

# **Comprehensive Annual Financial Report**



For the year ended  
December 31, 2020

**Washington County Community  
Development Agency**

a component unit of  
Washington County, Minnesota

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**WASHINGTON COUNTY  
COMMUNITY DEVELOPMENT  
AGENCY**  
A component unit of  
Washington County, Minnesota

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended  
December 31, 2020**

**Prepared by:  
Finance Department**

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## **I. INTRODUCTORY SECTION**

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**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**PRINCIPAL OFFICIALS**

December 31, 2020

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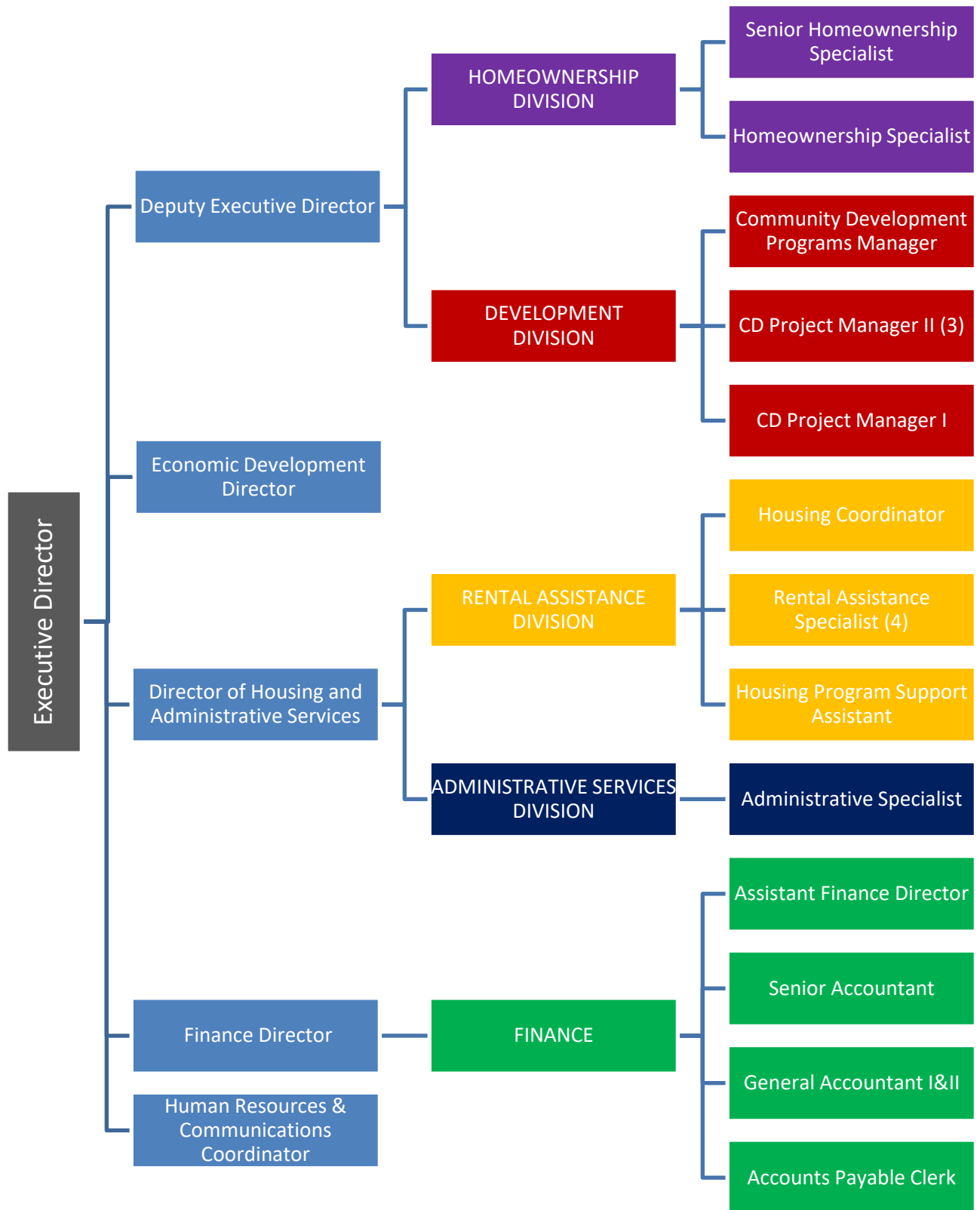
**BOARD OF COMMISSIONERS**

<u>District</u>	<u>Board Member</u>	<u>Term Expires</u>
District 1	John Belisle	December 31, 2023
District 2	Roger Green	December 31, 2023
District 3	Brian Zeller	December 31, 2022
District 4	Daniel Dingle	December 31, 2021
District 5	Jim Widen	December 31, 2022
Resident At-Large	Steve Ryan	December 31, 2022
County Commissioner At-Large	Fran Miron	No Term

**Executive Director**

Melissa Taphorn

# Washington County CDA Organization Chart







7645 Currell Boulevard, Woodbury, MN 55125  
office: 651-458-0936 fax: 651-458-1696

May 5, 2021

Honorable Chair and Commissioners  
Washington County Community Development Agency  
7645 Currell Boulevard  
Woodbury, Minnesota 55125

The Comprehensive Annual Financial Report (Annual Report) for the Washington County Community Development Agency (CDA) is hereby submitted for the fiscal year ended December 31, 2020. This report is consistent with legal State and Federal reporting requirements. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial data to meet the needs of citizens, taxpayers, employees, financial institutions, intergovernmental agencies, creditors, partners and the CDA Board of Commissioners.

This report consists of management's representations concerning the finances of the CDA. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the CDA has established a comprehensive internal control framework that is designated both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the CDA's financial statements in accordance with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the CDA's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CDA's financial statements have been audited by Redpath and Company, LTD., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the CDA for the fiscal year ended December 31, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the CDA's financial statements for the year ended December 31, 2020 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The independent audit of the financial statements of the CDA was part of a broader, federally mandated "Single Audit" performed in conformity with the provisions of the Single Audit Act, and requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, and the auditor's reports on internal control and compliance with applicable laws and regulations, are available at the end of the Annual Report.

## **Profile of the Government**

The CDA was established as the Washington County Housing and Redevelopment Authority (HRA) in 1981 pursuant to special Minnesota legislation. The CDA is a special-purpose unit of local government with the express purpose of promoting community and economic development and providing affordable, safe, and decent housing for residents of Washington County, Minnesota. Located east of Minneapolis and St. Paul, the County currently has an area of 423 square miles and includes 7 full and fractional townships, and 26 incorporated municipalities. The 2019 population of the County was 262,748. It is one of seven counties comprising the Twin Cities metropolitan area.

The CDA operates under a seven-member Board of Commissioners, which are appointed by the Washington County Board of Commissioners. Five of the seven Commissioners represent a district that matches the boundaries of the County Commissioner districts. One Commissioner is an "At-Large" position and the remaining Commissioner is a "Public Assistance Commissioner" (or sometimes referred to as a Resident Commissioner), a position which fulfills requirements of the U.S. Department of Housing and Urban Development (HUD). Once appointed, the CDA's Board of Commissioners exercises all oversight responsibilities including but not limited to matters of personnel, management, finance, and budget. The Board also is responsible for the hiring of the CDA's Executive Director. The Executive Director is responsible to oversee the planning, direction and implementation of all programs and policies of the CDA.

The CDA is considered a discretely presented component unit of Washington County, Minnesota, as the Washington County Board of Commissioners appoints the CDA's Board of Commissioners and Washington County has a potential obligation relating to certain housing development bonds issued by the CDA. Most bonds carry a general obligation pledge of the County, which enables the CDA to obtain lower borrowing costs for the purpose of financing affordable senior and family housing within the County. The bonds are also secured by the pooled rent receipts of the properties, certain other revenues

and funds held with the bond trustee, and the CDA's Special Benefit Levy, which collectively are considered sufficient to meet all current and future CDA debt service obligations.

Various potential component units were evaluated to determine whether they should be reported in the CDA's financial report. A component unit was considered part of the CDA's reporting entity when it was concluded that the CDA was financially accountable for the entity or the nature and significance of the relationship between the CDA and the entity was such that exclusion would cause the CDA's financial statements to be misleading or incomplete. The CDA has six blended component units, including, Briar Pond, LLC, The Groves Managing Member, LLC, WCHRA Piccadilly Square, LLC, WCCDA Glen, LLC, and WCCDA Family Housing, LLC. In each instance the CDA is the sole member of the LLC and the CDA's Board of Commissioners is also the Board of Governors for each respective LLC. The CDA is also the general partner and managing member of in three limited partnerships that were created to construct and operate family and senior housing developments. These partnerships are presented as discretely presented component units. Separate financial statements for these discretely presented component units can be obtained by contacting the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, Minnesota 55125.

### **Budgetary Controls**

The objective of budgetary controls maintained by the CDA is to ensure compliance with the budgets approved by the Board of Commissioners. Activities of the general fund, special revenue funds, and the enterprise funds are included in the CDA's annual budgeting process. The annual budgets are prepared based on these funds. These annual budgets are proposed by the Executive Director and submitted to the Board of Commissioners for approval. The budgets can be amended during the year. The Executive Director is authorized to make certain amendments within or between departments and programs. All other amendments require approval from the CDA's Board of Commissioners. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the CDA operates. Unlike some housing agencies, the CDA is not solely dependent on any one source of revenue. The CDA enjoys a balance of resources that include the revenues from its housing portfolio, the Special Benefit Levy, and the funds it receives from the federal and state government for various housing programs and activities. The CDA has structured its operations to provide the necessary precautions to buffer against a changing economic and government finance environment. The CDA is also undertaking the necessary steps to accomplish its major initiatives to facilitate additional affordable housing and community development projects in the County.

Enterprise Fund. As of December 31, 2021, the CDA owns and operates 377 units of senior housing and 637 units of family housing. The Enterprise Fund is the engine by which the CDA operates. About 28% of the CDA's annual revenue came from the CDA's property portfolio in 2020.

While most housing authorities around the country receive most of their funds from the federal government, this is not the case with the CDA. The CDA was able to finance the creation of its affordable senior and family housing portfolio by obtaining lower interest rates on tax exempt governmental housing bonds with the County's general obligation pledge as a credit enhancement tool. The CDA has also made good use of other state and regional resources to keep initial development costs down, which also helped to reduce monthly rents. About 67% of the CDA's property portfolio is financed with tax-exempt bonds; 25% are financed with federal grant funds or loans; and 8% are fully owned by the CDA.

It is critical that the CDA maintain the properties in good condition and manage the properties with good customer service and sound operating principles. The CDA annually adopts a capital improvement plan and updates a five-year plan. In 2020, the CDA completed nearly \$818,000 in capital improvement projects.

The CDA also receives income from a Special Benefit Tax Levy that represents about 17% of the CDA's total revenue. In 2020, the amount collected totaled \$5,429,628. The Special Benefit Levy is appropriated annually by the County Commissioners of Washington County, after submission of the CDA's annual budget to the County. The CDA uses this Special Benefit Levy to ensure debt service coverage on its bond debt as well as to fund capital improvements, to fund development and redevelopment projects where the CDA has partnered with local communities and to provide operating support to the CDA's housing portfolio. The Special Benefit Levy also helps to fund the general administration activities of the CDA.

The CDA Board of Commissioners is mindful of the impact of increasing property taxes on taxpayers, especially on those with fixed and low incomes. The CDA Board will set its Special Benefit Levy commensurate with the growth of the County in addition to the needs for the upcoming budget year. The resulting amount may be less than the amount defined in State Statute; however, because the Special Benefit Levy is used to assist several CDA properties, and because the CDA is a component unit of the County, the CDA is confident that the Special Benefit Levy will continue to be allocated in adequate amounts to fund the CDA's operations.

Occupancy Rates. Occupancy rates were 98.9% at December 31, 2020.

Long-Term Financial Planning. Many of the projects the CDA develops require some form of debt financing. Recognizing this, the CDA has adopted a debt management policy. The policy provides written guidelines, allowances, and restrictions that guide the debt issuance practices at the CDA. The policy eliminates issuance of long-term debt for operating purposes. It also places financial limitations on the total annual debt service the CDA can carry in any given year.

**Reserves.** The CDA continues to fund established reserves for operations and capital improvements according to established policies. The CDA has a minimum fund balance in the General fund of \$2,451,056 and also maintains a balance of \$5,114,174 in long term capital reserves.

**Federal and State Funding.** The federal and state funding that the CDA receives represents approximately 47% of all CDA funds during the fiscal year ended December 31, 2020. This funding primarily relates to ongoing tenant rental assistance programs funded through the U.S. Department of Housing and Urban Development and the Minnesota Housing Finance Agency.

## **Major Initiatives**

**Coronavirus Pandemic Relief.** The CDA received federal and state funds to respond to the Coronavirus pandemic and its subsequent impact on businesses and employment. The CDA received funding directly from HUD to adapt its administration of the Housing Choice Voucher and Public Housing programs to meet the health and safety guidelines and protocols and to allocate funds to local programs through the Community Development Block Grant (CDBG-CV) program. Further, the CDA was contracted to assist Washington County and Minnesota Housing Finance Agency with small business relief grants and homeowner stabilization grants.

**Repositioning of Scattered Site Public Housing.** On December 5, 2020, the CDA closed on the transfer of its 56 scattered site Public Housing units to the WCCDA Family Housing, LLC, a company solely owned by the CDA. HUD approved the disposition pursuant to Section 22 of the U.S. Housing Act of 1937 as the operation of the scattered-site units were unsustainable within the Public Housing funding structure. Families residing in units, if income-eligible, were issued comparable rental assistance in the form of a Tenant Protection Voucher.

**Expansion of Tenant-Based Rental Assistance.** During 2020, the CDA was awarded 22 additional Family Unification Program Vouchers, 39 Mainstream Vouchers, and 56 Tenant Protection Vouchers. The Family Unification Program Vouchers assist families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care, or the delay in the discharge of the child or children to the family from out-of-home care and youths (aged 18-24) who have left foster care, or will leave foster care within 90 days, and is homeless or is at risk of becoming homeless. The Mainstream Vouchers assist non-elderly persons with disabilities experiencing or at risk of homelessness. The Tenant Protection Vouchers were issued to residents of the repositioned Public Housing units and will be recycled as general Housing Choice Vouchers within the CDA's allocation.

## **Awards and Acknowledgements**

The Government Finance Officers Association of United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the CDA for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the seventeenth consecutive year that the CDA has received this prestigious award. In order to be awarded a Certificate of

Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current Annual Report continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, since 2004 the CDA has received a "High Performer" rating from the U.S. Department of Housing and Urban Development (HUD) under the Section 8 Management Assessment Program (SEMAP) for its administration of the Section 8 Voucher Program.

The CDA was nationally recognized for its development of The Glen at Valley Creek. The CDA won NALHFA's (National Association of Local Housing Finance Agencies) 2020 Multifamily Excellence Award. The prestigious award recognizes local housing finance agencies for their efforts to create and sustain affordable housing in their region.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the CDA's finances.

Respectfully submitted,

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY



Melissa Taphorn  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Washington County Community Development Agency  
Minnesota**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

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## **II. FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Washington County Community Development Agency  
(a component unit of Washington County)

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Washington County Community Development Agency, a component unit of Washington County, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Washington County Community Development Agency's basic financial statements as listed in the table of contents. We did not audit the financial statements of The Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC or Glen at Valley Creek, LLC (discretely presented component units).

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC; Glen at Valley Creek, LLC (discretely presented component units), which aggregately represents 100 percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for The Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC; and Glen at Valley Creek, LLC, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of The Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC; Glen at Valley Creek, LLC were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the Washington County Community Development Agency, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

We have previously audited the Washington County Community Development Agency's 2019 financial statements, and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund in our report dated May 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Matters***

#### ***Required Supplementary Information***

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

any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington County Community Development Agency's basic financial statements. The introductory section, combining financial schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2021 on our consideration of the Washington County Community Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington County Community Development Agency's internal control over financial reporting and compliance.



REDPATH AND COMPANY, LTD  
St. Paul, Minnesota

May 5, 2021

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**Washington County Community Development Agency  
Management's Discussion and Analysis  
Year Ended December 31, 2020**

The Washington County Community Development Agency (CDA), a component unit of Washington County, Minnesota, is empowered under state statute to initiate a broad array of housing and community development programs to address the varying needs of the jurisdictions within the County. To that end, the CDA has established housing programs that serve over 4,000 households in the County including rental assistance programs, home ownership and foreclosure prevention counseling programs and sixteen housing developments containing 958 rental units of safe, decent and affordable housing. The CDA also acts as an ongoing resource for information about housing and community development issues including housing market data, housing needs, and various government programs related to housing, community development and economic development.

As management of the CDA, we offer readers of the CDA's financial statements this narrative overview and analysis of the financial activities of the CDA for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **Financial Highlights**

- The assets and deferred outflows of resources of the CDA exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$57,532,580 (net position). This net position is comprised of the following components:
  - \$13,718,172 (net investment in capital assets) represents the CDA's investment in land, structures and equipment, less any capital related debt and is not available for future spending.
  - \$14,217,707 (restricted) is restricted as to use by grant agreements, contracts, and laws and regulations, and can only be used for specific purposes.
  - \$29,596,701 (unrestricted) may be used to meet the CDA's ongoing obligations to citizens and creditors.
- The CDA's net position increased by \$5,103,934. This increase is due, in part, by the practice of using revenues generated by governmental activities such as grants, taxes and tax increment to invest in long-term assets which increases net position rather than making fiscal period expenses. In addition, tax levy revenues were used in business-type activities to reduce long-term debt.
- At the close of the current fiscal year, the CDA's governmental funds reported combined fund balances of \$23,610,191, an increase of \$3,209,085 in comparison with the prior year. Of this fund balance, \$85,090 was in nonspendable form, \$109,297 was restricted by grant agreements, contracts and laws and regulations, \$17,208,239 was committed for specific purposes, was considered assigned and the remaining \$6,207,565 was considered unassigned.

**Washington County Community Development Agency  
Management's Discussion and Analysis  
Year Ended December 31, 2020**

- At the end of the current fiscal year, committed and unassigned fund balance of the general fund was \$14,864,775.
- Notes, loans and mortgages payable and bond retirements for the year were \$512,416 and \$2,265,000 respectively.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the CDA's basic financial statements. The CDA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the CDA's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the CDA's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CDA is improving or deteriorating.

The statement of activities presents information showing how the CDA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. amortization of deferred gain/loss on refunding).

Both of the government-wide financial statements distinguish functions of the CDA that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the CDA include General Government, Housing Assistance, Community Development, Economic Development, Home Ownership Counseling and Tax Increment Financing. The business-type activities of the CDA include Public Housing, Senior Housing, Family Housing, Briar Pond, LLC and Management Member Partnership operations.

The government-wide financial statements include not only the CDA itself (known as the primary government), but also legally separate entities including, Briar Pond, LLC, WCCDA Family Housing, LLC, The Groves Managing Member, LLC, WCHRA Piccadilly Square, LLC and WCCDA Glen, LLC. Although legally separate, the entities function for



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all practical purposes as departments of the CDA, and therefore have been included as an integral part of the primary government.

In addition, the government-wide financial statements include three legally separate entities which the CDA is financially accountable. Financial information for The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC are reported separately from the financial information presented for the primary government itself, and issues separate financial statements.

The government-wide financial statements can be found on statements 1 and 2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CDA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the CDA can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the CDA's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The CDA maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Housing Assistance Fund, Community Development Fund, Economic Development Fund, Home Ownership Counseling Fund, and Tax Increment Fund, which are considered to be major funds.

The Housing Assistance Fund, Community Development Fund, Home Ownership Counseling Fund, and Tax Increment Fund are a combination of sub-funds. Individual sub-fund data for these major governmental funds is provided in the form of combining schedules in the combining schedules section of this report.

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The CDA adopts an annual appropriated budget for its General and Special Revenue Funds.

Budgetary comparison schedules have been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on statements 3 through 5 of this report.

**Proprietary funds.** The CDA maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The CDA uses enterprise funds to account for its Public Housing Fund, Senior Housing Fund, Family Housing Fund, Briar Pond, LLC and Management Member Partnership operations.

The CDA adopts an annual appropriated budget for its proprietary funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Public Housing Fund, Senior Housing Fund, Family Housing Fund, Briar Pond, LLC and Management Member Partnership operations, all of which are considered to be major funds of the CDA.

The Public Housing Fund, Senior Housing Fund, Family Housing Fund, and Managing Member Partnership are a combination of sub-funds. Individual sub-fund data for these major proprietary funds is provided in the form of combining schedules in the combining schedules section of this report.

The basic proprietary fund financial statements can be found on statements 6 through 8 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following statement 8 of this report.

**Other information.** The CDA adopts an annual budget for all governmental funds. As required by generally accepted accounting principles, this report presents budgetary comparison schedules for all major governmental funds that adopt an annual budget. The required supplementary information and the notes thereon can be found on statements 9 through 14 of this report.

The combining schedules referred to earlier in connection with sub-funds of the major governmental and proprietary funds are presented immediately following the required

**Washington County Community Development Agency  
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supplementary information on budgetary comparisons. Combining schedules can be found on statements 15 through 32 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CDA, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$57,532,580 at the close of the most recent fiscal year which represents an increase of \$5,103,934 over the prior year. This increase indicates that the CDA's financial position improved during the current fiscal year.

Investment in capital assets (e.g. land, buildings and structures, and furniture and fixtures), less any related outstanding debt that was used to acquire those assets represents 23.8 percent of the CDA's net position. The CDA primarily utilizes these capital assets to provide affordable housing opportunities to eligible citizens. Accordingly, these assets are not available for future spending. Although the CDA's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Net position  
December 31**

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$29,001,543	\$25,679,274	\$30,916,155	\$30,463,122	\$59,917,698	\$56,142,396
Capital assets	2,189,736	2,258,179	43,674,401	44,740,414	45,864,137	46,998,593
Total assets	<u>31,191,279</u>	<u>27,937,453</u>	<u>74,590,556</u>	<u>75,203,536</u>	<u>105,781,835</u>	<u>103,140,989</u>
Deferred outflows of resources	-	-	474,766	527,541	474,766	527,541
Long-term liabilities outstanding	2,733,203	2,989,814	40,581,908	43,050,737	43,315,111	46,040,551
Other liabilities	835,771	659,643	4,573,139	4,500,604	5,408,910	5,160,247
Total liabilities	<u>3,568,974</u>	<u>3,649,457</u>	<u>45,155,047</u>	<u>47,551,341</u>	<u>48,724,021</u>	<u>51,200,798</u>
Deferred inflows of resources	-	-	-	39,086	-	39,086
Net position:						
Net investment in capital assets	1,363,380	1,308,001	12,354,792	11,491,467	13,718,172	12,799,468
Restricted	3,960,218	3,836,320	10,257,489	9,882,023	14,217,707	13,718,343
Unrestricted	22,298,707	19,143,675	7,297,994	6,767,160	29,596,701	25,910,835
Total net position	<u>\$27,622,305</u>	<u>\$24,287,996</u>	<u>\$29,910,275</u>	<u>\$28,140,650</u>	<u>\$57,532,580</u>	<u>\$52,428,646</u>

The CDA's restricted net position (24.7 percent) represents resources that are subject to external restrictions on how they may be utilized. In the case of the CDA, these restrictions are primarily related to grant programs funded by the U.S. Department of Housing and Urban Development (HUD), state laws and regulations which restrict the use of tax levy and tax increment revenues and bond indentures. The remaining category of the CDA's net position (51.4 percent) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

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At the end of the fiscal year, the CDA was able to report positive balances in all three categories of net position for the government as a whole and in both governmental and business-type activities. This was true when compared to prior year for the government as a whole and for its governmental and business type activities individually.

As noted previously, the CDA's total net position increased \$5,103,934 during the current fiscal year. This increase is comprised of the following changes within the three categories of the CDA's net position:

- Net investment in capital assets increased by \$918,704. Of this amount, \$55,379 represents an increase in related governmental activities and \$863,325 represents an increase related to business-type activities. This increase was primarily due to the use of tax revenue to invest in long-term assets rather than making fiscal period expenses. Investment in capital assets totaled \$820,000 in 2020.
- Restricted net position decreased by \$499,364. Of this amount, \$123,898 represents an increase in related governmental activities and \$375,466 represents a decrease related to business-type activities. This decrease was primarily due to the release of restricted cash used to reduce long-term debt.
- Unrestricted net position increased by \$685,866. Of this amount, \$3,155,032 represents an increase in related governmental activities and \$530,834 represents an increase related to business-type activities. This increase was primarily due to strong operating results including, the use of one-time revenues and grants, taxes and tax increment to invest in long-term assets or reduce debt rather than making fiscal period expenses. Included in the increase is \$400,000 of notes receivable funded by grant and tax revenues, and \$2,800,000 of long-term debt that was retired using current year operating income and tax revenues.

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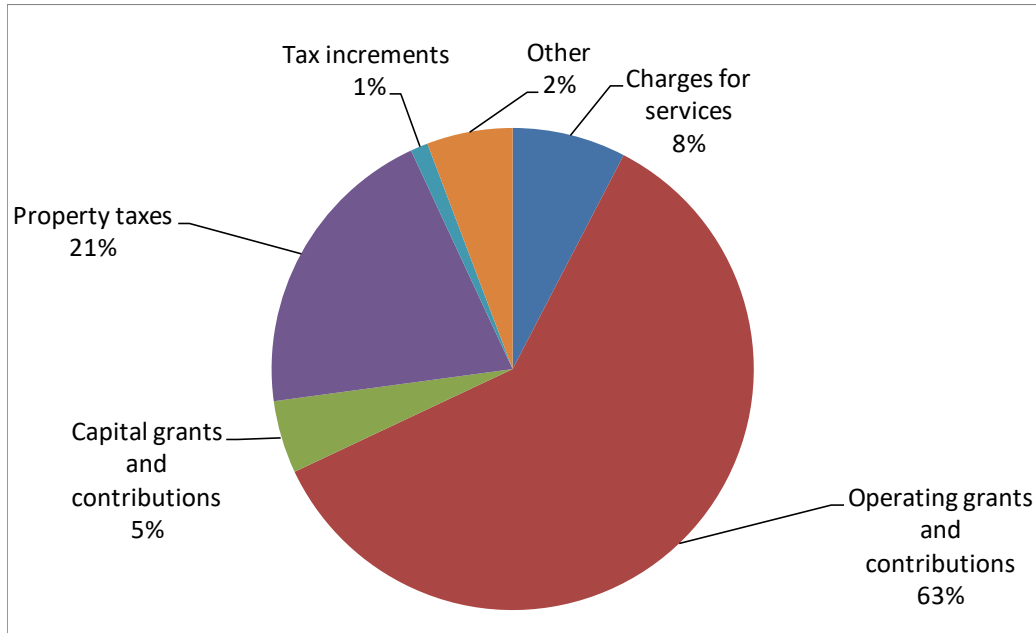
**Changes in Net position  
Years Ended December 31**

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$1,534,472	\$1,252,225	\$8,778,931	\$9,879,165	\$10,313,403	\$11,131,390
Operating grants and contributions	12,154,102	5,584,219	1,577,712	1,293,066	13,731,814	6,877,285
Capital grants and contributions	981,326	-	168,585	237,791	1,149,911	237,791
General revenues:						
Property taxes	4,068,674	3,881,798	1,360,954	1,345,046	5,429,628	5,226,844
Tax increments	235,897	167,787	-	-	235,897	167,787
Other	286,110	335,103	385,279	586,002	671,389	921,105
Total revenues	<u>19,260,581</u>	<u>11,221,132</u>	<u>12,271,461</u>	<u>13,341,070</u>	<u>31,532,042</u>	<u>24,562,202</u>
Expenses:						
General government	1,866,055	1,551,447	-	-	1,866,055	1,551,447
Housing assistance	5,252,125	4,772,763	-	-	5,252,125	4,772,763
Community development	1,626,523	1,693,461	-	-	1,626,523	1,693,461
Economic development	6,584,893	475,687	-	-	6,584,893	475,687
Home ownership counseling	1,340,627	125,522	-	-	1,340,627	125,522
Tax increment financing	14,950	2,948	-	-	14,950	2,948
Interest on debt	113,419	125,088	-	-	113,419	125,088
Housing	-	-	9,629,516	9,295,591	9,629,516	9,295,591
Total expenses	<u>16,798,592</u>	<u>8,746,916</u>	<u>9,629,516</u>	<u>9,295,591</u>	<u>26,428,108</u>	<u>18,042,507</u>
Increase in net position before transfers	2,461,989	2,474,216	2,641,945	4,045,479	5,103,934	6,519,695
Transfers	<u>872,320</u>	<u>601,649</u>	<u>(872,320)</u>	<u>(601,649)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	3,334,309	3,075,865	1,769,625	3,443,830	5,103,934	6,519,695
Net position - beginning	24,287,996	21,212,131	28,140,650	24,696,820	52,428,646	45,908,951
Net position - ending	<u>27,622,305</u>	<u>\$24,287,996</u>	<u>\$29,910,275</u>	<u>\$28,140,650</u>	<u>\$57,532,580</u>	<u>\$52,428,646</u>

**Governmental Activities.** For the most part, it is difficult to correlate the revenues and expenses reported in governmental activities on a year to year basis as charges for services and operating grants and contributions can be irregular or non-recurring revenue sources. The CDA also pools revenues to acquire capital assets or provide financing for development. Accordingly, revenues that are received in one fiscal year are often carried forward and then utilized in subsequent fiscal years depending on the development activities being undertaken or planned.

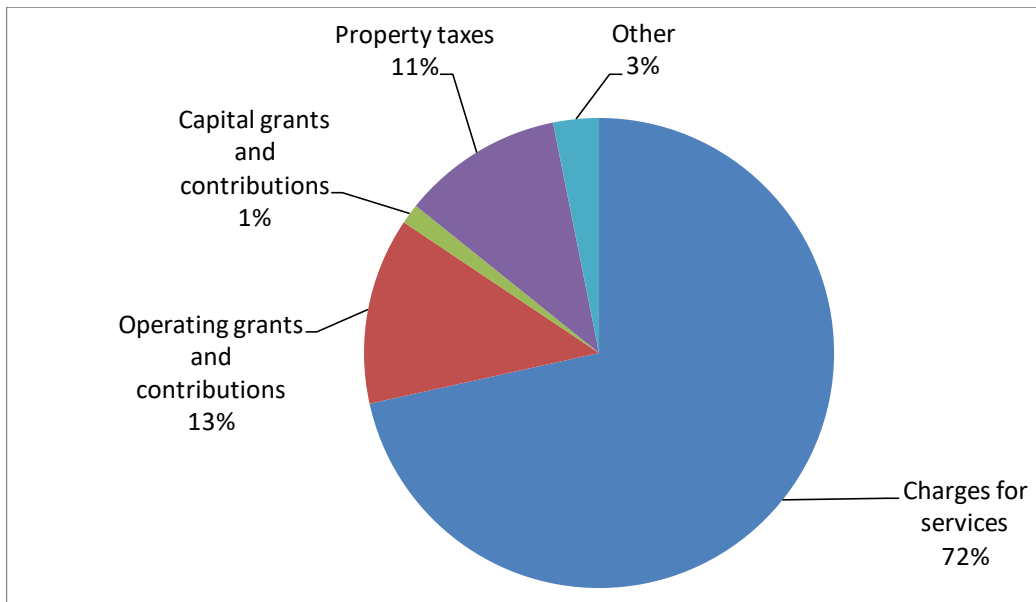
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**Revenues by Source – Governmental Activities**



**Business-Type Activities.** The increase in net position of business-type activities accounted for \$1,769,625 or 34.7 percent of the total growth of the CDA's net position. High occupancy rates and a reduction in debt service payments, due to prior years refunding, had the biggest impact on the increase in net position.

**Revenues by Source – Business-Type Activities**



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**Financial Analysis of the Government's Funds**

**Governmental funds.** The focus of the CDA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CDA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the CDA itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the CDA's Board of Commissioners.

Governmental fund balance is reported in five separate categories: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent for legal or practical reasons. Examples include prepaid items and long-term receivables. Restricted fund balance includes amounts restricted to specific purposes by external parties such as amounts restricted by grantors. Committed fund balance includes amounts that may be set aside by the CDA's Board of Commissioners for a specific purpose prior to the end of the fiscal year. Assigned fund balance includes amounts that have been set aside for a specific purpose. Unassigned fund balance includes all remaining amounts.

As of December 31, 2020, the CDA's governmental funds reported combined fund balances of \$23,610,191 an increase of \$3,209,085 in comparison with the prior year. Of this fund balance, \$85,090 was in nonspendable fund balances comprised of prepaid items, non-current advances to other funds and long-term notes receivable. Another \$109,297 is restricted by grant agreements, contracts and laws and regulations. Of the remaining fund balance, \$17,208,239 is committed for specific purposes, and \$6,207,565 is unassigned.

The CDA's General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. As of December 31, 2020, the General Fund had a fund balance of \$14,938,923 which represents approximately 63 percent of all governmental fund balances. Of this amount, \$74,148 relates to prepaid items and is nonspendable, \$5,156,473 has been committed by the CDA's Board of Commissioners, and \$9,708,302 is unassigned.

The CDA has established two reserve funds to preserve adequate financial flexibility for the CDA. First, a minimum unassigned fund balance has been established which as of December 31, 2020 totals \$2,451,056. This represents three months of the next fiscal year's budgeted operating expenses for the proprietary funds plus 50% of the next fiscal year's budgeted General Fund expenditures. In addition, the CDA has a Long-Term Capital Reserve Fund of \$5,156,473 committed to fund future capital improvements at the properties.

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During the fiscal year ended December 31, 2020, the General Fund's fund balance increased by \$2,202,655. This increase was primarily due to transfers in from the properties of \$1,184,500. On an annual basis, the properties transfer excess revenues over expenditures to the General fund for future operations. In addition, every year, \$1.1 million is levied into the general fund for capital improvements at the properties. Due to the uncertainty the COVID-19 Pandemic created, the CDA deferred most maintenance projects in 2020. The impact of deferring these projects increased general fund balance by \$900,000.

The Housing Assistance Fund accounts for the receipt and expenditure of restricted grant proceeds under the U.S. Department of Housing and Urban Development (HUD) Section 8 Choice Voucher program, along with other miscellaneous state programs with similar missions. The activity in this fund are mostly expenditure driven, therefore revenues are generally recognized when qualifying grant expenditures are made. The year end fund balance of the Housing Assistance Fund decreased \$19,649 from prior year to \$120,239 of which \$10,942 is nonspendable, and \$109,297 is restricted.

The Community Development Fund primarily accounts for activities related to future CDA constructed housing developments or other housing programs which will assist private developers or municipalities create new affordable housing developments. As of December 31, 2020 the fund balance for the Community Development Fund was \$11,575,006. The Community Development Fund had an increase in fund balance of \$967,219 during the fiscal year ended December 31, 2020. The increase was primarily related to using property tax revenue to invest in long-term assets rather than making fiscal period expenses. Included in the increase is a \$700,000 long-term loan receivable extended to a developer to encourage the creation of affordable housing.

The Economic Development Fund accounts for expenses related to the Economic Development Department activities and expenses that promote economic development in Washington County, Minnesota. As of December 31, 2020 the fund balance for the Economic Development Fund was \$466,333. The Economic Development fund had an increase in fund balance of \$16,085 during the fiscal year ended December 31, 2020.

The Home Ownership Counseling Fund accounts for the receipt and expenditure of restricted grant proceeds from HUD and the State of Minnesota for foreclosure and home ownership counseling. As of December 31, 2020 the fund balance for the Home Ownership Counseling Fund was \$5,762.

The year-end Tax Increment Fund deficit was \$3,496,072, a decreased deficit of \$38,280 from prior year. Future TIF revenues received will be used to reduce the fund deficit.

**Proprietary funds.** The CDA's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.



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Unrestricted net position of the Public Housing Fund at the end of the year amounted to \$371,916 and total net position decreased by \$4,091,459. This decrease was primarily due to the disposition of the HUD - Scattered Site property. During 2020, this property was sold to the WCCDA Family Housing, LLC. The WCCDA Family Housing, LLC, is a blended component unit of the CDA and its activity is reported in the Family Housing Fund.

Unrestricted net position of the Senior Housing Fund at the end of the year was a deficit of \$86,493 and total net position increased by \$1,017,198. The increase was primarily due to strong operating results including, the use of one-time revenues, grants and taxes to reduce long-term debt rather than making fiscal period expenses. Included in the balance is \$980,000 of long-term debt retired using current year operating revenues and reserve balances.

Unrestricted net position of the Family Housing Fund at the end of the year was a deficit of \$316,103 and total net position increased by \$4,334,878. The increase was primarily due to the \$3.8 million addition of the WCCDA Family Housing Fund, LLC. In addition, strong operating results including, the use of one-time revenues, grants and taxes to reduce long-term debt rather than making fiscal period expenses. Included in the balance is \$770,000 of long-term debt retired using current year operating revenues and reserve balances.

Unrestricted net position of Briar Pond, LLC at the end of the year amounted to \$1,712,223 and total net position increased by \$427,408. The increase was primarily due to strong operating results used to reduce long-term debt rather than making fiscal period expenses. Included in the balance is \$196,000 of long-term debt retired using current year operating revenues.

Unrestricted net position of Managing Member Partnership fund at the end of the year amounted to \$5,616,451 and total net position increased by \$81,000.

### **General Fund Budgetary Highlights**

There were no significant differences between the original and final amended budget for the year ended December 31, 2020. The final amended budget for the fiscal year anticipated a net increase in fund balance of \$536,806. The actual net change in fund balance was an increase of \$2,205,655 for a positive variance of \$1,576,757. The variance is primarily attributed to the following factors:

- Expenditures were under budget by \$363,793. This was primarily attributable to lower than expected operating costs, specifically, salary and benefits and legal and consulting fees.
- Net transfers were over budget by \$1,212,964 due to the properties transferring operating income and excess issuer reserve cash balances to the general fund, net of property tax levy transferred to the properties to reimburse them for capital improvements.

**Washington County Community Development Agency  
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**Capital Asset and Debt Administration**

**Capital assets.** The CDA's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to \$45,864,137 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, furniture and fixtures, and construction in progress. The CDA's total investment in capital assets during the current fiscal year was \$818,000.

Major capital asset events during the current fiscal year included the following:

- Garage floor repairs at Ann Bodlovick totaling \$44,000.
- Foundation and flashing repair at Cobble Hill totaling \$263,000.
- Parking lot redesign at Whispering Pines totaling \$324,000.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$424,186	\$424,186	\$4,559,053	\$4,559,053	\$4,983,239	\$4,983,239
Buildings and structures	1,661,128	1,712,742	39,056,004	40,124,064	40,717,132	41,836,806
Furniture and fixtures	104,422	121,251	-	-	104,422	121,251
Construction in progress	-	-	59,344	57,297	59,344	57,297
	<u>\$2,189,736</u>	<u>\$2,258,179</u>	<u>\$43,674,401</u>	<u>\$44,740,414</u>	<u>\$45,864,137</u>	<u>\$46,998,593</u>

The amount of outstanding construction commitments at December 31, 2020 was \$17,389. Additional information on the CDA's capital assets can be found in Note 6.

**Long-term debt.** At the end of the current fiscal year, the CDA had total debt outstanding of \$45,423,781. Of this amount, \$30,775,000 is debt backed by the full faith and credit of Washington County, Minnesota. At December 31, 2020, the County had an Aaa bond rating from Moody's Investor Services and AAA from Standard & Poor's. These bonds are also secured by the pooled gross rent receipts and other operating revenues of the properties and by pledged tax levy and tax increment revenues.

**Washington County Community Development Agency  
Management's Discussion and Analysis  
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**Outstanding Debt (notes, loans mortgages and bonds payable)  
December 31**

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Notes, loans and mortgages	\$2,870,890	\$3,187,415	\$10,752,891	\$10,948,782	\$13,623,781	\$14,136,197
Bonds payable	-	-	31,800,000	34,065,000	31,800,000	34,065,000
	<u>\$2,870,890</u>	<u>\$3,187,415</u>	<u>\$42,552,891</u>	<u>\$45,013,782</u>	<u>\$45,423,781</u>	<u>\$48,201,197</u>

The CDA's total debt decreased by \$2,777,416 (5.8 percent) during the current fiscal year. The reason for the decrease was due to regularly scheduled principal reductions on the existing outstanding debt.

Additional information on the CDA's long-term debt can be found in Note 9 of this report.

**Economic Factors and Next Year's Budgets.** Federal appropriation levels will continue to have an impact on the CDA's economic position. The CDA received \$11,306,020 in federal funding for the fiscal year ending December 31, 2020. Funding for the CDA's federal programs is affected by the Congressional legislation and the federal budget deficits. If federal funding is cut, it may be necessary to reduce costs and/or services.

**Requests for information.** This financial report is designed to provide a general overview of the CDA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, Minnesota 55125.

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## **BASIC FINANCIAL STATEMENTS**

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

Statement 1

December 31, 2020

With Comparative Totals for December 31, 2019

	Primary Government				Discretely Presented
	Governmental Activities	Business-Type Activities	Total		Component Units
			2020	2019	2020
Assets:					
Cash, cash equivalents and investments	\$18,412,639	\$3,846,818	\$22,259,457	\$16,692,018	\$387,894
Accounts receivable - net	2,700	110,504	113,204	19,468	26,257
Interest receivable	151,438	8,847	160,285	140,068	-
Interest receivable due from component unit	174,054	8,229	182,283	134,214	-
Property taxes receivable	96,129	-	96,129	62,034	-
Internal balances	540,837	(540,837)	-	-	-
Due from other governmental units	327,284	108,383	435,667	109,221	-
Prepaid items	85,090	392,346	477,436	437,105	54,938
Property held for resale	161,400	-	161,400	483,233	-
Notes and mortgages receivable:					
Current	30,500	455,554	486,054	569,996	-
Long-term	5,955,385	1,856,259	7,811,644	9,545,273	-
Due from component unit:					
Current	597,143	651,759	1,248,902	2,831,035	-
Long-term	2,381,422	11,055,955	13,437,377	12,389,015	-
Investment in limited partnerships	-	1,857,613	1,857,613	1,857,685	-
Restricted cash and investments	85,522	11,104,725	11,190,247	10,872,031	995,740
Capital assets (net of accumulated depreciation):					
Land	424,186	4,559,053	4,983,239	4,983,239	2,770,501
Construction in progress	-	59,344	59,344	57,297	-
Building and structures	1,661,128	39,056,004	40,717,132	41,836,806	30,449,074
Furniture and fixtures	104,422	-	104,422	121,251	441,859
Other assets	-	-	-	-	86,738
Total assets	<u>31,191,279</u>	<u>74,590,556</u>	<u>105,781,835</u>	<u>103,140,989</u>	<u>35,213,001</u>
Deferred outflows of resources:					
Unamortized loss on refunding	-	474,766	474,766	527,541	-
Total deferred outflows of resources	<u>0</u>	<u>474,766</u>	<u>474,766</u>	<u>527,541</u>	<u>0</u>
Liabilities:					
Accounts, wages and benefits payable	187,388	536,022	723,410	483,930	64,571
Accrued interest payable	32,991	543,577	576,568	608,023	327,164
Security deposits/FSS escrow	84,900	404,733	489,633	465,138	82,991
Contracts payable	-	-	-	846	-
Due to other governmental units	67,652	460,293	527,945	498,245	90,193
Unearned revenue	157,876	15,382	173,258	67,636	1,782
Accrued developer fee	-	-	-	-	2,024,802
Compensated absences payable:					
Due within one year	16,728	-	16,728	13,214	-
Due in more than one year	150,549	-	150,549	118,924	-
Unearned gain on sale of property	-	187,019	187,019	245,798	-
Due to primary government:					
Due within one year	65,216	-	65,216	100,705	926,653
Due in more than one year	1,282,781	-	1,282,781	1,347,997	11,592,997
Notes, mortgages, and bonds payable:					
Due within one year	223,020	2,426,113	2,649,133	2,676,712	84,106
Due in more than one year	1,299,873	40,581,908	41,881,781	44,573,630	6,695,476
Total liabilities	<u>3,568,974</u>	<u>45,155,047</u>	<u>48,724,021</u>	<u>51,200,798</u>	<u>21,890,735</u>
Deferred inflows of resources:					
Unamortized gain on refunding	-	-	-	39,086	-
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,086</u>	<u>0</u>
Net position:					
Net investment in capital assets	1,363,380	12,354,792	13,718,172	12,799,468	14,362,202
Restricted for:					
Bond indenture purposes	-	10,257,489	10,257,489	9,882,023	995,740
Grant funded housing purposes	3,960,218	-	3,960,218	3,836,320	-
Unrestricted	22,298,707	7,297,994	29,596,701	25,910,835	(2,035,676)
Total net position	<u>\$27,622,305</u>	<u>\$29,910,275</u>	<u>\$57,532,580</u>	<u>\$52,428,646</u>	<u>\$13,322,266</u>

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

# WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

## STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

<u>Functions/Programs:</u>	Program Revenues			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$1,544,222	\$715,159	\$ -	\$3,500
Housing assistance	5,252,125	355,367	4,861,909	-
Community development	1,948,356	460,490	-	977,826
Economic development	6,584,893	600	6,023,361	-
Home ownership counseling	1,340,627	2,856	1,268,832	-
Tax increment financing	14,950	-	-	-
Interest on debt	113,419	-	-	-
Total governmental activities	<u>16,798,592</u>	<u>1,534,472</u>	<u>12,154,102</u>	<u>981,326</u>
Business-type activities:				
Housing	<u>9,629,516</u>	<u>8,778,931</u>	<u>1,577,712</u>	<u>168,585</u>
Total primary government	<u>\$26,428,108</u>	<u>\$10,313,403</u>	<u>\$13,731,814</u>	<u>\$1,149,911</u>
Discretely Presented Component Units	<u>\$2,820,722</u>	<u>\$2,205,360</u>	<u>\$0</u>	<u>\$1,388,113</u>
General revenues:				
General property taxes				
Tax increments				
Unrestricted investment earnings				
Gain on disposal of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - January 1				
Net position - December 31				

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



Net (Expense) Revenue and Changes in Net Position				
Governmental Activities	Primary Government Business-Type Activities	Total		Discretely Presented Component Units 2020
		2020	2019	
(\$825,563)	\$ -	(\$825,563)	(\$946,903)	\$ -
(34,849)	-	(34,849)	13,202	-
(510,040)	-	(510,040)	(345,187)	-
(560,932)	-	(560,932)	(475,687)	-
(68,939)	-	(68,939)	(27,861)	-
(14,950)	-	(14,950)	(2,948)	-
(113,419)	-	(113,419)	(125,088)	-
(2,128,692)	0	(2,128,692)	(1,910,472)	0
-	895,712	895,712	2,114,431	-
(2,128,692)	895,712	(1,232,980)	203,959	0
				772,751
4,068,674	1,360,954	5,429,628	5,226,844	-
235,897	-	235,897	167,787	-
286,110	326,501	612,611	863,886	4,635
-	58,778	58,778	57,219	-
872,320	(872,320)	-	-	-
5,463,001	873,913	6,336,914	6,315,736	4,635
3,334,309	1,769,625	5,103,934	6,519,695	777,386
24,287,996	28,140,650	52,428,646	45,908,951	12,544,880
\$27,622,305	\$29,910,275	\$57,532,580	\$52,428,646	\$13,322,266

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

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

December 31, 2020

With Comparative Totals For December 31, 2019

	General Fund	Housing Assistance Fund	Community Development Fund
<b>Assets</b>			
<b>Current assets:</b>			
Cash, cash equivalents and investments	\$13,925,975	\$299,589	\$3,630,793
Restricted cash	622	84,900	-
Accounts receivable - net	-	2,700	-
Interest receivable	-	-	151,438
Interest receivable due from component unit	33	-	174,021
Property taxes receivable	96,129	-	-
Due from other funds	323,219	-	-
Due from other governmental units	-	42,836	257,557
Prepaid items	74,148	10,942	-
Advances to other funds	-	-	4,061,977
Property held for resale	-	-	18,421
Note receivable	-	-	5,985,885
Note receivable from component unit	597,143	-	2,381,422
<b>Total assets</b>	<b>\$15,017,269</b>	<b>\$440,967</b>	<b>\$16,661,514</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable	\$10,894	\$46,377	\$93,073
Security deposits/FSS escrow	-	84,900	-
Due to other funds	-	23,895	233,851
Due to other governmental units	-	20,097	40,000
Contracts payable	-	-	-
Accrued wages and benefits payable	17,061	6,832	7,762
Advances from other funds	-	-	-
Unearned revenue - grants	-	138,627	11,656
<b>Total liabilities</b>	<b>27,955</b>	<b>320,728</b>	<b>386,342</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	50,391	-	4,700,166
<b>Total deferred inflows of resources</b>	<b>50,391</b>	<b>0</b>	<b>4,700,166</b>
<b>Fund balance:</b>			
Nonspendable	74,148	10,942	-
Restricted	-	109,297	-
Committed	5,156,473	-	11,579,671
Unassigned	9,708,302	-	(4,665)
<b>Total fund balance</b>	<b>14,938,923</b>	<b>120,239</b>	<b>11,575,006</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$15,017,269</b>	<b>\$440,967</b>	<b>\$16,661,514</b>

Fund balance reported above

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Other long-term assets are not available to pay for current-period expenditures, and therefore, are reported as unavailable revenue in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.

Net position of governmental activities

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

Economic Development Fund	Home Ownership Counseling Fund	Tax Increment Fund	Intra-Activity Eliminations	Total Governmental Funds	
				2020	2019
\$469,200	\$21,177	\$65,905	\$ -	\$18,412,639	\$14,056,967
-	-	-	-	85,522	622
-	-	-	-	2,700	-
-	-	-	-	151,438	136,569
-	-	-	-	174,054	129,222
-	-	-	-	96,129	62,034
-	-	-	(280,917)	42,302	4
-	26,891	-	-	327,284	65,099
-	-	-	-	85,090	31,672
-	-	-	(3,561,977)	500,000	500,000
-	-	142,979	-	161,400	483,233
-	-	-	-	5,985,885	5,832,430
-	-	-	-	2,978,565	4,381,422
<u>\$469,200</u>	<u>\$48,068</u>	<u>\$208,884</u>	<u>(\$3,842,894)</u>	<u>\$29,003,008</u>	<u>\$25,679,274</u>
\$ -	\$274	\$ -	\$ -	\$150,618	\$64,342
-	-	-	-	84,900	10,439
-	24,636	-	(280,917)	1,465	-
-	7,555	-	-	67,652	54,993
-	-	-	-	-	320
2,867	2,248	-	-	36,770	99,844
-	-	3,561,977	(3,561,977)	-	-
-	7,593	-	-	157,876	87,993
<u>2,867</u>	<u>42,306</u>	<u>3,561,977</u>	<u>(3,842,894)</u>	<u>499,281</u>	<u>317,931</u>
-	-	142,979	-	4,893,536	4,960,237
<u>0</u>	<u>0</u>	<u>142,979</u>	<u>0</u>	<u>4,893,536</u>	<u>4,960,237</u>
-	-	-	-	85,090	31,672
-	-	-	-	109,297	137,068
466,333	5,762	-	-	17,208,239	14,987,613
-	-	(3,496,072)	-	6,207,565	5,244,753
<u>466,333</u>	<u>5,762</u>	<u>(3,496,072)</u>	<u>0</u>	<u>23,610,191</u>	<u>20,401,106</u>
<u>\$469,200</u>	<u>\$48,068</u>	<u>\$208,884</u>	<u>(\$3,842,894)</u>	<u>\$29,003,008</u>	<u>\$25,679,274</u>
				\$23,610,191	\$20,401,106
				2,189,736	2,258,179
				4,893,536	4,983,877
				(3,071,158)	(3,355,166)
				<u>\$27,622,305</u>	<u>\$24,287,996</u>

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

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2020  
With Comparative Totals For The Year Ended December 31, 2019

	General Fund	Housing Assistance Fund	Community Development Fund
Revenues:			
General property taxes	\$1,930,024	\$126,900	\$1,326,419
Intergovernmental	3,500	4,780,409	1,021,826
Tax increments	-	-	-
Charges for services:			
Administrative fees	690,188	354,617	161,778
Investment income	172,420	1,300	64,951
Other	24,971	750	168,896
Total revenues	<u>2,821,103</u>	<u>5,263,976</u>	<u>2,743,870</u>
Expenditures:			
Current:			
General government	1,440,640	-	-
Housing assistance	-	5,252,125	-
Community development	-	-	1,626,523
Economic development	-	-	-
Home ownership counseling	-	-	-
Tax increment financing	-	-	-
Debt service:			
Principal	123,822	-	130,630
Interest and other	26,806	-	19,498
Total expenditures	<u>1,591,268</u>	<u>5,252,125</u>	<u>1,776,651</u>
Revenues over (under) expenditures	<u>1,229,835</u>	<u>11,851</u>	<u>967,219</u>
Other financing sources (uses):			
Transfers from other funds	1,184,500	-	-
Transfers to other funds	(208,680)	(31,500)	-
Total other financing sources (uses)	<u>975,820</u>	<u>(31,500)</u>	<u>0</u>
Net change in fund balance	2,205,655	(19,649)	967,219
Fund balance (deficit) - January 1	<u>12,733,268</u>	<u>139,888</u>	<u>10,607,787</u>
Fund balance (deficit) - December 31	<u>\$14,938,923</u>	<u>\$120,239</u>	<u>\$11,575,006</u>

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

Economic Development Fund	Home Ownership Counseling Fund	Tax Increment Fund	Intra-Activity Eliminations	Total Governmental Funds	
				2020	2019
\$574,762	\$104,800	\$ -	\$ -	\$4,062,905	\$3,881,166
6,023,361	1,306,332	-	-	13,135,428	5,584,219
-	-	235,897	-	235,897	167,787
-	2,856	-	-	1,209,439	1,094,196
2,255	134	106	(50,963)	190,203	318,762
600	-	-	-	195,217	68,272
6,600,978	1,414,122	236,003	(50,963)	19,029,089	11,114,402
-	-	-	-	1,440,640	1,463,247
-	-	-	-	5,252,125	4,772,763
-	-	-	-	1,626,523	1,693,461
6,584,893	-	-	-	6,584,893	475,687
-	1,340,627	-	-	1,340,627	125,522
-	-	14,950	-	14,950	2,948
-	-	62,073	-	316,525	341,890
-	-	120,700	(50,963)	116,041	128,443
6,584,893	1,340,627	197,723	(50,963)	16,692,324	9,003,961
16,085	73,495	38,280	0	2,336,765	2,110,441
-	-	-	(103,500)	1,081,000	1,629,000
-	(72,000)	-	103,500	(208,680)	(1,027,351)
0	(72,000)	0	0	872,320	601,649
16,085	1,495	38,280	0	3,209,085	2,712,090
450,248	4,267	(3,534,352)	-	20,401,106	17,689,016
\$466,333	\$5,762	(\$3,496,072)	\$0	\$23,610,191	\$20,401,106

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

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**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2020  
With Comparative Amounts For The Year Ended December 31, 2019

**Statement 5**

	<u>2020</u>	<u>2019</u>
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	\$3,209,085	\$2,712,090
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
- Current year depreciation	(68,443)	(68,441)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
- Property taxes	5,769	632
- Interest accrued on long-term receivable	95,907	16,341
- Issuance of new long-term receivable	129,816	89,757
- Change in valuation of property held for resale	(321,833)	-
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items.		
- Principal payment on long-term debt	316,525	341,891
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
- Other expenses	<u>(32,517)</u>	<u>(16,405)</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$3,334,309</u></u>	<u><u>\$3,075,865</u></u>

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2020

With Comparative Totals For December 31, 2019

Statement 6

Page 1 of 2

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond LLC	Managing Member Partnership	Total Proprietary Funds	
						2020	2019
Assets:							
Current assets:							
Cash and cash equivalents	\$427,442	\$642,250	\$356,573	\$1,691,823	\$728,730	\$3,846,818	\$2,635,051
Restricted cash and investments	20,150	4,409,933	4,428,641	1,283,639	962,362	11,104,725	10,871,409
Accounts receivable - tenants	698	15,412	105,828	22,693	-	144,631	22,689
Accounts receivable - other	-	-	-	-	6	6	130,138
Allowance for doubtful accounts	(345)	(4,341)	(26,203)	(3,244)	-	(34,133)	(4,988)
Due from other funds	-	-	1,465	-	-	1,465	-
Due from other governmental units	12,018	88,506	5,058	2,801	-	108,383	44,122
Due from component unit	-	-	-	-	651,759	651,759	831,035
Interest receivable	-	-	-	-	8,847	8,847	3,499
Interest receivable - due from component unit	-	-	-	-	8,229	8,229	4,992
Prepaid items	12,347	152,874	119,571	107,554	-	392,346	405,433
Capital lease receivable	-	-	455,554	-	-	455,554	441,625
Total current assets	472,310	5,304,634	5,446,487	3,105,266	2,359,933	16,688,630	15,385,005
Noncurrent assets:							
Other assets:							
Capital lease receivable - long term	-	-	1,856,259	-	-	1,856,259	2,311,812
Due from component unit - long term	-	-	-	-	11,055,955	11,055,955	11,408,624
Investment in limited partnerships	-	-	-	-	1,857,613	1,857,613	1,857,685
Total other assets	0	0	1,856,259	0	12,913,568	14,769,827	15,578,121
Capital assets:							
Land	315,000	1,970,768	1,825,417	447,868	-	4,559,053	4,559,053
Projects in process	-	24,025	35,319	-	-	59,344	57,297
Buildings and structures	2,936,337	30,459,276	26,080,524	13,168,157	-	72,644,294	72,049,059
Furniture and fixtures	-	251,120	125,916	138,666	-	515,702	515,702
Total capital assets	3,251,337	32,705,189	28,067,176	13,754,691	0	77,778,393	77,181,111
Less: Accumulated depreciation	(385,946)	(13,092,741)	(12,477,459)	(8,147,846)	-	(34,103,992)	(32,440,697)
Net capital assets	2,865,391	19,612,448	15,589,717	5,606,845	0	43,674,401	44,740,414
Total noncurrent assets	2,865,391	19,612,448	17,445,976	5,606,845	12,913,568	58,444,228	60,318,535
Total assets	3,337,701	24,917,082	22,892,463	8,712,111	15,273,501	75,132,858	75,703,540
Deferred outflows of resources:							
Unamortized loss on refunding	-	163,564	86,487	224,715	-	474,766	527,541
Total deferred outflows of resources	0	163,564	86,487	224,715	0	474,766	527,541

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



WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2020

With Comparative Totals For December 31, 2019

Statement 6

Page 2 of 2

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond LLC	Managing Member Partnership	Total Proprietary Funds	
						2020	2019
Liabilities:							
Current liabilities:							
Accounts payable	\$31,621	\$229,919	\$198,341	\$76,141	\$ -	\$536,022	\$319,744
Due to other funds	42,299	-	-	-	3	42,302	4
Due to other governmental units	6,254	179,191	168,282	106,566	-	460,293	443,252
Unearned revenue - rent	20	2,819	9,902	2,641	-	15,382	3,283
Advances from other funds	-	500,000	-	-	-	500,000	500,000
Current liabilities payable from restricted assets:							
Accrued interest payable	50	255,570	143,908	30,617	113,432	543,577	572,410
Security deposits	10,520	186,464	112,383	95,366	-	404,733	454,699
Contracts payable	-	-	-	-	-	-	526
Current portion of long-term debt	444	849,860	1,133,076	267,733	175,000	2,426,113	2,460,892
Total current liabilities payable from restricted assets	11,014	1,291,894	1,389,367	393,716	288,432	3,374,423	3,488,527
Total current liabilities	91,208	2,203,823	1,765,892	579,064	288,435	4,928,422	4,754,810
Noncurrent liabilities:							
Unearned gain on sale of property	-	-	187,019	-	-	187,019	245,798
Long-term debt	3,540	11,580,095	10,988,809	210,225	7,287,460	30,070,129	32,297,846
Notes and mortgages payable	660,291	-	197,010	8,535,685	1,118,793	10,511,779	10,752,891
Total noncurrent liabilities	663,831	11,580,095	11,372,838	8,745,910	8,406,253	40,768,927	43,296,535
Total liabilities	755,039	13,783,918	13,138,730	9,324,974	8,694,688	45,697,349	48,051,345
Deferred inflows of resources:							
Unamortized gain on refunding	-	-	-	-	-	-	39,086
Total deferred inflows of resources	0	0	0	0	0	0	39,086
Net position:							
Net investment in capital assets	2,201,116	7,346,057	5,989,702	(3,182,083)	-	12,354,792	11,491,467
Restricted for bond indenture purposes	9,630	4,037,164	4,166,621	1,081,712	962,362	10,257,489	9,882,023
Unrestricted	371,916	(86,493)	(316,103)	1,712,223	5,616,451	7,297,994	6,767,160
Total net position	\$2,582,662	\$11,296,728	\$9,840,220	\$(388,148)	\$6,578,813	\$29,910,275	\$28,140,650

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For The Year Ended December 31, 2020  
With Comparative Totals For The Year Ended December 31, 2019

Statement 7

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond LLC	Managing Member Partnership	Total Proprietary Funds	
						2020	2019
Operating revenues:							
Rental income	\$417,022	\$3,031,700	\$2,841,807	\$2,323,531	\$ -	\$8,614,060	\$8,415,226
Service income	4,064	17,289	4,929	-	-	26,282	27,628
HUD rent subsidies	214,357	920,691	-	-	-	1,135,048	916,472
Other	9,874	34,880	34,805	58,630	400	138,589	1,436,311
Total operating revenues	645,317	4,004,560	2,881,541	2,382,161	400	9,913,979	10,795,637
Operating expenses:							
Marketing	-	6,832	13,022	9,525	-	29,379	29,007
Management fee	106,918	460,658	321,618	244,226	-	1,133,420	1,079,794
Legal	53,222	15,274	15,296	4,692	1,452	89,936	53,638
Administrative	17,793	74,587	27,248	15,772	3,142	138,542	135,333
Operating	139,868	42,438	42,930	18,876	-	244,112	267,193
Maintenance	344,356	979,498	755,889	508,211	-	2,587,954	2,339,395
Utilities	57,128	305,777	301,353	198,220	-	862,478	858,768
Insurance	34,906	177,827	114,865	73,717	-	401,315	388,725
Property taxes	18,658	186,598	159,786	203,654	-	568,696	451,330
Depreciation	302,724	759,229	495,026	328,743	-	1,885,722	1,862,644
Total operating expenses	1,075,573	3,008,718	2,247,033	1,605,636	4,594	7,941,554	7,465,827
Operating income (loss)	(430,256)	995,842	634,508	776,525	(4,194)	1,972,425	3,329,810
Nonoperating revenues (expenses):							
Investment income	5,104	16,184	77,403	10,701	217,109	326,501	528,783
Intergovernmental	104	425,149	11,206	6,205	-	442,664	376,594
Gain (loss) on asset disposition	-	-	58,778	-	-	58,778	57,219
Financial expense	(111)	(18,659)	(9,570)	(40,819)	(2,000)	(71,159)	(76,557)
Amortization of bond premium	-	15,061	37,916	-	8,696	61,673	61,672
Amortization of deferred gain (loss) on refunding	-	(23,430)	18,413	(8,671)	-	(13,688)	35,208
Interest expense	(120)	(537,612)	(376,542)	(342,359)	(272,521)	(1,529,154)	(1,602,633)
Property tax revenue	453	607,544	485,326	26,621	241,010	1,360,954	1,345,046
Contribution to component unit	-	-	-	-	(97,500)	(97,500)	(195,000)
Other	(27,628)	(8,837)	(874)	(795)	-	(38,134)	(52,454)
Total nonoperating revenues (expenses)	(22,198)	475,400	302,056	(349,117)	94,794	500,935	477,878
Income (loss) before contributions and transfers	(452,454)	1,471,242	936,564	427,408	90,600	2,473,360	3,807,688
Capital contributions	168,585	-	-	-	-	168,585	237,791
Transfers:							
Transfers from other funds	-	146,956	3,869,314	-	-	4,016,270	957,351
Transfers to other funds	(3,807,590)	(601,000)	(471,000)	-	(9,000)	(4,888,590)	(1,559,000)
Total transfers	(3,807,590)	(454,044)	3,398,314	0	(9,000)	(872,320)	(601,649)
Change in net position	(4,091,459)	1,017,198	4,334,878	427,408	81,600	1,769,625	3,443,830
Net position - January 1	6,674,121	10,279,530	5,505,342	(815,556)	6,497,213	28,140,650	24,696,820
Net position - December 31	\$2,582,662	\$11,296,728	\$9,840,220	(\$388,148)	\$6,578,813	\$29,910,275	\$28,140,650

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Statement 8

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond LLC	Managing Member Partnership	Total Proprietary Funds	
						2020	2019
Cash flows from operating activities:							
Receipts from customers and users	\$578,589	\$4,050,570	\$2,782,452	\$2,306,189	\$228,360	\$9,946,160	\$9,219,328
Payment to suppliers for goods and services	(741,769)	(2,145,126)	(1,667,804)	(1,248,124)	(4,594)	(5,807,417)	(5,476,025)
Miscellaneous income (loss)	(17,754)	26,043	33,931	57,835	-	100,055	117,857
Net cash flows from operating activities	(180,934)	1,931,487	1,148,579	1,115,900	223,766	4,238,798	3,861,160
Cash flows from noncapital financing activities:							
Transfers in	-	-	6,500	-	-	6,500	6,500
Transfers out	(24,618)	(601,000)	(471,000)	-	(9,000)	(1,105,618)	(1,559,000)
Due to/from other funds - net change	42,299	-	(1,465)	-	-	40,834	-
Net cash flows from noncapital financing activities	17,681	(601,000)	(465,965)	0	(9,000)	(1,058,284)	(1,552,500)
Cash flows from capital and related financing activities:							
Property taxes	453	607,544	485,326	26,621	241,010	1,360,954	1,345,046
Transfers in	-	146,956	78,545	-	-	225,501	950,851
Capital contribution	168,585	-	-	-	-	168,585	237,791
Federal recovery zone credits and CDBG	118	345,502	12,714	7,040	-	365,374	377,846
Fiscal agent costs and other debt related fees	(111)	(13,452)	(9,570)	(40,596)	(2,000)	(65,729)	(25,301)
Purchase of capital assets	(337,741)	(382,697)	(46,389)	(30,801)	-	(797,628)	(1,671,855)
Interest paid on long-term debt	(124)	(549,011)	(391,688)	(343,227)	(273,938)	(1,557,988)	(1,631,391)
Principal payments on long-term debt	(444)	(972,625)	(1,081,782)	(222,513)	(169,999)	(2,447,363)	(2,595,939)
Net cash flows from capital and related financing activities	(169,264)	(817,783)	(952,844)	(603,476)	(204,927)	(2,748,294)	(3,012,952)
Cash flows from investing activities:							
Principal receipts on capital lease receivable	-	-	441,624	-	-	441,624	430,433
Issuance of loans receivable	-	-	-	-	334,980	334,980	122,234
Investment income	5,104	(65,498)	77,404	10,701	208,548	236,259	623,948
Net cash flows from investing activities	5,104	(65,498)	519,028	10,701	543,528	1,012,863	1,176,615
Net increase (decrease) in cash and cash equivalents	(327,413)	447,206	248,798	523,125	553,367	1,445,083	472,323
Cash and cash equivalents - January 1	775,005	4,604,977	4,536,416	2,452,337	1,137,725	13,506,460	13,034,137
Cash and cash equivalents - December 31	\$447,592	\$5,052,183	\$4,785,214	\$2,975,462	\$1,691,092	\$14,951,543	\$13,506,460
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	(\$430,256)	\$995,842	\$634,508	\$776,525	(\$4,194)	\$1,972,425	\$3,329,810
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation	302,724	759,229	495,026	328,743	-	1,885,722	1,862,644
Miscellaneous income (loss)	(27,628)	(8,837)	(874)	(795)	-	(38,134)	(52,454)
Changes in assets and liabilities:							
Decrease (increase) in receivables	1,399	79,060	(95,413)	(17,798)	227,960	195,208	(1,396,709)
Decrease (increase) prepaid items	20,572	9,915	(13,929)	(1,321)	-	15,237	(8,051)
Decrease (increase) due from other governments	13,029	-	-	-	-	13,029	(24,472)
Increase (decrease) accounts payable	22,607	82,989	82,685	27,856	-	216,137	117,332
Increase (decrease) security deposits payable	(70,954)	913	21,605	(1,530)	-	(49,966)	16,317
Increase (decrease) due to other governments	(12,099)	11,459	15,447	2,234	-	17,041	17,877
Increase (decrease) unearned revenue	(328)	917	9,524	1,986	-	12,099	(1,134)
Total adjustments	249,322	935,645	514,071	339,375	227,960	2,266,373	531,350
Net cash provided (used) by operating activities	(\$180,934)	\$1,931,487	\$1,148,579	\$1,115,900	\$223,766	\$4,238,798	\$3,861,160
Noncash investing, capital and financing activities:							
Transfers of non-cash assets	(\$3,782,972)	\$0	\$3,782,972	\$0	\$0	\$0	\$0

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

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**Note 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges to external customers for support.

**B. REPORTING ENTITY**

The Washington County Community Development Agency (CDA) is a local governmental unit created in 1981 by a special act of Minnesota State Legislature, pursuant to the Laws of Minnesota for 1974, Chapter 475. Originally named the Washington County Housing and Redevelopment Authority (HRA), the CDA had all the powers of a housing and redevelopment authority. In 2016, the Minnesota Legislature enacted House File No. 2956, amending Laws of Minnesota for 1974, Chapter 475, to allow the HRA to assume certain economic development authority powers. After June 28, 2016, the HRA became known as a CDA. The CDA operates for the purpose of providing housing, redevelopment and economic development services to the Washington County (the County), Minnesota area. The governing body of the CDA consists of a seven member Board of Commissioners (Board) appointed by the county commissioners to serve three-year terms.

Several of the CDA's bond issues have been backed by the full faith and credit of the County. This general obligation pledge has allowed the CDA to obtain lower borrowing costs for the purpose of financing the construction of housing facilities within the County. As such, the CDA is considered a discretely presented component unit of the County and is included in the County's basic financial statements.

Blended component units. The CDA has established several legally separate entities that are required to be included in the financial reporting entity as blended component units. In each instance, the CDA is the sole member of the LLC and the CDA's Board of Commissioners is also the Board of Governors of the LLC and a financial benefit or burden relationship exists. In accordance with generally accepted accounting principles, WCCDA Family Housing, LLC, Briar Pond, LLC, The Groves Managing Member, LLC, WCHRA Piccadilly Square, LLC and WCCDA Glen, LLC, have been included in the financial reporting entity as blended component units of the CDA. Briar Pond, LLC does separately issue financial statements. A copy can be obtained from the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, MN 55125, and is reported as an enterprise fund in the CDA's financial statements. WCCDA Family Housing, LLC, The Groves Managing Member, LLC, WCHRA Piccadilly Square, LLC and WCCDA Glen, LLC, do not separately issue financial statements and are reported as enterprise funds in the CDA's financial statements.

Discretely presented component units. The CDA is the general partner and managing member of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC, low income housing tax credit limited partnerships. The limited partnerships were formed to construct and operate or rehabilitate and operate family and senior housing property in Washington County. The projects are financed, in part, with low income housing tax credits which place certain restrictions on rental rates and require tenants to qualify for occupancy based on income levels. The CDA's ownership percentage in the limited partnerships is .01%, respectively. As general partner, the CDA controls the day-to-day operations of the partnerships. The limited partners have limited rights regarding the operations of the partnerships. See Note 16 for additional information on the discretely

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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presented component units. Separate financial statements for the limited partnership can be obtained by contacting the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, MN 55125.

**C. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while the business-type activities column incorporates data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds. The primary government is reported separately from the discretely presented component units for which the primary government is financially accountable.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the CDA. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the government's funds, including its blended component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. There are no remaining governmental and enterprise funds to be aggregated and reported as nonmajor funds.

The CDA reports the following major governmental funds:

The *General Fund* accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Housing Assistance Fund* is used to account for the administration of 539 units of rental assistance through the U.S. Department of Housing and Urban Development (HUD) Housing Choice Voucher program and several smaller federal and state funded programs.

The *Community Development Fund* is used to account for related expenses to the CDA for land purchases, constructed housing developments, assisting developers with new affordable housing developments, various housing programs of the CDA, or other expenses related to assisting cities with affordable housing developments. Revenues for this program are derived from state and federal grants, special financing programs available to the CDA and property taxes.

The *Economic Development Fund* is used to account for expenses related to the Economic Development Department activities and expenses that promote economic development in Washington County, Minnesota. Grants, contributions and property taxes fund this program.

The *Home Ownership Counseling Fund* is used to account for related expenses to provide counseling to consumers on seeking, financing, maintaining, renting, or owning a home. The program also assists homeowners in need of foreclosure assistance. Federal and state grants fund this program.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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The *Tax Increment Fund* accounts for the eligible expenses under state law for tax increment financing districts. It currently includes the Redrock TIF District and the Whispering Oaks TIF District, which is a redevelopment district. Whispering Oaks is the name of the once CDA-owned manufactured home park. The City of Oakdale approved a redevelopment plan in 2006 for the property for a mixed housing type, mixed income development known as Red Oak Preserve.

The *Home Ownership Counseling Fund and Tax Increment Fund*, are presented as major funds for public purpose interest.

The CDA reports the following major proprietary funds:

*Public Housing Fund* – was established to account for the operation of 96 units of rental housing within Washington County through the HUD funded Low-Rent Housing Program and Capital Fund Program. These units are owned and operated by the CDA but are subject to HUD's program rules and regulations. HUD provides subsidies for the operation, maintenance and improvement of these units.

*Senior Housing Fund* – was established to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 401 units of bond-financed senior housing intended for seniors 55 years of age or older within the County.

*Family Housing Fund* – was established to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 265 units of bond-financed, or other, family housing within the County.

*Briar Pond, LLC* – was established to account for operations of Briar Pond LLC, a blended component unit, which is comprised of four buildings and a total of 196 units. Unit styles are available in 1 bedroom and 2 bedroom apartments and 2 bedroom and 3 bedroom townhomes.

*Managing Member Partnership* – was established to account for the Agency's investment in and any transactions related to performing the duties of general partner and managing member of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e. the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

## E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CDA considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the CDA.

## F. BUDGETARY INFORMATION

### 1. Budgetary basis of accounting

Budget requests are submitted by the CDA's Finance Director to the Board. The budget is adopted at a public meeting by the Board after sending certification of tax levies to the County Auditor. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for all funds.

Budgeted expenditure appropriations lapse at year end. The Executive Director and Finance Director are authorized to transfer appropriations within any fund budget. Interdepartmental or interfund appropriations and deletions are authorized by the Board with fund contingency reserves or additional revenues. The legal level of budgetary control is at the fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services; materials and supplies; contractual services; and capital outlay) within each program. All amounts over budget have been approved by the Board through the disbursement process.

Encumbrances represent outstanding purchase orders and unfulfilled commitments that are issued to outside vendors and budgeted in the current year but do not include amounts that are set up as liabilities, amounts for personal services to be performed by CDA employees and purchase orders applicable to the subsequent year's budget. Encumbrances lapse at year end.



As of December 31, 2020, no outstanding encumbrances existed.

**G. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

**1. Cash and cash equivalents**

The CDA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Investments**

The CDA's investment policy requires compliance with State statutes which allow investments in obligations guaranteed by the U.S. Treasury or its agencies, mutual funds, general obligations of state and local governments, bankers' acceptances, commercial paper, repurchase agreements, and the Minnesota Association of Governments Investing for Counties. Investments are stated at fair value, except for investments in external investment pools that meet Governmental Accounting Standards Board (GASB) Statement No. 79 requirements, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

**3. Prepaid items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

**4. Restricted assets**

Certain proceeds of the CDA's enterprise fund bond issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. For the purpose of the statement of cash flows, the proprietary funds treat restricted cash and cash equivalents the same as investments.

**5. Capital assets**

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the CDA as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	
Buildings and structures	40 years
Buildings and structures – HUD	30 years
Furniture and fixtures	7–15 years
Data processing	7 years

**6. Tenant receivables**

Tenant receivables in excess of 60 days comprise the tenant receivable allowance. The amount at December 31, 2020 was \$34,133.

**7. Receivables and payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as “due to/from other funds.” All short-term interfund receivables and payables at December 31, 2020 are planned to be eliminated in 2020. Long-term interfund loans are classified as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

Property taxes are reported net of estimated uncollectible accounts. (See Note 1.H.2). Uncollectible amounts are not material for other receivables and have not been reported.

**8. Long-term obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**9. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The CDA has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the proprietary fund balance sheet and the government-wide statement of net position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The CDA has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes and notes receivable. In addition, in both the government-wide governmental activities statement of net position and the governmental funds balance sheet, the CDA reports a deferred inflow for grants received in advance of meeting time requirements. The CDA has one item that is considered a deferred inflow of resources, which arises only under the full accrual basis of accounting. In the proprietary funds, gains that arose from the refunding of debt are considered a deferred inflow of resources and are amortized over the life of the bond. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**10. Classification of net position**

Net position in the government-wide and proprietary fund financial statements are classified in the following categories:

Net investment in capital assets – the amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction or improvement of the assets.

Restricted net position – the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – the amount of net position that do not meet the definition of restricted or net investment in capital assets.

**11. Net position flow assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CDA's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**12. Fund balance flow assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CDA's policy to consider restricted fund balance to be depleted before using any other components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### 13. Fund balance classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of internally imposed constraints. These constraints are established by Resolution of the Board.

*Assigned* - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the Board's intended use. These constraints are established by the Executive Director, who has been delegated through the Board's approved fund balance policy.

*Unassigned* - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the Board's policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

## H. REVENUES AND EXPENDITURES/EXPENSES

### 1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

### 2. Property taxes

The Board annually adopts a tax levy request and submits it to the County in December for final certification (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the CDA, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the CDA at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the CDA on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The CDA has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

#### Government-Wide Financial Statements

The CDA recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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Governmental Fund Financial Statements

The CDA recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the CDA in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the CDA the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the CDA in January is fully offset by deferred inflow of resources because they are not available to finance current expenditures.

**3. Compensated absences**

It is the CDA's policy to permit employees to accumulate earned but unused Paid Time Off (PTO) benefits. All PTO pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The CDA converted to the PTO system, combining the former vacation and sick leave benefits, in 2005. As part of that conversion, employees with sick leave balances as of December 31, 2005 were permitted to convert time accrued to an Extended Sick Leave Bank (ESLB). New hires after this date do not have this benefit. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive ESLB benefits.

**4. Proprietary funds operating and nonoperating revenues and expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise funds are tenant rents. Operating expenses for enterprise funds include the cost of maintenance services, utilities and insurance costs, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**I. INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

**J. USE OF ESTIMATES**

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect the amounts reported within financial statements during the reporting period. Actual results could differ from such estimates.

**K. COMPARATIVE TOTALS**

Certain basic financial statements include prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the CDA's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
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**L. RECLASSIFICATION**

Certain prior year numbers have been reclassified to conform to current year presentation.

**M. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

1. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION.

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.” The details of this (\$3,071,158) difference are as follows:

	<u>2020</u>
Due to primary government	(\$1,347,997)
Accrued interest payable	(32,991)
Other long term payables	(1,522,893)
Compensated absences	<u>(167,277)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>(\$3,071,158)</u></u>

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES.

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$68,443 difference are as follows:

	<u>2020</u>
Capital outlay	\$ -
Depreciation expense	<u>(68,443)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>(\$68,443)</u></u>

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Another element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The detail of this (\$90,341) difference is as follows:

	<u>2020</u>
Unavailable revenue - general property taxes:	
At beginning of year	(\$44,622)
At end of year	50,391
Unavailable revenue - property held for resale:	
At beginning of year	(483,233)
At end of year	161,400
Unavailable revenue - note receivable:	
At beginning of year	(4,456,022)
At end of year	<u>4,681,745</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>(\$90,341)</u></u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The detail of this (\$32,517) difference is as follows:

	<u>2020</u>
Interest expense	\$2,622
Compensated absences	<u>(35,139)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>(\$32,517)</u></u>

**N. DEFICIT FUND EQUITY**

At December 31, 2020, the Tax Increment Fund, a major governmental fund, has a fund deficit of \$3,496,072. The reason for the deficit is advances that were received from the Community Development Fund in order to fund the Whispering Oaks and Redrock TIF projects. It is expected that future TIF revenues will reduce the fund deficit. In addition, Briar Pond, LLC, a major proprietary fund, has a fund deficit of \$388,148. The fund deficit was caused by debt borrowings used to rehabilitate the properties that exceed the net value of the related asset. Future charges for services are expected to be used to pay down debt and eliminate the fund deficit.

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**Note 2 DEPOSITS AND INVESTMENTS**

For purpose of the statement of cash flows for the enterprise funds, the CDA considers unrestricted cash and highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

The CDA invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under joint powers agreement pursuant to Minnesota Statute 471.59 and regulated by Minnesota State Statutes. The MAGIC fund is not registered with the Securities and Exchange Commission. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost. The MAGIC fund has no redemption requirements and no maximum transaction amounts. A copy of the funds statement is available at [www.magicfund.org](http://www.magicfund.org).

**A. DEPOSITS**

Minnesota Statutes require that all deposits with financial institutions must be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance. Deposits include checking, savings and certificates of deposits.

The December 31, 2020 carrying amount of the CDA's deposits with financial institutions was \$1,887,526 all of which is covered by FDIC insurance or pledged collateral.

**B. INVESTMENTS**

The CDA's investment policy requires compliance with State statutes which allow investments in obligation guaranteed by the U.S. Treasury or its agencies, mutual funds, general obligations of state and local governments, bankers' acceptances, commercial paper, repurchase agreements, and the Minnesota Association of Governments Investing for Counties.

As of December 31, 2020 the CDA had the following investments and maturities:

	Rating	Fair Value	Investment Maturities (in Years)		
			Less than 1	1-5	Over 5
Mutual fund	AAAm	\$10,944,582	\$10,944,582	\$ -	\$ -
External investment pools	NR	18,051,439	18,051,439	-	-
Certificate of deposit	NR	2,566,157	-	2,566,157	-
Total investments		31,562,178	\$28,996,021	\$2,566,157	\$0
Deposits	NR	1,887,526			
Total cash and investments		\$33,449,704			

NR - Not Rated

These amounts are presented on the statement of net position as follows:

Cash and investments	\$22,259,457
Restricted cash and investments	11,190,247
Total cash and investments	<u>\$33,449,704</u>



**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**C. FAIR VALUE**

The CDA's investments that are not recorded at amortized cost are recorded at fair value as of December 31, 2020. GASB Statement No. 72, Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset between market participants at the measurement date. This statement established a hierarchy of valuation inputs based on the extent to which the inputs are observable in the market place.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measure. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The CDA has the following recurring fair value measurements as of December 31, 2020:

Investment Type	12/31/2020	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered CD's	\$2,566,157	\$ -	\$2,566,157	\$ -
Total/Subtotal		<u>\$0</u>	<u>\$2,566,157</u>	<u>\$0</u>
Investments not categorized:				
Mutual fund	10,944,582			
External investment pool - Magic fund	18,051,439			
Total	<u>\$31,562,178</u>			

**D. DEPOSIT AND INVESTMENT RISKS**

Custodial credit risk – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the CDA will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures.

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The CDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to those listed in Note 2.B. The CDA does not have a formal investment policy that further limits the ratings of their investments.

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The CDA places no limit on the amount the CDA may invest in any one issuer. Investments in a single issuer exceeding 5% of the CDA's overall cash and investment portfolio are as follows:

First American Government Obligations	32.7%
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**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**Note 3 RECEIVABLES**

The Community Development Fund has receivable balances of \$8,367,307 which are not expected to be collected within one year of December 31, 2020. These receivables relate to several deferred loans made to finance privately-owned affordable housing projects. A majority of the funding for the loans come from federal programs.

The Managing Member Partnership Fund has receivable balances of \$11,707,714 of which, \$11,055,955 is not expected to be collected within one year of December 31, 2020. These receivables are the developer fees and the seller note receivable from The Groves Apartments, LLC, the developer fees, loan receivables and mortgage receivable from Piccadilly Square of Mahtomedi, LLC, and the developer fees, loan receivables, and mortgage receivable from The Glen at Valley Creek, LLC.

The General Fund has a receivable balance of \$597,143 which is expected to be collected within one year of December 31, 2020. This note receivable is due from Glen at Valley Creek, LLC.

**Note 4 INVESTMENTS IN LIMITED PARTNERSHIPS**

As explained in Note 1.B., the CDA is the general partner and managing member of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, and Glen at Valley Creek, LLC, low income housing tax credit limited partnerships. The limited partnerships were formed to construct and operate or rehabilitate and operate family and senior housing property in Washington County and were financed, in part, with low-income housing tax credits which place certain restrictions on rental rates and require tenants to qualify for occupancy based on income levels. Contributions and distributions, if any, are recorded as direct adjustments to the investment in limited partnerships on the statement of net position. Any income or loss from the operation of this limited partnership is also recorded as a direct adjustment to the investment in limited partnerships based on the CDA's ownership percentage, which is .01%.

Additional information on the limited partnerships is provided as follows:

	Year Built	Units	Beginning Balance	Additions	Reductions	Allocation of Gains/(Loss)	Ending Balance
The Groves Apartments, LLC	2014	67	\$500,553	\$ -	\$ -	(\$9)	\$500,544
Piccadilly Square of Mahtomedi, LLC	2015-2016	79	1,344,076	-	-	(15)	1,344,061
Glen at Valley Creek, LLC	2018	42	13,056	-	-	(48)	13,008

As General Partner, the CDA has an obligation to provide funds for any development and operating deficits that may occur for The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC, up to \$294,456, \$549,000, and \$356,000 respectively. This obligation will lapse three years after the lease-up of the property. A guaranty of housing tax credits and development fees is also provided.

As described in Note 9D the CDA has entered into an operating subsidy agreement with the Glen at Valley Creek, LLC.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**Note 5    UNAVAILABLE REVENUE**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Property Taxes	Notes Receivable	Accrued Interest	Land held for resale
Major Funds:				
General Fund	\$50,391	\$ -	\$ -	\$ -
Community Development Fund	-	4,356,287	325,458	161,400
	<u>\$50,391</u>	<u>\$4,356,287</u>	<u>\$325,458</u>	<u>\$161,400</u>
Total	<u>\$50,391</u>	<u>\$4,356,287</u>	<u>\$325,458</u>	<u>\$161,400</u>

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**Note 6 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$424,186	\$ -	\$ -	\$424,186
Capital assets, being depreciated:				
Buildings and structures	2,064,478	-	-	2,064,478
Furniture and fixtures	220,322	-	-	220,322
Total capital assets, being depreciated	2,284,800	0	0	2,284,800
Less accumulated depreciation for:				
Buildings and structures	351,736	51,614	-	403,350
Furniture and fixtures	99,071	16,829	-	115,900
Total accumulated depreciation	450,807	68,443	0	519,250
Total capital assets being depreciated - net	1,833,993	(68,443)	-	1,765,550
Governmental activities capital assets - net	\$2,258,179	(\$68,443)	\$0	\$2,189,736
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$4,559,053	\$ -	\$ -	\$4,559,053
Construction in progress	57,297	819,709	(817,662)	59,344
Total capital assets, not being depreciated	4,616,350	819,709	(817,662)	4,618,397
Capital assets, being depreciated:				
Buildings and structures	72,049,059	817,662	(222,427)	72,644,294
Furniture and fixtures	515,702	-	-	515,702
Total capital assets, being depreciated	72,564,761	817,662	(222,427)	73,159,996
Less accumulated depreciation for:				
Buildings and structures	31,924,995	1,885,722	(222,427)	33,588,290
Furniture and fixtures	515,702	-	-	515,702
Total accumulated depreciation	32,440,697	1,885,722	(222,427)	34,103,992
Total capital assets being depreciated - net	40,124,064	(1,068,060)	0	39,056,004
Business-type activities capital assets - net	\$44,740,414	(\$248,351)	(\$817,662)	\$43,674,401

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$68,443
Total depreciation expense - governmental activities	<u>\$68,443</u>
Business-type activities:	
Housing	\$1,885,722
Total depreciation expense - business-type activities	<u>\$1,885,722</u>

**Note 7 INTERFUND RECEIVABLES, PAYABLES, LOANS AND TRANSFERS**

The composition of interfund balances as of December 31, 2020, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Community Development	\$233,851
General	Housing Assistance Fund	22,430
General	Home Ownership Counseling	24,636
General	Public Housing Fund	42,299
General	Managing Member Partnership	3
Family Housing Fund	Housing Assistance Fund	<u>1,465</u>
Total		<u>\$324,684</u>

The above balances are representative of lending/borrowing arrangements to cover deficit cash balances and interfund receivables/payables due to routine activity at the end of the fiscal year. The above balances are expected to be eliminated within one year of December 31, 2020.

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Community Development	Tax Increment	\$3,561,977
Community Development	Senior Housing	<u>500,000</u>
Total		<u>\$4,061,977</u>

The above balances are for preliminary funding of development costs prior to reimbursement. The funds will be repaid as tax increment receipts and developer contributions are received. These advances are not expected to be eliminated within one year of December 31, 2020.

Interfund transfers:

Interfund transfers allow the CDA to allocate financial resources. The CDA's special benefit property taxes are required to be deposited in a Special Tax Fund held by a Deposit Agent (currently the CDA's bond trustee). Portions of the special benefit property tax levy are pledged to debt service, operating expenses and reserves for certain properties, and are transferred from the Special Tax Fund to the appropriate trust accounts for the applicable properties. The balance of the special benefit property taxes in the Special Tax Fund, and amounts,

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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if any, remaining after the various trust account requirements for the applicable properties have been met, are released by the bond trustee and transferred to the General Fund.

In the year ended December 31, 2020, the CDA made the following one-time transfers:

	Transfers out						Total
	General Fund	Housing Assistance	Home Ownership	Public Housing	Senior Housing	Family Housing	
Transfers in:							
General Fund	\$ -	\$31,500	\$72,000	\$ -	\$601,000	\$471,000	\$1,184,500
Senior Housing	146,956	-	-	-	-	-	146,956
Family Housing	61,724	-	-	3,807,590	-	-	3,869,314
Total	\$208,680	\$31,500	\$72,000	\$3,807,590	\$601,000	\$471,000	\$5,200,770

- A transfer of \$208,680 from the General Fund to various proprietary funds to fund current and future capital expenditures.
- A transfer of \$72,000 of Home Ownership and \$31,500 of Housing Assistance levy funds to the General Fund.
- A transfer of undesignated cash balances of \$601,000 from the Senior Housing Fund, \$471,000 from the Family Housing Fund and \$9,000 from the Managing Member Partnership Fund to the General Fund for future use.
- During 2020, the Scattered Site operations within the Public Housing Fund ceased operations and sold the related housing sites to WCCDA Family Housing LLC. In conjunction with the sale, substantially all operational assets and liabilities were transferred to WCCDA Family Housing, LLC. This transfer of operations is reported in the financial statements as a transfer of \$3,807,590 from the Public Housing Fund to the Family Housing Fund.

**Note 8 LEASES**

**A. CAPITAL LEASE RECEIVABLE - LANDFALL**

The CDA disposed of its Landfall capital assets in exchange for a capital lease receivable. In conjunction with Landfall debt refunding in 2010, the terms of the lease were updated to these reflected here. The lease bears an effective interest rate of 3.45% and has monthly principal and interest payments of \$36,000 through January 1, 2024. Future minimum lease payments receivable for each of the years ending December 31 are as follows:

Year	Amount
2021	\$432,000
2022	432,000
2023	432,000
2024	22,034
2025	-
Total minimum lease payments	1,318,034
Amounts representing interest	(27,888)
Present value of net minimum lease payments	<u>\$1,290,146</u>

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**B. CAPITAL LEASE RECEIVABLE – WASHINGTON CONSERVATION DISTRICT**

The CDA entered into a lease with Washington Conservation District. Under terms of the lease, monthly payments are equal to (i) one-sixth of the amount of interest due on the Series 2013 bonds on the next succeeding interest payment date, plus (ii) one-twelfth of the amount of principal due on the Series 2013 Bonds on the next principal payment date. Future minimum lease payments receivable for each of the years ending December 31, are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$74,374
2022	73,791
2023	77,364
2024	76,227
2025	75,384
2026	78,696
2027	77,704
2028	81,192
2029	84,100
2030	82,567
2031	85,590
2032	87,883
2033	85,835
2034	88,195
2035	90,350
2036	92,133
2037	<u>85,800</u>
Total minimum lease payments	1,397,185
Amounts representing interest	<u>(375,518)</u>
Present value of net minimum lease payments	<u>\$1,021,667</u>

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**Note 9 LONG-TERM DEBT**

**A. CHANGES IN LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended December 31, 2020:

	Balance 12/31/19	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Governmental activities:					
Compensated absences	\$132,138	\$189,589	(\$154,450)	\$167,277	\$16,728
Direct borrowings:					
Notes payable	3,187,415	-	(316,525)	2,870,890	288,236
Total	<u>\$3,319,553</u>	<u>\$189,589</u>	<u>(\$470,975)</u>	<u>\$3,038,167</u>	<u>\$304,964</u>
Business-type activities:					
Direct borrowings:					
Notes payable	\$1,976,094	\$ -	\$ -	\$1,976,094	
Mortgage payable	8,972,688	-	(195,891)	8,776,797	241,113
Bonds payable	34,065,000	-	(2,265,000)	31,800,000	2,185,000
Bond issuance premium/discount	497,847	-	(42,718)	455,129	
Total	<u>\$45,511,629</u>	<u>\$0</u>	<u>(\$2,503,609)</u>	<u>\$43,008,020</u>	<u>\$2,426,113</u>

Compensated absences are generally liquidated by the General Fund. It is not practicable to determine the specific year for payment of long-term accrued compensated absences.

The notes, mortgages and bonds issued contain various covenants and escrow requirements. As of December 31, 2020, the CDA was in compliance with all such covenants and reserve requirements.

**B. NOTES AND MORTGAGE PAYABLE**

Details of the notes and mortgages payable, excluding compensated absences are as follows:

Governmental Activities:	Interest Rate	Maturity	Amount
\$543,500 Community Development Fund (LAAND Initiative), mortgage note payable to the Metropolitan Council. This non-interest bearing note is dated April 29, 2010 and it provided funds used to buy land for future development. The note is secured by the property and is payable upon the earlier of the sale of the property held for resale or December 31, 2047.	0.000%	12/31/2047	\$500,000
\$1,587,577 Community Development Fund (Tax Increment), Tax Increment Revenue note payable to Washington County, issued November 18, 2009. Principal and interest payable in semiannual installments ranging from \$9,088 to \$65,905.	5.000%	1/15/2035	1,347,996
\$1,192,500 Community Development Fund (Red Oak Preserve-Oakdale), note payable to the City of Oakdale. The City of Oakdale issued \$2,385,000 G.O. Improvement Bonds, Series 2007A. The CDA is responsible for 50% of the debt service after City special assessments are applied, and a portion related to tax increment. Principal and interest payable annually.	4.371%	2/1/2023	196,538
\$1,300,000 General Fund, note payable to a bank. On December 1, 2016, the CDA entered into a mortgage agreement, secured by office building. Principal and interest payable in monthly installments of \$12,552. All unpaid principal is due on December 5, 2026, the maturity date.	2.950%	12/5/2026	826,356
Total notes payable			<u>\$2,870,890</u>



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<b>Business-type Activities:</b>	<b>Interest Rate</b>	<b>Maturity</b>	<b>Amount</b>
\$271,000 Public Housing Fund (Whispering Pines), POHP note payable to MHFA. MHFA provided funds in the form of an interest free, deferred loan for a term of twenty years. There is no amortization requirement on the loan. In the event of a default, the CDA may be required to pay the full amount of the loan balance. If the CDA continues to own and operate the property, the loan will be forgiven on December 15, 2036.	0.000%	12/15/2036	\$ 271,000
\$197,010 Public Housing Fund (Transitional Housing), mortgage note payable to MHFA. MHFA provided funds in the form of an interest free, deferred loan for a term of thirty years. There is no amortization requirement on the loan. Failure to comply with loan covenants may constitute an event requiring repayment of the loan. All unpaid principal is due on June 28, 2040, the maturity date.	0.000%	6/28/2040	197,010
\$389,291 Family Housing Fund (Whispering Pines), Preservation Affordable Rental Investment Fund (PARIF) mortgage note payable to MHFA. MHFA provided funds in the form of an interest free, deferred loan for a term of thirty years. There is no amortization requirement on the loan. In the event of default, mortgagee may declare immediately due and payable all unmatured indebtedness. All unpaid principal is due on May 2, 2042, the maturity date.	0.000%	5/2/2042	389,291
\$500,000 Managing Member Fund, Affordable Housing Program (AHP) note payable to FHLB. FHLB provided funds in the form of an interest free loan that may be forgiven if all requirements are met upon the completion of the Piccadilly Square project. The requirements must be met before September 1, 2031 for the loan to be forgiven, otherwise it must be repaid. In event of default, the loan balance may be demanded in full.	0.000%	11/13/2031	500,000
\$500,000 Managing Member Fund, Affordable Housing Program (AHP) note payable to FHLB. FHLB provided funds in the form of an interest free loan that may be forgiven if all requirements are met upon the completion of the Glen at Valley Creek project. The requirements must be met before September 1, 2031 for the loan to be forgiven, otherwise it must be repaid.	0.000%	9/1/2031	500,000
\$118,793 Managing Member Fund, CDBG funds note payable to the City of Woodbury provided funds in the form of an interest free loan that may be forgiven if all requirements are met upon the completion of the Glen at Valley Creek project. The requirements must be met before December 31, 2049 for the loan to be forgiven, otherwise it must be repaid. In event of default, principle of loan may be demanded by maker.	0.000%	12/31/2049	118,793
Total notes payable			<u>1,976,094</u>
\$10,300,000 Briar Pond Fund, U.S. Department of Housing and Urban Development (HUD) mortgage payable under Section 223(f) of the Housing Act. Principal and interest payable in monthly installments of \$44,307 through 2/1/2021 and \$37,786 thereafter. Also see footnote 18	2.36% - 3.78%	11/1/2046	<u>8,776,797</u>
Total notes and mortgage payable			<u><u>\$10,752,891</u></u>

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The annual debt service requirements to maturity for notes and mortgage payable are as follows:

Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$288,236	\$105,985	\$241,112	\$225,363
2022	301,214	96,707	254,734	198,699
2023	207,500	74,938	260,811	192,621
2024	215,219	67,219	267,033	186,399
2025	223,315	59,123	273,404	180,029
2026-2030	610,083	199,595	1,468,026	799,136
2031-2035	525,323	67,825	2,151,697	615,466
2036-2040	-	-	2,326,356	408,816
2041-2045	-	-	2,480,141	176,311
2046-2050	500,000	-	1,029,577	4,863
Total	<u>\$2,870,890</u>	<u>\$671,392</u>	<u>\$10,752,891</u>	<u>\$2,987,703</u>

**C. REVENUE BONDS**

The CDA issues long-term debt to finance the acquisition and construction of housing developments. These bonds are secured by and payable from the gross rent receipts and other operating revenues related to the operation of housing developments financed by these bonds. In some cases, a portion of the CDA's tax levy may also be allocated for payment of these bonds. Bonds currently outstanding are as follows:

Property	Description of Note	Maturity Date	Interest Rates %	Original Amount	Balance 12/31/2020
Landfall	G.O. Housing Revenue Refunding Bonds, Series 2010C	2/1/2025	2.00 - 3.30	\$4,545,000	\$1,675,000
Trailside	Government Taxable Housing Revenue Bonds, Series 2010B	1/1/2040	2.10 - 6.10	7,770,000	6,810,000
2012A Pooled <sup>(1)</sup>	G.O. Housing Revenue Refunding Bonds, Series 2012A	2/1/2031	2.00 - 3.13	12,355,000	5,660,000
2012B Pooled - QECB <sup>(2)</sup>	G.O. Taxable Qualified Energy Conservation Revenue Bonds Series 2012B	2/1/2029	0.60 - 3.40	2,375,000	1,255,000
2012C Pooled <sup>(3)</sup>	G.O. Housing Revenue Refunding Bonds, Series 2012C	2/1/2031	2.00 - 4.00	12,105,000	8,135,000
2013 Washington Conservation District	Governmental Facility Lease Revenue Bonds, Series 2013	12/1/2037	1.25 - 4.00	1,260,000	1,025,000
Piccadilly Square	G.O. Multi-Family Housing Revenue Bonds, Series 2015A	2/1/2046	2.00 - 4.00	10,955,000	7,240,000
Total bonds				<u>\$51,365,000</u>	31,800,000
				Less: unamortized discount	(198,864)
				Plus: unamortized premium	653,993
				Total bonds, net	<u>\$32,255,129</u>

<sup>(1)</sup>Ann Bodlovick, Muller Manor, Park Place I, John Jergens Estates, Cobble Hill, Oakhill Cottages, Raymie Johnson Estates.

<sup>(2)</sup>Woodland Park, Ann Bodlovick, Briar Pond, Whispering Pines, Muller Manor, Cobble Hill, Pioneer Elderly, Raymie Johnson Estates.

<sup>(3)</sup>Woodland Park, Brick Pond.

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The annual debt service requirements to maturity for business-type activities revenue bonds are as follows:

Year	Principal	Interest	Total
2020	\$2,185,000	\$1,154,997	\$3,339,997
2021	2,195,000	1,085,499	3,280,499
2022	2,160,000	1,017,686	3,177,686
2023	2,475,000	948,014	3,423,014
2024	2,315,000	874,740	3,189,740
2025-2029	9,525,000	3,379,899	12,904,899
2030-2034	4,625,000	1,949,236	6,574,236
2035-2039	3,965,000	993,503	4,958,503
2040-2044	1,925,000	284,056	2,209,056
2045-2046	430,000	8,600	438,600
Total	<u>\$31,800,000</u>	<u>\$11,696,230</u>	<u>\$43,496,230</u>

**D. REVENUE PLEDGED**

The CDA and Washington County (the County) entered into an agreement dated July 24, 2007 relating to the refinancing of a bank loan. Pursuant to Section 3.2 of the agreement, the County issued the \$1,587,577 Tax Increment Revenue Note and the \$612,423 loan. The proceeds of which were used to retire the bank loan. The CDA has pledged future tax increment revenues from TIF District 2.1 for the repayment of the loan. TIF collections in 2020 totaled \$180,875.

The CDA has allocated property tax revenues and a portion of future tax increment revenues, if any, from TIF District 2.1 to repay the \$1,192,500 payable to the City of Oakdale. Tax increment revenues were projected to provide \$114,002 over the life of the loan for debt service. The total principal and interest remaining on the payable to the City of Oakdale is \$227,267. For the current year, principal and interest paid totaled \$91,998 and \$18,532 and property tax revenues and tax increment revenues were \$111,784 and \$0, respectively.

The 2010A and 2010B Government Housing Revenue Bonds are special obligations of the CDA, payable solely from project revenues and tax rebates. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated July 1, 2010. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by project revenues of the Trailside Senior Living facility and which are to be used for principal and interest payments on the 2010 Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to the project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bonds is \$11,129,479. For the current year, principal and interest paid, total gross operating revenues, tax rebate revenues, property tax revenues and account balances held in trust were \$635,179, \$651,705, \$164,031, \$375,800 and \$1,713,650, respectively.

The 2010C Government Housing Revenue Refunding Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated November 1, 1997, amended August 1, 2010. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by lease payments from the

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Landfall Village Housing and Redevelopment Authority and which are to be used for principal and interest payments on the 2010C Bonds and establishing and maintaining required reserve accounts. Principal and interest remaining to be paid on the bond is \$1,806,858. For the current year, principal and interest paid, total lease payments received and account balances held in trust were \$376,535, \$432,000, and \$963,448, respectively.

The 2012A Government Housing Revenue Refunding Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated March 1, 2012. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by all project revenues of Oakhill Cottages, Muller Manor, Park Place I, Ann Bodlovick, John Jergens Estates, Cobble Hill, and Raymie Johnson Estates facilities and which are to be used for principal and interest payments on the 2012A Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to a project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$6,491,291. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$871,831, \$3,517,060, \$215,716 and \$2,869,081, respectively.

The 2012B Taxable Qualified Energy Conservation Revenue Bonds are special obligations of the CDA, payable from allocated property tax revenues and tax rebates. As additional security, the County has provided a general obligation pledge. The Agency includes in its annual budget, which is submitted to the County, property tax revenues in an amount sufficient to pay principal and interest on the 2012B Bonds. Property tax revenues are deposited in trust until time of payment. Principal and interest remaining to be paid on the bond is 1,433,035. For the current year, principal and interest paid, tax rebate revenues, property tax revenues and account balances held in trust were \$179,065, \$32,631, \$142,417 and \$155,048, respectively.

The 2012C Government Housing Revenue Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated October 1, 2012. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by all project revenues of Woodland Park and Brick Pond facilities and which are to be used for principal and interest payments on the 2012C Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to a project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$9,534,025. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$910,550, \$2,445,208, \$374,085 and \$3,081,749, respectively.

The 2013 Governmental Facility Lease Revenue Bonds are limited obligations of the CDA. The bonds are secured by rent payments, additional rent, and if any, rents derived from the building after the termination of the lease. Rent payments are deposited into trust until time of payment. Principal and interest remaining to be paid on the bonds is \$1,403,390. For the current year, principal and interest paid, total lease payments received, and account balances held in trust were \$70,088, \$70,452 and \$7,872 respectively.

The 2015A Multifamily Housing Revenue Bonds are general obligations of the CDA, payable solely from project revenues and surplus cash. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Reserve Agreement, dated August 1, 2015. The Reserve agreement requires the establishment of a debt service reserve account, held in an account as determined by the CDA. The reserve shall be maintained as long as the bonds are outstanding. In addition, the bond indenture requires the establishment of a debt

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service account, held in trust, funded by loan payments from the Piccadilly Square of Mahtomedi, LLC and which are to be used for principal and interest payments on the 2015A bonds. Property tax revenues may also be allocated to the project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$11,517,169. For the current year, principal and interest paid, total lease payments received, property tax revenues and account balances held in reserve were \$443,938, \$344,223, \$46,010 and \$636,583 respectively.

The CDA has entered into an operating subsidy agreement with the Glen at Valley Creek, a discretely presented component unit. Beginning July 31, 2020, the CDA will allocate property tax revenues to the Glen at Valley Creek. The subsidy payments will be in the amount of \$97,500 each January 31 and July 31 and will continue through July 31, 2042. The amount pledged over the life of the agreement totals \$4,345,000. The Glen at Valley Creek will use the subsidy payments to pay operating expenses, including debt service on its Series 2018A Bonds. Principal and interest remaining on the Glen at Valley Creeks Series 2018A bonds is \$8,115,693. For the current year, property tax used for subsidy payments was \$97,500.

**Note 10 EMPLOYEE RETIREMENT PLANS**

The CDA and its full-time employees do not participate in social security. The CDA does provide a defined contribution pension plan to substantially all of its employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Employees are required to contribute 6.2% of annual base salary to the plan. The CDA contributes 11% of annual base salary. Plan provisions and contribution requirements are established and may be amended by the CDA's Board of Commissioners. For the year ended December 31, 2020, employee contributions totaled \$267,174 and the CDA recognized pension expense of \$212,805. Employees are immediately vested in all contributions and earnings.

The CDA's Personnel Policies and Procedures manual and the Labor Agreement with AFSCME Union Local 517 requires participation in the Minnesota State Retirement System Health Care Savings Plan program. The Health Care Savings Plan is an employer-sponsored program that allows employees to save money, tax-free, to use upon termination of employment to pay for eligible health care expenses. The collective bargaining agreement requires each employee to contribute \$20 per month to their individual account. Non-bargaining unit employees are mandated to contribute to the program based on the amount of sick leave accrued at the end of the previous fiscal year.

**Note 11 MUNICIPAL SERVICE CHARGE AGREEMENTS**

Under Minnesota Statutes, the CDA is required to make payments in lieu of taxes (P.I.L.O.T.) on the rental properties accounted for in enterprise funds equal to 5% of net sheltered rents. These expenses are included in the CDA annual operating budget and financial statements as operating expenses. In addition, the CDA executed an agreement with the City of St. Paul Park to pay the amount of property taxes which would be charged if the property were not tax exempt. This amount is deferred until the time of sale of the property and is not to exceed 50 percent of the net proceeds from the sale of the property. As the payment of these deferred charges is contingent upon a future event (i.e., the sale of the property) and the availability, if any, of net proceeds sufficient to repay the deferred charges, deferred amounts are not recorded in the accompanying financial statements. As of December 31, 2020, approximately \$182,238 has been deferred under this agreement pertaining to the properties of Park Place I and Park Place II.

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**Note 12 RISK MANAGEMENT**

The CDA is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The CDA purchases commercial insurance for all risks of loss. There were no significant reductions in insurance from the previous year. Settled claims have not exceeded this commercial coverage for the last three years.

**Note 13 COMMITMENTS AND CONTINGENCIES**

**A. ARBITRAGE REBATE LIABILITY**

The Tax Reform Act of 1986 requires governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986.

Management does not expect to incur significant arbitrage rebate liability on any outstanding debt.

**B. PROGRAM COMPLIANCE**

Federal program activities are subject to financial and compliance regulation. To the extent that any expenditures are disallowed or other compliance features are not met, a liability to the respective grantor agency could result.

**C. LEGAL CLAIMS**

The CDA is subject to certain legal claims in the normal course of business. Management does not expect the ultimate resolution of these claims will have a material impact on the CDA's financial condition or results of operations.

**D. FEDERAL AND STATE FUNDS**

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the CDA expects such amounts, if any, to be immaterial.

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**E. COMMITTED CONTRACTS**

The CDA has entered into several contracts for various improvements at the rental properties. Construction commitments at December 31, 2020 were composed of the following:

<u>Property</u>	<u>Contract Authorized</u>	<u>Expended as of 12/31/2020</u>	<u>Remaining Contract Commitment</u>
Muller Manor	\$9,500	\$5,600	\$3,900
Woodland Park	7,500	4,650	2,850
Woodland Park	19,500	13,086	6,414
Raymie Johnson	20,595	16,370	4,225

**F. NET DEBT SERVICE COMMITMENT**

During 2007, the City of Oakdale, Minnesota issued its \$2,385,000 G.O. Improvement Bonds, Series 2007A relating to the Red Oak Preserve Project. In conjunction with this bond issue, the CDA and the City of Oakdale, Minnesota entered into a financing agreement dated June 12, 2007. Pursuant to Section 3.4(1) of the agreement, the CDA is responsible for 50% of the debt service less special assessments received by the City. This amount is reported as long-term debt of the CDA. Section 3.4(4) of the agreement states that when the bonds are paid in full, the City shall calculate the City's net debt service over the term of the bonds. If the net debt service is a sum greater than \$600,000, the CDA shall pay the City the amount of net debt service in excess of \$600,000. The amount of net debt service in excess of \$600,000, if any, is not determinable and therefore is not reflected in these financial statements.

**G. TAX INCREMENT DISTRICTS**

The CDA's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

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**Note 14 FUND BALANCE CLASSIFICATIONS**

**A. CLASSIFICATIONS**

At December 31, 2020, a summary of the governmental fund balance classifications are as follows:

	General Fund	Housing Assistance Fund	Community Development Fund	Economic Development Fund	Home Ownership Counseling Fund	Tax Increment Fund	Total
Nonspendable:							
Prepaid items	\$74,148	\$10,942	\$ -	\$ -	\$ -	\$ -	\$85,090
Total Nonspendable	74,148	10,942	0	0	0	0	85,090
Restricted for:							
Grant program	-	109,297	-	-	-	-	109,297
Total restricted	0	109,297	0	0	0	0	109,297
Committed to:							
Development activities	-	-	11,579,671	466,333	-	-	12,046,004
Home ownership	-	-	-	-	5,762	-	5,762
Long term capital reserve	5,156,473	-	-	-	-	-	5,156,473
Total committed	5,156,473	0	11,579,671	466,333	5,762	0	17,208,239
Unassigned	9,708,302	-	(4,665)	-	-	(3,496,072)	6,207,565
Total	\$14,938,923	\$120,239	\$11,575,006	\$466,333	\$5,762	(\$3,496,072)	\$23,610,191

**B. MINIMUM UNASSIGNED FUND BALANCE**

The CDA has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The General Fund is the only fund that should report a positive unassigned fund balance as the remaining balance after all other amounts have been classified. The aggregate unassigned fund balance must have a minimum balance of 50% of the next fiscal year's budgeted General Fund expenditures plus three months of the next fiscal year's budgeted operating expenses of the CDA properties.

At December 31, 2020, the unassigned fund balance of the General Fund was \$9,708,302 compared to its targeted unassigned fund balance of \$2,451,056 on the above policy.

**Note 15 CONDUIT DEBT OBLIGATIONS**

From time to time, the CDA has issued Revenue Bonds to provide financial assistance to private-sector and other governmental entities for the acquisition and construction of industrial, commercial and housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The CDA is not obligated, in any manner, for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2020, there were three series of Revenue Bonds outstanding, the aggregate principal amount payable is \$19,126,481.



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**Note 16 DISCRETELY PRESENTED COMPONENT UNITS**

**A. THE GROVES APARTMENTS, LLC**

**1. Property and Equipment**

Property and equipment consisted of the following:

	2020	Depreciation lives - years
Land	\$954,967	-
Land improvements	322,235	15
Buildings	2,896,312	40
Building improvements	5,606,712	40
Furnishings and equipment	189,789	5
	<u>\$9,970,015</u>	

**2. Debt**

Debt consists of the following:

	2020
U.S. Bank loan	\$1,261,452
Family Housing Fund loan	175,000
WCCDA seller loan	786,137
WCCDA GROW Program loan	75,000
	<u>2,297,589</u>
Less unamortized financing fees	<u>(31,139)</u>
	<u>\$2,266,450</u>

**US Bank loan** – Loan payable to U.S. Bank National Association dated June 16, 2014, in the amount of \$1,370,000 with interest at 5.64%. Monthly principal and interest payments of \$7,967 are due through June 16, 2030 (the maturity date). Secured by a first mortgage on the Project.

**Family Housing Fund loan** – Loan payable to the Family Housing Fund in the amount of \$175,000 dated June 16, 2014, without interest. Principal is due on June 16, 2030. Secured by a second mortgage on the Project. The mortgage was assumed upon purchase of the property.

**WCCDA seller loan** – Loan payable to WCCDA in the amount of \$1,150,000 dated June 16, 2014, with interest at 3.14% compounded annually. Principal and interest are payable in annual installments beginning April 15, 2015, solely from net cash flow in the priority set forth in the Operating Agreement. Remaining principal and interest are due on December 31, 2044. Secured by a third mortgage on the Project. Principal and interest payments for 2020 were \$129,781 and \$24,578 respectively.

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**WCCDA GROW program loan** – Loan payable to WCCDA in the amount of \$75,000 dated June 16, 2014, without interest. Principal is due on December 31, 2044. Secured by a fourth mortgage on the Project.

Maturities of long-term debt are as follows:

2021	\$24,106
2022	25,521
2023	27,020
2024	28,413
2025	30,274
Thereafter	1,376,118
Seller loan - payable from cash flow	<u>786,137</u>
	<u><u>\$2,297,589</u></u>

The mortgage agreements require that the debt be repaid if the Project is sold, refinanced, not used as low income housing, in violation of laws, or in default.

The following restrictions, among others, exist under the terms of various debt and related agreements:

- Tenants must meet income limitations to qualify for occupancy in the Project.
- Lease terms must not be more than one year.
- Various escrows and reserves are required as previously described.
- A debt service coverage ratio of 1.15 to 1.00 must be maintained.

### **3. Related Party Transactions**

**Asset Management Fee** – The Groves Apartments, LLC (the Company) has agreed to pay the Investor Member an asset management fee for an annual review of the operations of the Company and compliance review. The fee is in the amount of \$5,000 per calendar year, commencing in 2014 and prorated for the first year. The fee increases by 10% on each fifth anniversary. The asset management fee is to be paid from cash flow as defined in the Operating Agreement and will accrue if not paid. Asset management fees of \$5,500 were charged to expense in 2020 and 2019. Accrued asset management fees were \$5,500 as of December 31, 2020 and 2019, respectively.

**Company Management Fee** – The Company has agreed to pay the Managing Member a company management fee for its supervisory services. The fee is in the amount of the lesser of (1) 10% of gross collected rents, or (2) \$25,000 payable solely from 25% of cash flow after certain other payments as defined in the Operating Agreement. No fee was due in 2020 or 2019.

WCCDA has made loans to the Company (see Note 16.A.2.). Interest expense on the seller loan was \$27,891 and \$30,921 in 2020 and 2019, respectively. Accrued interest on the seller loans was \$5,598 and \$2,285 at December 31, 2020 and 2019, respectively.

U.S. Bank National Association, an affiliate of USBCDC, has made two loans to the Company (see Note 16.A.2.). Interest expense on these loans was \$73,330 and \$73,992 in 2020 and 2019, respectively. Accrued interest was \$6,719 and \$6,237 as of December 31, 2020 and 2019, respectively.

WCCDA was the allocating agency for the housing tax credits.

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The Managing Member must repurchase the Investor Member's interest upon demand under certain specified circumstances.

The Project is adjacent to a building owned by the Managing Member. The properties share administrative and maintenance employees and certain expenses.

The Operating Agreement provides for various obligations of the Managing Member including its obligation to provide funds for any reduction in tax credits. Advances under these guarantees are unsecured, without interest and are repayable from cash flow.

**B. PICCADILLY SQUARE OF MAHTOMEDI, LLC**

**1. Property and Equipment**

Property and equipment consisted of the following:

	2020	Depreciation lives - years
Land	\$1,277,387	
Land improvements	495,024	15
Buildings	13,749,070	40
Furnishings and equipment	304,413	5
	<u>\$15,825,894</u>	

**2. Debt**

Debt consists of the following:

Long-term debt:	
Series 2015A bond loan - permanent	\$6,991,370
WCCDA GROW loan	835,700
WCCDA AHP loan	500,000
WCCDA CDBG loan	352,709
WCCDA HOME loan	198,013
	<u>8,877,792</u>
Less unamortized finance fees	<u>(141,827)</u>
	<u>\$8,735,965</u>

**Series 2015A bond loan** – WCCDA issued Multifamily Housing Revenue Bonds Series 2015A (the Bonds) and loaned the proceeds from the sale of the Bonds to the Company. Various bond funds may be required under specified circumstances, as defined in the indenture of trust. In connection with the Bonds, the Company has a loan payable to US Bank, the bond Trustee, in the original amount of \$7,745,000 with interest at 2%. The Company will make monthly payments on the 24<sup>th</sup> day of each month in the amount of \$28,685 through February 1, 2047 (the maturity date). Secured by a mortgage on the Project. The permanent loan may not be prepaid in whole or in part prior to February 1, 2026.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**WCCDA GROW loan** – Loan payable to WCCDA in the amount of \$835,700, dated October 6, 2015, without interest. Principal is payable annually on April 15 from cash flow as defined in the Operating Agreement. Remaining principal is due on December 31, 2048. Secured by the Project.

**WCCDA AHP loan** – Loan payable to WCCDA in the amount of \$500,000, dated October 6, 2015, without interest. Principal is due on December 31, 2047. Secured by the Project.

**WCCDA CDBG loan** – Loan payable to WCCDA in the amount of \$352,709, dated October 6, 2015, without interest. Principal is payable annually on April 15 from cash flow as defined in the Operating Agreement. Remaining principal is due on December 31, 2048. Secured by the Project.

**WCCDA HOME loan** – Loan payable to WCCDA in the amount of \$198,013, dated October 6, 2015, without interest. Principal is payable annually on April 15 from cash flow as defined by the Operating Agreement. Remaining principal is due on December 31, 2048. Secured by the Project.

Maturities of the permanent loans, when fully funded, are as follows:

2021	\$206,280
2022	210,443
2023	214,691
2024	219,024
2025	223,445
Thereafter	<u>7,803,909</u>
	<u><u>\$8,877,792</u></u>

Bond documents and mortgage agreements require that the debt be repaid if the Project is sold or transferred without the lender's approval; no longer used as low income housing; in violation of any federal, state or local law, statute or ordinance; or if the Company is in default or declares bankruptcy, unless the lender permits the debt to remain outstanding.

The following restrictions, among others, exist under the terms of various debt and related regulatory agreements:

- Tenants must meet income limitations to qualify for occupancy in the Project.
- Lease terms must be not more than one year.
- Various reserves are required as previously described.

### 3. Related Party Transactions

**Developer Fee** – The Company has entered into a Development Services Agreement with WCCDA (the Developer). The Developer is to receive a fee in the amount of \$1,850,000 for the development services relating to the Project. At December 31, 2020 and 2019, the entire developer fee has been earned and \$780,258 and \$880,711 remains to be paid, respectively.

The deferred portion bears interest at 5%, and is payable from available cash flow, as defined in the Operating Agreement. The entire fee must be paid in full by December 31, 2030. If the Company has not paid all amounts due by that time, the Managing Member will be required to make an additional capital contribution in the amount of the outstanding balance plus any accrued interest. Developer fee interest expense was \$42,897 in 2020 and \$46,074 in 2019. Accrued developer fee interest was \$8,847 and \$3,499 at December 31, 2020 and 2019.

**Investor Services Fee** – The Company has agreed to pay an affiliate of the Investor Member an annual investor services fee in the amount of \$5,000, beginning July 1, 2017, increasing 3% annually. The investor services fee is to be paid from cash flow, as defined in the operating Agreement, and will accrue if not paid. Investor services fees of \$5,464 and \$5,304 were paid and charged to expense in 2020 and 2019.

WCCDA has made interest free loans to the Company (see Note 16.B.3.).

WCCDA is the allocating agency for the tax credits.

The Operating Agreement provides for various obligations of the Managing Member, including their obligation to provide funds for construction completion, operating deficits, deferred development fee payments and guaranty of housing tax credits. After the Project has achieved stabilized occupancy, as defined in the Operating Agreement, the Managing Member's obligation under the operating deficit guaranty is limited to \$549,000. The obligation will terminate when each of the following has occurred:

- For at least two consecutive years, which cannot begin earlier than three years after stabilized occupancy has been achieved, the Project has operated at debt service coverage of operating revenue exceeding project expenses by 110% of the aggregate amount of principal and interest payment due.
- The balance in the operating reserve is at least \$200,000.

Any such advances are unsecured, without interest are repayable from cash flow, as defined in the Operating Agreement. WCCDA has guaranteed the Managing Member's obligations.

The Managing Member must repurchase the Investor Member's interest upon demand under certain specified circumstances.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**C. GLEN AT VALLEY CREEK, LLC**

**1. Property and Equipment**

Property and equipment consisted of the following:

	2020	Depreciation lives - years
Land	\$538,147	-
Land improvements	513,865	15
Buildings	10,201,767	40
Furnishings and equipment	520,503	5
	<u>\$11,774,282</u>	

**2. Bond and Construction Loans**

Bond and construction loans consist of the following:

	2020	2019
Bond loans:		
Series 2018A Bonds	\$4,970,000	\$5,000,000
Series 2018B Note	597,143	2,000,000
	<u>5,567,143</u>	<u>7,000,000</u>
WCCDA bridge loan	123,231	-
	<u>\$5,690,374</u>	<u>\$7,000,000</u>

**Series 2018A Bonds loan** - The loan was funded by Series 2018A Bonds dated July 31, 2020 in the amount of in the amount of \$5,000,000 with interest and stated maturities as follows:

Stated Maturity	Aggregate Principal Amount	Interest Rate
August 1, 2023	\$220,000	3.500%
August 1, 2028	370,000	4.000%
August 1, 2033	450,000	4.375%
August 1, 2036	<u>3,960,000</u>	4.500%
	<u>\$5,000,000</u>	

The bonds are subject to mandatory redemption beginning August 1, 2020 and continuing each February 1 and August 1 thereafter. The Company has agreed to make payments on the loan sufficient to pay the bonds. Interest only is payable monthly. Beginning August 20, 2020, the Company will make monthly payments to the bond fund held by the bond Trustee of 1/6 of the next bond interest payment and 1/12 of the next bond principal payment. The Trustee will use the bond fund to make the semi-annual payments on the Series 2018A Bonds. The bonds are secured

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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by a first mortgage, assignment of rents and assignment of operating subsidy. The Series 2018A Bonds loan agreement requires that the Company maintain a debt service coverage ratio of 120%.

**Series 2018B Note** - Series 2018B note loan payable to WCCDA through assignment from DCCDA, dated July 31, 2018 in the amount of \$2,000,000, with interest at 2%. Interest only payments are due monthly beginning February 1, 2020. Principal is due at maturity on February 1, 2021; however the note is subject to mandatory purchase on August 1, 2020, with an option to extend to February 1, 2021. The Company repaid the remaining balance on this loan in February 2021 from proceeds of the Investor Member capital contribution and the WCCDA bridge loan.

**WCCDA bridge loan** - Construction loan payable to WCCDA, dated July 31, 2018 in the amount of \$500,000 without interest. The loan will be repaid from the proceeds of the MN Housing loan (expected March 2021). If the MN Housing loan is not made, principal will be payable annually from cash flow as defined in the Operating Agreement. Remaining principal is due on the earlier of the sale of the Project or December 31, 2049. Secured by a fifth mortgage on the Project. At December 31, 2020, \$123,231 has been advanced on this loan. The remaining balance was funded in January 2021.

The bond documents require various funds which are held by U.S. Bank National Association (the Trustee), including the following:

**Construction fund** - The construction fund is to be used to pay costs to construct the Project and bond issuance costs.

**Bond fund** - The Trustee will deposit the monthly principal and interest payments made by the Company on the Series 2018A Bonds loan to the bond fund. In addition, operating subsidy payments made by WCCDA will be deposited to the bond fund. Money in the bond fund will be used to pay principal and interest on the bonds when due.

**Bond reserve fund** – Money in the bond reserve fund will be used to pay principal and interest on the bonds if amounts in the bond fund are insufficient to make such payments.

**Administrative fund** – The Company will make semi-annual deposits on each January 20 and July 20 to pay the administrative fee to DCCDA in the amount of one eighth of 1% of the principal amount of the outstanding bonds.

**Replacement reserve fund** – The Series 2018A Bonds loan agreement requires that a replacement reserve fund be funded. Beginning January 2020, monthly deposits of \$1,050 (\$300 per unit per year) are due, increasing 3% annually. The replacement reserve will be used to pay for improvements that are capital expenditures.

**Tax and insurance escrow fund** – The Series 2018A loan agreement requires a tax and insurance escrow. Monthly deposits will be made to the tax and insurance escrow fund for payment of real estate taxes and property insurance. The Company is exempt from real and personal property taxes. Alternatively, the Company will make payments in lieu of taxes (PILOT) to the tax and insurance escrow fund.

In addition, a construction escrow is held by the title company and various escrows are held by the City of Woodbury which will be used to pay costs to construct the Project.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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The Series 2018A bond funds are held by the bond Trustee. At December 31, 2020 and 2019, the bond funds are invested as follows:

	Certificates of deposits	Money Market	Total
Bond fund revenue	\$ -	\$2	\$2
Bond fund debt service	-	143,162	143,162
Bond reserve fund, maturing August 9, 2023, 3.14%	141,000	2,433	143,433
Administrative fund	-	3	3
Real estate tax and insurance escrow	-	30,885	30,885
Replacement reserve	-	16,819	16,819
	<u>\$141,000</u>	<u>\$193,304</u>	<u>\$334,304</u>

The Company classifies the certificates of deposit as held to maturity and carries them in the financial statements at cost plus accrued interest receivable. Such securities are redeemable at any time. A penalty will be assessed if it causes the bank to break its deposits or other funding arrangements due to early redemption. The penalty will be based upon current market rates to replace the withdrawn funds. A penalty or premium will be due on early redemption.

Additional funds may be required under specified circumstances as defined in the indenture of trust for the Series 2018A Bonds.

Maturities of the bond loans and construction loan, when fully funded, assuming the MN Housing loan is funded in 2021, are as follows:

2021	\$780,374
2022	65,000
2023	65,000
2024	70,000
2025	70,000
Thereafter	<u>4,640,000</u>
	<u>\$5,690,374</u>



**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**3. Bond and Construction Loans**

Long-term debt consists of the following:

	2020	2019
WCCDA GROW loan	\$920,000	\$920,000
MN Housing loan (\$500,000 committed)	-	-
WCCDA sponsor loan (\$155,980 committed)	-	-
WCCDA AHP loan	500,000	500,000
SCC loan	500,000	500,000
WCCDA LHIA loan	400,000	400,000
WCCDA seller loan	382,176	382,176
City HOME loan	167,721	167,721
	<u>\$2,869,897</u>	<u>\$2,869,897</u>

**WCCDA GROW loan** - Loan payable to WCCDA in the amount of \$920,000, dated July 31, 2018, with interest compounding at 8%. Principal and interest are payable annually from cash flow as defined in the Operating Agreement. Remaining principal and interest are due on December 31, 2049. Secured by a second mortgage on the Project.

**MN Housing loan** - Loan commitment from MN Housing in the amount of \$500,000, without interest, under MN Housing's Senior Rental Housing Pilot program. The loan will be for a term of 30 years and will be secured by a third mortgage on the Project.

**WCCDA sponsor loan** - Loan payable to WCCDA in the amount of \$155,980, dated July 31, 2018, with interest compounding at 8%. Principal and interest are payable annually from cash flow as defined in the Operating Agreement. Remaining principal and interest are due on December 31, 2049. Will be secured by a fourth mortgage on the Project. A portion of the loan was funded in January 2021 in the amount of \$102,267.

**WCCDA AHP loan** - Loan payable to WCCDA in the amount of \$500,000, dated July 31, 2018, without interest. Principal is due on December 31, 2049. Secured by a fifth mortgage on the Project.

**SCC loan** - Loan payable to Senior Care Communities, Inc. in the amount of \$500,000, dated July 31, 2018, with interest compounding at 3.06%. Principal and interest are due on December 31, 2049. Secured by a sixth mortgage on the Project.

**WCCDA LHIA loan** - Loan payable to WCCDA in the amount of \$400,000, dated July 31, 2018, without interest. Principal is due on December 31, 2049. Secured by a seventh mortgage on the Project.

**WCCDA seller loan** - Loan payable to WCCDA in the amount of \$382,176, dated July 31, 2018, without interest. Principal is payable annually from cash flow as defined in the Operating Agreement. Remaining principal is due on December 31, 2049. Secured by an eighth mortgage on the Project.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

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**City HOME loan** - Loan payable to the City of Woodbury in the amount of \$167,721, dated July 31, 2018, without interest. Principal is due on December 31, 2049. Secured by a ninth mortgage on the Project.

All long-term debt matures in 2049.

Bond documents and mortgage agreements require that the debt be repaid if the Project is sold or transferred without the lender's approval; no longer used as low income housing; in violation of any federal, state or local law, statute or ordinance; or if the Company is in default or declares bankruptcy, unless the lender permits the debt to remain outstanding.

The following restrictions, among others, exist under the terms of various debt and related regulatory agreements:

- Tenants must meet income limitations to qualify for occupancy in the Project.
- Lease terms must be not more than one year.
- At least one member of the household must be age 62 or older

Interest capitalized to construction in progress consists of the following:

	2020	2019
Interest cost	\$ -	\$288,776
Interest earned on bond funds	-	(72,510)
Net interest cost capitalized	<u>\$0</u>	<u>\$216,266</u>

Construction period finance fee amortization of \$45,807 was capitalized to the basis of the building in 2019.

**Capital Contributions and Subscription Receivable**

The Investor Member has agreed to make capital contributions to the Company in the aggregate amount of \$3,139,374. The capital contributions will be made once certain conditions have been met. For a detailed description of the conditions, see the Operating Agreement. At December 31, 2020, remaining capital contributions are summarized as follows:

Fourth installment (2021)	\$472,249
Fifth installment (2021)	83,845
Sixth installment (2023)	<u>127,780</u>
Subscription receivable at December 31, 2020	<u>\$683,874</u>

The contributions are subject to adjustment depending on certain conditions being met, primarily related to the amount and timing of housing tax credits the Company is able to obtain. The contributions will be recorded when received. The fourth installment was received in January 2021.

The Managing Member has made a capital contribution to the Company of \$13,052.

### Related Party Transactions

**Developer Fee** - The Company has entered into a Development Services Agreement with WCCDA (the Developer). The Developer is to be paid \$1,600,000 for development services relating to the Project. At December 31, 2020 and 2019, the entire fee has been earned and \$1,244,544 and \$1,467,287 remains to be paid.

The Company expects that approximately \$838,450 of developer fee will be deferred. The deferred portion will be payable from available cash flow as defined in the Operating Agreement. The entire fee must be paid in full by the last day of the housing tax credit compliance period (December 31, 2033). If the Company has not paid all amounts due by that time, the Managing Member will be required to make an additional capital contribution in the amount of the outstanding balance.

**Investor Services Fee** - The Company has agreed to pay Wincopin Circle LLLP, an affiliate of the Investor Member, an annual investor services fee in the amount of \$5,000, beginning July 1, 2019 increasing 3% annually. The investor services fee is to be paid from cash flow, as defined in the Operating Agreement, and will accrue if not paid. Investor services fees of \$5,150 and \$2,500 were charged to expense in 2020 and 2019. Accrued investor service fees were \$2,500 as of December 31, 2019. No fee was due for 2019.

The land was purchased from WCCDA for \$382,176.

WCCDA has made loans to the Company. Interest incurred on one of the notes is \$81,038 and \$75,036 at December 31, 2020 and 2019.

The Company owed WCCDA \$11,625 at December 31, 2019. This amount was included in accounts payable and was repaid by the Company in 2020.

The Operating Agreement provides for various obligations of the Managing Member including its obligation to provide funds for construction completion, operating deficits, deferred development fee payment and a guaranty of housing tax credits. After the later of 1) the date the Project has achieved stabilized occupancy, as defined in the Operating Agreement, or 2) repayment of construction loans and conversion of all loans to permanent status, the Managing Member's obligation under the operating deficit guaranty is limited to \$356,000. The obligation will terminate when the following have occurred simultaneously:

- Project has operated at a debt service coverage ratio of 1.18 to 1.0 for at least two consecutive years, of which two consecutive years cannot begin earlier than three years after stabilized occupancy has been achieved.
- The HAP contract is in effect.
- The balance in the operating reserve equals or exceeds \$177,780.

In addition, if the HAP is reduced or eliminated at any time, and the balance in the operating reserve is unavailable or insufficient to fund an operating deficit attributable to the loss or reduction of the HAP, the Managing Member must make an operating deficit contribution up to the lesser of the amount of the loss or reduction of the HAP and the amount of the operating deficit. The Managing Member's obligation to fund operating deficits related to the loss or reduction of HAP is limited to \$100,000 and will not reduce or otherwise be applied against the \$356,000.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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Such advances are unsecured, without interest and are repayable from cash flow, as defined in the Operating Agreement.

The Managing Member must repurchase the Investor Member's interest upon demand under certain specified circumstances.

WCCDA has guaranteed all performance obligations of the Managing Member.

**Note 17 RECENTLY ISSUED ACCOUNTING STANDARDS**

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

**Statement No. 87 *Leases*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 91 *Conduit Debt Obligations*.** The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

**Statement No. 92 *Omnibus 2020*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 93 *Replacement of Interbank Offered Rates*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2020.

**Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

**Statement No. 96 *Subscription-Based Information Technology Arrangements*.** The provisions of this Statement are effective for fiscal years beginning after June 15, 2022.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

**Note 18 SUBSEQUENT EVENTS**

On January 28, 2021, Briar Pond LLC closed on an interest rate reduction loan modification. The loan modification reduces the interest rate on the HUD mortgage payable from 3.78% to 2.36% effective for the payment due March 1, 2021 and all monthly payments thereafter. The principal balance and maturity date of the loan were not changed as a result of the modification.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2020

**Statement 9**

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$1,764,050	\$1,926,142	\$1,930,024	\$3,882
Intergovernmental revenue	-	-	3,500	3,500
Administrative fees:				
Other	628,600	628,600	690,188	61,588
Investment income	175,000	175,000	172,420	(2,580)
Other	-	-	24,971	24,971
Total revenues	<u>2,567,650</u>	<u>2,729,742</u>	<u>2,821,103</u>	<u>91,361</u>
Expenditures:				
Current:				
Administrative salaries and benefits	1,039,800	1,109,800	1,058,332	51,468
Administrative travel and per diems	17,000	17,000	10,113	6,887
Administrative legal	51,700	51,700	28,578	23,122
Administrative sundry	82,000	82,000	80,031	1,969
Accounting and auditing	52,000	52,000	42,258	9,742
General insurance	7,900	7,900	12,431	(4,531)
Professional services	280,200	280,200	125,396	154,804
Other utilities and maintenance	71,300	71,300	46,319	24,981
Equipment leases	31,200	31,200	27,789	3,411
Financing fee	8,400	8,400	7,462	938
Other	1,600	1,600	1,931	(331)
Debt service:				
Principal	123,800	123,800	123,822	(22)
Interest	26,800	26,800	26,806	(6)
Total expenditures	<u>1,793,700</u>	<u>1,863,700</u>	<u>1,591,268</u>	<u>272,432</u>
Revenues over (under) expenditures	<u>773,950</u>	<u>866,042</u>	<u>1,229,835</u>	<u>363,793</u>
Other financing sources (uses):				
Transfers from other funds	794,400	794,400	1,184,500	390,100
Transfers to other funds	(1,031,544)	(1,031,544)	(208,680)	822,864
Total other financing sources (uses)	<u>(237,144)</u>	<u>(237,144)</u>	<u>975,820</u>	<u>1,212,964</u>
Net change in fund balance	<u>\$536,806</u>	<u>\$628,898</u>	<u>2,205,655</u>	<u>\$1,576,757</u>
Fund balance - January 1			<u>12,733,268</u>	
Fund balance - December 31			<u>\$14,938,923</u>	

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - HOUSING ASSISTANCE FUND**  
For The Year Ended December 31, 2020

**Statement 10**

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$126,900	\$126,900	\$126,900	\$ -
Intergovernmental	4,320,700	4,320,700	4,780,409	459,709
Charges for services:				
Administrative fees	355,700	355,700	354,617	(1,083)
Investment income	3,800	3,800	1,300	(2,500)
Other	1,000	1,000	750	(250)
Total revenues	<u>4,808,100</u>	<u>4,808,100</u>	<u>5,263,976</u>	<u>455,876</u>
Expenditures:				
Administrative salaries and benefits	489,900	519,900	534,230	(14,330)
Administrative legal	4,100	4,100	24	4,076
Administrative sundry	23,700	23,700	72,346	(48,646)
Professional services	45,400	45,400	42,566	2,834
Housing assistance payments	4,231,900	4,231,900	4,597,608	(365,708)
Other	13,100	13,100	5,351	7,749
Total expenditures	<u>4,808,100</u>	<u>4,838,100</u>	<u>5,252,125</u>	<u>(414,025)</u>
Revenues over (under) expenditures	<u>0</u>	<u>(30,000)</u>	<u>11,851</u>	<u>41,851</u>
Other financing sources (uses):				
Transfers to other funds	-	-	(31,500)	(31,500)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(31,500)</u>	<u>(31,500)</u>
Net change in fund balance	<u>\$0</u>	<u>(\$30,000)</u>	<u>(19,649)</u>	<u>\$10,351</u>
Fund balance - January 1			<u>139,888</u>	
Fund balance - December 31			<u>\$120,239</u>	

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT FUND**  
For The Year Ended December 31, 2020

**Statement 11**

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$1,326,419	\$1,326,419	\$1,326,419	\$ -
Intergovernmental	1,035,900	1,035,900	1,021,826	(14,074)
Charges for services:				
Administrative fees	93,300	93,300	161,778	68,478
Investment income	96,565	96,565	64,951	(31,614)
Other	113,100	113,100	168,896	55,796
Total revenues	<u>2,665,284</u>	<u>2,665,284</u>	<u>2,743,870</u>	<u>78,586</u>
Expenditures:				
Community Development:				
Administrative salaries and benefits	697,400	637,400	503,687	133,713
Administrative travel and per diems	7,800	7,800	791	7,009
Administrative legal	71,000	71,000	87,802	(16,802)
Administrative sundry	41,400	41,400	18,995	22,405
Professional services	41,500	41,500	11,432	30,068
Project costs	1,443,700	1,443,700	993,407	450,293
Other	190,100	190,100	10,409	179,691
Debt Service:				
Principal	130,630	130,630	130,630	-
Interest	19,498	19,498	19,498	-
Total expenditures	<u>2,643,028</u>	<u>2,583,028</u>	<u>1,776,651</u>	<u>806,377</u>
Net change in fund balance	<u>\$22,256</u>	<u>\$82,256</u>	967,219	<u>\$884,963</u>
Fund balance - January 1			<u>10,607,787</u>	
Fund balance - December 31			<u>\$11,575,006</u>	

See accompanying notes to the required supplementary information.



**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT FUND**  
For The Year Ended December 31, 2020

**Statement 12**

	Budgeted Amounts		2020 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
General property taxes	\$574,762	\$574,762	\$574,762	\$ -
Intergovernmental	-	6,024,000	6,023,361	(639)
Investment income	2,000	2,000	2,255	255
Other	-	-	600	600
Total revenues	<u>576,762</u>	<u>6,600,762</u>	<u>6,600,978</u>	<u>216</u>
Expenditures:				
Economic Development:				
Administrative salaries and benefits	193,500	193,500	175,048	18,452
Administrative legal	10,000	10,000	6,384	3,616
Administrative sundry	12,400	12,400	59,286	(46,886)
Professional services	269,600	416,600	354,668	61,932
Project costs	-	5,877,000	5,876,450	550
Other	153,000	153,000	113,057	39,943
Total expenditures	<u>638,500</u>	<u>6,662,500</u>	<u>6,584,893</u>	<u>77,607</u>
Net change in fund balance	<u>(\$61,738)</u>	<u>(\$61,738)</u>	16,085	<u>\$77,823</u>
Fund balance - January 1			<u>450,248</u>	
Fund balance - December 31			<u>\$466,333</u>	

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Statement 13**

**BUDGETARY COMPARISON SCHEDULE - HOME OWNERSHIP COUNSELING FUND**

For The Year Ended December 31, 2020

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$104,800	\$104,800	\$104,800	\$ -
Intergovernmental	100,500	1,334,000	1,306,332	(27,668)
Charges for services:				
Administrative fees	2,400	4,900	2,856	(2,044)
Investment income	-	-	134	134
Total revenues	<u>207,700</u>	<u>1,443,700</u>	<u>1,414,122</u>	<u>(29,578)</u>
Expenditures:				
Home ownership counseling:				
Administrative salaries and benefits	201,300	213,500	164,419	49,081
Administrative travel and per diems	500	500	46	454
Administrative sundry	5,800	7,100	12,889	(5,789)
Professional services	100	25,100	25,038	62
Project costs	-	1,157,500	1,138,235	19,265
Total expenditures	<u>207,700</u>	<u>1,403,700</u>	<u>1,340,627</u>	<u>63,073</u>
Revenues over (under) expenditures	<u>0</u>	<u>40,000</u>	<u>73,495</u>	<u>33,495</u>
Transfers to other funds	-	-	(72,000)	(72,000)
Total other financing sources	<u>0</u>	<u>0</u>	<u>(72,000)</u>	<u>(72,000)</u>
Net change in fund balance	<u>\$0</u>	<u>\$40,000</u>	1,495	<u>(\$38,505)</u>
Fund balance - January 1			<u>4,267</u>	
Fund balance - December 31			<u>\$5,762</u>	

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - TAX INCREMENT FUND**  
For The Year Ended December 31, 2020

**Statement 14**

	Budgeted Amounts		2020 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Tax increments	\$159,800	\$235,800	\$235,897	\$97
Investment income	-	-	106	106
Total revenues	<u>159,800</u>	<u>235,800</u>	<u>236,003</u>	<u>203</u>
Expenditures:				
Administrative legal	-	600	534	66
Administrative sundry	2,100	4,300	3,496	804
Professional services	-	11,000	10,920	80
Debt service:				
Principal	62,073	62,073	62,073	-
Interest	<u>95,402</u>	<u>157,602</u>	<u>120,700</u>	<u>36,902</u>
Total expenditures	<u>159,575</u>	<u>235,575</u>	<u>197,723</u>	<u>37,852</u>
Revenues over (under) expenditures	<u>\$225</u>	<u>\$225</u>	38,280	<u>\$38,055</u>
Fund balance - January 1			<u>(3,534,352)</u>	
Fund balance - December 31			<u><u>(\$3,496,072)</u></u>	

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
**NOTE TO RSI**  
December 31, 2020

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**Note A    BUDGETS**

The General, Housing Assistance, Community Development, Economic Development, Home Ownership Counseling, and Tax Increment Fund's budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for all funds.

## **COMBINING SCHEDULES**

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## HOUSING ASSISTANCE FUND

The Housing Assistance Fund is used to account for the administration of 520 units of rental assistance through the HUD-funded Housing Choice Voucher program and several smaller federal and state funded programs. The Washington County Community Development Agency maintains the following Housing Assistance Fund:

208 - Housing Assistance Support – to account for expenses related to housing assistance program activities that are supported by revenues from property taxes.

209 - Bridges Regional Treatment Center (RTC) – to account for the Bridges RTC program which provides assistance to people with serious mental illness. The program is funded by Minnesota Housing and Minnesota Department of Human Services Adult Mental Health Division.

210 - Section 8 Portability – to account for the transactions associated with those households that “port” into Washington County with a Section 8 Housing Choice Voucher. Revenues are from the Housing Authorities that own that voucher and whom participate in HUD’s Housing Choice Vouchers Program.

211 - Mainstream Vouchers – to account for the Mainstream Voucher program which provides assistance to non-elderly persons with disabilities. The program is funded by HUD’s Housing Choice Voucher Program.

212 - Section 8 Housing Choice Vouchers – to account for the Section 8 Housing Choice Voucher and Family Self Sufficiency programs. Revenues are from HUD’s Housing Choice Voucher Program.

213 - Bridges I – to account for the Bridges program which provides assistance specifically to individuals with mental health issues. This program is funded by MHFA.

214 - Tenant Protection – to account for the Tenant Protection Voucher program which protects families from a variety of hardships. The program is funded by HUD’s Housing Choice Voucher Program.

215 - Bridges II – to account for the Bridges II program which provides assistance specifically to individuals with mental health issues. This program is funded by Washington County.

218 - Shelter Plus Care – to account for the federal funded program that provides rental assistance to homeless adults with mental or chemical health disabilities.

263 - Resident Opportunities and Self Sufficiency Program Grant (FSS - Public Housing) – to account for the federal grant to assist Public Housing residents in gaining stability and self-sufficiency.

268 - Raymie Service Coordinator - to account for the federal funded program that provides service coordination at Raymie Johnson senior property.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING BALANCE SHEET -

HOUSING ASSISTANCE FUND

December 31, 2020

	208 - Housing Assistance Support	209 - Bridges RTC	210 - Section 8 Portability	211 - Mainstream Vouchers	212 - Section 8 Housing Choice Vouchers
Assets					
Cash, cash equivalents and investments	\$4,043	\$20	\$91,635	\$64,715	\$30,747
Restricted cash	-	-	-	-	22,242
Accounts receivable - net	-	-	-	-	-
Due from other governmental units	-	670	17,858	-	-
Prepaid items	-	15	7,331	-	2,577
Total assets	<u>\$4,043</u>	<u>\$705</u>	<u>\$116,824</u>	<u>\$64,715</u>	<u>\$55,566</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable	\$91	\$ -	\$887	\$761	\$6,344
Security deposits payable	-	-	-	-	22,242
Due to other funds	-	670	1,465	-	-
Due to other governmental units	-	-	20,097	-	-
Accrued wages and benefits payable	377	35	1,946	-	2,745
Unearned revenue - grants	-	-	-	63,954	-
Total liabilities	<u>468</u>	<u>705</u>	<u>24,395</u>	<u>64,715</u>	<u>31,331</u>
Fund balance:					
Nonspendable	-	15	7,331	-	2,577
Restricted	3,575	(15)	85,098	-	21,658
Total fund balance	<u>3,575</u>	<u>0</u>	<u>92,429</u>	<u>0</u>	<u>24,235</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$4,043</u>	<u>\$705</u>	<u>\$116,824</u>	<u>\$64,715</u>	<u>\$55,566</u>



213 - Bridges I	214 - Tenant Protection	215 - Bridges II	218 - Shelter Plus Care	263 - FSS - Public Housing	268 - Raymie Service Coordinator	Total Housing Assistance Fund
\$213	\$36,143	\$71,065	\$247	\$761	\$ -	\$299,589
-	62,658	-	-	-	-	84,900
-	-	-	2,700	-	-	2,700
21,610	-	-	-	-	2,698	42,836
419	-	210	390	-	-	10,942
<u>\$22,242</u>	<u>\$98,801</u>	<u>\$71,275</u>	<u>\$3,337</u>	<u>\$761</u>	<u>\$2,698</u>	<u>\$440,967</u>
\$67	\$35,696	\$ -	\$ -	\$ -	\$2,531	\$46,377
-	62,658	-	-	-	-	84,900
21,610	-	-	-	-	150	23,895
-	-	-	-	-	-	20,097
565	-	19	367	761	17	6,832
-	447	71,256	2,970	-	-	138,627
<u>22,242</u>	<u>98,801</u>	<u>71,275</u>	<u>3,337</u>	<u>761</u>	<u>2,698</u>	<u>320,728</u>
419	-	210	390	-	-	10,942
(419)	-	(210)	(390)	-	-	109,297
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,239</u>
<u>\$22,242</u>	<u>\$98,801</u>	<u>\$71,275</u>	<u>\$3,337</u>	<u>\$761</u>	<u>\$2,698</u>	<u>\$440,967</u>

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**HOUSING ASSISTANCE FUND**  
For The Year Ended December 31, 2020

	208 - Housing Assistance Support	209 - Bridges RTC	210 - Section 8 Portability	211 - Mainstream Vouchers	212 - Section 8 Housing Choice Vouchers
Revenues:					
General property taxes	\$126,900	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	7,332	3,190,247	9,547	907,472
Charges for services:					
Administrative fees	-	720	225,775	840	104,867
Investment income	14	-	752	35	320
Other	-	-	750	-	-
Total revenues	<u>126,914</u>	<u>8,052</u>	<u>3,417,524</u>	<u>10,422</u>	<u>1,012,659</u>
Expenditures:					
Current:					
Administrative salaries and benefits	37,502	3,215	238,421	-	117,969
Administrative legal	-	-	24	-	-
Administrative sundry	2,518	68	43,689	114	18,029
Professional services	-	-	2,745	761	6,434
Housing assistance payments	-	7,332	3,136,350	9,547	884,671
Other	-	-	3,271	-	1,804
Total expenditures	<u>40,020</u>	<u>10,615</u>	<u>3,424,500</u>	<u>10,422</u>	<u>1,028,907</u>
Revenues over (under) expenditures	<u>86,894</u>	<u>(2,563)</u>	<u>(6,976)</u>	<u>0</u>	<u>(16,248)</u>
Other financing sources (uses):					
Transfers from other funds	-	2,563	-	-	-
Transfers to other funds	<u>(83,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(83,319)</u>	<u>2,563</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	3,575	-	(6,976)	0	(16,248)
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>99,405</u>	<u>-</u>	<u>40,483</u>
Fund balance - December 31	<u><u>\$3,575</u></u>	<u><u>\$0</u></u>	<u><u>\$92,429</u></u>	<u><u>\$0</u></u>	<u><u>\$24,235</u></u>

213 - Bridges I	214 - Tenant Protection	215 - Bridges II	218 - Shelter Plus Care	263 - FSS - Public Housing	268 - Raymie Service Coordinator	Intra-Activity Eliminations	Total Housing Assistance Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$126,900
220,133	35,696	74,065	252,795	48,711	34,411	-	4,780,409
15,165	-	7,250	-	-	-	-	354,617
-	-	179	-	-	-	-	1,300
-	-	-	-	-	-	-	750
235,298	35,696	81,494	252,795	48,711	34,411	0	5,263,976
37,860	-	6,074	29,032	61,515	2,642	-	534,230
-	-	-	-	-	-	-	24
2,407	-	2,463	1,766	503	789	-	72,346
250	-	-	1,396	-	30,980	-	42,566
220,133	35,696	74,065	229,814	-	-	-	4,597,608
-	-	-	276	-	-	-	5,351
260,650	35,696	82,602	262,284	62,018	34,411	0	5,252,125
(25,352)	0	(1,108)	(9,489)	(13,307)	0	0	11,851
25,352	-	1,108	9,489	13,307	-	(51,819)	-
-	-	-	-	-	-	51,819	(31,500)
25,352	0	1,108	9,489	13,307	0	0	(31,500)
0	0	-	-	-	-	-	(19,649)
-	-	-	-	-	-	-	139,888
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,239

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## COMMUNITY DEVELOPMENT FUND

The Community Development Fund is used to account for related expenses to the CDA for land purchases, constructed housing developments, assisting developers with new affordable housing developments, various housing programs of the CDA, or other expenses related to assisting cities with affordable housing developments. Revenues for this program are derived from state and federal grants, special financing programs available to the CDA and property taxes. The Washington County Community Development Agency maintains the following Community Development Fund:

201 - MN Housing Rehab/Emergency Fund - to account for the MN Housing Rehab and Emergency Loan program

230 - Multi Family Projects-LIHTC - to account for the Low Income Housing Tax Credit Program and for conduit bond projects.

231 and 232 - TCAP Kilkenny/Granada - (Tax Credit Assistance Program) accounts for funds allocated by the United States Department of Housing and Urban Development (HUD) under Title XII of the American Recovery and Reinvestment Act of 2009 (ARRA). TCAP funds were allocated by HUD to Minnesota Housing, who in turn allocated \$1,243,913 of TCAP funds to the CDA as a suballocator of housing tax credits for allocation of TCAP funds to eligible projects in Washington County.

243 - Red Oak Preserve - Oakdale - to account for the non-TIF activity of the Red Oak Preserve Development. Expenses include payments to the City of Oakdale for public improvements (the City issued a special assessment bond) and to the developer for reimbursement of expenses for site improvements as regulated by the Contract for Private Redevelopment dated June 2007. Revenues are from property taxes and interest income on loans.

255 - Red Rock Crossing - to account for pre-development expenses for potential project expenses in the City of Newport.

256 - Age Friendly Housing Initiative - to account for the pre-development expenses for potential project expenses in Washington County, Minnesota.

270 - Development Fund - to account for related expenses to the CDA constructed housing developments, assisting developers with new affordable housing developments, various housing programs of the CDA, or other expenses related to assisting cities with affordable housing developments. Revenues are from property taxes and interest income on loans.

271 - GAP Financing Fund - to account for funds loaned or granted to developers to finance the capital costs for the construction of affordable housing and municipal development, referred to as the GROW Fund (Gap Financing for Redevelopment and Rental and Owner Occupied Housing Opportunities in Washington County).

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274 - Forest Lake - Trailside Senior Living TIF - to account for expenditures related to the Housing Tax Increment Financing District, which includes TrailSide Senior Living, a 70 unit affordable senior housing development in Forest Lake.

277 - LAAND Initiative - Metropolitan Council funded loans which provide 0% interest loans to jurisdictions to acquire property for future affordable housing development (either affordable rental or affordable home ownership).

280 - HOME - to account for federal funds provided for land acquisition, site improvement, and other eligible activities.

407 - Community Development Block Grant - to account for the receipt and disbursement of funds related to the U.S. Department of Housing and Urban Development funded Community Development Block Grant program.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING BALANCE SHEET -  
COMMUNITY DEVELOPMENT FUND  
December 31, 2020

	201 - MN Housing Rehab and Emergency Loans	230 - Multi Family Projects - LIHTC	231 - TCAP Kilkenny	232 - TCAP Granada	243 - Red Oak Preserve - Oakdale	255 - Red Rock Crossing
Assets						
Cash, cash equivalents and investments	\$14,694	\$517,450	\$ -	\$ -	\$59,814	\$384,341
Interest receivable	-	-	-	-	-	-
Interest receivable from discretely presented component unit	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	708,128
Property held for resale	-	-	-	-	-	18,421
Note receivable	-	6,400	521,101	722,812	-	-
Note receivable from discretely presented component unit	-	-	-	-	-	-
Total assets	<u>\$14,694</u>	<u>\$523,850</u>	<u>\$521,101</u>	<u>\$722,812</u>	<u>\$59,814</u>	<u>\$1,110,890</u>
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities:						
Accounts payable	\$ -	\$63,524	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Accrued wages and benefits payable	151	767	-	-	-	10
Unearned revenue - grants	10,400	1,256	-	-	-	-
Total liabilities	<u>10,551</u>	<u>65,547</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
Deferred inflows of resources:						
Unavailable revenue	-	6,400	521,101	722,812	-	18,421
Total deferred inflows of resources	<u>0</u>	<u>6,400</u>	<u>521,101</u>	<u>722,812</u>	<u>0</u>	<u>18,421</u>
Fund balance:						
Committed	4,143	451,903	-	-	59,814	1,092,459
Unassigned	-	-	-	-	-	-
Total fund balance	<u>4,143</u>	<u>451,903</u>	<u>0</u>	<u>0</u>	<u>59,814</u>	<u>1,092,459</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$14,694</u>	<u>\$523,850</u>	<u>\$521,101</u>	<u>\$722,812</u>	<u>\$59,814</u>	<u>\$1,110,890</u>



256 - Age Friendly Housing Initiative	270 - Development Fund	271 - GAP Financing Fund	274 - Forest Lake Trailside Senior Living TIF	277 - LAAND Initiative	280 - HOME	407 - CDBG	Total Community Development Fund
\$578,984	\$596,822	\$1,438,663	\$ -	\$40,025	\$ -	\$ -	\$3,630,793
-	-	151,438	-	-	-	-	151,438
-	-	174,021	-	-	-	-	174,021
-	-	-	-	-	8,759	248,798	257,557
-	2,853,849	500,000	-	-	-	-	4,061,977
-	-	-	-	-	-	-	18,421
-	-	2,180,320	-	500,000	773,270	1,281,982	5,985,885
-	-	1,830,700	-	-	198,013	352,709	2,381,422
<u>\$578,984</u>	<u>\$3,450,671</u>	<u>\$6,275,142</u>	<u>\$0</u>	<u>\$540,025</u>	<u>\$980,042</u>	<u>\$1,883,489</u>	<u>\$16,661,514</u>
\$ -	\$3,446	\$ -	\$ -	\$ -	\$5,000	\$21,103	\$93,073
-	-	-	4,665	-	3,431	225,755	233,851
-	-	-	-	40,000	-	-	40,000
-	4,566	-	-	-	328	1,940	7,762
-	-	-	-	-	-	-	11,656
<u>0</u>	<u>8,012</u>	<u>0</u>	<u>4,665</u>	<u>40,000</u>	<u>8,759</u>	<u>248,798</u>	<u>386,342</u>
-	-	325,458	-	500,000	971,283	1,634,691	4,700,166
<u>0</u>	<u>0</u>	<u>325,458</u>	<u>0</u>	<u>500,000</u>	<u>971,283</u>	<u>1,634,691</u>	<u>4,700,166</u>
578,984	3,442,659	5,949,684	-	25	-	-	11,579,671
-	-	-	(4,665)	-	-	-	(4,665)
<u>578,984</u>	<u>3,442,659</u>	<u>5,949,684</u>	<u>(4,665)</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>11,575,006</u>
<u>\$578,984</u>	<u>\$3,450,671</u>	<u>\$6,275,142</u>	<u>\$0</u>	<u>\$540,025</u>	<u>\$980,042</u>	<u>\$1,883,489</u>	<u>\$16,661,514</u>

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**COMMUNITY DEVELOPMENT FUND**  
For The Year Ended December 31, 2020

	201 - MN Housing Rehab and Emergency Loans	230 - Multi Family Projects - LIHTC	232 - TCAP Granada	243 - Red Oak Preserve - Oakdale	255 - Red Rock Crossing	256 - Age Friendly Housing Initiative
Revenues:						
General property taxes	\$ -	\$ -	\$ -	\$111,784	\$4,000	\$250,000
Intergovernmental	44,000	57,617	-	-	-	-
Charges for services:						
Administrative fees	3,840	25,950	3,000	-	-	-
Investment income	76	1,956	-	360	27,265	1,880
Other	-	155,812	-	-	-	-
Total revenues	<u>47,916</u>	<u>241,335</u>	<u>3,000</u>	<u>112,144</u>	<u>31,265</u>	<u>251,880</u>
Expenditures:						
Current:						
Administrative salaries and benefits	1,578	30,400	-	-	6,389	300
Administrative travel and per diems	-	6	-	-	-	-
Administrative legal	-	46,827	-	-	10,216	-
Administrative sundry	22	260	-	-	2,643	-
Professional services	-	-	3,000	-	-	-
Project costs	44,006	57,617	-	-	-	-
Other	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	130,630	-	-
Interest and other	-	-	-	19,498	-	-
Total expenditures	<u>45,606</u>	<u>135,110</u>	<u>3,000</u>	<u>150,128</u>	<u>19,248</u>	<u>300</u>
Revenues over (under) expenditures	2,310	106,225	0	(37,984)	12,017	251,580
Fund balance (deficit) - January 1	<u>1,833</u>	<u>345,678</u>	<u>-</u>	<u>97,798</u>	<u>1,080,442</u>	<u>327,404</u>
Fund balance (deficit) - December 31	<u>\$4,143</u>	<u>\$451,903</u>	<u>\$0</u>	<u>\$59,814</u>	<u>\$1,092,459</u>	<u>\$578,984</u>

270 - Development Fund	271 - GAP Financing Fund	274 - Forest Lake Trailside Senior Living TIF	277 - LAAND Initiative	280 - HOME	407 - CDBG	Total Community Development Fund
\$460,635	\$500,000	\$ -	\$ -	\$ -	\$ -	\$1,326,419
-	-	-	-	246,395	673,814	1,021,826
-	6,000	-	-	20,570	102,418	161,778
27,914	5,278	-	222	-	-	64,951
13,084	-	-	-	-	-	168,896
501,633	511,278	0	222	266,965	776,232	2,743,870
320,428	-	-	-	20,291	124,301	503,687
528	-	-	-	9	248	791
30,413	-	-	-	31	315	87,802
10,119	-	-	-	62	5,889	18,995
8,165	-	-	-	177	90	11,432
-	-	-	-	246,395	645,389	993,407
10,409	-	-	-	-	-	10,409
-	-	-	-	-	-	130,630
-	-	-	-	-	-	19,498
380,062	0	0	0	266,965	776,232	1,776,651
121,571	511,278	0	222	0	0	967,219
3,321,088	5,438,406	(4,665)	(197)	-	-	10,607,787
\$3,442,659	\$5,949,684	(\$4,665)	\$25	\$0	\$0	\$11,575,006

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## ECONOMIC DEVELOPMENT FUND

300 - Economic Development – to account for expenses related to activities and expenses that promote economic development in Washington County, Minnesota. Grants, contributions, and property taxes fund this program.

301 - Small Business Relief – to account for the activities of the Small Business Relief fund. The program’s purpose is to provided assistance to small businesses experiencing economic hardship due to the Public Health Emergency caused by the COVID-19 Pandemic. The program is funded by the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING BALANCE SHEET -  
 ECONOMIC DEVELOPMENT FUND  
 December 31, 2020

Statement 19

	300 - Economic Development	301 - Small Business Relief Fund	Total Economic Development Fund
Assets			
Cash, cash equivalents and investments	\$469,200	\$ -	\$469,200
Total assets	\$469,200	\$0	\$469,200
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities:			
Accrued wages and benefits payable	\$2,867	\$ -	\$2,867
Total liabilities	2,867	0	2,867
Fund balance:			
Committed	466,333	-	466,333
Total fund balance	466,333	0	466,333
Total liabilities, deferred inflows of resources and fund balance	\$469,200	\$0	\$469,200

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING SCHEDULE OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCE -  
 ECONOMIC DEVELOPMENT FUND  
 For The Year Ended December 31, 2020

Statement 20

	300 - Economic Development	301 - Small Business Relief Fund	Intra-Activity Eliminations	Total Economic Development Fund
Revenues:				
General property tax	\$574,762	\$0	\$0	\$574,762
Intergovernmental	-	6,023,361	-	6,023,361
Investment income	2,151	104	-	2,255
Other	600	-	-	600
Total revenues	577,513	6,023,465	0	6,600,978
Expenditures:				
Current:				
Administrative salaries and benefits	175,048	-	-	175,048
Administrative legal	6,384	-	-	6,384
Administrative sundry	59,286	-	-	59,286
Professional services	207,756	146,912	-	354,668
Project costs	-	5,876,450	-	5,876,450
Other	113,057	-	-	113,057
Total expenditures	561,531	6,023,362	0	6,584,893
Revenues over (under) expenditures	15,982	103	0	16,085
Other financing sources (uses):				
Transfers from other funds	103	-	(103)	-
Transfers to other funds	-	(103)	103	-
Total other financing sources (uses)	103	(103)	0	0
Net change in fund balance	16,085	-	0	16,085
Fund balance - January 1	450,248	-	-	450,248
Fund balance - December 31	\$466,333	\$0	\$0	\$466,333

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## HOME OWNERSHIP COUNSELING FUND

The Home Ownership Counseling Fund is used to account for related expenses to provide counseling to consumers on seeking, financing, maintaining, renting, or owning a home. The program also assists homeowners in need of foreclosure assistance. Federal and state grants fund this program. The Washington County Community Development Agency Maintains the following Home Ownership Counseling Fund:

202 - MN Housing Down Payment Assistance – to account for grant funds and expenditures related to the MN Housing Down Payment Assistance program.

273 - HECAT Homebuyer Education - to account for State grant funds and expenditures related to the implementation of homebuyer education and pre-purchase counseling activities.

294 - HUD-Comprehensive Counseling - to account for expenditures to provide foreclosure and pre-purchase housing counseling services and administration related to the Comprehensive Counseling program, a federally funded program through the U.S. Department of Housing and Urban Development.

276 - Foreclosure Counseling and Grant - to account for expenditures to provide foreclosure counseling prevention services to homeowners. The sources of funding for this program are grants from the St. Paul and Bigelow Foundations and fee for service agreements with Fannie Mae and Wells Fargo.

417 - Homeowner Stabilization Fund – to account for the activities of the Homeowner Stabilization Fund. The program’s purpose is to provide assistance to homeowners at risk of mortgage default and/or foreclosure as a result of the economic hardship due to the Public Health Emergency caused by the COVID-19 Pandemic. The program is funded by the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING BALANCE SHEET -**  
**HOME OWNERSHIP COUNSELING FUND**  
December 31, 2020

	202 - MN Housing Down Payment Assistance	273 - HECAT Homebuyer Education
Assets		
Cash, cash equivalents and investments	\$878	\$8,017
Due from other governmental units	-	-
Total assets	<u>\$878</u>	<u>\$8,017</u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts payable	\$ -	\$150
Due to other funds	-	-
Due to other governmental units	-	-
Accrued wages and benefits payable	-	274
Unearned revenue - grants	-	7,593
Total liabilities	<u>0</u>	<u>8,017</u>
Fund balance:		
Committed	<u>878</u>	<u>-</u>
Total fund balance	<u>878</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$878</u>	<u>\$8,017</u>

Statement 21

294 - HUD Comprehensive Counseling	276 - Foreclosure Counseling and Grant	417 - Homeowner Stabilization Fund	Total Home Ownership Counseling Fund
\$ -	\$4,629	\$7,653	\$21,177
25,557	1,334	-	26,891
<u>\$25,557</u>	<u>\$5,963</u>	<u>\$7,653</u>	<u>\$48,068</u>
\$26	\$ -	\$98	\$274
24,636	-	-	24,636
-	-	7,555	7,555
895	1,079	-	2,248
-	-	-	7,593
<u>25,557</u>	<u>1,079</u>	<u>7,653</u>	<u>42,306</u>
-	4,884	-	5,762
<u>0</u>	<u>4,884</u>	<u>0</u>	<u>5,762</u>
<u>\$25,557</u>	<u>\$5,963</u>	<u>\$7,653</u>	<u>\$48,068</u>

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**HOME OWNERSHIP COUNSELING FUND**  
For The Year Ended December 31, 2020

	202 - MN Housing Down Payment Assistance	273 - HECAT Homebuyer Education
Revenues:		
General property tax	\$ -	\$ -
Intergovernmental	37,500	43,860
Charges for services:		
Administrative fees	2,000	856
Investment income	-	-
Total revenues	<u>39,500</u>	<u>44,716</u>
Expenditures:		
Current:		
Administrative salaries and benefits	1,914	33,771
Administrative travel and per diems	-	46
Administrative sundry	208	10,762
Professional services	-	137
Project costs	37,500	-
Total expenditures	<u>39,622</u>	<u>44,716</u>
Revenues over (under) expenditures	<u>(122)</u>	<u>0</u>
Other financing sources (uses):		
Transfers from other funds	-	-
Transfers to other funds	-	-
Total other financing sources (uses)	<u>0</u>	<u>0</u>
Net change in fund balance	(122)	0
Fund balance - January 1	<u>1,000</u>	<u>-</u>
Fund balance - December 31	<u>\$878</u>	<u>\$0</u>

294 - HUD Comprehensive Counseling	276 - Foreclosure Counseling and Grant	417 - Homeowner Stabilization Fund	Intra-Activity Eliminations	Total Home Ownership Counseling Fund
\$ -	\$104,800	\$ -	\$0	\$104,800
53,967	6,334	1,164,671	-	1,306,332
-	-	-	-	2,856
-	117	17	-	134
53,967	111,251	1,164,688	0	1,414,122
53,941	26,597	48,196	-	164,419
-	-	-	-	46
-	1,294	625	-	12,889
26	468	24,407	-	25,038
-	-	1,100,735	-	1,138,235
53,967	28,359	1,173,963	0	1,340,627
0	82,892	(9,275)	0	73,495
-	-	9,275	(9,275)	-
-	(81,275)	-	9,275	(72,000)
0	(81,275)	9,275	0	(72,000)
0	1,617	-	0	1,495
-	3,267	-	-	4,267
\$0	\$4,884	\$0	\$0	\$5,762

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## TAX INCREMENT FUND

242 - Whispering Oaks TIF – accounts for the eligible expenditures related to the Whispering Oaks TIF District, which is a redevelopment district in the City of Oakdale.

412 - Red Rock TIF - to account for expenditures related to the Red Rock Tax Increment Financing District, which includes pre-development expenses for potential eligible project expenses in the City of Newport.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING BALANCE SHEET -  
 TAX INCREMENT FUND  
 December 31, 2020

Statement 23

	242 - Whispering Oaks TIF	412 - Redrock - TIF	Total Tax Increment Fund
<b>Assets</b>			
Cash, cash equivalents and investments	\$65,905	\$ -	\$65,905
Property held for resale	-	142,979	142,979
<b>Total assets</b>	<b>\$65,905</b>	<b>\$142,979</b>	<b>\$208,884</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>			
<b>Liabilities:</b>			
Advances from other funds	\$2,853,849	\$708,128	\$3,561,977
<b>Total liabilities</b>	<b>2,853,849</b>	<b>708,128</b>	<b>3,561,977</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	-	142,979	142,979
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>142,979</b>	<b>142,979</b>
<b>Fund balance:</b>			
Unassigned	(2,787,944)	(708,128)	(3,496,072)
<b>Total fund balance</b>	<b>(2,787,944)</b>	<b>(708,128)</b>	<b>(3,496,072)</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$65,905</b>	<b>\$142,979</b>	<b>\$208,884</b>



**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**TAX INCREMENT FUND**  
For The Year Ended December 31, 2020

**Statement 24**

	242 - Whispering Oaks TIF	412 - Redrock - TIF	Total Tax Increment Fund
Revenues:			
Tax increments	\$180,875	\$55,022	\$235,897
Investment income	96	10	106
Total revenues	<u>180,971</u>	<u>55,032</u>	<u>236,003</u>
Expenditures:			
Current:			
Administrative legal		534	534
Administrative sundry	2,686	810	3,496
Professional services	990	9,930	10,920
Debt service:			
Principal	62,073	-	62,073
Interest	95,402	25,298	120,700
Total expenditures	<u>161,151</u>	<u>36,572</u>	<u>197,723</u>
Net change in fund balance	19,820	18,460	38,280
Fund balance - January 1	<u>(2,807,764)</u>	<u>(726,588)</u>	<u>(3,534,352)</u>
Fund balance - December 31	<u><u>(\$2,787,944)</u></u>	<u><u>(\$708,128)</u></u>	<u><u>(\$3,496,072)</u></u>

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## PUBLIC HOUSING FUND

The Public Housing Fund is used to account for the operation of 96 units of rental housing within Washington County through the HUD funded Low-Rent Housing Program and Capital Fund Program. These units are owned and operated by the CDA but are subject to HUD's program rules and regulations. HUD provides subsidies for the operation, maintenance and improvement of these units. The Washington County Community Development Agency maintains the following Public Housing Fund:

635 - HUD - Scattered Site - to account for the operation of the CDA's Metropolitan Housing Opportunity Program (MHOP) which consists of 56 scattered site units throughout Washington County and they consist of single family homes, townhomes and duplexes.

636 - Whispering Pines - to account for the operations of a 40 unit four-story public housing building. Residents must meet income and eligibility criteria and preference is given to applicants 62 or older and disabled households.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
COMBINING SCHEDULE OF NET POSITION -  
PUBLIC HOUSING FUND  
December 31, 2020

Statement 25

	635 - HUD Scattered Site	636 - Whispering Pines	Total Public Housing Fund
Assets:			
Current assets:			
Cash and cash equivalents	\$38,831	\$388,611	\$427,442
Restricted cash and investments	-	20,150	20,150
Accounts receivable - tenants	-	698	698
Accounts receivable - other	-	-	-
Allowance for doubtful accounts	-	(345)	(345)
Due from other governmental units	11,971	47	12,018
Prepaid items	-	12,347	12,347
Total current assets	50,802	421,508	472,310
Capital assets:			
Land	-	315,000	315,000
Projects in process	-	-	-
Buildings and structures	-	2,936,337	2,936,337
Total capital assets	0	3,251,337	3,251,337
Less: Accumulated depreciation	-	(385,946)	(385,946)
Net capital assets	0	2,865,391	2,865,391
Total noncurrent assets	0	2,865,391	2,865,391
Total assets	\$50,802	\$3,286,899	\$3,337,701
Liabilities:			
Current liabilities:			
Accounts payable	\$6,171	\$25,450	\$31,621
Due to other governmental units	-	6,254	6,254
Due to other funds	42,299	-	42,299
Unearned revenue - rent	-	20	20
Current liabilities payable from restricted assets:			
Accrued interest payable	-	50	50
Security deposits/FSS escrow	-	10,520	10,520
Contracts payable	-	-	-
Current portion of long-term debt	-	444	444
Total current liabilities payable from restricted assets	-	11,014	11,014
Total current liabilities	48,470	42,738	91,208
Noncurrent liabilities:			
Long-term debt	-	3,540	3,540
Notes and mortgages payable	-	660,291	660,291
Total noncurrent liabilities	0	663,831	663,831
Total liabilities	48,470	706,569	755,039
Net position:			
Net investment in capital assets	-	2,201,116	2,201,116
Restricted for bond indenture purposes	-	9,630	9,630
Unrestricted	2,332	369,584	371,916
Total net position	\$2,332	\$2,580,330	\$2,582,662

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION -**  
**PUBLIC HOUSING FUND**  
For The Year Ended December 31, 2020

**Statement 26**

	635 - HUD Scattered Site	636 - Whispering Pines	Total Public Housing Fund
Operating revenues:			
Rental income	\$244,498	\$172,524	\$417,022
Service income	-	4,064	4,064
HUD rent subsidies	137,027	77,330	214,357
Other	7,380	2,494	9,874
Total operating revenues	388,905	256,412	645,317
Operating expenses:			
Management fee	59,836	47,082	106,918
Legal	49,155	4,067	53,222
Administrative	9,155	8,638	17,793
Operating	131,490	8,378	139,868
Maintenance	241,566	102,790	344,356
Utilities	5,181	51,947	57,128
Insurance	22,949	11,957	34,906
Property taxes	12,284	6,374	18,658
Depreciation	215,203	87,521	302,724
Total operating expenses	746,819	328,754	1,075,573
Operating income (loss)	(357,914)	(72,342)	(430,256)
Nonoperating revenues (expenses):			
Investment income	2,691	2,413	5,104
Intergovernmental	-	104	104
Financial expense	(50)	(61)	(111)
Interest expense	-	(120)	(120)
Property tax revenue	-	453	453
Other	(27,470)	(158)	(27,628)
Total nonoperating revenues (expenses)	(24,829)	2,631	(22,198)
Income (loss) before contributions and transfers	(382,743)	(69,711)	(452,454)
Capital contributions	6,600	161,985	168,585
Transfers to other funds	(3,807,590)	-	(3,807,590)
Change in net position	(4,183,733)	92,274	(4,091,459)
Net position - January 1	4,186,065	2,488,056	6,674,121
Net position - December 31	\$2,332	\$2,580,330	\$2,582,662

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**COMBINING SCHEDULE OF CASH FLOWS -**

**PUBLIC HOUSING FUND**

For The Year Ended December 31, 2020

**Statement 27**

	635 - HUD Scattered Site	636 - Whispering Pines	Total Public Housing Fund
Cash flows from operating activities:			
Receipts from customers and users	\$324,745	\$253,844	\$578,589
Payment to suppliers for goods and services	(517,544)	(224,225)	(741,769)
Miscellaneous income (loss)	(20,090)	2,336	(17,754)
Net cash flows from operating activities	(212,889)	31,955	(180,934)
Cash flows from noncapital financing activities:			
Transfers out	(24,618)	-	(24,618)
Due to/from other funds - net change	42,299	-	42,299
Net cash flows from noncapital financing activities	17,681	0	17,681
Cash flows from capital and related financing activities:			
Property taxes	-	453	453
Capital contribution	6,600	161,985	168,585
Federal recovery zone credits	-	118	118
Fiscal agent costs and other debt related fees	(50)	(61)	(111)
Purchase of capital assets	(18,271)	(319,470)	(337,741)
Interest paid on long-term debt	-	(124)	(124)
Principal payments on long-term debt	-	(444)	(444)
Net cash flows from capital and related financing activities	(11,721)	(157,543)	(169,264)
Cash flows from investing activities:			
Investment income	2,691	2,413	5,104
Net increase (decrease) in cash and cash equivalents	(204,238)	(123,175)	(327,413)
Cash and cash equivalents - January 1	243,069	531,936	775,005
Cash and cash equivalents - December 31	\$38,831	\$408,761	\$447,592
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(\$357,914)	(\$72,342)	(\$430,256)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	215,203	87,521	302,724
Miscellaneous income (loss)	(27,470)	(158)	(27,628)
Changes in assets and liabilities:			
Decrease (increase) in receivables	1,728	(329)	1,399
Decrease (increase) prepaid items	21,932	(1,360)	20,572
Decrease (increase) due from other governments	13,029	-	13,029
Increase (decrease) accounts payable	4,077	18,530	22,607
Increase (decrease) security deposits payable	(71,192)	238	(70,954)
Increase (decrease) due to other governments	(11,937)	(162)	(12,099)
Increase (decrease) unearned revenue	(345)	17	(328)
Total adjustments	145,025	104,297	249,322
Net cash provided by operating activities	(\$212,889)	\$31,955	(\$180,934)
Noncash investing, capital and financing activities:			
Transfers of non-cash assets to WCCDA Family Housing LLC	(\$3,782,972)	\$ -	(\$3,782,972)

## SENIOR HOUSING FUND

The Senior Housing Fund is used to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 401 units of bond-financed senior housing intended for seniors 55 years of age or older within the County. The Washington County Community Development Agency maintains the following Senior Housing Fund:

609 - Ann Bodlovick - to account for the operation of a 3 story building with 50 apartments. There are one and two bedroom styles with six different floor plans.

614 - Cobble Hill - to account for the operation of a 3 story building with 45 apartments. The unit types include both one and two bedroom units.

612 - John Jergens Estates - to account for the operation of six one story buildings totaling 30 units. The units are cottage style apartments, each with its own entrance. There are five units in each building.

602 - Muller Manor - to account for operation of a one story manor style building with 28 units.

601 - Oakhill Cottages - to account for operation of three one story buildings with 40 units. The units are cottage style apartments, each with its own entrance.

613 - Pioneer Elderly - to account for operation of a portion of a 1926 school building, renovated and redesigned for seniors 55 years of age and older. The community has a total of 17 1-bedroom unit and a single 2-bedroom unit.

610 - Trailside - to account for operations of a three story building with 70 units.

617 - Raymie Johnson Estates - to account for operation of 120 apartment and townhome units. This project based section 8 subsidized community has 96 apartments in the 5 story high-rise building, which include one and two bedroom units, available to those 62 and older and/or to people with disabilities. There are also 24 two and three bedroom town homes that are available for families.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**COMBINING SCHEDULE OF NET POSITION -**

**SENIOR HOUSING FUND**

December 31, 2020

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates
Assets:			
Current assets:			
Cash and cash equivalents	\$62,386	\$52,650	\$44,011
Restricted cash and investments	403,491	405,716	230,250
Accounts receivable - tenants	79	762	-
Allowance for doubtful accounts	-	-	-
Due from other governmental units	106	162	-
Prepaid items	16,800	18,313	11,275
Total current assets	482,862	477,603	285,536
Capital assets:			
Land	62,732	122,090	115,000
Projects in process	-	-	-
Buildings and structures	3,304,652	2,852,620	2,661,186
Furniture and fixtures	20,101	15,654	-
Total capital assets	3,387,485	2,990,364	2,776,186
Less: Accumulated depreciation	(1,858,303)	(1,305,198)	(1,359,498)
Net capital assets	1,529,182	1,685,166	1,416,688
Total noncurrent assets	1,529,182	1,685,166	1,416,688
Total assets	2,012,044	2,162,769	1,702,224
Deferred outflows of resources:			
Unamortized loss on refunding	28,650	48,053	24,852
Total deferred outflows of resources	28,650	48,053	24,852



602 - Muller Manor	601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Total Senior Housing Fund
\$41,892	\$51,739	\$33,676	\$32,925	\$322,971	\$642,250
236,925	366,527	8,547	1,712,234	1,046,243	4,409,933
5	-	713	-	13,853	15,412
-	-	-	-	(4,341)	(4,341)
48	-	35	81,682	6,473	88,506
8,874	12,889	5,814	28,688	50,221	152,874
287,744	431,155	48,785	1,855,529	1,435,420	5,304,634
110,946	115,000	50,000	885,000	510,000	1,970,768
5,600	-	-	-	18,425	24,025
1,887,237	3,538,621	1,111,691	8,305,035	6,798,234	30,459,276
15,460	11,870	10,173	124,048	53,814	251,120
2,019,243	3,665,491	1,171,864	9,314,083	7,380,473	32,705,189
(1,135,122)	(1,448,022)	(597,036)	(1,887,788)	(3,501,774)	(13,092,741)
884,121	2,217,469	574,828	7,426,295	3,878,699	19,612,448
884,121	2,217,469	574,828	7,426,295	3,878,699	19,612,448
1,171,865	2,648,624	623,613	9,281,824	5,314,119	24,917,082
26,072	31,009	-	-	4,928	163,564
26,072	31,009	0	0	4,928	163,564

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**COMBINING SCHEDULE OF NET POSITION -**

**SENIOR HOUSING FUND**

December 31, 2020

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates
Liabilities:			
Current liabilities:			
Accounts payable	\$31,155	\$18,718	\$18,707
Due to other governmental units	21,079	20,069	12,111
Unearned revenue - rent	662	688	-
Advances from other funds	-	-	-
Current liabilities payable from restricted assets:			
Accrued interest payable	14,126	16,189	8,326
Security deposits payable	26,376	22,843	15,935
Contracts payable	-	-	-
Current portion of long-term debt	111,009	116,537	60,000
Total current liabilities payable from restricted assets	151,511	155,569	84,261
Total current liabilities	204,407	195,044	115,079
Noncurrent liabilities:			
Long-term debt	1,157,282	1,314,797	676,358
Total noncurrent liabilities	1,157,282	1,314,797	676,358
Total liabilities	1,361,689	1,509,841	791,437
Net position:			
Net investment in capital assets	289,541	301,885	705,182
Restricted for bond indenture purposes	356,034	362,804	202,204
Unrestricted	33,430	36,292	28,253
Total net position	\$679,005	\$700,981	\$935,639

602 - Muller Manor	601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Total Senior Housing Fund
\$14,463	\$19,359	\$7,426	\$40,808	\$79,283	\$229,919
10,475	17,663	5,483	29,824	62,487	179,191
-	1	4	-	1,464	2,819
-	-	-	500,000	-	500,000
8,723	2,313	38	192,486	13,369	255,570
15,097	20,961	8,166	37,162	39,924	186,464
-	-	-	-	-	-
60,460	50,000	337	250,000	201,517	849,860
84,280	73,274	8,541	479,648	254,810	1,291,894
109,218	110,297	21,454	1,050,280	398,044	2,203,823
710,164	196,445	2,680	6,483,574	1,038,795	11,580,095
710,164	196,445	2,680	6,483,574	1,038,795	11,580,095
819,382	306,742	24,134	7,533,854	1,436,839	13,783,918
139,569	2,002,033	571,811	692,721	2,643,315	7,346,057
211,353	327,903	381	1,632,653	943,832	4,037,164
27,633	42,955	27,287	(577,404)	295,061	(86,493)
\$378,555	\$2,372,891	\$599,479	\$1,747,970	\$3,882,208	\$11,296,728

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION -**  
**SENIOR HOUSING FUND**  
For The Year Ended December 31, 2020

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates
Operating revenues:			
Rental income	\$480,153	\$442,993	\$293,648
Service income	5,261	4,919	-
HUD rent subsidies	-	-	-
Other	14,013	1,200	595
Total operating revenues	499,427	449,112	294,243
Operating expenses:			
Marketing	86	-	900
Management fee	57,111	52,185	34,082
Legal	1,932	1,304	4,368
Administrative	28,193	4,798	1,475
Operating	8,196	7,564	2,972
Maintenance	137,061	89,667	81,209
Utilities	40,224	28,509	39,532
Insurance	20,321	22,528	12,137
Property taxes	21,229	20,204	12,201
Depreciation	81,937	69,709	66,530
Total operating expenses	396,290	296,468	255,406
Operating income (loss)	103,137	152,644	38,837
Nonoperating revenues (expenses):			
Investment income	2,096	1,513	1,112
Intergovernmental	235	246,360	-
Financial expense	(1,669)	(1,779)	(924)
Amortization of bond premium	1,658	1,585	829
Amortization of deferred gain (loss) on refunding	(3,320)	(4,441)	(2,297)
Interest expense	(34,087)	(39,042)	(20,081)
Property tax revenue	12,500	25,400	20,300
Other	(240)	(215)	(193)
Total nonoperating revenues (expenses)	(22,827)	229,381	(1,254)
Income (loss) before transfers	80,310	382,025	37,583
Transfers:			
Transfers from other funds	79,200	39,657	-
Transfers to other funds	(60,000)	(122,000)	(19,000)
Total transfers	19,200	(82,343)	(19,000)
Change in net position	99,510	299,682	18,583
Net position - January 1	579,495	401,299	917,056
Net position - December 31	\$679,005	\$700,981	\$935,639

602 - Muller Manor	601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Total Senior Housing Fund
\$237,524	\$378,439	\$139,170	\$650,633	\$409,140	\$3,031,700
-	-	-	-	7,109	17,289
-	-	-	-	920,691	920,691
417	280	160	1,072	17,143	34,880
237,941	378,719	139,330	651,705	1,354,083	4,004,560
1,288	2,608	780	-	1,170	6,832
30,208	44,787	19,180	79,241	143,864	460,658
364	-	92	92	7,122	15,274
3,002	2,570	3,557	15,842	15,150	74,587
5,534	3,033	3,134	3,205	8,800	42,438
64,196	96,913	53,198	139,695	317,559	979,498
19,654	8,394	29,505	64,863	75,096	305,777
10,759	13,439	7,195	35,252	56,196	177,827
10,559	17,783	11,741	30,034	62,847	186,598
47,181	88,465	27,722	207,614	170,071	759,229
192,745	277,992	156,104	575,838	857,875	3,008,718
45,196	100,727	(16,774)	75,867	496,208	995,842
996	1,229	836	4,927	3,475	16,184
107	-	78	164,031	14,338	425,149
(967)	(1,340)	(408)	(6,265)	(5,307)	(18,659)
873	2,662	-	-	7,454	15,061
(2,410)	(9,755)	-	-	(1,207)	(23,430)
(21,037)	(5,700)	(91)	(384,972)	(32,602)	(537,612)
50,300	35,500	544	375,800	87,200	607,544
(200)	(196)	(86)	(346)	(7,361)	(8,837)
27,662	22,400	873	153,175	65,990	475,400
72,858	123,127	(15,901)	229,042	562,198	1,471,242
5,600	-	16,802	5,697	-	146,956
(176,000)	(136,000)	(2,000)	-	(86,000)	(601,000)
(170,400)	(136,000)	14,802	5,697	(86,000)	(454,044)
(97,542)	(12,873)	(1,099)	234,739	476,198	1,017,198
476,097	2,385,764	600,578	1,513,231	3,406,010	10,279,530
\$378,555	\$2,372,891	\$599,479	\$1,747,970	\$3,882,208	\$11,296,728

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**COMBINING SCHEDULE OF CASH FLOWS -**

**SENIOR HOUSING FUND**

For The Year Ended December 31, 2020

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates
Cash flows from operating activities:			
Receipts from customers and users	\$485,823	\$447,431	\$293,916
Payment to suppliers for goods and services	(296,277)	(234,786)	(183,498)
Miscellaneous income (loss)	13,773	985	402
Net cash flows from operating activities	203,319	213,630	110,820
Cash flows from noncapital financing activities:			
Transfers out	(60,000)	(122,000)	(19,000)
Net cash flows from noncapital financing activities	(60,000)	(122,000)	(19,000)
Cash flows from capital and related financing activities:			
Property taxes	12,500	25,400	20,300
Transfers in	79,200	39,657	-
Federal recovery zone credits and CDBG	267	246,408	-
Fiscal agent costs and other debt related fees	(431)	(448)	(95)
Purchase of capital assets	(54,309)	(264,625)	-
Interest paid on long-term debt	(35,013)	(39,974)	(20,580)
Principal payments on long-term debt	(111,008)	(111,538)	(60,135)
Net cash flows from capital and related financing activities	(108,794)	(105,120)	(60,510)
Cash flows from investing activities:			
Investment income	2,096	1,513	1,112
Net increase (decrease) in cash and cash equivalents	36,621	(11,977)	32,422
Cash and cash equivalents - January 1	429,256	470,343	241,839
Cash and cash equivalents - December 31	\$465,877	\$458,366	\$274,261
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$103,137	\$152,644	\$38,837
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	81,937	69,709	66,530
Miscellaneous income (loss)	(240)	(215)	(193)
Changes in assets and liabilities:			
Decrease (increase) in receivables	159	(430)	123
Decrease (increase) prepaid items	1,762	2,478	(345)
Increase (decrease) accounts payable	16,747	(10,618)	5,628
Increase (decrease) security deposits payable	709	(470)	201
Increase (decrease) due to other governments	(433)	113	95
Increase (decrease) unearned revenue	(459)	419	(56)
Total adjustments	100,182	60,986	71,983
Net cash provided by operating activities	\$203,319	\$213,630	\$110,820

602 - Muller Manor	601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Total Senior Housing Fund
\$237,492	\$378,843	\$138,536	\$732,785	\$1,335,744	\$4,050,570
(140,188)	(180,770)	(126,337)	(345,165)	(638,105)	(2,145,126)
217	84	74	726	9,782	26,043
97,521	198,157	12,273	388,346	707,421	1,931,487
(176,000)	(136,000)	(2,000)	-	(86,000)	(601,000)
(176,000)	(136,000)	(2,000)	0	(86,000)	(601,000)
50,300	35,500	544	375,800	87,200	607,544
5,600	-	16,802	5,697	-	146,956
122	-	89	82,349	16,267	345,502
(243)	(255)	(408)	(6,265)	(5,307)	(13,452)
(5,600)	-	(16,803)	(5,697)	(35,663)	(382,697)
(21,542)	(6,450)	(94)	(390,179)	(35,179)	(549,011)
(60,460)	(90,000)	(335)	(241,178)	(297,971)	(972,625)
(31,823)	(61,205)	(205)	(179,473)	(270,653)	(817,783)
996	1,229	836	(76,755)	3,475	(65,498)
(109,306)	2,181	10,904	132,118	354,243	447,206
388,123	416,085	31,319	1,613,041	1,014,971	4,604,977
\$278,817	\$418,266	\$42,223	\$1,745,159	\$1,369,214	\$5,052,183
\$45,196	\$100,727	(\$16,774)	\$75,867	\$496,208	\$995,842
47,181	88,465	27,722	207,614	170,071	759,229
(200)	(196)	(86)	(346)	(7,361)	(8,837)
15	35	(388)	81,974	(2,428)	79,060
1,612	(824)	696	3,893	643	9,915
3,328	9,251	1,404	18,512	38,737	82,989
(43)	368	(244)	178	214	913
436	330	(55)	654	10,319	11,459
(4)	1	(2)	-	1,018	917
52,325	97,430	29,047	312,479	211,213	935,645
\$97,521	\$198,157	\$12,273	\$388,346	\$707,421	\$1,931,487

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## FAMILY HOUSING FUND

The Family Housing Fund is used to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 333 units of bond-financed, or other, family housing within the County. The Washington County Community Development Agency maintains the following Family Housing Fund:

604 - Woodland Park - to account for operations of a six building, 180 unit community. There are 64 townhome style units and 116 apartments. The units are available in 1 bedroom, 2 bedroom and 3 bedroom styles.

607 - Park Place I - to account for operations of a six building, 36 unit community that includes both 1 bedroom and 2 bedroom styles.

616 - Transitional Housing - to account for operations of three townhomes owned by the CDA through the state “transitional housing program”. The units are available to households with members that have a serious and persistent mental illness.

618 - Washington Conservation District - to account for operations related to the Washington Conservation District capital lease receivable held by the CDA.

619 - Landfall - to account for operations related to the Landfall capital lease receivable held by the CDA.

620 - Park Place II - to account for operations of a 6 unit building that includes both 1 bedroom and 2 bedroom styles.

626 - Brick Pond - to account for operations of a 30 unit three-story building. The units are available in 1 bedroom and 2 bedroom units. There is also another building with 10 attached efficiency townhomes.

627 – WCCDA Family Housing – to account for the operations of 56 single family, townhome, and duplex units throughout Washington County.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
COMBINING SCHEDULE OF NET POSITION -  
FAMILY HOUSING FUND  
December 31, 2020

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing
Assets:			
Current assets:			
Cash and cash equivalents	\$187,265	\$46,805	\$28,703
Restricted cash and investments	2,989,528	245,771	42,236
Accounts receivable - tenants	30,384	6,646	-
Allowance for doubtful accounts	(3,996)	(727)	-
Due from other funds	-	-	1,465
Due from other governmental units	5,058	-	-
Prepaid items	65,573	10,789	1,291
Capital lease receivable	-	-	-
Total current assets	3,273,812	309,284	73,695
Noncurrent assets:			
Other assets:			
Capital lease receivable - long term	-	-	-
Total other assets	0	0	0
Capital assets:			
Land	422,638	72,000	31,775
Projects in process	35,319	-	-
Buildings and structures	14,812,323	1,904,414	451,848
Furniture and fixtures	114,943	-	-
Total capital assets	15,385,223	1,976,414	483,623
Less: Accumulated depreciation	(6,890,102)	(677,552)	(177,549)
Net capital assets	8,495,121	1,298,862	306,074
Total noncurrent assets	8,495,121	1,298,862	306,074
Total assets	11,768,933	1,608,146	379,769
Deferred outflows of resources:			
Unamortized loss on refunding	28,486	19,596	-
Total deferred outflows of resources	28,486	19,596	0

618 - Washington Conservation District	619 - Landfall	620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	Total Family Housing Fund
\$ -	\$3,586	\$25,531	\$48,325	\$16,358	\$356,573
7,872	963,448	1,876	144,140	33,770	4,428,641
-	-	898	3,100	64,800	105,828
-	-	-	-	(21,480)	(26,203)
-	-	-	-	-	1,465
-	-	-	-	-	5,058
-	-	1,804	17,243	22,871	119,571
40,000	415,554	-	-	-	455,554
47,872	1,382,588	30,109	212,808	116,319	5,446,487
981,667	874,592	-	-	-	1,856,259
981,667	874,592	0	0	0	1,856,259
-	-	12,000	360,000	927,004	1,825,417
-	-	-	-	-	35,319
-	-	277,473	1,595,930	7,038,536	26,080,524
-	-	-	10,973	-	125,916
0	0	289,473	1,966,903	7,965,540	28,067,176
-	-	(73,010)	(479,652)	(4,179,594)	(12,477,459)
0	0	216,463	1,487,251	3,785,946	15,589,717
981,667	874,592	216,463	1,487,251	3,785,946	17,445,976
1,029,539	2,257,180	246,572	1,700,059	3,902,265	22,892,463
-	33,369	-	5,036	-	86,487
0	33,369	0	5,036	0	86,487

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING SCHEDULE OF NET POSITION -  
 FAMILY HOUSING FUND  
 December 31, 2020

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing
Liabilities:			
Current liabilities:			
Accounts payable	\$113,946	\$16,003	\$403
Due to other governmental units	92,171	13,214	698
Unearned revenue - rent	5,496	753	1,465
Current liabilities payable from restricted assets:			
Accrued interest payable	108,760	6,521	-
Security deposits payable	64,813	11,836	408
Current portion of long-term debt	653,076	45,000	-
Total current liabilities payable from restricted assets	826,649	63,357	408
Total current liabilities	1,038,262	93,327	2,974
Noncurrent liabilities:			
Unearned gain on sale of property	-	-	-
Long-term debt	7,900,301	531,072	-
Notes and mortgages payable	-	-	197,010
Total noncurrent liabilities	7,900,301	531,072	197,010
Total liabilities	8,938,563	624,399	199,984
Net investment in capital assets	(65,089)	742,386	109,064
Restricted for bond indenture purposes	2,832,543	220,722	41,828
Unrestricted	91,402	40,235	28,893
Total net position	\$2,858,856	\$1,003,343	\$179,785

618 - Washington Conservation District	619 - Landfall	620 - Park Place II	626 - Brick Pond	626 - Brick Pond	Total Family Housing Fund
\$ -	\$ -	\$2,910	\$19,055	\$46,024	\$198,341
-	-	2,218	46,025	13,956	168,282
-	-	-	143	2,045	9,902
2,871	21,756	-	4,000	-	143,908
-	-	1,876	10,563	22,887	112,383
40,000	330,000	-	65,000	-	1,133,076
42,871	351,756	1,876	79,563	22,887	1,389,367
42,871	351,756	7,004	144,786	84,912	1,765,892
-	187,019	-	-	-	187,019
985,000	1,346,081	-	226,355	-	10,988,809
-	-	-	-	-	197,010
985,000	1,533,100	0	226,355	0	11,372,838
1,027,871	1,884,856	7,004	371,141	84,912	13,138,730
-	-	216,463	1,200,932	3,785,946	5,989,702
7,872	963,448	-	87,554	12,654	4,166,621
(6,204)	(557,755)	23,105	45,468	18,753	(316,103)
\$1,668	\$405,693	\$239,568	\$1,333,954	\$3,817,353	\$9,840,220

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION -  
 FAMILY HOUSING FUND  
 For The Year Ended December 31, 2020

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing
Operating revenues:			
Rental income	\$2,042,105	\$301,254	\$17,437
Service income	-	-	-
Other	18,941	2,281	158
Total operating revenues	2,061,046	303,535	17,595
Operating expenses:			
Marketing	6,510	1,508	-
Management fee	220,368	39,235	3,597
Legal	15,296	-	-
Administrative	15,274	2,184	135
Operating	29,821	2,589	3,991
Maintenance	516,571	76,693	7,015
Utilities	211,679	39,296	3,824
Insurance	77,267	11,579	1,658
Property taxes	94,720	13,322	698
Depreciation	369,760	47,611	11,296
Total operating expenses	1,557,266	234,017	32,214
Operating income (loss)	503,780	69,518	(14,619)
Nonoperating revenues (expenses):			
Investment income	9,372	1,828	469
Intergovernmental	11,206	-	-
Gain (loss) on asset disposition	-	-	-
Financial expense	(8,151)	(743)	-
Amortization of bond premium	31,234	652	-
Amortization of deferred gain (loss) on refunding	36,261	(1,811)	-
Interest expense	(263,047)	(15,725)	-
Property tax revenue	405,800	50,300	11,926
Other	(580)	(104)	(3)
Total nonoperating revenues (expenses)	222,095	34,397	12,392
Income (loss) before transfers and contributions	725,875	103,915	(2,227)
Transfers:			
Transfers from other funds	41,249	-	-
Transfers to other funds	(389,000)	(59,000)	-
Total transfers	(347,751)	(59,000)	0
Change in net position	378,124	44,915	(2,227)
Net position - January 1	2,480,732	958,428	182,012
Net position - December 31	\$2,858,856	\$1,003,343	\$179,785

618 - Washington Conservation District	619 - Landfall	620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	Total Family Housing Fund
\$ -	\$ -	\$51,031	\$374,038	\$55,942	\$2,841,807
-	-	-	4,929	-	4,929
-	7,500	700	5,195	30	34,805
0	7,500	51,731	384,162	55,972	2,881,541
-	-	24	4,980	-	13,022
-	-	6,545	45,795	6,078	321,618
-	-	-	-	-	15,296
-	5,000	387	3,856	412	27,248
-	-	99	3,715	2,715	42,930
-	-	16,509	113,861	25,240	755,889
-	-	6,677	38,994	883	301,353
-	-	2,172	20,200	1,989	114,865
-	-	2,236	46,145	2,665	159,786
-	-	6,937	39,927	19,495	495,026
0	5,000	41,586	317,473	59,477	2,247,033
0	2,500	10,145	66,689	(3,505)	634,508
35,074	28,597	127	1,936	-	77,403
-	-	-	-	-	11,206
-	58,778	-	-	-	58,778
-	-	-	(676)	-	(9,570)
-	265	-	5,765	-	37,916
-	(8,172)	-	(7,865)	-	18,413
(35,035)	(52,935)	-	(9,800)	-	(376,542)
-	-	-	17,300	-	485,326
-	-	(2)	(103)	(82)	(874)
39	26,533	125	6,557	(82)	302,056
39	29,033	10,270	73,246	(3,587)	936,564
-	-	-	7,125	3,820,940	3,869,314
-	-	(12,000)	(11,000)	-	(471,000)
0	0	(12,000)	(3,875)	3,820,940	3,398,314
39	29,033	(1,730)	69,371	3,817,353	4,334,878
1,629	376,660	241,298	1,264,583	-	5,505,342
\$1,668	\$405,693	\$239,568	\$1,333,954	\$3,817,353	\$9,840,220

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF CASH FLOWS -**  
**FAMILY HOUSING FUND**  
For The Year Ended December 31, 2020

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing
Cash flows from operating activities:			
Receipts from customers and users	\$2,024,412	\$297,370	\$18,905
Payment to suppliers for goods and services	(1,153,647)	(183,623)	(20,995)
Miscellaneous income (loss)	18,361	2,177	155
Net cash flows from operating activities	889,126	115,924	(1,935)
Cash flows from noncapital financing activities:			
Transfers out	(389,000)	(59,000)	-
Due to/from other funds - net change	-	-	(1,465)
Net cash flows from noncapital financing activities	(389,000)	(59,000)	(1,465)
Cash flows from capital and related financing activities:			
Property taxes	405,800	50,300	11,926
Transfers in	41,249	-	-
Federal recovery zone credits and CDBG	12,714	-	-
Fiscal agent costs and other debt related fees	(8,151)	(743)	-
Purchase of capital assets	(39,265)	-	-
Interest paid on long-term debt	(273,165)	(16,100)	-
Principal payments on long-term debt	(622,787)	(44,455)	-
Net cash flows from capital and related financing activities	(483,605)	(10,998)	11,926
Cash flows from investing activities:			
Principal receipts on capital lease receivable	-	-	-
Investment income	9,372	1,828	469
Net cash flows from investing activities	9,372	1,828	469
Net increase (decrease) in cash and cash equivalents	25,893	47,754	8,995
Cash and cash equivalents - January 1	3,150,900	244,822	61,944
Cash and cash equivalents - December 31	\$3,176,793	\$292,576	\$70,939
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$503,780	\$69,518	(\$14,619)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	369,760	47,611	11,296
Miscellaneous income (loss)	(580)	(104)	(3)
Changes in assets and liabilities:			
Decrease (increase) in receivables	(22,885)	(4,095)	-
Decrease (increase) in prepaid items	5,120	19	178
Increase (decrease) accounts payable	26,461	2,579	(305)
Increase (decrease) security deposits payable	(224)	(542)	3
Increase (decrease) due to other governments	2,278	185	50
Increase (decrease) unearned revenue	5,416	753	1,465
Total adjustments	385,346	46,406	12,684
Net cash provided by operating activities	\$889,126	\$115,924	(\$1,935)
Noncash investing, capital and financing activities:			
Transfers of non-cash assets from the Public Housing Fund	\$0	\$0	\$0



618 - Washington Conservation District	619 - Landfall	620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	Total Family Housing Fund
\$ -	\$ -	\$49,868	\$377,664	\$14,233	\$2,782,452
-	(5,000)	(33,725)	(270,090)	(724)	(1,667,804)
-	7,500	698	5,092	(52)	33,931
0	2,500	16,841	112,666	13,457	1,148,579
-	-	(12,000)	(11,000)	-	(471,000)
-	-	-	-	-	(1,465)
0	0	(12,000)	(11,000)	0	(472,465)
-	-	-	17,300	-	485,326
-	-	-	7,125	36,671	85,045
-	-	-	-	-	12,714
-	-	-	(676)	-	(9,570)
-	-	-	(7,124)	-	(46,389)
(35,088)	(56,535)	-	(10,800)	-	(391,688)
(35,000)	(320,001)	-	(59,539)	-	(1,081,782)
(70,088)	(376,536)	0	(53,714)	36,671	(946,344)
35,416	406,208	-	-	-	441,624
35,074	28,597	128	1,936	-	77,404
70,490	434,805	128	1,936	0	519,028
402	60,769	4,969	49,888	50,128	248,798
7,470	906,265	22,438	142,577	-	4,536,416
\$7,872	\$967,034	\$27,407	\$192,465	\$50,128	\$4,785,214
\$ -	\$2,500	\$10,145	\$66,689	(\$3,505)	\$634,508
-	-	6,937	39,927	19,495	495,026
-	-	(2)	(103)	(82)	(874)
-	-	(898)	(894)	(66,641)	(95,413)
-	-	149	1,327	(20,722)	(13,929)
-	-	717	7,209	46,024	82,685
-	-	(3)	(516)	22,887	21,605
-	-	58	(1,080)	13,956	15,447
-	-	(262)	107	2,045	9,524
0	0	6,696	45,977	16,962	514,071
\$0	\$2,500	\$16,841	\$112,666	\$13,457	\$1,148,579
\$0	\$0	\$0	\$0	\$3,782,972	\$3,782,972

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## MANAGING MEMBER PARTNERSHIP

The Managing Member Partnership was established to account for the Agency's investment in and any transactions related to performing the duties of general partner and managing member of the Groves Apartment, LLC and Piccadilly Square of Mahtomedi, LLC, low income housing tax credit limited partnerships. To manage this activity, the Washington County Community Development Agency maintains the following Managing Member Partnership Fund:

850 - The Groves Apartments Managing Member, LLC - to account for the investment in and any transactions related to performing the duties of general partner and managing member of The Groves Apartments, LLC. The Groves Apartments, LLC is a low income housing tax credit limited partnership created to own, develop, rehabilitate, lease, manage and operate an apartment complex consisting of 67 units in 17 buildings located in Cottage Grove, Minnesota.

851 - WCCDA Piccadilly Square, LLC - to account for the investment in and any transactions related to performing the duties of general partner and managing member of Piccadilly Square of Mahtomedi, LLC. Piccadilly Square of Mahtomedi, LLC is a low income housing tax credit limited partnership created to own, develop, construct, lease, manage and operate an apartment complex consisting of 79 units in one building located in Mahtomedi, Minnesota.

852 - Piccadilly Square Lender - to account for the debt financing related to the Piccadilly Square of Mahtomedi, LLC project.

853 – WCCDA Glen, LLC - to account for the investment in and any transactions related to performing the duties of general partner and managing member of Glen at Valley Creek, LLC. Glen at Valley Creek, LLC is a low income housing tax credit limited partnership created to own, develop, construct, lease, manage and operate an apartment complex consisting of 42 units in one building located in Woodbury, Minnesota.

854 – The Glen at Valley Creek - to account for the debt financing related to the Glen at Valley Creek, LLC project.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING SCHEDULE OF NET POSITION -

MANAGING MEMBER PARTNERSHIP

December 31, 2020

Statement 34

	850 - The Groves Apartments Managing Member, LLC	851 - WCHRA Piccadilly Square, LLC	852 - Piccadilly Square Lender	853 - WCCDA Glen, LLC	854 - The Glen at Valley Creek	Total Managing Member Partnership
Assets:						
Current assets:						
Cash and cash equivalents	\$164,568	\$ -	\$143,629	\$167	\$420,366	\$728,730
Restricted cash and investments	-	-	864,862	97,500	-	962,362
Accounts receivable - other	3	3	-	-	-	6
Due from component unit	-	-	206,280	-	445,479	651,759
Interest receivable	-	-	8,847	-	-	8,847
Interest receivable - due from component unit	5,598	-	2,631	-	-	8,229
Total current assets	170,169	3	1,226,249	97,667	865,845	2,359,933
Noncurrent assets:						
Other assets:						
Due from component unit - long term	786,136	-	8,065,348	-	2,204,471	11,055,955
Investment in limited partnerships	500,544	1,344,061	-	13,008	-	1,857,613
Total noncurrent assets	1,286,680	1,344,061	8,065,348	13,008	2,204,471	12,913,568
Total assets	1,456,849	1,344,064	9,291,597	110,675	3,070,316	15,273,501
Liabilities:						
Current liabilities:						
Due to other funds	-	3	-	-	-	3
Current liabilities payable from restricted assets:						
Accrued interest payable	-	-	113,432	-	-	113,432
Current portion of long-term debt	-	-	175,000	-	-	175,000
Total current liabilities payable from restricted assets	-	-	288,432	-	-	288,432
Total current liabilities	0	3	288,432	0	0	288,435
Noncurrent liabilities:						
Long-term debt	-	-	7,287,460	-	-	7,287,460
Notes and mortgages payable	-	-	500,000	-	618,793	1,118,793
Total noncurrent liabilities	0	0	7,787,460	0	618,793	8,406,253
Total liabilities	0	3	8,075,892	0	618,793	8,694,688
Net position:						
Restricted for bond indenture purposes	-	-	864,862	97,500	-	962,362
Unrestricted	1,456,849	1,344,061	350,843	13,175	2,451,523	5,616,451
Total net position	\$1,456,849	\$1,344,061	\$1,215,705	\$110,675	\$2,451,523	\$6,578,813

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION -  
 MANAGING MEMBER PARTNERSHIP  
 For The Year Ended December 31, 2020

Statement 35

	850 - The Groves Apartments Managing Member, LLC	851 - WCHRA Piccadilly Square, LLC	852 - Piccadilly Square Lender	853 - WCCDA Glen, LLC	854 - The Glen at Valley Creek	Total Managing Member Partnership
Operating revenues:						
Other	\$ -	\$ -	\$ -	\$ -	\$400	\$400
Total operating revenues	0	0	0	0	400	400
Operating expenses:						
Administrative	-	-	3,126	-	16	3,142
Legal	-	-	-	-	1,452	1,452
Total operating expenses	0	0	3,126	0	1,468	4,594
Operating income (loss)	0	0	(3,126)	0	(1,068)	(4,194)
Nonoperating revenues (expenses):						
Investment income	28,071	(15)	187,843	(48)	1,258	217,109
Financial expense	-	-	(2,000)	-	-	(2,000)
Amortization of bond premium	-	-	8,696	-	-	8,696
Interest expense	-	-	(272,521)	-	-	(272,521)
Property taxes	-	-	46,010	195,000	-	241,010
Contribution to component unit	-	-	-	(97,500)	-	(97,500)
Total nonoperating revenues (expenses)	28,071	(15)	(31,972)	97,452	1,258	94,794
Income (loss) before transfers	28,071	(15)	(35,098)	97,452	190	90,600
Transfers:						
Transfers to other funds	-	-	(9,000)	-	-	(9,000)
Total transfers	0	0	(9,000)	0	0	(9,000)
Change in net position	28,071	(15)	(44,098)	97,452	190	81,600
Net position - January 1	1,428,778	1,344,076	1,259,803	13,223	2,451,333	6,497,213
Net position - December 31	\$1,456,849	\$1,344,061	\$1,215,705	\$110,675	\$2,451,523	\$6,578,813

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING SCHEDULE OF CASH FLOWS -  
 MANAGING MEMBER PARTNERSHIP  
 For The Year Ended December 31, 2020

Statement 36

	850 - The Groves Apartments Managing Member, LLC	851 - WCHRA Piccadilly Square, LLC	852 - Piccadilly Square Lender	853 - WCCDA Glen, LLC	854 - The Glen at Valley Creek	Total Managing Member Partnership
Cash flows from operating activities:						
Receipts from customers and users	\$ -	\$ -	\$ -	\$ -	\$228,360	\$228,360
Payment to suppliers for goods and services	-	-	(3,126)	-	(1,468)	(4,594)
Net cash flows from operating activities	0	0	(3,126)	0	226,892	223,766
Cash flows from noncapital financing activities:						
Transfers out	-	-	(9,000)	-	-	(9,000)
Net cash flows from noncapital financing activities	0	0	(9,000)	0	0	(9,000)
Cash flows from capital and related financing activities:						
Property Taxes	-	-	46,010	195,000	-	241,010
Fiscal agent costs and other debt related fees	-	-	(2,000)	-	-	(2,000)
Interest paid on long-term debt	-	-	(273,938)	-	-	(273,938)
Principal payments on long-term debt	-	-	(169,999)	-	-	(169,999)
Net cash flows from capital and related financing activities	0	0	(399,927)	195,000	0	(204,927)
Cash flows from investing activities:						
Issuance of loans receivable / investment in limited partnership	129,781	-	302,651	(97,452)	-	334,980
Investment income	24,767	-	182,571	(48)	1,258	208,548
Net cash flows from investing activities	154,548	0	485,222	(97,500)	1,258	543,528
Net increase (decrease) in cash and cash equivalents	154,548	0	73,169	97,500	228,150	553,367
Cash and cash equivalents - January 1	10,020	-	935,322	167	192,216	1,137,725
Cash and cash equivalents - December 31	\$164,568	\$0	\$1,008,491	\$97,667	\$420,366	\$1,691,092
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ -	\$ -	(\$3,126)	\$ -	(\$1,068)	(\$4,194)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Changes in assets and liabilities:						
Decrease (increase) in receivables	-	-	-	-	227,960	227,960
Total adjustments	0	0	0	0	227,960	227,960
Net cash provided (used) by operating activities	\$0	\$0	(\$3,126)	\$0	\$226,892	\$223,766

### **III. STATISTICAL SECTION (UNAUDITED)**

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### III. STATISTICAL SECTION (UNAUDITED)

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about overall financial health. The following are the categories of the various schedules that are included in this section.

<b>Financial Trends</b>	Pages
These schedules contain trend information to help the reader understand how the CDA's financial performance and well-being have changed over time.	158-168
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the CDA's most significant revenue source.	170-172
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the CDA's current levels of outstanding debt and the CDA's ability to issue additional debt in the future.	173-174
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the CDA's financial activities take place.	175-176
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the CDA's financial report relates to the services the CDA provides and the activities it performs.	177-178

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY****NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2011	2012	2013	2014
Governmental activities net position:				
Net investment in capital assets	\$73,284	\$517,135	\$595,320	\$672,166
Restricted	326,225	2,481,452	2,460,826	3,986,253
Unrestricted	8,040,888	5,277,515	6,139,049	5,014,955
Total governmental activities net position	<u>\$8,440,397</u>	<u>\$8,276,102</u>	<u>\$9,195,195</u>	<u>\$9,673,374</u>
Business-type activities net position:				
Net investment in capital assets	(\$3,590,767)	\$728,201	\$441,762	\$2,037,531
Restricted	11,212,488	10,061,199	10,073,145	10,401,070
Unrestricted	(1,229,289)	(1,458,641)	(627,347)	1,268,398
Total business-type activities net position	<u>\$6,392,432</u>	<u>\$9,330,759</u>	<u>\$9,887,560</u>	<u>\$13,706,999</u>
Primary government net position:				
Net investment in capital assets	(\$3,517,483)	\$1,245,336	\$1,037,082	\$2,709,697
Restricted	11,538,713	12,542,651	12,533,971	14,387,323
Unrestricted	6,811,599	3,818,874	5,511,702	6,283,353
Total primary government net position	<u>\$14,832,829</u>	<u>\$17,606,861</u>	<u>\$19,082,755</u>	<u>\$23,380,373</u>

Note: GASB 65 was implemented in 2013. Net position was restated for 2012 to reflect the expense of bond issue costs in the year of issuance. Net position for years prior to 2012 was not restated.

Table 1

2015	2016	2017	2018	2019	2020
\$738,936	\$1,063,201	\$1,207,915	\$1,256,188	\$1,308,001	\$1,363,380
4,224,645	3,736,034	3,718,570	3,801,690	3,836,320	3,960,218
6,152,392	10,928,949	14,561,066	16,154,253	19,143,675	22,298,707
<u>\$11,115,973</u>	<u>\$15,728,184</u>	<u>\$19,487,551</u>	<u>\$21,212,131</u>	<u>\$24,287,996</u>	<u>\$27,622,305</u>
\$3,308,775	\$4,425,219	\$5,893,766	\$9,554,825	\$11,491,467	\$12,354,792
11,297,744	10,963,790	11,551,202	10,380,326	9,882,023	10,257,489
2,904,155	4,683,402	2,946,089	4,761,669	6,767,160	7,297,994
<u>\$17,510,674</u>	<u>\$20,072,411</u>	<u>\$20,391,057</u>	<u>\$24,696,820</u>	<u>\$28,140,650</u>	<u>\$29,910,275</u>
\$4,047,711	\$5,488,420	\$7,101,681	\$10,811,013	\$12,799,468	\$13,718,172
15,522,389	14,699,824	15,269,772	14,182,016	13,718,343	14,217,707
9,056,547	15,612,351	17,507,155	20,915,922	25,910,835	29,596,701
<u>\$28,626,647</u>	<u>\$35,800,595</u>	<u>\$39,878,608</u>	<u>\$45,908,951</u>	<u>\$52,428,646</u>	<u>\$57,532,580</u>

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES**  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities:				
General government	\$676,888	\$1,042,312	\$1,236,725	\$1,224,598
Housing assistance	-	4,046,610	4,027,156	4,010,120
Community development	-	400,977	582,823	662,738
Economic development	-	-	-	-
Home ownership counseling	-	320,614	225,334	185,839
Housing and redevelopment	5,005,437	-	-	-
Tax increment financing	119,277	777	3,323	1,119
Community land trust	-	-	22,020	84,294
Interest on long-term debt	160,084	223,010	200,628	175,945
Total governmental activities expenses	<u>5,961,686</u>	<u>6,034,300</u>	<u>6,298,009</u>	<u>6,344,653</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
Administrative fees	649,454	722,424	740,090	876,314
Conduit financing fees	-	-	-	-
Other activities	174,837	93,386	61,070	74,378
Operating grants and contributions	4,083,621	4,011,946	4,029,074	4,031,870
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>4,907,912</u>	<u>4,827,756</u>	<u>4,830,234</u>	<u>4,982,562</u>
<b>Net revenue (expense)</b>	<u>(1,053,774)</u>	<u>(1,206,544)</u>	<u>(1,467,775)</u>	<u>(1,362,091)</u>
<b>General revenues and other changes in net position</b>				
General property taxes	1,531,115	1,604,366	2,088,252	2,298,338
Tax increments	35,436	68,595	102,001	121,612
Investment earnings	59,788	60,982	57,656	88,136
Miscellaneous	-	-	-	170,600
Transfers	(59,501)	(691,694)	138,959	(838,416)
Total general revenues and other changes	<u>1,566,838</u>	<u>1,042,249</u>	<u>2,386,868</u>	<u>1,840,270</u>
<b>Change in net position - governmental activities</b>	<u>\$513,064</u>	<u>(\$164,295)</u>	<u>\$919,093</u>	<u>\$478,179</u>
<b>Change in net position - business type activities (table 3)</b>	<u>3,361,557</u>	<u>2,765,578</u>	<u>1,685,210</u>	<u>3,819,439</u>
<b>Total change in net position</b>	<u><u>\$3,874,621</u></u>	<u><u>\$2,601,283</u></u>	<u><u>\$2,604,303</u></u>	<u><u>\$4,297,618</u></u>

Table 2

2015	2016	2017	2018	2019	2020
\$1,141,670	\$1,378,031	\$1,273,942	\$1,336,670	\$1,551,447	\$1,544,222
4,080,358	4,293,879	4,864,249	4,784,629	4,772,763	5,252,125
1,547,059	1,627,291	1,920,055	1,795,996	1,693,461	1,948,356
-	111,437	295,388	383,811	475,687	6,584,893
160,565	152,298	210,677	112,061	125,522	1,340,627
-	-	-	-	-	-
1,339	1,339	1,388	1,754	2,948	14,950
95,127	60,056	-	-	-	-
147,813	145,917	148,683	137,145	125,088	113,419
7,173,931	7,770,248	8,714,382	8,552,066	8,746,916	16,798,592
1,015,592	938,261	976,844	1,060,530	1,094,196	1,209,439
-	31,252	-	-	-	-
530,727	481,745	151,666	279,205	158,029	325,033
5,969,386	4,757,710	5,609,584	5,640,163	5,584,219	12,154,102
-	-	-	-	-	981,326
7,515,705	6,208,968	6,738,094	6,979,898	6,836,444	14,669,900
341,774	(1,561,280)	(1,976,288)	(1,572,168)	(1,910,472)	(2,128,692)
2,430,476	3,458,145	3,565,774	3,725,681	3,881,798	4,068,674
124,747	126,926	138,315	144,867	167,787	235,897
21,155	49,383	103,028	283,602	335,103	286,110
-	-	-	95,356	-	-
(1,475,553)	1,355,631	1,928,538	(952,758)	601,649	872,320
1,100,825	4,990,085	5,735,655	3,296,748	4,986,337	5,463,001
\$1,442,599	\$3,428,805	\$3,759,367	\$1,724,580	\$3,075,865	\$3,334,309
3,803,675	2,561,737	318,646	4,305,763	3,443,830	1,769,625
\$5,246,274	\$5,990,542	\$4,078,013	\$6,030,343	\$6,519,695	\$5,103,934

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**
**CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2011	2012	2013	2014
Operating revenues:				
Rental income	\$7,517,492	\$8,207,859	\$8,221,845	\$8,011,968
Service income	60,948	55,710	48,378	38,302
HUD rent subsidies	943,519	1,135,433	953,273	1,071,028
Other	180,231	196,886	207,289	147,188
Total operating revenues	8,702,190	9,595,888	9,430,785	9,268,486
Operating expenses:				
Marketing	125,025	81,542	63,908	50,866
Management fee	775,252	903,115	948,192	969,010
Legal	68,965	52,991	40,714	49,608
Administrative	145,722	161,649	176,162	171,125
Operating	260,589	274,848	281,799	266,151
Maintenance	2,386,938	2,534,933	2,668,283	2,608,916
Utilities	826,053	795,178	860,360	900,280
Insurance	278,076	306,271	306,674	301,802
Property taxes	383,716	430,544	426,662	404,722
Depreciation	1,486,644	1,774,074	1,844,064	1,794,690
Total operating expenses	6,736,980	7,315,145	7,616,818	7,517,170
Operating income (loss)	1,965,210	2,280,743	1,813,967	1,751,316
Nonoperating revenues (expenses):				
Investment income	191,884	142,222	158,543	164,522
Gain (loss) on asset disposition	40,195	42,558	56,847	871,450
Insurance recoveries	11,798	97,747	23,861	32,368
Financial expense	(157,075)	(250,964)	(89,172)	(78,266)
Amortization of bond premium	-	577	54,597	53,289
Amortization of deferred gain (loss) on refunding	(3,696)	(104,738)	7,905	9,845
Interest expense	(2,316,506)	(2,198,344)	(1,789,441)	(1,687,819)
Property taxes	1,774,093	1,699,093	1,216,255	1,094,255
Intergovernmental	-	229,882	225,934	334,090
Contributions	251,661	-	-	-
Developer fees	-	-	-	319,000
Other	(53,364)	(50,584)	(55,127)	(72,667)
Total nonoperating revenues (expenses)	(261,010)	(392,551)	(189,798)	1,040,067
Income (loss) before contributions and transfers	1,704,200	1,888,192	1,624,169	2,791,383
Capital contributions	1,597,856	185,692	200,000	-
Special item	-	-	-	189,640
Transfers:				
Transfers in	1,199,501	1,903,694	778,041	3,300,404
Transfers out	(1,140,000)	(1,212,000)	(917,000)	(2,461,988)
Total transfers	59,501	691,694	(138,959)	838,416
Change in net position - business type activities	\$3,361,557	\$2,765,578	\$1,685,210	\$3,819,439
Change in net position - governmental activities (table 2)	513,064	(164,295)	919,093	478,179
Total	\$3,874,621	\$2,601,283	\$2,604,303	\$4,297,618

Note: GASB 65 was implemented in 2013. Net position was restated for 2012 to reflect the expense of bond issue costs in the year of issuance. Net position for years prior to 2012 was not restated.

Table 3

2015	2016	2017	2018	2019	2020
\$7,894,701	\$8,018,167	\$8,085,441	\$8,239,218	\$8,415,226	\$8,614,060
31,046	31,360	28,500	31,530	27,628	26,282
971,626	924,930	841,472	886,049	916,472	1,135,048
179,874	133,709	99,543	439,863	1,436,311	138,589
9,077,247	9,108,166	9,054,956	9,596,660	10,795,637	9,913,979
42,648	36,156	33,998	29,900	29,007	29,379
880,941	892,362	955,204	1,038,193	1,079,794	1,133,420
39,073	44,888	43,670	31,754	53,638	89,756
156,608	143,675	144,167	144,512	135,333	138,542
253,697	256,138	249,324	262,327	267,193	244,292
2,211,421	2,204,722	2,169,756	2,263,828	2,339,395	2,587,954
747,465	763,068	738,119	819,281	858,768	862,478
323,561	333,851	343,798	378,432	388,725	401,315
444,110	416,628	429,363	430,689	451,330	568,696
1,767,452	1,791,213	1,809,468	1,854,006	1,862,644	1,885,722
6,866,976	6,882,701	6,916,867	7,252,922	7,465,827	7,941,554
2,210,271	2,225,465	2,138,089	2,343,738	3,329,810	1,972,425
308,162	397,399	442,567	489,956	528,783	326,501
49,412	51,551	53,581	55,479	57,219	58,778
100,756	-	-	-	-	-
(137,661)	(80,263)	(85,423)	(80,112)	(76,557)	(71,159)
56,912	61,984	61,984	61,672	61,672	61,673
12,011	12,014	12,012	12,013	35,208	(13,688)
(1,702,845)	(1,856,998)	(1,782,384)	(1,678,860)	(1,602,633)	(1,529,154)
1,094,255	1,109,000	1,155,010	1,327,806	1,345,046	1,360,954
390,548	272,318	219,609	614,423	376,594	442,664
-	-	-	-	(195,000)	(97,500)
-	1,500,000	-	-	-	-
(53,699)	(44,302)	(38,583)	111,850	(52,454)	(38,134)
117,851	1,422,703	38,373	914,227	477,878	500,935
2,328,122	3,648,168	2,176,462	3,257,965	3,807,688	2,473,360
-	269,200	70,722	95,040	237,791	168,585
-	-	-	-	-	-
2,229,067	839,936	1,180,948	2,948,051	957,351	4,016,270
(753,514)	(2,195,567)	(3,109,486)	(1,995,293)	(1,559,000)	(4,888,590)
1,475,553	(1,355,631)	(1,928,538)	952,758	(601,649)	(872,320)
\$3,803,675	\$2,561,737	\$318,646	\$4,305,763	\$3,443,830	\$1,769,625
1,442,599	3,428,805	3,759,367	1,724,580	3,075,865	3,334,309
\$5,246,274	\$5,990,542	\$4,078,013	\$6,030,343	\$6,519,695	\$5,103,934

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**CHANGES IN CASH AND CASH EQUIVALENTS - BUSINESS-TYPE ACTIVITIES**  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2011	2012	2013	2014
Cash flows from operating activities:				
Receipts from customers and users	\$8,638,552	\$9,214,996	\$9,392,704	\$8,973,017
Payment to suppliers for goods and services	(5,288,045)	(5,307,915)	(6,279,158)	(5,895,308)
Miscellaneous income (loss)	126,867	146,302	152,162	74,521
Net cash flows from operating activities	3,477,374	4,053,383	3,265,708	3,152,230
Cash flows from noncapital financing activities:				
Transfers in	335,000	803,326	273,000	22,001
Transfers out	(1,140,000)	(1,212,000)	(917,000)	(1,311,988)
Advances to/from other funds - net change	38,505	73,709	(13,898)	-
Due to/from other funds - net change	-	-	-	39
Contributions	251,661	-	(114,127)	-
Net cash flows from noncapital financing activities	(514,834)	(334,965)	(772,025)	(1,289,948)
Cash flows from capital and related financing activities:				
Property taxes	1,774,093	1,699,093	1,216,255	1,094,255
Transfers in	864,501	1,100,368	505,041	1,627,782
Intergovernmental revenue	-	-	-	-
Proceeds from sale of capital assets	-	-	-	2,520,000
Proceeds from debt	10,300,000	27,644,853	-	-
Federal recovery zone credits and CDBG	-	188,668	243,029	334,578
Insurance proceeds on damage to capital assets	11,798	97,747	23,861	279,721
Fiscal agent costs and other debt related fees	(234,895)	(60,904)	(34,579)	(57,845)
Net proceeds from long-term debt	-	-	-	-
Capital contributions	34,456	185,692	-	(175,000)
Purchase of capital assets	(6,294,396)	(4,498,993)	(495,112)	(1,887,085)
Interest paid on long-term debt	(2,865,855)	(2,262,089)	(1,730,574)	(1,759,865)
Principal payments on long-term debt	(12,074,999)	(29,374,841)	(1,608,409)	(4,496,198)
Net cash flows from capital and related financing activities	(8,485,297)	(5,280,406)	(1,880,488)	(2,519,657)
Cash flows from investing activities:				
Principal receipts on capital lease receivable	277,783	294,113	312,760	356,095
Issuance of loans receivable	-	-	-	-
Investment income	194,407	145,182	158,584	144,990
Net cash flows from investing activities	472,190	439,295	471,344	501,085
Net increase (decrease) in cash and cash equivalents	(\$5,050,567)	(\$1,122,693)	\$1,084,539	(\$156,290)



Table 4

2015	2016	2017	2018	2019	2020
\$9,072,963	\$8,961,278	\$8,953,440	\$9,525,101	\$9,219,328	\$9,946,160
(5,129,232)	(5,124,345)	(5,158,023)	(5,348,914)	(5,476,025)	(5,807,417)
71,332	89,549	60,960	214,685	117,857	100,055
4,015,063	3,926,482	3,856,377	4,390,872	3,861,160	4,238,798
237,834	136,509	1,261	409,101	6,500	6,500
(1,023,074)	(2,195,567)	(3,109,486)	(1,995,293)	(1,559,000)	(1,105,618)
-	-	-	-	-	-
(39)	(5,547)	5,547	-	-	40,834
-	-	-	-	-	-
(785,279)	(2,064,605)	(3,102,678)	(1,586,192)	(1,552,500)	(1,058,284)
1,094,255	1,109,000	1,155,010	1,327,806	1,345,046	1,360,954
916,633	703,427	1,179,687	2,538,950	950,851	225,501
-	-	-	400,000	-	-
-	-	-	-	-	-
-	-	-	618,793	-	-
438,902	345,063	349,416	225,230	377,846	365,374
100,756	-	-	-	-	-
(92,340)	(29,602)	(33,856)	(28,854)	(25,301)	(65,729)
11,720,937	271,000	-	-	-	-
-	-	22,528	95,040	237,791	168,585
(1,073,066)	(1,085,189)	(1,249,658)	(3,446,271)	(1,671,855)	(797,628)
(1,587,116)	(1,866,409)	(1,815,311)	(1,720,968)	(1,631,391)	(1,557,988)
(2,224,123)	(2,259,325)	(3,716,711)	(4,378,949)	(2,595,939)	(2,447,363)
9,294,838	(2,812,035)	(4,108,895)	(4,369,223)	(3,012,952)	(2,748,294)
341,477	356,261	400,708	418,405	430,433	441,624
(11,455,000)	319,000	2,140,252	660,799	122,234	334,980
129,469	514,487	448,304	461,883	623,948	236,259
(10,984,054)	1,189,748	2,989,264	1,541,087	1,176,615	1,012,863
\$1,540,568	\$239,590	(\$365,932)	(\$23,456)	\$472,323	\$1,445,083

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY****FUND BALANCES - GOVERNMENTAL FUNDS**Last Ten Fiscal Years<sup>(1)</sup>

(Modified Accrual Basis of Accounting)

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	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund:				
Fund balance:				
Nonspendable	\$7,442	\$11,751	\$14,985	\$11,964
Restricted	-	333,554	2,116,068	1,976,103
Committed	-	-	870,596	762,169
Assigned	-	-	-	-
Unassigned	2,594,218	2,342,123	2,155,377	2,383,506
Total general fund	<u>\$2,601,660</u>	<u>\$2,687,428</u>	<u>\$5,157,026</u>	<u>\$5,133,742</u>
All other governmental funds:				
Fund balance:				
Nonspendable	\$5,137	\$3,042	\$3,373	\$2,051
Restricted	321,647	2,146,816	124,514	103,874
Committed	9,354,355	6,700,055	6,646,481	7,088,770
Assigned	81,607	-	-	-
Unassigned	<u>(2,717,234)</u>	<u>(2,771,137)</u>	<u>(3,612,772)</u>	<u>(3,663,569)</u>
Total all other governmental funds	<u>\$7,045,512</u>	<u>\$6,078,776</u>	<u>\$3,161,596</u>	<u>\$3,531,126</u>

Table 5

2015	2016	2017	2018	2019	2020
\$19,063	\$8,827	\$8,771	\$30,996	\$28,852	\$74,148
1,834,202	-	-	-	-	-
1,480,861	3,737,158	4,011,089	3,381,246	3,920,449	5,156,473
-	-	2,000,000	2,000,000	-	-
2,257,770	3,711,113	4,130,902	5,494,198	8,783,967	9,708,302
<u>\$5,591,896</u>	<u>\$7,457,098</u>	<u>\$10,150,762</u>	<u>\$10,906,440</u>	<u>\$12,733,268</u>	<u>\$14,938,923</u>
\$13,038	\$7,445	\$7,639	\$6,754	\$2,820	\$10,942
137,387	119,406	69,623	88,780	137,068	109,297
7,789,108	8,372,244	9,029,313	10,200,062	11,067,164	12,051,766
-	-	-	-	-	-
<u>(2,974,478)</u>	<u>(3,278,921)</u>	<u>(3,627,920)</u>	<u>(3,513,020)</u>	<u>(3,539,214)</u>	<u>(3,500,737)</u>
<u>\$4,965,055</u>	<u>\$5,220,174</u>	<u>\$5,478,655</u>	<u>\$6,782,576</u>	<u>\$7,667,838</u>	<u>\$8,671,268</u>

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

Revenues:	2011	2012	2013	2014
General property taxes	\$1,582,486	\$1,626,030	\$2,088,239	\$2,314,464
Tax increments	36,847	68,595	102,001	121,612
Intergovernmental	4,083,621	3,931,946	4,029,074	4,031,870
Charges for services:				
Conduit financing fees	-	-	-	-
Administrative fees	649,454	722,424	740,090	876,314
Bond issuance, origination fees	76,095	9,763	5,976	4,626
Investment income	33,934	30,033	31,428	35,624
Program income	-	-	-	-
Other	98,742	83,623	33,074	149,752
Total revenues	<u>6,561,179</u>	<u>6,472,414</u>	<u>7,029,882</u>	<u>7,534,262</u>
Expenditures:				
Current:				
General government	659,973	969,207	1,153,752	1,171,367
Housing assistance	-	4,046,610	4,027,156	4,010,120
Community development	-	400,977	1,743,419	662,738
Economic development	-	-	-	-
Home ownership counseling	-	320,614	225,334	185,839
Housing and redevelopment	5,005,437	-	-	-
Tax increment financing	119,277	777	3,323	1,119
Community land trust	-	-	22,020	84,294
Capital outlay	-	2,620,257	-	-
Debt service:				
Principal	107,658	163,851	251,371	280,309
Interest	115,743	239,395	190,048	188,308
Total expenditures	<u>6,008,088</u>	<u>8,761,688</u>	<u>7,616,423</u>	<u>6,584,094</u>
Revenues over (under) expenditures	<u>553,091</u>	<u>(2,289,274)</u>	<u>(586,541)</u>	<u>950,168</u>
Other financing sources (uses):				
Transfer from General Fund	690,090	-	75,000	(1,649,782)
Transfer from Special Revenue Funds	-	-	-	-
Transfer from Enterprise Funds	1,140,000	1,212,000	917,000	-
Transfer to Special Revenue Funds	(690,090)	(613,326)	-	-
Transfer to General Fund	-	-	-	811,366
Transfer to Enterprise Funds	(1,199,501)	(1,290,368)	(853,041)	-
Sale of capital assets	-	-	-	234,494
Proceeds from issuance of debt	-	2,100,000	-	-
Proceeds from sale of land held for resale	-	-	-	-
Total other financing sources (uses)	<u>(59,501)</u>	<u>1,408,306</u>	<u>138,959</u>	<u>(603,922)</u>
Net change in fund balance	<u>\$493,590</u>	<u>(\$880,968)</u>	<u>(\$447,582)</u>	<u>\$346,246</u>
Debt service as a percentage of noncapital expenditures	3.7%	4.6%	5.8%	7.1%
Debt service as a percentage of total expenditures	3.7%	4.6%	5.8%	7.1%

Table 6

2015	2016	2017	2018	2019	2020
\$2,441,440	\$3,456,812	\$3,572,609	\$3,723,489	\$3,881,166	\$4,062,905
124,747	126,926	138,315	144,867	167,787	235,897
5,969,386	4,757,710	5,609,584	5,640,163	5,584,219	13,135,428
-	-	-	-	-	-
1,015,592	938,261	976,844	1,060,530	1,094,196	1,209,439
3,809	31,252	3,192	4,759	-	-
7,064	35,152	82,862	219,314	318,762	190,203
-	-	-	-	-	-
224,076	842,763	126,250	244,347	68,272	195,217
9,786,114	10,188,876	10,509,656	11,037,469	11,114,402	19,029,089
1,070,231	1,299,221	1,195,058	1,271,961	1,463,247	1,440,640
4,080,358	4,293,879	4,864,249	4,787,110	4,772,763	5,252,127
1,547,059	2,786,954	2,360,888	2,036,044	1,693,461	1,626,524
-	111,437	295,388	383,811	475,687	6,584,893
160,565	152,298	210,677	112,061	125,522	1,340,626
-	-	-	-	-	-
1,339	1,339	1,388	1,754	2,948	14,950
95,127	60,056	-	-	-	-
-	19,178	96,721	-	-	-
343,838	1,853,308	309,586	324,659	341,890	316,525
149,961	146,516	152,094	140,305	128,443	116,041
7,448,478	10,724,186	9,486,049	9,057,705	9,003,961	16,692,326
2,337,636	(535,310)	1,023,607	1,979,764	2,110,441	2,336,763
(928,348)	-	-	-	-	-
(1,300,719)	-	-	(866,228)	70,000	103,500
-	2,195,567	3,135,586	2,461,293	1,559,000	1,081,000
-	-	-	-	-	-
753,514	-	-	-	(70,000)	(103,500)
-	(839,936)	(1,207,048)	(2,547,823)	(957,351)	(208,680)
-	-	-	-	-	-
-	1,300,000	-	-	-	-
1,030,000	-	-	1,032,593	-	-
(445,553)	2,655,631	1,928,538	79,835	601,649	872,320
\$1,892,083	\$2,120,321	\$2,952,145	\$2,059,599	\$2,712,090	\$3,209,083
6.6%	18.6%	4.9%	5.1%	5.2%	2.6%
6.6%	18.6%	4.9%	5.1%	5.2%	2.6%

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY****RENTAL RATES BY PROPERTY****Table 7**

Last Ten Fiscal Years

(Unaudited)

Property	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Ann Bodlovick	\$803	\$803	\$811	\$823	\$831	\$839	\$847	\$855	\$873	\$890
Briar Pond	902	902	911	925	934	943	952	971	1,000	1,030
Brick Pond	786	786	794	806	814	822	830	846	863	880
Cobble Hill	821	821	829	841	849	857	866	875	893	911
HUD-Scattered Site	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WCCDA Family Housing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	835
John Jergens	771	771	779	791	799	807	815	823	839	856
Muller Manor	624	624	630	639	645	651	658	665	707	721
Oakhill Cottages	712	712	719	730	737	744	751	759	773	788
Park Place I	661	649	655	665	672	679	686	700	714	728
Park Place II	661	649	655	665	672	679	686	700	714	728
Parkside	799	799	807	819	N/A	N/A	N/A	N/A	N/A	N/A
Pioneer Elderly	617	617	623	632	638	644	650	657	670	683
Raymie Johnson	764	790	790	790	790	798	816	843	869	1,025
Woodland Park	859	859	868	881	899	908	917	935	963	992
Whispering Pines	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trailside	709	709	716	723	732	739	746	753	768	783

Source: Washington County CDA Finance Department

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**OPERATING REVENUE BY PROPERTY**  
 Last Ten Fiscal Years  
 (Unaudited)

**Table 8**

Property	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Ann Bodlovick	\$462,965	\$466,855	\$467,639	\$475,082	\$483,079	\$488,946	\$494,744	\$501,268	\$504,629	\$499,427
Briar Pond	2,081,587	2,135,001	2,117,278	2,139,504	2,166,338	2,186,054	2,185,298	2,221,925	2,293,289	2,382,161
Brick Pond	350,670	358,784	359,523	365,897	367,637	373,710	373,973	383,673	384,205	384,162
Cobble Hill	407,968	419,835	419,379	428,532	435,112	438,621	439,885	443,814	446,146	449,112
Transitional Housing	15,864	26,366	32,164	28,364	15,864	16,713	15,864	16,534	16,125	17,595
HUD-Scattered Site	380,030	408,360	382,366	400,767	424,724	414,589	320,188	360,103	433,408	388,905
WCCDA Family Housing	-	-	-	-	-	-	-	-	-	55,972
John Jergens	263,368	268,716	284,807	274,459	276,593	281,531	284,467	287,447	294,272	294,243
Landfall	2,700	6,000	2,000	2,000	2,000	15,000	7,500	7,500	7,500	7,500
Muller Manor	202,166	214,094	216,878	219,917	223,357	227,609	228,710	230,431	233,616	237,941
Oakhill Cottages	331,761	345,345	347,195	352,698	357,430	361,426	363,962	367,654	372,993	378,719
Park Place I	272,130	271,821	284,682	281,618	290,545	291,723	291,860	298,920	302,641	303,535
Park Place II	46,876	47,607	49,135	47,962	48,866	47,913	48,409	48,711	50,643	51,731
Parkside	674,292	702,559	671,344	309,848	-	-	-	-	-	-
Pioneer Elderly	126,468	129,326	129,382	132,066	133,334	134,678	131,251	135,716	137,750	139,330
Raymie Johnson	1,037,807	1,039,929	1,021,820	1,040,398	1,065,558	1,064,009	1,088,392	1,134,099	1,135,787	1,354,083
Trailside	150,730	594,872	598,539	604,118	614,905	622,249	627,622	630,236	643,375	651,705
Whispering Pines	68,343	334,958	180,475	320,795	226,619	215,194	210,335	221,784	225,704	256,412
Woodland Park	1,819,453	1,825,460	1,866,179	1,844,461	1,890,443	1,928,201	1,942,496	1,972,845	2,017,554	2,061,046
Total	<u>\$8,695,178</u>	<u>\$9,595,888</u>	<u>\$9,430,785</u>	<u>\$9,268,486</u>	<u>\$9,022,404</u>	<u>\$9,108,166</u>	<u>\$9,054,956</u>	<u>\$9,262,660</u>	<u>\$9,499,637</u>	<u>\$9,913,579</u>

During 2020, HUD-Scattered Site housing ceased operations and WCCDA Family Housing LLC began operations

Source: Washington County CDA Finance Department

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

VACANCY BY PROPERTY

Last Ten Fiscal Years

(Unaudited)

Table 9

Property	Number of Units	Number of Months Units Available	Total Months of Vacancies									
			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Ann Bodlovick	50	600	2	-	1	-	2	-	-	1	4	14
Briar Pond	196	2,352	28	16	29	15	6	8	21	14	3	14
Brick Pond	40	480	16	10	6	-	6	3	6	-	5	14
Cobble Hill	45	540	14	3	6	-	2	1	-	-	6	10
HUD-scattered site*	56	616	9	27	23	5	8	10	3	6	9	1
WCCDA Family Housing*	56	56	-	-	-	-	-	-	-	-	-	1
John Jergens	30	360	6	1	-	1	2	-	-	1	1	3
Muller Manor	28	336	16	3	3	1	-	-	-	-	-	-
Oakhill Cottages	40	480	16	1	2	-	1	-	-	1	-	-
Park Place I	36	432	19	15	8	15	6	1	5	4	3	1
Park Place II	6	72	1	-	-	2	-	3	1	1	-	-
Parkside**	72	864	41	12	24	17	N/A	N/A	N/A	N/A	N/A	N/A
Pioneer Elderly	18	216	6	1	1	-	1	-	6	3	-	4
Raymie Johnson	120	1,440	16	12	32	27	9	17	7	18	29	44
Woodland Park	180	2,160	62	45	26	26	36	26	-	2	20	22
Whispering Pines*	40	480	8	48	13	5	4	8	23	16	-	-
Trailside**	70	350	109	4	2	5	1	1	2	-	5	-
Total	1,083	11,834	369	198	176	119	84	78	74	67	85	128

Source: Washington County CDA Finance Department

\*HUD-Scattered Site was sold to WCCDA Family Housing December 1, 2020

\*\*Sold June 16, 2014



**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**Table 10**

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Business Type Activities				Governmental Activities			
	Revenue Bonds	Notes	Total	Per Unit	Loans	Percentage of estimated taxable market value	Per Capita	Percent of personal income
2011	\$44,042,189	\$10,988,610	\$55,030,799	\$55,756	\$2,218,545	0.0080%	\$9	17.9%
2012	42,427,899	11,194,201	53,622,100	52,212	2,182,502	0.0084%	9	16.9%
2013	42,108,796	10,872,647	52,981,443	51,589	5,341,003	0.0223%	22	40.1%
2014	37,755,273	10,541,449	48,296,722	47,027	5,060,694	0.0226%	20	35.3%
2015	46,872,698	10,879,244	57,751,942	56,234	4,716,856	0.0204%	19	31.3%
2016	44,740,490	10,875,199	55,615,689	54,154	4,163,551	0.0158%	16	26.5%
2017	41,188,283	10,700,276	51,888,559	50,524	3,853,965	0.0142%	15	23.2%
2018	36,980,567	11,137,419	48,117,986	46,853	3,529,306	0.0130%	13	20.3%
2019	34,562,847	10,948,782	45,511,629	44,315	3,187,415	0.0099%	12	17.7%
2020	32,255,129	10,752,891	43,008,020	41,877	2,870,890	0.0082%	11	15.5%

Notes: Details regarding the CDA's outstanding debt can be found in the notes to the financial statements. The debt of the Business-Type Activities is specifically related to construction and renovation projects. The personal income of the County residence would not be a meaningful ratio related to this debt.

Source: Washington County CDA Finance Department

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**PLEDGED REVENUE COVERAGE**

**Table 11**

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Gross Revenue				Operating Expenses <sup>(1)</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
	Operating Revenue	Property Tax Revenue	Investment Income	Total			Principal <sup>(2)</sup>	Interest <sup>(2)</sup>	Total	
2011	\$8,702,190	\$1,774,093	\$191,884	\$10,668,167	\$5,250,336	\$5,417,831	\$1,580,000	\$2,613,376	\$4,193,376	1.29
2012	9,595,888	1,699,093	142,222	11,437,203	5,541,071	5,896,132	1,425,000	1,848,504	3,273,504	1.80
2013	9,430,785	1,216,255	158,543	10,805,583	5,776,945	5,028,638	1,995,000	1,388,263	3,383,263	1.49
2014	9,268,486	1,094,255	164,522	10,527,263	5,722,480	4,804,783	2,070,000	1,382,835	3,452,835	1.39
2015	9,077,247	1,094,255	308,162	10,479,664	5,099,524	5,380,140	2,070,000	1,217,419	3,287,419	1.64
2016	9,108,166	1,109,000	397,399	10,614,565	5,091,488	5,523,077	2,090,000	1,502,931	3,592,931	1.54
2017	9,054,956	1,155,010	442,567	10,652,533	5,107,399	5,545,134	3,510,000	1,458,319	4,968,319	1.12
2018	9,596,660	1,327,806	489,956	11,414,422	5,398,916	6,015,506	4,165,000	1,370,763	5,535,763	1.09
2019	10,795,637	1,345,046	528,783	12,669,466	5,603,183	7,066,283	2,375,000	1,288,341	3,663,341	1.93
2020	9,913,979	1,360,954	326,501	11,601,434	6,055,832	5,545,602	2,265,000	1,222,185	3,487,185	1.59

**Notes:**

<sup>(1)</sup>Operating expenses excludes depreciation.

<sup>(2)</sup>Principal and interest is presented on the cash basis.

Source: Washington County CDA Finance Department

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Table 12**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Population (a)	Area (Sq. Mi.)	Density (Person/ Sq. Mi.)	Number of Households (a)	Personal Income (b) (amounts expressed in thousands)	Per Capita Personal Income (b)	Unemployment Rate (c)
2011	240,640	423	569	88,921	12,385,840	51,306	5.9%
2012	243,313	423	575	89,875	12,928,591	53,055	5.2%
2013	248,095	423	587	91,292	13,325,048	54,179	4.5%
2014	249,109	423	589	91,710	14,333,674	57,681	3.7%
2015	251,015	423	593	92,669	15,070,381	60,189	3.2%
2016	253,128	423	598	94,044	15,719,102	62,253	3.3%
2017	256,905	423	607	94,955	16,617,738	65,049	3.0%
2018	261,512	423	618	96,424	17,390,473	67,171	2.6%
2019	262,748	423	621	98,214	17,983,595	68,525	2.8%
2020	263,984 *	423	624	100,004 *	18,576,717 *	69,879 *	5.6%

Sources: (a) Metropolitan Council  
(b) US Department of Commerce - Bureau of Economic Analysis  
(c) US Department of Labor - Bureau of Labor Statistics  
\*Indicates estimates based on the two previous years or percent change from prior year.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 PRINCIPAL EMPLOYERS  
 Current Year and Nine Years Ago  
 (Unaudited)

Table 13

Employer	2020			2011		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
Andersen Corporation (Bayport, Cottage Grove)	1	5,000	3.52%	1	3,000	2.32%
Independent School District 833	2	2,655	1.87%	2	2,300	1.78%
Woodwinds Healtheast Campus	3	1,331	0.94%	7	837	0.65%
Washington County, Government	4	1,315	0.93%	4	1,145	0.89%
Hy-Vee Grocery	5	1,250	0.88%		-	0.00%
Wal-Mart (Forest Lake, Oak Park Heights, Woodbury and Cottage	6	1,245	0.88%		-	0.00%
Independent School District 834	7	1,143	0.81%	5	1,000	0.77%
Independent School District 831	8	1,071	0.75%	3	1,200	0.93%
Oakdale)	9	958	0.67%		-	0.00%
Lakeview Hospital	10	868	0.60%	9	727	0.56%
MN Correctional Facility (Bayport and Oak Park Heights)		-	0.00%	6	914	0.71%
The Hartford (Fortis)		-	0.00%	8	800	0.62%
3M Chemolite (Cottage Grove)		-	0.00%	10	700	0.54%
Totals		<u>16,836</u>	<u>11.86%</u>		<u>12,623</u>	<u>9.77%</u>

Source: Washington County, Minnesota

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**FULL-TIME EQUIVALENT CDA EMPLOYEES BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years  
(Unaudited)

**Table 14**

Function/Program	Full-Time Equivalent Employees as of December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	2.0	3.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Finance	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5	5.5
Housing Assistance	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	6.0	6.0
Community Development	2.0	3.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Economic Development	N/A	N/A	N/A	N/A	N/A	1.0	1.0	1.0	1.0	1.0
Home Ownership Counseling	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Property Management <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	14.0	16.0	22.0	22.0	22.0	24.0	22.0	22.5	23.5	24.5

<sup>(1)</sup>Effective 1/1/98, the CDA contracted with a private company for property management services.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**HOUSING UNITS ASSISTED**  
 Last Ten Fiscal Years  
 (Unaudited)

**Table 15**

Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Section 8 - Vouchers	90	91	88	89	90	90	90	90	90	93
Section 8 - Portables	360	355	365	365	375	367	380	377	353	355
Section 8 - VASH***	-	-	-	-	-	-	-	2	10	8
Section 8 - FUP****	-	-	-	-	-	-	-	-	15	16
Mainstream*****	-	-	-	-	-	-	-	-	-	4
Bridges I	18	18	19	17	26	18	26	27	24	29
Bridges II	8	12	10	14	12	14	14	15	16	12
Shelter Plus Care	18	21	25	27	28	28	29	30	30	29
Bridges-Long Term Homeless*	10	10	9	8	9	9	N/A	N/A	N/A	N/A
Bridges Regional Treatment Center**	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	1
Average units assisted per month	504	507	516	520	540	526	540	542	539	547

\* Program consolidated with Bridges I October 2017

\*\* Program started June 2017

\*\*\* Program started June 2018

\*\*\*\* Program started March 2019

\*\*\*\*\*Program started October 2020

Source: Washington County CDA Finance Department.

#### **IV. SINGLE AUDIT AND OTHER REQUIRED REPORTS**

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INDEPENDENT AUDITOR'S 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*

To The Board of Commissioners  
Washington County Community Development Agency  
(a component unit of Washington County)

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, and each major fund of Washington County Community Development Agency, a component unit of Washington County, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Washington County Community Development Agency's basic financial statements, and have issued our report thereon dated May 5, 2021. The financial statements of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, and Glen at Valley Creek, LLC, were not audited in accordance with *Government Auditing Standards*. Our report includes a reference to other auditors who audited the financial statements of The Groves Apartments, LLC and Piccadilly Square of Mahtomedi, LLC, or Glen at Valley Creek, LLC, (discretely presented component units), as described in our report on Washington County Community Development Agency's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Washington County Community Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washington County Community Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington County Community Development Agency's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Financial Reporting  
And on Compliance and Other Matters

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Washington County Community Development Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Washington County Community Development Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

May 5, 2021



## MINNESOTA LEGAL COMPLIANCE REPORT

To The Board of Commissioners  
Washington County Community Development Agency  
(a component unit of Washington County)

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund of Washington County Community Development Agency, a component unit of Washington County, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Washington County Community Development Agency's basic financial statements, and have issued our report thereon dated May 5, 2021. Our report includes a reference to other auditors who audited the financial statements of the The Groves Apartments, LLC and Piccadilly Square of Mahtomedi, LLC, or Glen at Valley Creek, LLC, (discretely presented component units), as described in our report on Washington County Community Development Agency's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

In connection with our audit, nothing came to our attention that caused us to believe that Washington County Community Development Agency failed to comply with the provisions of the contract and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Washington County Community Development Agency's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of Washington County Community Development Agency and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Redpath and Company, Ltd." in a cursive script.

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

May 5, 2021

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE

To The Board of Commissioners  
Washington County Community Development Agency  
(a component unit of Washington County)

**Report on Compliance for Each Major Federal Program**

We have audited Washington County Community Development Agency's, a component unit of Washington County, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Washington County Community Development Agency's major federal programs for the year ended December 31, 2020. Washington County Community Development Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Washington County Community Development Agency's financial statements include the operations of Briar Pond LLC (a major proprietary fund), which had \$8,972,689 of federal expenditures, which is not included in the Washington County Community Development Agency's schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit, described below, did not include these federal expenditures because they were included in a separately issued audit.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Washington County Community Development Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could

Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control over  
Compliance Required by the Uniform Guidance

have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Washington County Community Development Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Washington County Community Development Agency's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Washington County Community Development Agency, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

**Report on Internal Control over Compliance**

Management of Washington County Community Development Agency, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Washington County Community Development Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Washington County Community Development Agency's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did

Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control over  
Compliance Required by the Uniform Guidance

not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Redpath and Company, LTD.".

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

May 5, 2021

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**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
<b>U.S. Department of Housing and Urban Development:</b>				
Direct:				
Section 8 New Construction and Substantial Rehabilitation - Section 8 Project Based Cluste	14.182	n/a	\$903,645	\$ -
COVID-19 - Section 8 New Construction and Substantial Rehabilitation	14.182	n/a	\$1,516	-
Section 8 Mainstream Vouchers	14.879	n/a	\$10,422	-
Section 8 Housing Choice Vouchers - Housing Voucher Cluster	14.871	n/a	1,077,086	-
COVID-19 - Section 8 Housing Choice Vouchers	14.871	n/a	41,413	-
Family Self-Sufficiency Program	14.896	n/a	48,711	-
Multifamily Housing Services Coordinators	14.191	n/a	34,411	-
Shelter Plus Care - Home Free	14.238	n/a	252,795	-
Housing Counseling Assistance Program	14.169	n/a	53,967	-
Public and Indian Housing	14.850	n/a	200,611	18,498
COVID-19 - Public and Indian Housing	14.850	n/a	13,746	-
Public Housing Capital Fund	14.872	n/a	168,585	-
Community Development Block Grants/Entitlement Grants	14.218	n/a	791,762	426,769
Subtotal Department of Housing and Urban Development direct programs			<u>3,598,670</u>	<u>445,267</u>
Passed through Dakota County Community Development Agency:				
Home Investment Partnerships Program	14.239	None Noted	266,965	246,395
Subtotal passed through Dakota County Community Development Agency			<u>266,965</u>	<u>246,395</u>
Passed through the City of Woodbury, Minnesota:				
Home Investment Partnerships Program	14.239	None Noted	119,310	-
Community Development Block Grants/Entitlement Grants	14.218	None Noted	126,692	-
Subtotal passed through the City of Woodbury, Minnesota			<u>246,002</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>4,111,637</u>	<u>691,662</u>
<b>U.S. Department of Treasury:</b>				
Passed through Washington County, Minnesota:				
COVID-19 - Coronavirus Relief Fund	21.019	None Noted	7,188,049	-
Subtotal passed through Washington County, Minnesota			<u>7,188,049</u>	<u>-</u>
Passed through Minnesota Housing Finance Agency:				
COVID-19 - National Foreclosure Mitigation Counseling	21.000	None Noted	6,334	-
Subtotal passed through Minnesota Housing Finance Agency			<u>6,334</u>	<u>-</u>
Total U.S. Department of Treasury			<u>7,194,383</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$11,306,020</u>	<u>\$691,662</u>

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2020**

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Notes to the schedule of expenditures of federal awards:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Washington County Community Development Agency (CDA) under programs of the federal government for the year ended December 31, 2020, except for Briar Pond, LLC as a separate Uniform Guidance audit was performed for this entity. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Washington County Community Development Agency, it is not intended to and does not present the financial position, changes in net position, or cash flows of the CDA.

Note 2. Summary of Significant Accounting Principles

- a.) Expenditures reported on the Schedule are reported on the modified accrual basics of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b.) The CDA has not charged indirect costs to any of the federal programs. Therefore the election of the de minimus cost rate is not applicable.

Note 3. Section 8 Housing Choice Voucher Portability

As part of its Section 8 Housing Choice Vouchers Program, the CDA administered portable vouchers totaling \$3,136,350 and related administration fees totaling \$225,775, as the receiving public housing authority (PHA) for various other initial PHAs throughout the United States. The CDA does not consider these amounts received from the initial PHAs to be subrecipient payments, and therefore are excluded from the Section 8 Housing Choice Vouchers Program amount above.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Year Ended December 31, 2020

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

- A. Type of auditors' report issued: Unmodified
- B. Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
  - Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- C. Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

- D. Internal control over major programs:
- Material weakness(es) identified? ☐ Yes ☒ No
  - Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- E. Type of auditors' report issued on compliance for major programs: Unmodified
- F. Any audit findings disclosed that are required to be reported in accordance with the 2 CFR section 200.516(a)? ☐ Yes ☒ None reported

G. Identification of major programs:

Name of Federal Program	CFDA Number
Section 8 New Construction and Substantial Rehabilitation	14.182
COVID-19 - Coronavirus Relief Fund	21.019

- H. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

- I. Auditee qualified as a low-risk auditee ☒ Yes ☐ No

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Year Ended December 31, 2020

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<b>SECTION II – FINANCIAL STATEMENT FINDINGS</b>
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None noted.

<b>SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</b>
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None noted.

<b>SECTION IV – PRIOR YEAR FINDINGS</b>
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None noted.