	26,285,927
Net operating income (loss)	(460,078)	(1,104,182)	98,298	17,862	(1,448,100)
NON-OPERATING INCOME (EXPENSE):					
Investment income	17,399	22,022	7,911	228,623	275,955
Interest expense	-	-	(42,678)	(245,428)	(288,106)
Transfers	-	-	(9,440)	9,440	-
Capital grants	536,581	-	-	167,411	703,992
Net non-operating income (expense)	553,980	22,022	(44,207)	160,046	691,841
Net income (loss)	93,902	(1,082,160)	54,091	177,908	(756,259)
Net assets, beginning of year	19,956,594	2,883,977	5,933,456	14,328,009	43,102,036
Net assets, end of year	\$ 20,050,496	\$ 1,801,817	\$ 5,987,547	\$ 14,505,917	\$ 42,345,777

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

PUBLIC HOUSING

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2009

	Projects						ROSS	Central Office Cost Center	Total
	AMP 100	AMP 200	AMP 300	AMP 400	AMP 500	AMP 600			
OPERATING INCOME:									
Dwelling rent	\$ 89,154	\$ 498,431	\$ 274,359	\$ 404,784	\$ 209,374	\$ 191,757	\$ -	\$ -	\$ 1,667,859
Management and administration fees	-	-	-	-	-	-	-	1,426,158	1,426,158
Operating grants	105,011	570,743	440,858	340,691	260,409	245,161	65,520	127,218	2,155,611
Other income	3,804	24,166	17,364	11,325	5,153	8,598	-	-	70,410
Total operating income	197,969	1,093,340	732,581	756,800	474,936	445,516	65,520	1,553,376	5,320,038
OPERATING EXPENSES:									
Administration	43,880	327,291	198,047	245,898	144,060	134,799	65,520	1,179,858	2,339,353
Asset management fee	3,600	25,680	15,360	17,880	10,680	11,160	-	-	84,360
Tenant services	(732)	21,401	12,742	15,024	8,689	9,251	-	-	66,375
Utilities	27,933	112,958	17,377	159,603	88,235	65,406	-	23,325	494,837
Ordinary maintenance	72,966	408,044	430,909	174,532	183,020	198,688	-	303,975	1,772,134
Protective services	2,875	11,428	-	3,527	1,163	2,784	-	-	21,777
General expense	10,974	70,852	45,802	37,817	22,550	24,710	-	7,128	219,833
Non-routine maintenance	-	6,535	4,600	-	1,600	-	-	-	12,735
Depreciation	46,253	209,822	206,363	98,253	76,867	97,466	-	33,688	768,712
Total operating expenses	207,749	1,194,011	931,200	752,534	536,864	544,264	65,520	1,547,974	5,780,116
Net operating income (loss)	(9,780)	(100,671)	(198,619)	4,266	(61,928)	(98,748)	-	5,402	(460,078)
NON-OPERATING INCOME (EXPENSE):									
Investment income	485	3,455	2,099	2,423	1,453	1,518	-	5,966	17,399
Capital grants	68,076	80,562	112,724	14,736	28,039	232,444	-	-	536,581
Net non-operating income (expense)	68,561	84,017	114,823	17,159	29,492	233,962	-	5,966	553,980
Net income (loss)	58,781	(16,654)	(83,796)	21,425	(32,436)	135,214	-	11,368	93,902
Net assets, beginning of year	2,641,350	4,312,323	5,180,231	1,898,386	1,879,623	2,150,307	-	1,894,374	19,956,594
Net assets, end of year	\$ 2,700,131	\$ 4,295,669	\$ 5,096,435	\$ 1,919,811	\$ 1,847,187	\$ 2,285,521	\$ -	\$ 1,905,742	\$ 20,050,496

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

HUD SECTION 8 NEW CONSTRUCTION AND SECTION 236 HOUSING

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2009

	Abbie Lane Apartments	Village Oaks Apartments	Fourteen Pines Apartments	Total
OPERATING INCOME:				
Dwelling rent	\$ 37,228	\$ 288,677	\$ 131,839	\$ 457,744
HUD subsidy income	200,252	68,704	310,940	579,896
Other income	3,411	10,933	10,067	24,411
Total operating income	240,891	368,314	452,846	1,062,051
OPERATING EXPENSES:				
Administration	49,295	108,703	119,968	277,966
Tenant services	49	707	596	1,352
Utilities	17,741	49,120	30,057	96,918
Ordinary maintenance	72,947	156,927	168,879	398,753
Protective services	-	5,610	-	5,610
General expense	12,983	4,370	1,061	18,414
Depreciation	43,528	50,909	70,303	164,740
Total operating expenses	196,543	376,346	390,864	963,753
Net operating income (loss)	44,348	(8,032)	61,982	98,298
NON-OPERATING INCOME (EXPENSE):				
Investment income	3,039	3,197	1,675	7,911
Interest expense	(15,661)	(10,437)	(16,580)	(42,678)
Transfers	-	(640)	(8,800)	(9,440)
Net non-operating income (expense)	(12,622)	(7,880)	(23,705)	(44,207)
Net income (loss)	31,726	(15,912)	38,277	54,091
Net assets, beginning of year	697,180	2,278,320	2,957,956	5,933,456
Net assets, end of year	\$ 728,906	\$ 2,262,408	\$ 2,996,233	\$ 5,987,547

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

COMMUNITY DEVELOPMENT

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2009

	Agency Program	CSA Programs	Richardson Bridge Apartments	Firwood Apartments	Heeran Center	Signpost House	Camas Apartments	Norsemen Village Apartments	Total
OPERATING INCOME:									
Dwelling rent	\$ -	\$ -	\$ 123,408	\$ 420,650	\$ 177,996	\$ 75,141	\$ 112,009	\$ 106,485	\$ 1,017,689
Operating grants	-	2,358,163	-	-	-	-	95,944	157,687	2,611,794
Other income	31,917	200,627	31,119	10,588	66,865	7,595	9,739	10,897	369,347
Total operating income	31,917	2,558,790	156,527	431,238	244,861	82,736	217,692	275,069	3,998,830
OPERATING EXPENSES:									
Administration	20,206	742,359	23,571	75,945	25,205	15,396	55,601	66,387	1,024,670
Tenant services	-	-	-	62	-	-	-	-	62
Utilities	-	431	14,085	34,519	-	5,881	21,932	32,315	109,163
Ordinary maintenance	-	1,759,631	98,177	125,675	43,939	29,018	75,032	69,090	2,200,562
General expense	-	7,636	2,782	47,885	1,994	748	2,735	1,911	65,691
Housing assistance payments	-	333,407	-	-	-	-	-	-	333,407
Depreciation	11,326	4,431	53,173	64,163	30,003	14,209	21,956	48,152	247,413
Total operating expenses	31,532	2,847,895	191,788	348,249	101,141	65,252	177,256	217,855	3,980,968
Net operating income (loss)	385	(289,105)	(35,261)	82,989	143,720	17,484	40,436	57,214	17,862
NON-OPERATING INCOME (EXPENSE):									
Investment income	41,270	184,174	152	1,409	1,043	-	149	426	228,623
Interest expense	-	(26,939)	(22,483)	(77,283)	(36,176)	(3,827)	(33,914)	(44,806)	(245,428)
Transfers	-	9,440	-	-	-	-	-	-	9,440
Capital grants	-	167,411	-	-	-	-	-	-	167,411
Net non-operating income (expense)	41,270	334,086	(22,331)	(75,874)	(35,133)	(3,827)	(33,765)	(44,380)	160,046
Net income (loss)	41,655	44,981	(57,592)	7,115	108,587	13,657	6,671	12,834	177,908
Net assets, beginning of year	1,482,114	10,269,064	-	838,494	539,730	596,913	630,660	(28,966)	14,328,009
Net assets, end of year	\$ 1,523,769	\$ 10,314,045	\$ (57,592)	\$ 845,609	\$ 648,317	\$ 610,570	\$ 637,331	\$ (16,132)	\$ 14,505,917

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

COMMUNITY DEVELOPMENT
CSA PROGRAMS

STATEMENT OF REVENUE AND EXPENSES

For the Year Ended September 30, 2009

	HUD Grant Programs	Weatherization Programs	Other Programs	Total
OPERATING INCOME:				
Operating grants	\$ 363,748	\$ 1,994,415	\$ -	\$ 2,358,163
Other income	-	-	200,627	200,627
Total operating income	363,748	1,994,415	200,627	2,558,790
OPERATING EXPENSES:				
Administration	28,383	183,030	530,946	742,359
Utilities	-	-	431	431
Ordinary maintenance	-	1,750,031	9,600	1,759,631
General expense	-	5,041	2,595	7,636
Housing assistance payments	333,407	-	-	333,407
Depreciation	455	-	3,976	4,431
Total operating expenses	362,245	1,938,102	547,548	2,847,895
Net operating income (loss)	1,503	56,313	(346,921)	(289,105)
NON-OPERATING INCOME (EXPENSE):				
Investment income	257	-	183,917	184,174
Interest expense	-	-	(26,939)	(26,939)
Transfers	-	-	9,440	9,440
Capital grants	-	-	167,411	167,411
Net non-operating income (expense)	257	-	333,829	334,086
Net income (loss)	\$ 1,760	\$ 56,313	\$ (13,092)	\$ 44,981

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

COMMUNITY DEVELOPMENT
HUD GRANT PROGRAMS

STATEMENT OF REVENUE AND EXPENSES

For the Year Ended September 30, 2009

	Shelter + Care Grant	Neighborhood Network	Total
OPERATING INCOME:			
Operating grants	\$ 362,029	\$ 1,719	\$ 363,748
Total operating income	<u>362,029</u>	<u>1,719</u>	<u>363,748</u>
OPERATING EXPENSES:			
Administration	26,664	1,719	28,383
Tenant services	-	-	-
Utilities	-	-	-
Ordinary maintenance	-	-	-
General expense	-	-	-
Housing assistance payments	333,407	-	333,407
Depreciation	<u>-</u>	<u>455</u>	<u>455</u>
Total operating expenses	<u>360,071</u>	<u>2,174</u>	<u>362,245</u>
Net operating income (loss)	<u>1,958</u>	<u>(455)</u>	<u>1,503</u>
NON-OPERATING INCOME (EXPENSE):			
Investment income	<u>-</u>	<u>257</u>	<u>257</u>
Net non-operating income (expense)	<u>-</u>	<u>257</u>	<u>257</u>
Net income (loss)	<u>\$ 1,958</u>	<u>\$ (198)</u>	<u>\$ 1,760</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

COMMUNITY DEVELOPMENT
WEATHERIZATION PROGRAMS

STATEMENT OF REVENUE AND EXPENSES

For the Year Ended September 30, 2009

	Department of Energy	Department of Energy - ARRA	Low Income Energy Assistance Program	BPA	Utility Weatherization	Total
OPERATING INCOME:						
Operating grants	\$ 404,742	\$ 49,648	\$ 306,612	\$ 454,638	\$ 778,775	\$ 1,994,415
Total operating income	404,742	49,648	306,612	454,638	778,775	1,994,415
OPERATING EXPENSES:						
Administration	34,973	34,306	26,056	44,578	43,117	183,030
Ordinary maintenance	368,753	15,342	279,376	445,984	640,576	1,750,031
General expense	1,016	-	1,180	1,275	1,570	5,041
Total operating expenses	404,742	49,648	306,612	491,837	685,263	1,938,102
Net income (loss)	\$ -	\$ -	\$ -	\$ (37,199)	\$ 93,512	\$ 56,313

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

ACTUAL MODERNIZATION COST CERTIFICATE
COMPLETED PROJECT OR 16P00650106

For the Year Ended September 30, 2009

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called "Actual Modernization Cost") of the Modernization Grant is as shown below:

A. Original Funds Approved	\$ 1,240,517.00
B. Funds Disbursed	\$ 1,240,517.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,240,517.00
D. Amount to be Recaptured (A-C)	0
E. Excess of Funds Disbursed (B-C)	0

2. That all modernization work in connection with the Modernization Grant has been completed,
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged 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; and
5. The time in which such liens could be filed has expired.

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Accounting Records

I found the records of the Housing Authority and Community Services Agency of Lane County to be generally well maintained and adequate for audit purposes.

Internal Control

My reports on internal control and compliance may be found on pages 54-57.

Collateral for Securing Bank Deposits

Collateral securing bank deposits of the Agency was in compliance with the requirements of the statute, ORS Chapter 295. The Agency's deposits were maintained at various banks, all of which are participating institutions in the Oregon Public Funds Collateralization Program. In addition, as required by HUD, collateral is pledged to secure all deposit balances in excess of federal depository insurance.

Indebtedness

Retirement of long-term indebtedness of the Agency is being accomplished within the provisions of the bond indentures loan agreements with the various lenders and agencies. Financing for the debt retirement is provided by certain federal agencies and the debts are secured by mortgages on the properties built and acquired with the proceeds. Legal debt limitations under ORS Chapter 287 are not applicable. No instances of noncompliance with debt covenants were noted.

Budgets

The Agency is exempt for the provisions of Local Budget Law under ORS 294.316(8). No taxes are authorized or being levied for operations or debt retirement. Programs are budgeted within individual divisions and combined into a single consolidated budget. Budgets were prepared and approved in accordance with administrative directives and project grantor requirements.

Insurance and Fidelity Bond Coverage

I examined certain insurance policies relating to the Agency's property and liability coverage and fidelity bonding and made tests to determine that such policies were in force at September 30, 2009 and in compliance with applicable requirements. I am not competent by training to determine if the amounts of the coverage are adequate.

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Programs Funded from Outside Sources

The Agency operated various programs funded wholly or partially from outside sources, primarily governmental agencies. My reports on internal control and compliance under Government Auditing Standards and OMB Circular A-133 appear on pages 54-57.

Investments

The investments of the Agency are all in the State Treasurer's Local Government Investment Pool, Federal Agency securities, or restricted accounts with fiscal agents. Those investments are within the limitations of the Oregon Revised Statutes.

Public Contracting

The Agency was found to be in compliance with the requirements of ORS 279 and the related Oregon Administrative Rules with regard to the awarding of public contracts and the construction of public improvements, for all items tested. Nothing came to my attention to indicate that there were any violations of these rules with respect to items not specifically tested.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2009

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
Housing Choice Vouchers	14.871	14,447,679
Public Housing	14.850	1,926,321
Public Housing Capital Fund	14.872	608,854
Public Housing Capital Fund - American Recovery and Reinvestment Act (ARRA)	14.885	145,928
Shelter Plus Care	14.238	362,029
Resident Opportunity and Supportive Services - Service Coordinators	14.870	65,520
Interest Reduction Payments - Rental and Cooperative Housing for Lower Income Families:		
Village Oaks	14.103	68,704
Fourteen Pines	14.103	310,940
Neighborhood Networks	14.800	1,719
Passed through the City of Eugene:		
HOME Investment Partnerships Program - grants	14.239	167,412
HOME Investment Partnerships Program - loans	14.239	325,982
Passed through Oregon Housing and Community Services Department:		
Section 8 New Construction and Substantial Rehabilitation - Abbie Lane Apartments	14.182	200,252
Total Department of Housing and Urban Development		<u>18,631,340</u>
<u>U.S. Department of Agriculture</u>		
Direct program:		
Rural Rental Assistance Payments - Camas Apartments	10.427	95,944
Rural Rental Assistance Payments - Norsemen Village Apartments	10.427	157,687
Total Department of Agriculture		<u>253,631</u>
<u>U.S. Department of Energy</u>		
Passed through Lane County, Oregon:		
Weatherization Assistance for Low Income Persons	81.042	404,742
Weatherization Assistance for Low Income Persons - ARRA	81.042	49,648
Total Department of Energy		<u>454,390</u>
Total federal programs		<u>\$ 19,339,361</u>

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2009

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing and Community Services Agency of Lane County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK



Bill Maas, CPA

William E. Maas, P.C.
Certified Public Accountant
925 Country Club Road, Suite 101
Eugene, Oregon 97401-2271

Telephone: 541/345-3900 • Fax: 541/345-3358
E-Mail: bmaascpa@msn.com

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

Board of Commissioners
Housing and Community Services Agency of Lane County
Eugene, Oregon

I have audited the financial statements of the Housing and Community Services Agency of Lane County, for the year ended September 30, 2009 and have issued my report thereon dated June 24, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the Agency's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Agency's financial statements that is more than inconsequential will not be prevented or detected by the Agency's internal control.

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

My consideration of internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, the Board of Commissioners, others within the Agency, 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.



Eugene, Oregon
June 24, 2010



Bill Maas, CPA

William E. Maas, P.C.
Certified Public Accountant
925 Country Club Road, Suite 101
Eugene, Oregon 97401-2271

Telephone: 541/345-3900 • Fax: 541/345-3358
E-Mail: bmaascpa@msn.com

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

Board of Commissioners
Housing and Community Services Agency of Lane County
Eugene, Oregon

Compliance

I have audited the compliance of the Housing and Community Services Agency of Lane County 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, 2009. 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 Agency'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, 2009.

Internal Control over Compliance

The management of the HACSA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to

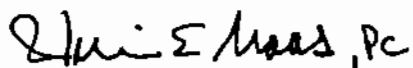
federal programs. In planning and performing my audit, I considered the Agency's internal over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent and detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the organization, 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.

 Eugene E. Maas, PC

Eugene, Oregon
June 24, 2010

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2009

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's opinion issued:	Unqualified
Internal control reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified that are not considered To be material weaknesses?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified that are not considered To be material weaknesses?	No
Type of auditor's report on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in Accordance with section 510(2) of OMB Circular A-133?	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Housing Choice Vouchers	14.871
Public Housing	14.850
Public Housing Capital Fund Program Cluster	14.872, 14.885

The threshold for distinguishing Types A and B programs:	\$ 580,180
--	------------

Auditee qualified as low-risk auditee?	Yes
--	-----

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

PRIOR YEAR AUDIT FINDINGS

None

	OR008000190	OR008000200	OR008000300	OR008000500	OR008000600	OR008000400	Total
111 Cash - Unrestricted							
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted	\$4,559	\$50,561	\$74,933	\$26,882		\$11,865	\$169,830
114 Cash - Tenant Security Deposits	\$8,805	\$83,278	\$55,130	\$18,875	\$9,875	\$18,480	\$170,053
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$13,164	\$113,859	\$130,063	\$43,567	\$9,875	\$29,355	\$338,883
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects	\$4,025	\$54,555	\$32,286	\$22,559	\$12,972	\$13,831	\$160,308
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous							
126 Accounts Receivable - Tenants	\$830	\$18,970	\$9,194	\$984	\$342	\$1,793	\$32,183
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud							
129 Accrued Interest Receivable	\$89	\$381	\$470	\$164	\$184	\$173	\$1,441
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,024	\$73,908	\$51,830	\$23,687	\$13,458	\$15,887	\$193,942
131 Investments - Unrestricted	\$45,300	\$250,200	\$308,500	\$107,800	\$120,400	\$113,300	\$846,300
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets							
143 Inventories							
143.1 Allowance for Obsolete Inventories	\$4,880	\$0	\$5,813	\$1,358	\$2,148	\$1,833	\$18,043
144 Inter Program Due From	\$55,121	\$0	\$0	\$0	\$0	\$0	\$0
145 Assets Held for Sale				\$9,015	\$0	\$16,483	\$177,619
150 Total Current Assets	\$63,488	\$497,676	\$506,308	\$182,228	\$145,021	\$275,668	\$1,671,787
161 Land	\$358,979	\$1,482,160	\$1,024,218	\$450,786	\$589,039	\$987,768	\$4,572,970
162 Buildings	\$3,130,249	\$8,558,887	\$6,481,004	\$3,041,390	\$3,513,834	\$4,548,531	\$29,254,965
163 Furniture, Equipment & Machinery - Dwellings							
164 Furniture, Equipment & Machinery - Administration							
165 Leasehold Improvements	\$50,741	\$290,688	\$227,268	\$145,820		\$152,611	\$145,820
166 Accumulated Depreciation							
167 Construction in Progress	\$1,107,398	\$6,349,410	\$2,863,763	\$1,912,055	\$2,302,174	\$3,688,188	\$18,303,985
168 Infrastructure	\$248,945	\$82,118	\$135,348	\$33,869	\$277,507	\$14,804	\$790,891
169 Total Capital Assets, Net of Accumulated Depreciation	\$2,678,519	\$4,044,561	\$4,894,077	\$1,758,789	\$2,192,538	\$1,735,818	\$17,287,087
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due							
173 Grants Receivable - Non-Current							
174 Other Assets							
178 Investments in Joint Ventures							
180 Total Non-Current Assets	\$2,878,518	\$4,044,561	\$4,894,077	\$1,758,789	\$2,192,538	\$1,735,818	\$17,287,087
190 Total Assets	\$2,743,006	\$4,542,537	\$5,390,383	\$1,942,017	\$2,339,457	\$2,011,484	\$18,968,864

	CR0006000100	CR0006000200	CR0006000300	CR0006000500	CR0006000600	CR0006000400	Total
70300 Net Tenant Rental Revenue	\$89,154	\$486,431	\$274,359	\$209,374	\$181,757	\$404,794	\$1,697,859
70400 Tenant Revenue - Other	\$3,604	\$24,166	\$17,364	\$5,153	\$8,089	\$11,325	\$70,410
70500 Total Tenant Revenue	\$92,858	\$522,597	\$291,723	\$214,527	\$200,355	\$416,109	\$1,768,269
70600 HUD PHA Operating Grants	\$105,011	\$270,743	\$440,659	\$260,409	\$243,151	\$340,891	\$1,662,972
70800 Capital Grants	\$98,078	\$80,563	\$112,724	\$38,039	\$232,444	\$14,736	\$536,581
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fee							
70700 Total Fee Revenue							
70800 Other Government Grants							
71100 Investment Income - Unrestricted	\$495	\$2,405	\$2,088	\$1,453	\$1,519	\$2,423	\$11,453
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery							
71500 Other Revenue							
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
72000 Total Revenue	\$286,530	\$1,177,357	\$947,404	\$504,428	\$879,478	\$773,899	\$4,246,156
81100 Administrative Salaries	\$10,777	\$113,094	\$89,653	\$48,880	\$39,843	\$88,655	\$393,902
81200 Auditing Fees	\$566	\$1,654	\$787	\$554	\$598	\$1,874	\$6,000
81300 Management Fee	\$15,798	\$113,953	\$87,720	\$47,309	\$48,182	\$78,847	\$373,577
81310 Bookkeeping Fee	\$2,648	\$16,133	\$11,370	\$7,843	\$9,259	\$13,373	\$62,725
81400 Advertising and Marketing	\$10	\$217	\$39	\$82	\$33	\$44	\$374
81500 Employee Benefit Contributions - Administrative	\$8,843	\$28,989	\$40,236	\$38,153	\$24,795	\$52,793	\$222,811
81600 Office Expenses	\$8,467	\$8,776	\$9,027	\$8,503	\$10,368	\$10,348	\$53,824
81700 Legal Expenses	\$209	\$394	\$1,462	\$188	\$33	\$297	\$2,267
81800 Travel	\$145	\$253	\$1,381	\$314	\$1,333	\$852	\$4,278
81810 Allocated Overhead							
81900 Other	\$87	\$934	\$391	\$276	\$287	\$512	\$2,167
81900 Total Operating - Administrative	\$43,880	\$327,281	\$199,547	\$144,090	\$134,789	\$245,988	\$1,093,975
82300 Asset Management Fee	\$3,800	\$25,080	\$15,380	\$10,880	\$11,180	\$17,880	\$84,380
82100 Tenant Services - Salaries	\$1,586	\$11,775	\$7,041	\$4,732	\$5,080	\$8,281	\$36,453
82200 Relocation Costs	\$5,394						\$3,584
82300 Employee Benefit Contributions - Tenant Services	\$688	\$8,639	\$3,641	\$2,898	\$2,936	\$4,063	\$21,824
82400 Tenant Services - Other	\$389	\$2,999	\$1,760	\$1,289	\$1,335	\$2,101	\$9,892
82500 Total Tenant Services	\$732	\$21,401	\$12,742	\$8,889	\$9,251	\$15,024	\$60,375
83100 Water	\$9,427	\$32,979	\$8,079	\$18,294	\$22,910	\$13,918	\$100,600
83200 Electricity	\$2,290	\$1,659	\$2,823	\$9,364	\$15,414	\$52,208	\$83,948
83300 Gas					\$1,118	\$69,938	\$94,194
83400 Fuel							
83500 Labor							
83600 Sewer	\$16,246	\$78,121	\$9,475	\$38,420	\$25,993	\$26,539	\$182,794
83700 Employee Benefit Contributions - Utilities							
83800 Other Utilities Expense							
83900 Total Utilities	\$27,833	\$112,858	\$17,377	\$88,235	\$88,406	\$159,803	\$471,512

94100 Ordinary Maintenance and Operations - Labor	\$1,060	\$109,234	\$105,328	\$37,875	\$49,747	\$32,841	\$324,985
94200 Ordinary Maintenance and Operations - Materials and Other	\$6,757	\$52,963	\$42,955	\$14,725	\$23,270	\$18,854	\$160,324
94300 Ordinary Maintenance and Operations Contracts	\$94,840	\$172,980	\$198,668	\$98,315	\$94,457	\$95,585	\$700,985
94500 Employee Benefit Contributions - Ordinary Maintenance	\$208	\$73,857	\$70,826	\$34,305	\$41,214	\$28,272	\$251,785
94000 Total Maintenance	\$72,965	\$408,044	\$430,909	\$183,020	\$188,688	\$174,532	\$1,488,159
95100 Protective Services - Labor	\$2,461	\$9,781		\$895	\$2,385	\$3,018	\$18,640
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services	\$414	\$1,847		\$166	\$359	\$509	\$3,137
95000 Total Protective Services	\$2,875	\$11,428	\$0	\$1,163	\$2,744	\$3,527	\$21,777
96110 Property Insurance	\$2,021	\$17,782	\$11,047	\$8,844	\$8,018	\$13,241	\$61,563
96120 Liability Insurance							
96130 Workmen's Compensation							
96140 All Other Insurance							
96100 Total Insurance Premiums	\$2,021	\$17,782	\$11,047	\$8,844	\$8,018	\$13,241	\$61,563
96200 Other General Expenses							
96210 Compensated Absentees							
96300 Payments in Lieu of Taxes	\$5,122	\$38,847	\$25,898	\$12,114	\$12,835	\$24,518	\$119,634
96400 Bad debt - Tenant Rents	\$2,231	\$14,513	\$9,567	\$1,902	\$4,057	\$58	\$31,908
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Beverage Expenses							
96900 Total Other General Expenses	\$7,353	\$53,360	\$34,755	\$13,706	\$18,892	\$24,576	\$151,142
96710 Interest of Mortgage (or Bonds) Payable							
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs							
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$151,498	\$877,654	\$720,237	\$458,397	\$448,788	\$654,281	\$3,418,863
97000 Excess of Operating Revenue over Operating Expenses	\$105,034	\$199,703	\$127,157	\$46,031	\$232,650	\$118,678	\$630,283
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments							
97350 HAP Portability-In							
97400 Depreciation Expenses	\$48,253	\$208,622	\$228,383	\$78,987	\$97,458	\$80,263	\$735,024
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expenses							
96000 Total Expenses	\$207,749	\$1,184,011	\$881,200	\$538,664	\$544,264	\$732,934	\$4,186,822

10010 Operating Transfer In			\$34,900	\$14,400	\$23,600		\$72,000
10030 Operating Transfer Out	\$0						
10030 Operating Transfer Out							
10030 Operating Transfer from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10081 Inter Project Excess Cash Transfer - In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In							
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$58,781	- \$10,654	- \$83,786	- \$22,438	\$135,214	\$21,425	\$82,534
11020 Required Annual Debt Principal Payments							
11030 Beginning Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of	\$3,841,350	\$4,312,323	\$5,180,231	\$1,879,823	\$2,180,307	\$1,898,358	\$18,063,220
11050 Changes in Compensated Absence Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Servance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity							
11180 Housing Assistance Payments Equity							
11190 Unit Months Available	360	258	1536	1068	1118	1788	8435
11210 Number of Unit Months Leased	336	2530	1478	1042	1081	1773	8237
11270 Excess Cash	\$7,156	\$164,747	\$140,525	\$47,840	\$52,904	\$127,839	\$940,710
11610 Land Purchases	\$0,836	\$63,168	\$0	\$0	\$25,858	\$7,847	\$103,339
11625 Building Purchases	\$38,914	\$8,743	\$12,724	\$33,788	\$212,553	\$6,880	\$414,584
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13601 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	1 Business Activities	14.103 HOE Section 8 Programs	6 Other Federal Program 1	14.071 Housing Choice Vouchers	3 State/Local	14.103 Interest Reduction Payments, Rental and Cooperative Housing for Lower Income	81.043 Weatherization Assistance for Low-income Persons	10.427 Rural Rental Assistance Payments	14.234 Shelter Plus Care	14.070 Resident Opportunity and Supportive Services	14.048 Family Capital Fund Stimulus Grant	Total
111 Cash - Unrestricted	\$296,892	\$43		\$888,412				\$28,798				\$1,204,221
112 Cash - Restricted - Modernization and Development				\$162,840				\$9,331				\$166,831
113 Cash - Other Restricted								\$24,877				\$24,877
114 Cash - Tenant Security Deposits		\$4,147										\$4,147
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	\$296,892	\$4,147	\$0	\$1,051,262	\$0	\$28,808	\$0	\$57,977	\$0	\$0	\$0	\$1,296,024
121 Accounts Receivable - PMA Projects												
122 Accounts Receivable - HUD Other Projects	\$104,228		\$20,193		\$162,877		\$104,228		\$78,078	\$32,500		\$233,056
124 Accounts Receivable - Other Government	\$222,710											\$222,710
125 Accounts Receivable - Miscellaneous	\$833,432											\$833,432
126 Accounts Receivable - Tenants	\$5,303											\$5,303
128.1 Allowance for Doubtful Accounts - Tenants	\$5,303											\$5,303
128.2 Allowance for Doubtful Accounts - Other	\$0											\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
128 Fraud Recovery												
128.1 Allowance for Doubtful Accounts - Fraud												
129 Current Interest Receivable	\$680,384											\$680,384
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,155,263	\$5,306	\$20,193	\$1,051,262	\$162,877	\$2,195	\$104,228	\$17,481	\$78,078	\$32,500	\$0	\$2,470,384
131 Investments - Unrestricted	\$2,548,272	\$162,818	\$21,284			\$162,803		\$1,074,008				\$2,548,272
132 Investments - Restricted												
133 Investments - Restricted for Payment of Current Liability	\$400,762											\$400,762
142 Prepaid Expenses and Other Assets	\$26,037	\$1,315				\$4,106		\$7,174				\$26,037
143 Inventories	\$920	\$1,212				\$3,968						\$920
143.1 Allowance for Obsolete Inventories	\$0	\$0				\$0						\$0
144 Inter Program Due From	\$1,481,373	\$22,140		\$986,744								\$2,489,257
145 Assets Held for Sale												
150 Total Current Assets	\$6,871,358	\$187,161	\$41,457	\$2,158,978	\$162,877	\$840,030	\$104,228	\$1,169,408	\$78,078	\$32,500	\$0	\$11,551,044
161 Land												
162 Buildings	\$2,077,372	\$214,388				\$1,388,337		\$470,406				\$2,769,103
163 Furniture, Equipment & Machinery - Dwellings	\$5,848,948	\$1,882,329	\$20,228			\$5,232,895		\$1,753,861				\$14,886,018
164 Furniture, Equipment & Machinery - Administration	\$31,284	\$17,034										\$48,318
165 Intangible Assets	\$714,801		\$3,525	\$87,841		\$23,400						\$827,167
166 Accumulated Depreciation	\$2,081,347	\$723,921	\$8,328	\$77,535		\$1,441,850		\$238,305				\$4,567,114
167 Construction in Progress												
168 Infrastructure												
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,888,837	\$1,167,334	\$17,428	\$10,708	\$0	\$3,162,862	\$0	\$3,018,702	\$0	\$0	\$0	\$15,115,889
171 Notes, Loans and Mortgages Receivable - Non-Current												
172 Notes, Loans, & Mortgages Receivable - Non-Current - Paid Due	\$1,947,855											\$1,947,855
173 Grants Receivable - Non-Current												
174 Other Assets												
178 Investments in Joint Ventures	\$1,248,677											\$1,248,677
180 Total Non-Current Assets	\$1,248,677	\$1,167,334	\$17,428	\$10,708	\$0	\$3,162,862	\$0	\$3,018,702	\$0	\$0	\$0	\$1,823,469
190 Total Assets	\$8,120,035	\$1,344,895	\$58,883	\$2,169,686	\$162,877	\$5,325,001	\$104,228	\$3,178,110	\$78,078	\$32,500	\$0	\$14,484,713

THIS PAGE INTENTIONALLY LEFT BLANK