

PHA 5-Year and Annual Plan	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 4/30/2011
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1.0	PHA Information PHA Name: <u>Fargo Housing and Redevelopment Authority</u> PHA Code: <u>ND014</u> PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performing <input type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): <u>01/2010</u>												
2.0	Inventory (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: <u>579</u> Number of HCV units: <u>1,156</u> 72 Supporting Housing Units / 70 VASH Vouchers												
3.0	Submission Type <input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only												
4.0	PHA Consortia <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)												
	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program <table border="1"> <thead> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>PHA 1:</td> <td></td> </tr> <tr> <td>PHA 2:</td> <td></td> </tr> <tr> <td>PHA 3:</td> <td></td> </tr> </tbody> </table>	PH	HCV	PHA 1:		PHA 2:		PHA 3:	
PH	HCV												
PHA 1:													
PHA 2:													
PHA 3:													
5.0	5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update.												
5.1	Mission. State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years:												
5.2	Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.												

6.0	<p>PHA Plan Update</p> <p>(a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:</p> <p>#1 Wait List Procedures:</p> <p>a. Site based waiting list for project based vouchers</p> <ol style="list-style-type: none"> 1. Sunrise Apartments for Elderly: 27 Project Based Vouchers 2. Herald Square and 220 Broadway: 3 Project Based Vouchers 3. Cooper House Supportive Housing: 43 Project Based Vouchers <p>b. Tenant Based Waiting Lists Added</p> <ol style="list-style-type: none"> 1. Homeless Prevention Rapid Re-housing 2. VASH <p>c. Preferences:</p> <ol style="list-style-type: none"> 1. Veterans Preference 2009 2. Add Up Waiting List Preferences (Aggregate) 08/06/2008 3. Working Preference for Non-disabled/Non-elderly Families: Considered Tabled until 2010 if Economy has Improved 09/03/2009 <p>#2 Financial Resources: Please See Attachment F</p> <p>#3 Rent Determination: Flat Rents for Public Housing will Remain as Updated in the 2009 Annual Plan. Voucher Payment Standards Shall be:</p> <ol style="list-style-type: none"> 0 Bedroom: \$440 1 Bedroom: \$525 2 Bedroom: \$640 3 Bedroom: \$906 4 Bedroom: \$1,048 <p>#4, #5 and #6: NO CHANGE</p> <p>#7 Community Service and Self-Sufficiency: Three New ROSS Coordinators have been added to the staff through competitive grants. ROSS Elderly/Disabled Wheels N' Meals program features a Service Coordinator for AMP 14-1, 14-2, 14-5, Wheelchair Accessible Van, Meals on Weekends and Wellness Programs. ROSS Family features Self-Sufficiency programs such as Computer Lab, Clothing n' Connections, Mentoring programs, CHARISM Youth Programming and Service Coordinator. AMP 14-3 and 14-4 ROSS Family Service Coordinator provides information and referrals for all scattered site units.</p> <p>#8, #9 and #10: NO CHANGE</p> <p>#11 Fiscal Year Audit: 2008 Audit is not finalized as of 10-13-2009 Please See Attachment G</p> <p>#12 Asset Management: A disposition plan has been approved for AMP 14-1 in order to repair and update obsolete plumbing and enhance apartments.</p> <p>#13 VAWA: NO CHANGE</p> <p>(b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions. PHA Plan may be obtained and reviewed at AMP 14-1, AMP 14-2, AMP 14-3/14-4, AMP 14-5 and the FHRA Main office located at 325 Broadway, Fargo, ND.</p>
7.0	<p>Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. <i>Include statements related to these programs as applicable.</i></p> <p>Please See Attachment H for Dispo/Mixed Finance Option</p> <p>Homeownership: RAB voted on 09-30-2009 to add one addition HCV Homeownership Voucher. The 5h Public Housing Homeownership program has one final unit to sell to complete the program.</p>
8.0	<p>Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable.</p>
8.1	<p>Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i>, form HUD-50075.1, for each current and open CFP grant and CFFP financing.</p> <p>Please See Attachment I</p>

8.2	<p>Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i>, form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.</p> <p style="text-align: center;">Please See Attachment J</p>
8.3	<p>Capital Fund Financing Program (CFFP). <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.</p>
9.0	<p>Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.</p>

9.1	<p>Strategy for Addressing Housing Needs. Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</p>
10.0	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year Plan.</p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA's definition of "significant amendment" and "substantial deviation/modification"</p>

11.0	<p>Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements</p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>
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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Instructions form HUD-50075

Applicability. This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

5.1 Mission. A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

5.2 Goals and Objectives. Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

6.0 PHA Plan Update. In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.
3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.
4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.
5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.
6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, and; **5)** the number of units affected.
7. **Community Service and Self-Sufficiency.** A description of: **(1)** Any programs relating to services and amenities provided or offered to assisted families; **(2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; **(3)** How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. **(Note: applies to only public housing).**
8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers

- (a) **Hope VI or Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: (1) A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm
Note: This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: 1) A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or

that the public housing agency plans to voluntarily convert; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

8.0 Capital Improvements. This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report. PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

8.2 Capital Fund Program Five-Year Action Plan

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

8.3 Capital Fund Financing Program (CFFP). Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

9.0 Housing Needs. Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

9.1 Strategy for Addressing Housing Needs. Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

10.0 Additional Information. Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)**

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. **(Note: Standard and Troubled PHAs complete annually).**

11.0 Required Submission for HUD Field Office Review. In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

PHA Certifications of Compliance with PHA Plans and Related Regulations	U.S. Department of Housing and Urban Development Office of Public and Indian Housing OMB No. 2577-0226 Expires 4/30/2011
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**PHA Certifications of Compliance with the PHA Plans and Related Regulations:
Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ___ 5-Year and/or Annual PHA Plan for the PHA fiscal year beginning 01-01-2010, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
7. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. For PHA Plan that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
11. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
14. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification that:
 - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
 - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
 - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.

Fargo Housing and Redevelopment Authority


ND014

PHA Name

PHA Number/HA Code

5-Year PHA Plan for Fiscal Years 20__ - 20__
 Annual PHA Plan for Fiscal Years 20¹⁰ - 20¹⁰

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Karen Moore	Title FHRA Board Chairperson
Signature 	Date 10-13-09

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Fargo Housing and Redevelopment Authority

Program/Activity Receiving Federal Grant Funding

Streamlined Annual Plan 2010 / Capital Grant

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

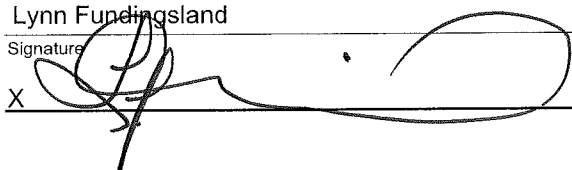
2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

- AMP ND014000001
- AMP ND014000002
- AMP ND014000003
- AMP ND014000004
- AMP ND014000005

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Lynn Fundingsland	Title Executive Director
Signature 	Date 10.09.09

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Applicant Name

Fargo Housing and Redevelopment Authority

Program/Activity Receiving Federal Grant Funding

Annual Plan 2010 / Capital Grant

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.


(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Lynn Fundingsland	Title Executive Director
Signature 	Date (mm/dd/yyyy) 10/09/2009

Previous edition is obsolete

Form HUD 50071 (3/98)
ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB
0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

1. Type of Federal Action: <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Fargo Housing and Redevelopment Authority 325 Broadway Fargo, ND 58102 Congressional District, if known: NDAL	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency: Department of HUD - Public Housing	7. Federal Program Name/Description: Capital Fund - Public Housing CFDA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ 911,221	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): N/A	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): N/A	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: Lynn Fundingsland Title: Executive Director Telephone No.: 701-478-2552 Date: 10-09-2009	
Federal Use Only:	Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)	

For Future Consideration or at the Next Meeting:

#1 Family Working Preference for Public Housing Sample Language

Working Families – 1 Point: Preference will be given to families whose head of household or co-head of household is working a minimum of 20 hours per week, is 62 years of age or older, or unable to work because of age or disability. **This preference shall apply only to projects under AMP Grouping ND01400003-ND014-00004**

#2 Sisters Path Consideration

When a Participant successfully completes the 7 month program they are issued a Section 8 Voucher.

This Voucher will become portable after remaining in the community for 1 year after discharge without any program violations.

This would help to promote success after release from the facility. During this first year they would be able to use Sisters Path as a resource for counseling or other issues that they may encounter.

#3 Section 8 Homeownership “Family Obligation”

Eligibility requirements for the Section 8 Homeownership Program include: Working at least 30 hours a week.

Sample Language:

If a homeowner voluntarily quits employment, the FHRA will not do an interim adjustment for the mortgage payment. Extenuating circumstances will be considered for an exception to this rule.

#4 Material Misrepresentation Second Repayment:

Sample Language:

A second repayment due to a family’s material misrepresentation will be cause for termination from the program.

**Resident Advisory Board
Board Meeting
Administrative Office Lower Conference Room
September 3, 2009 @ 11:30 a.m.**

Present:

RAB Chairman: Ron Hanson

RAB Co-Chairs: Sharon Hanson

RAB Members: James Mackay, Debra Hay, Edna Knutson, Audrey Nelson, Kaaren Daniels, Karen Michelson, Jim Charon, Robert Woods, Andrew Jackson, Leonard Grimm, Lawrence Sad, Nicole Guscette, Karen Sorsen

Absent: Art Carlson

FHRA Staff: Jill, Heather, Dianna, Krista, Gwen, Kathleen, Joy, Kasye, Patti, Paul, Meliha, Tamara, Pat, Tessa

INTRODUCTIONS

Welcome Members

Mr. Hanson introduced himself and welcomed members to the meeting. Ms. Elliott, staff members, and RAB members gave their own introductions.

Minutes

The minutes for the August 6, 2009 meeting were distributed to the Board for approval.

M/S/P Daniels/Hay To approve consent agenda

Addendum to the Agenda

Resident Councils

Future Considerations: Family Working Preference for Public Housing, Sisters Path Voucher Consideration, Section 8 Homeownership Family Obligation, Material Misrepresentation Second Repayment and Criminal Background Standards.

Annual Plan Considerations and Voting

Ms. Elliott reviewed the Annual Plan for 2010 and explained that issues pertaining to residents are always brought to the Resident Advisory Board for approval before the FHRA Board will act on anything.

1. Fair Market Rent (FMR)/Flat Rents/Security Deposits/Late Fees

RAB considerations included an increase in Payment Standards which are based on Fair Market Rents (FMR):

Bedroom Size: (Proposed 2010 FMR)

0 Bdrm: \$440.00 (Now: \$438.00)

1 Bdrm: \$525.00 (Now: \$521.00)

2 Bdrm: \$640.00 (Now: \$638.00)

3 Bdrm: \$906.00 (Now: \$903.00)

4 Bdrm: \$1048.00 (Now: \$1034.00)

In Public Housing, it is recommended that actions remain the same as 2009 limits and regulations.

**Resident Advisory Board
Board Meeting
Administrative Office Lower Conference Room
September 3, 2009 @ 11:30 a.m.
Page 2**

2. Capital Grant

Mr. Lacina distributed handouts and reviewed where the Capital Funds will be allocated for the proposed 5 year plan, 2010 – 2015. He stated that the Housing Authority received a statement from HUD stating that the amount the HA will be receiving has been decreased by \$4,400 for a total of \$911,221. This decrease in funds made a small adjustment in operation costs. He also reminded the RAB members that these amounts may be altered pending the Lashkowitz High Rise total renovation project.

3. Disposition of Lashkowitz High Rise

Ms. Elliott informed the RAB members that the Lashkowitz High Rise building is in need of major rehabilitation and in order to finance this reformation the HA needs to sell the building to a for-profit ownership entity. Beyond Shelter, Inc. was the successful applicant to assist with this project and will use the Low Income Housing Tax Credit program along with other funding sources to accomplish the rehabilitation. Ms. Elliott asked that the RAB members recommend to the Board of Commissioners of the FHRA that the FHRA negotiate a market value sale of the Lashkowitz High Rise to Beyond Shelter, Inc. for the purpose of rehabilitation and preservation of the said property.

US Inspections Group

Ms. Elliott informed the RAB members that a representative from the US Inspections Group will be inspecting the HA's Public Housing properties prior to the REAC inspection to ensure that all units are maintained properly in order for the FHRA to achieve high performer status.

Resident Council

Ms. Elliott asked the Project Managers to inquire with their residents about forming a potential Resident Council group. A Resident Council is a group of tenants who come together to accomplish things that they cannot do alone and are meant to give their members real representation and decision-making power.

Other

A \$10.00 stipend was passed out to the residents in attendance of the Board meeting.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at 1:30 p.m. The next meeting will be held September 30, 2009.

Ron Hanson, Chairman

Jill Elliott, Deputy Director

COMPARISON BUDGET FOR ALL PROPERTIES - YEAR 2008 & YEAR 2009			
Revised 12-02-2008			
		2009	2008
		FHA	FHA
		TOTAL	TOTAL
7030-100	Tenant Rental Revenue	1,483,200	1,499,135
7030-110	Subsidy Rental Revenue	214,710	253,124
7030-115	Rent - HAP	0	0
7030-120	Less Vacancies	-8,445	-21,989
7030-125	Vacancy Loss Payments	5,400	5,656
7030-130	Less Rental Incentives	-13,545	-18,722
7030-140	Less Rental Credits	0	0
7030-145	Prepaid Rent	0	0
7030-150	Retroactive Rent	0	0
7030-200	Commercial Rent Income	22,260	22,500
7030-210	Add'l Commerical Rent	0	0
7030-220	Less Commerical Vacancies	0	0
7030-230	Less Rental Comm Incentives	0	0
7030-240	Less Comm Rental Credits	0	0
7030-300	Escrow	0	0
7040-100	Excess Utilities	17,824	18,252
7040-200	Cable Revenue	67,080	28,428
7040-300	Tenant Late Fees	5,115	7,820
7040-310	Tenant NSF Fees	0	0
7040-320	Tenant Legal Fees	0	650
7040-340	Tenant Application Fees	0	0
7040-350	Tenant Work Order Charg	6,385	7,780
7040-360	Tenant MoveOut Charges	5,000	2,250
7040-370	Tenant Misc Fees	0	270
7040-380	Tenant Sec Locks Keys	540	326
7040-390	Tenant Delivery Fees	5,000	4,860
7040-400	Tenant Unreported Income	0	0
7040-900	Tenant Other Income	0	0
1	Total Tenant Revenue	1,810,524	1,810,340
7060-100	HUD Operating Subsidies	1,003,927	840,096
7060-200	Voucher HAP Revenue	4,572,650	4,458,252
7060-210	Administrative Fees	711,232	642,518
7060-250	FSS Revenue	0	40,000
7060-400	HUD Proration (Prior Year Adj)	0	0
7070-000	Excess Income	0	0
7080-000	Other Governmental Grant	150,000	150,000
7080-100	Grants VISTA Operating	0	0
7080-700	POE Training	0	0
7080-750	Other Training (twcnc)	0	0
7080-800	POE Training (twcnc)	0	0
7090-000	Developer Fees	0	0
7095-000	Consulting Service Fees	0	0
7110-100	Investment Income Unrestricted	35,000	1,860
7110-110	GainLoss Recognized on Invest	0	0
7110-120	Interest Earned on Voucher	0	0
7110-130	Investment in Joint Venture	0	0
7110-140	Bank Interest	18,120	10,700
7120-000	Loan Interest	275,000	700
7130-000	Proceeds from Dispos of Assets	0	0
7131-000	Cost of Sale of Assets	0	0
7140-000	Fraud Recovery	40,000	28,600
	Fraud Recovery - \$\$ to HUD	-15,000	0
7150-100	Antenna Revenue	90,552	76,840
7150-105	Antenna Other Revenue	0	0
7150-110	Vending Income Pop	1,950	1,200
7150-120	Vending Income Laundry	43,360	44,920
7150-130	PILOT Refund	0	0
7150-140	Computer Equipment Rent	600	480
7150-150	Office Space Rental	27,108	18,169
7150-160	Pay Phone Revenue	0	0
7150-170	Auction Scrap Proceeds	0	0
7150-175	Bookkeeping Fee	161,550	163,440
7150-180	Property Management Fee	646,200	502,044
7150-182	Asset Management Fee	69,480	0
7150-185	Payroll Fee Revenue	1,380	920
7150-190	Administrative Fees Ports	6,000	0
7150-195	Homeownership Vchr Prg Rev	0	0
7150-200	Other Management Fees	91,570	208,657
7150-210	Excess Insurance Procee	0	0
7150-220	NonDwelling Rent	4,840	4,740
7150-225	Parking Lot Income	0	240
7150-230	Other Income Interest Income	0	0
7150-240	Other Income Assoc Dues Fees	0	0
7150-250	Other Income City of Fargo Reimb	0	0
7150-260	Other Income Forfeited Rent	0	0
7150-270	Forfeited Security Deposit	0	0

		2009	2008
		FHA	FHA
		TOTAL	TOTAL
7150-600	2nd Mtg Revenue	1,200	780
7150-700	Donations / Fundraising (twtcnc)	0	0
7150-800	Maint Labor Revenue	18,400	36,540
7150-810	Lawn Care Revenue	15,000	20,000
7150-820	Salary Reimb Revenue	155,034	52,517
7150-830	Mileage Reimb Revenue	3,600	2,400
7150-840	Copies Reimb Revenue	5,000	10,000
7150-900	Misc Other Revenue	650	520
7160-010	GainLoss on Sale of Fixed Assets	0	0
7200-000	Investment Income Restricted	0	0
7760-000	Grant Soft Cost funding	0	0
7761-000	Grant Hard Cost funding	0	0
7762-000	Grant Reserve Cost funding		
2	Total Other Revenue	8,134,403	7,317,133
3	TOTAL REVENUE	9,944,927	9,127,473
4	Administrative Salaries	1,090,903	1,033,078
9110-105	Admin Salaries - FSS	38,991	37,672
9110-110	Admin Salaries - BS	27,695	26,758
9110-115	Admin Salaries - TWT	0	0
9110-120	Temporary Help Administrative	1,000	2,040
9110-125	Bonus	0	0
9110-130	Internship	0	0
9110-210	Admin Salaries	0	0
9120-100	Auditing Fees	12,305	12,305
9120-200	Accounting Fees	0	20,220
9120-210	Bookkeeping Fee	161,550	163,440
9130-100	Outside Management Fees	168,384	126,476
9130-105	Asset Management Fees	69,480	0
9130-110	Property Management Fees	369,370	399,872
9130-120	Asset Manager	0	0
9130-130	Partnership Management Fees	0	0
9130-140	Compliance Monitoring Fees	0	0
9140-110	Compensated Absences	0	0
9140-120	Terminal Leave Payments	0	0
9140-130	Accrued Compensated Absences	164,330	0
	Less 2007 Comp Absences	-119,924	0
9150-000	Employee Benefits Admin	365,836	343,980
9150-005	Employee Benefits - FSS	10,604	15,415
9150-010	Employee Benefits - BS	5,380	0
9150-100	Soc Sec Medicare Admini	0	0
9150-110	Retirement Administrati	0	0
9150-120	Medical Insurance Admin	0	0
9150-130	Life Insurance Administ	0	0
9150-140	Workers Comp Insurance	2,802	2,754
9150-150	Unemployment Insurance	0	0
9150-160	Key Employee Insurance	44,700	44,700
9150-170	Parking Admin Benefit	3,210	0
9160-100	Advertising Public Relations	3,779	4,820
9160-110	Printing	5,240	1,660
9160-120	Bank Fees Service Charge	442	624
9160-125	Loan Admin Fees	1,200	1,200
9160-130	Membership Dues and Fee	1,735	2,200
9160-135	Background Fees	0	0
9160-140	Office Supplies	20,787	23,584
	Training Board Members	30,000	0
9160-150	Training Registration Fees	14,600	15,200
9160-155	Training Expense Travel	22,100	22,900
9160-160	Travel Administrative	9,120	6,670
9160-165	Meals Entertainment	0	0
9160-170	Meals Entertainment Board Mtg	0	0
9160-175	Mailing Postage Shipping	16,060	14,915
9160-180	Administrative Services Contracts	8,278	3,138
9160-190	NonCapitalized Comp Equip Serv	5,220	2,660
9160-195	NonCapitalized Comp Software Lic	18,441	28,109
9160-200	Telephone Service	20,096	18,827
9160-210	Cell Phones Service	8,696	7,353
9160-220	TelephoneCell phone Equipment	1,700	0
9160-230	Answering Pager	2,000	1,632
9160-250	Legal Fees tenant charges	6,400	8,160
9160-255	Collection Agent Fees	8,008	5,448
9160-260	Non Capitalized Admin Equip Furn	2,820	6,600
9160-270	Educational Assistance EAP	500	0
9160-280	Vehicle Maintenance Repairs	1,800	1,200
9160-285	Vech Fuel Admin	3,560	2,660

		2009	2008
		FHA	FHA
		TOTAL	TOTAL
9160-290	Office Furniture Equip Maint	9,100	11,030
9160-295	Computer Service	1,320	0
9160-300	Publications	890	960
9160-400	Office Rent	15,458	15,289
9160-500	Sales Tax Expense	0	0
9160-600	Professional Consultation	11,116	12,631
9160-900	Other Administrative Expenses	4,201	12,439
5	Total Administrative Expenses	1,580,380	1,427,561
6	Resident Services Salaries	8,779	19,813
9210-120	Temporary Help Resident	0	0
9210-200	Supportive Services	150,000	150,000
9230-000	Resident Serv Employee Benefits	626	2,404
9230-100	FICA Resident Services	0	0
9230-110	Retirement Resident Ser	0	0
9230-120	Medical Insurance Resid	0	0
9230-130	Dental Insurance Reside	0	0
9230-140	Life Insurance Resident	0	0
9230-150	Disability Insurance Re	0	0
9230-160	Workers Comp Insurance	155	240
9230-170	Unemployment Insurance	0	0
9240-100	Cable Expense	41,586	20,340
9240-110	Resident Services Contracts	0	0
9240-115	Resident Services Other	2,760	2,760
9240-120	Tenant Transportation	0	5,000
9240-150	Tenant Education Training	0	0
9240-155	Resident Participation	630	200
9240-200	Non Capitalized Admin Equip Furn	0	1,200
9240-210	Office Furniture Equip Maint	0	0
7	Total Resident Expenses	195,757	182,144
9310-100	Water	82,362	40,292
9310-110	Water Vacant	1,175	1,815
9320-200	Electricity	231,226	200,088
9320-210	Electricity Vacant	8,300	9,384
9330-300	Gas	179,700	151,265
9330-310	Gas Vacant	4,516	6,580
9340-400	Propane Fuel	56,000	31,000
9340-410	Diesel Fuel	3,600	3,600
9380-500	Sewer	47,131	44,124
9380-510	RecStormForestryMosOthe	0	0
9380-900	Other Utilities Expense	0	0
8	Total Utilities Expense	614,010	488,148
9	Maintenance Labor	535,100	485,587
9410-110	Work Order Labor Charges	19,950	21,270
9410-120	Temporary Help Maintena	0	0
9410-125	Caretaker - (Lock Ups)	860	720
9410-130	Caretaker - (Lawn Care)	22,424	8,935
9410-150	Training Registration Fees	3,100	2,750
9410-155	Training Expense Travel	4,000	5,500
9420-100	Appliance Parts	8,294	5,670
9420-105	Appliances Non Capitali	11,200	10,200
9420-110	Electrical Parts	10,648	13,152
9420-120	Plumbing Parts	16,550	27,044
9420-125	Plumbing Parts Preventive Maint	0	0
9420-130	HVAC Parts	13,032	13,280
9420-135	HVAC Preventive Maintenance	0	1,200
9420-140	Hardware	2,465	1,895
9420-150	Keys Locks	2,597	2,243
9420-160	Windows Screens	3,530	3,840
9420-170	Doors Interior Exterior	7,490	7,680
9420-180	Cabinets Kitchen	3,900	4,560
9420-185	Cabinets Bathroom	2,900	1,440
9420-200	Carpentry Building Materials	1,500	3,730
9420-210	Paint Supplies	13,000	13,130
9420-250	Flooring Finishes	4,395	11,055
9420-255	Window Treatment	8,570	10,490
9420-270	Janitorial Supplies	15,950	12,714
9420-280	Fire Protection Materials	1,532	1,610
9420-290	Tools Equipment	5,100	3,000
9420-300	Vehicle Gasoline Diesel	7,810	7,330
9420-400	Lawn Landscape Material	8,030	5,880
9420-410	Exterior Supplies	1,925	850
9420-500	Major Systems Parts Trash Comp	0	0
9420-510	Major System Boiler Chiller	0	0
9420-520	Major Systems Parts Rooftop Vent	0	0
9420-800	Uniform Purchases	3,306	2,900
9420-900	Building Materials Misc	7,090	9,300

		2009	2008
		FHA	FHA
		TOTAL	TOTAL
9430-100	Appliance Repair Service	2,650	2,140
9430-110	Electrical Contract Ser	2,770	3,700
9430-120	Plumbing Contract Servi	6,650	9,760
9430-125	Plumbing Contract Prev Maint	0	0
9430-130	HVAC Repair Service	3,410	30,160
9430-135	HVAC Preventive Mainten	0	0
9430-210	Painting Contract Service	21,850	16,100
9430-220	Janitorial Services	9,360	8,320
9430-245	Door & Window Service	4,760	3,610
9430-250	Flooring Contract Servi	14,000	20,850
9430-255	Carpet Cleaning Services	8,940	8,380
9430-260	Rug Rental Service	2,320	1,800
9430-270	Cleaning Move Out	4,340	5,860
9430-300	Boiler Services	0	1,200
9430-320	Elevator Maintenance	15,499	16,020
9430-330	Fire Safety Extinguishes	3,140	2,600
9430-350	Pest Control	13,710	12,420
9430-400	Landscape Maintenance	320	320
9430-405	Weed Control	8,708	8,265
9430-410	Tree Service	4,790	3,990
9430-420	Snow Removal	16,160	15,860
9430-430	Storm Drainage	0	0
9430-440	Fencing Contracts	440	0
9430-450	Security Contracts	1,740	1,560
9430-460	Environmental Contract	0	0
9430-470	Site Improvements	5,000	0
9430-500	Mileage Travel Maintena	3,950	3,274
9430-510	Vehicle Maintenance Repairs	3,435	3,400
9430-600	Trash Collection	28,158	28,821
9430-610	Fixture Refinishing	0	0
9430-700	Major Systems Repairs	0	0
9430-710	Equipment Maintenance Repairs	1,200	1,250
9430-800	Interpreting Service	3,760	3,015
9430-840	Survey / Engineering Services	0	0
9430-900	Other Maintenance Contract Cost	2,000	1,310
9450-100	FICA Maintenance	0	0
9450-110	Retirement Maintenance	0	0
9450-120	Medical Insurance Maint	0	0
9450-130	Life Insurance Maintena	0	0
9450-140	Disability Insurance Ma	0	0
9450-150	Workers Comp Insurance	8,573	8,586
9450-160	Unemployment Insurance	0	0
9450-170	Parking Maint Benefit	0	0
9450-900	Employee Benefits Maintenance	196,361	164,909
9450-950	Employee Enrichments	1,500	1,500
10	Total Maintenance Expenses	610,643	602,348
9560-100	Asset Manager Fee	0	0
9560-110	Organizational Cost Exp	0	0
9560-120	Fees Permits	100	320
9560-130	Rent Rebate Expense	0	0
9570-100	Consulting Services Far	0	0
9570-110	Consulting Services JLG	0	0
9570-120	Consulting Services Eas	0	0
9580-100	Organizational Expense	0	0
9580-110	Other Operating Expense	0	0
11	Total Operating Expenses	100	320
9590-110	Commercial Rent	0	0
9590-120	Parking Expense	0	9,990
9610-000	Insurance	0	720
9610-100	Insurance General Liabi	12,863	12,368
9610-200	Insurance Property Casu	102,812	103,492
9610-300	Insurance Automobile	4,745	3,731
9610-400	Insurance Boiler & Machinery	4,609	4,538
9610-800	Insurance Reserve Rebates	0	0
9610-900	Insurance Other	4,706	3,169
9620-000	Other General Expenses	2,144	1,600
9620-100	Grant Expense	0	0
9620-150	Loss on Partnership Investment	0	0
9620-200	Debt Service Principle	42,300	64,907
9620-210	Debt Service Principle Contra	0	0
9620-300	Legal Fees Non Tenant	1,379	120
9620-310	CoDeveloper Fee	0	0
9620-400	Lot Rental Expense	8,400	0
9630-000	Payments in Lieu of Tax	51,547	60,352
9630-130	Real Estate Taxes	0	0
9640-100	Bad Debt Tenant	20,930	28,279
9640-110	Tenant Bad Debt Recoveries	0	0
9650-100	Bad Debt Mortgages	0	0
9650-110	Mortgage Bad Debt Recoveries	0	0

		2009	2008
		FHA	FHA
		TOTAL	TOTAL
9660-100	Bad Debt Other	0	0
9660-110	Other Bad Debt Recoveries	0	0
9670-100	Interest Expense	0	0
9670-110	Mortgage Interest	33,156	41,400
9670-120	Bond Interest	0	0
9670-130	Loan Interest	275,000	0
9670-170	Specials Interest	0	0
9670-180	Notes Payable Interest	0	0
9670-190	Security Deposit Interest	924	0
9680-000	Severance expense	0	0
9710-000	Extraordinary Maintenance	0	0
9720-000	Casualty Losses NonCapitalized	0	0
12	Total General Expenses	565,515	334,666
9730-100	HAP pymts to Landlords	4,544,650	4,418,772
9730-110	HAP pymts Portables	0	0
9730-190	HAP Homeownership Payment	0	0
9730-200	Utility Assistance Payment	67,360	58,800
9730-210	Utility Assistance Pmt Portables	0	0
9730-310	Administrative Fees Porables	0	0
9730-400	Damage Claims Payments	0	0
9730-500	Vacancy Loss	0	0
9730-600	Escrow Payments	16,000	12,000
9740-000	Depreciation Expense	0	0
9740-100	Amortization Expense	0	0
9750-000	Fraud Losses	0	0
9760-000	Grant Soft Cost expenses	0	0
9761-000	Grant Hard Cost expenses	0	0
13	Total Other Expenses	4,628,010	4,489,572
9800-000	Other Items Credit	0	0
9801-100	Operating Trf In	0	0
9802-100	Operating Trf Out	0	0
9805-100	Proceeds from Notes Loans Bonds	0	0
9805-110	Proceeds from Notes Contra	0	0
9806-100	Proceeds from Property Sales	0	0
9807-100	Extraordinary Items net gainloss	0	0
9808-100	Fund Balance Appropriated	0	0
9809-100	Special Items net gainloss	0	0
9809-200	Replacement Reserve	0	0
9809-300	Future Years Appropriat	0	0
9809-900	Other items CC	0	0
9850-000	HUD Annual Contributions	0	0
9899-000	Total Other Financing SourcesUses	0	0
9900-000	Capitalized Items	0	0
9901-000	Buildings Capitalized	0	0
9902-000	Building Improvements Capitalized	0	0
9903-000	Construction In Progress	0	0
9904-000	Dwelling Equipment Capitalized	0	0
9905-000	Nondwelling Equipment Capitalized	0	0
9906-000	Leasehold Improvements	0	0
9907-000	Fixed Assets CC	0	0
9990-000	Total Capitalized Items	0	0
14	TOTAL EXPENSE	9,829,196	9,063,237
15	Grand Total INCOME OR (LOSS)	115,731	64,236
	Major Differences between 2008 FHA Estimated to 2008 Budget		
1	Operating Subsidy funded at a higher rate		
2	Loan Interest - accruals (will not be paid)		
3	Maintenance expense under budget		

**FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

**FARGO HOUSING AND
REDEVELOPMENT AUTHORITY**

FARGO HOUSING AND REDEVELOPMENT AUTHORITY

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CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Fargo Housing and Redevelopment Authority
Fargo, North Dakota

We have audited the accompanying financial statements of the **Fargo Housing and Redevelopment Authority**, as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the **Fargo Housing and Redevelopment Authority**, as of December 31, 2007 and 2006, and respective changes in financial position and cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2008, on our consideration of the **Fargo Housing and Redevelopment Authority's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the **Fargo Housing and Redevelopment Authority**, taken as a whole. The accompanying supplementary information, as listed in the table of contents, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the Financial Data Schedule (FDS) as required by Housing and Urban Development Real Estate Assessment Center (REAC), are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The Board of Commissioners section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Eide Bailey" with a stylized flourish at the end.

Fargo, North Dakota
September 23, 2008

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007
(With Selected Comparative Information Year Ended December 31, 2006)

The following discussion and analysis of the **Fargo Housing and Redevelopment Authority** (the "Authority") is to provide an introduction to the financial statement for the year ended December 31, 2007 with selected comparative information for the year ended December 31, 2006. The discussion has been prepared by Management and should be read in conjunction with the financial statements, notes to financial statements and supplementary information found in the report. This information taken collectively is designed to provide readers with an understanding of the Authority's finances.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at the close of fiscal year 2007 by \$11,993,059 (net assets). Of this amount \$4,768,584 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to citizens and creditors.
- Total capital assets decreased by \$258,185. This was primarily due from normal depreciation of the assets that are owned by the Authority. The Authority began the remodeling of project which accounted for the construction in progress.
- The change in net assets was \$366,793 for the year ended December 31, 2007. The change in net assets was \$398,941 for the year ended December 31, 2006. This is due from an increase in collected rents and a decrease in various operational expenses such as contracted maintenance labor and a change in the benefits package offered to the Authority employees – along with other cost efficiencies realized.
- During the course of the year, Bluestem Phase II land was sold to a non-related limited partnership. The proceeds from the sale were used to pay back a note to the City of Fargo.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority is a special purpose governmental entity and accounts for its financial activities as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land, over their useful lives. See notes to the financial statements for a summary of the Authority's significant accounting policies and practices.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUTHORITY ACTIVITY HIGHLIGHTS

Revenue and Expenses

The following is a summary of the results of operations of the Authority for the years ended December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Operating revenues	\$ 10,143,560	\$ 9,220,976
Operating expenses	<u>9,680,978</u>	<u>8,670,907</u>
Operating income (loss)	462,582	550,069
Nonoperating expenses	<u>(91,661)</u>	<u>(151,128)</u>
Change in net assets	370,921	398,941
Total net assets, beginning of year	<u>11,626,266</u>	<u>11,227,325</u>
Total net assets, end of year	<u>\$ 11,997,187</u>	<u>\$ 11,626,266</u>

I
Interest received from notes receivable, rent from tenants, and additional HAP grant revenue accounted for the majority of the increase in operating revenues. Operating expenses were down because of interest expense being down and HAP payments decreased.

Housing Units Managed

The following table shows housing units by the Authority for the years ended December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Owned by the Authority	660	660
Units under vouchers	<u>1,156</u>	<u>1,156</u>
Total housing units managed	<u>1,816</u>	<u>1,816</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL POSITION

The statement of net assets presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets and liabilities of the Authority. Net assets are the difference between total assets and total liabilities and are an indicator of the current fiscal health of the Authority. The following is a summarized comparison of the Authority's assets, liabilities and net assets at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets	\$ 2,992,649	\$ 2,517,381
Other assets	3,839,948	4,487,566
Capital assets	<u>7,895,908</u>	<u>8,154,093</u>
Total assets	<u>\$ 14,728,505</u>	<u>\$ 15,159,040</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities	\$ 446,574	\$ 686,810
Long-term liabilities	<u>2,284,744</u>	<u>2,845,964</u>
Total liabilities	<u>2,731,318</u>	<u>3,532,774</u>
 NET ASSETS		
Invested in capital assets, net of related debt	6,754,860	7,273,527
Restricted	228,063	509,127
Unrestricted	<u>5,014,264</u>	<u>3,843,612</u>
Total net assets	<u>11,997,187</u>	<u>11,626,266</u>
Total liabilities and net assets	<u>\$ 14,728,505</u>	<u>\$ 15,159,040</u>

Current assets increased in 2007 by approximately \$485,200, due to increase in interest on notes receivable and increase cash flow. Total liabilities decreased by \$801,800 due to principal payments on notes payable and decreased interfund balances.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

Capital asset is the largest asset reflected on the Authority's statement of net assets. The following is a summary of capital assets owned by the Authority at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Land	\$ 571,242	\$ 574,613
Construction in progress	313,580	-
Building and improvements	18,880,844	18,878,844
Furniture, equipment and machinery	1,794,009	1,804,311
	<u>21,559,675</u>	<u>21,257,768</u>
Less accumulated depreciation	<u>(13,663,767)</u>	<u>(13,103,675)</u>
Capital assets, net	<u>\$ 7,895,908</u>	<u>\$ 8,154,093</u>

The decrease in capital assets is depreciation accruals are larger than additions in assets.

DEBT ADMINISTRATION

The largest liability of the Authority is made up of (long-term debt) notes payable. The following is a table of outstanding notes payable as of December 31, 2007:

	<u>Amount Issued</u>	<u>Amount Outstanding</u>
City of Fargo, North Dakota Industrial Development Revenue Bonds (Burrell) Due June 1, 2016 - 6% interest rate	\$ 504,656	\$ 381,652
Wells Fargo Bank North Dakota Promissory note - 7.36% interest rate Due April 15, 2008 (Colonial Manor II)	158,050	125,350
American Federal Bank Promissory note - 6.625% interest rate Due November 1, 2011 (Graver Annex)	187,696	103,107
City of Fargo - Fannie Mae Promissory note - 1.85% interest rate above 3 months LIBOR, due September 2009 Secured by property	809,162	710,000
City of Fargo - Fannie Mae Bluestem construction loan Due September 23, 2007	2,840,000	365,000

(continued on next page)

MANAGEMENT'S DISCUSSION AND ANALYSIS

	<u>Amount Issued</u>	<u>Amount Outstanding</u>
City of Fargo - Fannie Mae Promissory note - 1.85% interest rate above 3 months LIBOR, due September 2009 Secured by property	325,000	325,000
Loan from General Fund to Low Rent	117,925	117,925
Loan from General Fund to Low Rent	88,014	<u>88,015</u>
Total long-term debt		<u>2,216,049</u>
Less current maturities		<u>68,068</u>
Total long-term debt, net of current maturities		<u>\$ 2,147,981</u>

Details of debt are in the long-term debt note in the notes to financial statements.

ECONOMIC FACTORS

The economic outlook for the Authority is favorable. Fargo continues to grow in population and jobs, along with the growth is the demand for both market rate and affordable housing, which are growing proportionately. Current housing market studies indicate an increasing demand for affordable housing, in the FM metro area, particularly for senior citizens with incomes at 30% or less of the area median. Interest rates remain favorable and the Housing Authority plans to continue its preservation and production activities towards meeting the demand.

REQUEST FOR INFORMATION

The annual financial report is designed to provide a general overview of the Authority finances for all those with an interest in the Authority finances. Questions concerning any information provided in this report or requests for additional information should be addressed to Lynn Funding land, Executive Director, Fargo Housing and Redevelopment Authority, 325 Broadway, Fargo, North Dakota, 58102.

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,417,742	\$ 1,030,879
Investments	1,048,724	999,956
Accounts receivable		
HUD	5,000	24,239
Tenants	62,384	54,310
Allowance for doubtful accounts-tenants	(16,197)	(34,814)
Fraud recovery	16,200	47,126
Other	28,610	31,660
Interest receivable on note receivables	326,251	236,434
Interfund balances	446	25,023
Other assets	5,746	1,010
Material and supplies	97,743	101,558
	<u>2,992,649</u>	<u>2,517,381</u>
RESTRICTED ASSETS		
Restricted cash	153,063	434,127
Restricted investments	75,000	75,000
	<u>228,063</u>	<u>509,127</u>
OTHER ASSETS		
Notes receivable	<u>3,611,885</u>	<u>3,978,439</u>
CAPITAL ASSETS		
Land, structures and equipment	21,559,675	21,257,768
Accumulated depreciation	(13,663,767)	(13,103,675)
	<u>7,895,908</u>	<u>8,154,093</u>
Total capital assets	<u>7,895,908</u>	<u>8,154,093</u>
Total assets	<u>\$ 14,728,505</u>	<u>\$ 15,159,040</u>

See Notes to Financial Statements

	<u>2007</u>	<u>2006</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of notes payable	\$ 68,068	\$ 63,669
Accounts payable		
Vendors	69,515	122,387
HUD	7,646	7,508
Accrued wages payable	8,962	10,543
Accrued compensated absences	15,196	14,402
Tenants security deposits	117,242	114,567
FSS escrow accounts	14,459	9,700
Accrued interest payable	27,289	26,950
Accrued payments in lieu of taxes	36,034	59,630
Interfund balances	446	25,023
Deferred revenues	65,517	212,903
Other	16,200	19,528
	<u>446,574</u>	<u>686,810</u>
LONG-TERM LIABILITIES		
Accrued compensated absences	136,763	119,067
Notes payable - net of current portion	2,147,981	2,726,897
	<u>2,284,744</u>	<u>2,845,964</u>
	<u>2,731,318</u>	<u>3,532,774</u>
NET ASSETS		
Investment in capital assets - net of related debt	6,754,860	7,273,527
Restricted	228,063	509,127
Unrestricted	5,014,264	3,843,612
	<u>11,997,187</u>	<u>11,626,266</u>
	<u>\$ 14,728,505</u>	<u>\$ 15,159,040</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES		
Dwelling rentals	\$ 1,846,999	\$ 1,735,075
Excess utilities	18,284	17,022
Nondwelling rent	81,788	36,584
HUD PHA grants	7,174,207	6,347,755
Other government grants	319,964	274,355
Interest received from note receivable	260,891	254,526
Fraud recovery	36,015	38,200
Management fees	119,335	97,484
Other	286,077	419,975
	<u>10,143,560</u>	<u>9,220,976</u>
OPERATING EXPENSES		
Administrative	1,687,315	1,289,308
Tenant services	212,655	338,187
Utilities	513,695	475,673
Ordinary maintenance and operation	1,920,508	1,183,581
General expense	225,668	255,860
Nonroutine maintenance	-	375,876
Depreciation	573,984	566,293
Housing assistance payments	4,547,153	4,186,129
	<u>9,680,978</u>	<u>8,670,907</u>
	<u>462,582</u>	<u>550,069</u>
OPERATING GAIN		
NONOPERATING REVENUES (EXPENSES)		
Loss on disposition of capital assets	(4,297)	(786)
Interest expense	(167,206)	(213,936)
Interest earned	79,842	63,594
	<u>(91,661)</u>	<u>(151,128)</u>
	<u>370,921</u>	<u>398,941</u>
NET CHANGE IN ASSETS		
	<u>11,626,266</u>	<u>11,227,325</u>
NET ASSETS, BEGINNING OF YEAR		
	<u>\$ 11,997,187</u>	<u>\$ 11,626,266</u>
NET ASSETS, END OF YEAR		

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
OPERATING ACTIVITIES		
Receipts from tenants	\$ 2,656,743	\$ 2,631,485
HUD PHA grant	6,920,378	6,343,872
Other government operating grants	319,964	274,355
Housing assistance payments	(4,497,873)	(4,186,129)
Payments to suppliers	(2,865,533)	(2,609,374)
Payments to employees	(1,670,031)	(1,278,022)
Payments in lieu of taxes	(23,596)	(2,169)
NET CASH FROM OPERATING ACTIVITIES	<u>840,052</u>	<u>1,174,018</u>
NONCAPITAL FINANCING ACTIVITY		
Interfund balances	<u>17,952</u>	<u>145,364</u>
CAPITAL AND RELATED FINANCING ACTIVITIES		
New debt issued	2,425,000	3,275,000
Principal payments on debt	(2,999,517)	(3,667,140)
Proceeds from sale of assets	103	418,802
Interest on long-term debt	(164,666)	(212,148)
Acquisition of capital assets	(319,699)	(358,321)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,058,779)</u>	<u>(543,807)</u>
INVESTING ACTIVITY		
Notes issued	(2,568,446)	(3,797,000)
Principal payments notes receivable	2,935,000	3,320,539
Interest payments note receivable	(91,054)	
Restricted assets	-	(20,703)
Investment income received	79,842	63,594
NET CASH FROM (USED FOR) INVESTING ACTIVITIES	<u>355,342</u>	<u>(433,570)</u>
NET CHANGE IN CASH AND INVESTMENTS	<u>154,567</u>	<u>342,005</u>
CASH AND INVESTMENTS, BEGINNING OF YEAR	<u>2,539,962</u>	<u>2,197,957</u>
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 2,694,529</u>	<u>\$ 2,539,962</u>

(continued on next page)

STATEMENT OF CASH FLOWS – Page 2

	<u>2007</u>	<u>2006</u>
RECONCILIATION OF CASH AND INVESTMENTS		
Cash and restricted cash	\$ 1,570,805	\$ 1,465,006
Investments and restricted investments	<u>1,123,724</u>	<u>1,074,956</u>
Totals	<u>\$ 2,694,529</u>	<u>\$ 2,539,962</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES		
Operating gain	\$ 462,582	\$ 550,069
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation	573,984	566,293
Loss on disposition of capital assets	(4,297)	-
Changes in assets and liabilities		
Accounts receivable - tenants	4,361	(6,689)
Accounts receivable - other	1,378	51,363
Material and supplies	3,815	1,153
Other assets	(2,817)	(3,207)
Accounts payable	(52,734)	42,128
Accrued wages	8,962	266
Accrued compensated absences	7,947	12,649
Payments in lieu of taxes	(23,596)	(30,127)
Deferred revenue	(143,569)	-
Security deposits	7,364	(10,388)
Other liabilities	<u>(3,328)</u>	<u>508</u>
CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 840,052</u>	<u>\$ 1,174,018</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Authority uses available federal, state and local resources to serve the residents of Fargo, North Dakota by upgrading and maintaining the existing housing stock, encouraging the construction of new housing affordable to low and moderate income households, and providing low and moderate income families and senior households with decent, safe and affordable rental housing opportunities.

The Authority is governed by a six-member Board of Commissioners.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America.

Reporting Entity

The Authority's financial statements include the accounts of all Authority operations. The criteria for including organizations as component units within the Authority reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board's (GASB) Codification of Government Accounting and Financial Reporting Standards, include whether:

- the organization is legally separated (can sue and be sued in their own name).
- the Authority holds the corporate powers of the organization.
- the Authority appoints a voting majority of the organization's board.
- the Authority is able to impose its will on the organization.
- the organization has the potential to impose a financial benefit/burden on the Authority.
- there is fiscal dependency by the organization on the Authority.

Based on the aforementioned criteria, the Fargo Housing and Redevelopment Authority has no component units and is not includable as a component unit within another reporting entity.

Basis of Presentation

The Authority's financial statements have been prepared in accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." The Authority accounts for its activities as proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

NOTES TO FINANCIAL STATEMENTS

Depreciation

Capital assets are depreciated using the straight-line method over their useful lives (3-40 years).

The estimated useful lives are as follows:

Buildings	40 years
Improvements other than buildings	20-40 years
Machinery and equipment	5 - 7 years

Cash

For purposes of reporting cash on the statement of net assets, the Authority considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2007, approximately \$138,600 of cash was restricted, as defined by the Authority.

Investments

Investments are stated at cost which approximates fair value. Restricted fund investments relate to use restrictions as defined by the Authority.

Land, Structures, Equipment and Construction In Progress

Land, structures and equipment are stated at cost. The original cost of units of property sold or otherwise disposed of in the ordinary course of business is charged off when disposition occurs. Property purchased with a value greater than \$500 is capitalized.

Material and Supplies

Material and supplies are valued at moving average cost.

Basis of Accounting

The Department of Housing and Urban Development Real Estate Assessment Center (REAC) assesses the financial condition of Public Housing Authorities (PHA's). To uniformly and consistently assess the PHA's, REAC requires that PHA's financial statements conform to Generally Accepted Accounting Principles (GAAP).

The Fargo Housing and Redevelopment of Fargo, North Dakota prepares its financial statements on the accrual basis of accounting. Under this method revenues are recognized in the accounting period in which they are earned and expenses when the liability for them is initially incurred.

NOTES TO FINANCIAL STATEMENTS

Fraud Recovery

HUD requires the Authority to account for monies recovered from tenants who committed fraud or misrepresentation in the application process for rent calculations and now owe additional rent for prior periods or retroactive rent as fraud recovery. The monies recovered are shared by HUD and the local authority.

Pension

The Authority funds pension costs as accrued.

Operating Revenues and Expenses

The Authority considers all revenues and expenses (including HUD intergovernmental revenues and expenses) as operating items with the exception of interest expense, interest revenue, and gain/loss on disposal of capital assets which are considered non-operating for financial reporting purposes.

Allocating Indirect Expenses

The Authority has expenses which by their nature impact several of the Authority's programs. The Authority allocates expenses to these programs based upon a cost study conducted on the Authority's behalf. Expenses that are allocated include, but are not limited to, salaries and benefits, legal and audit fees, maintenance and protective services and insurance.

Restricted and Unrestricted Resources

The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Components of Net Assets

Components of net assets include the following:

Net Assets Invested in Capital Assets Net of Related Debt – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

Restricted Net Assets – Consists of net assets less related liabilities reported in the basic statement of net assets that are subject to restraints on their use by HUD.

Unrestricted Net Assets – Consists of net assets less related liabilities reported in the basic statement of net assets that are not subject to restraints on their use.

NOTES TO FINANCIAL STATEMENTS

Accumulated Unpaid Vacation and Sick Leave

Accumulated unpaid vacation leave is accrued in the period incurred. Employees are permitted to accumulate a limited amount of earned but unused vacation benefits which will be paid to employees upon separation from Authority service.

Sick leave accumulated after ten years of employment is paid to employee at 44% of their normal pay. The liability for accumulated sick leave is accrued in the period earned.

Deferred Revenues

Deferred revenue of \$52,800 represents Colonial Manor II payment from insurance company for fire damages. The remaining deferred revenue of \$12,381 represents prepaid rent.

Budgetary

The Authority prepares budgets for each program annually which is approved by the Board of Commissioners. The Authority is required to submit to HUD only the budget related to the Public Housing subsidy. Revisions to the budgets are approved by the Board of Commissioners.

Business and Credit Risk

The Authority provides housing on account to clients which are located primarily in Fargo, North Dakota.

Accounting estimates

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

NOTE 2 - HOUSING PROGRAMS

The Fargo Housing and Redevelopment Authority owns and operates 393 units of conventional housing for single family homes and 267 units of family housing; these are in Fargo, North Dakota, and are designated HUD Contract DEN-075. The Authority has 49 city-wide units of Section 8 existing housing assistance payments, 1,156 Section 8 housing choice vouchers under HUD Contract DEN-2477-027V.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

In accordance with North Dakota Century Code, the Authority maintains deposits at those depository banks and brokerages authorized by the Authority Commission, all of which are covered by Federal Depository Insurance or Securities Investor Protection. Century Code requires that all Authority deposits be protected by insurance, collateral or surety bond. The market value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds. The Authority's deposits were properly collateralized as of December 31, 2007.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Beyond what is stated in the Century Code, the Authority does not have a formal policy to further limit exposure to custodial credit risk. As of December 31, 2007 and 2006, the Authority's deposits were either fully insured or properly collateralized, and have no custodial credit risk.

Investments

The Authority is authorized by North Dakota Century Code to invest in: a) Bonds, treasury bills and note, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress, b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of the type listed above, c) Certificates of Deposit fully insured by the Federal Depository Insurance Corporation or the state, d) Obligations of the state. At December 31, the Authority has the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Certificates of deposit	\$ 90,000	\$ -	\$ -	\$ 90,000	\$ -
Asset backed securities	58,613	2,843	2,618	1,434	51,718
Government securities	152,942	-	130,395	-	22,547
Money Market	822,169	-	-	-	-
	<u>\$ 1,123,724</u>	<u>\$ 2,843</u>	<u>\$ 133,013</u>	<u>\$ 91,434</u>	<u>\$ 74,265</u>

Interest Rate Risk

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

NOTES TO FINANCIAL STATEMENTS

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Beyond what is stated in the Century Code, the Authority does not have a formal policy to further limit exposure to credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The Authority places no limit on the amount which may be invested with a single issuer.

NOTE 4 - NOTES RECEIVABLE

The Authority has advanced funds to various organizations for the purchase of run-down property to be renovated into low income property. The notes receivable are secured by the property. If the property is ever sold, the proceeds will be used to repay the Authority. As of December 31, 2007 and 2006, the respective balances are \$3,611,855 and \$3,978,439.

NOTE 5 - RESTRICTED ASSETS

Restricted assets consist of cash and investments which are restricted to comply with HUD requirements for home ownership program and Authority has restricted cash for Modernization and Development.

NOTE 6 - CAPITAL ASSETS

Capital assets, which include property, plant and equipment are reported in the applicable business-type activities columns in the Authority financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost equal to or greater than \$500. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of the donation.

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

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

<u>Asset</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	40
Building equipment	7 - 20
Vehicles	7
Maintenance equipment	7
Office equipment	7
Computer equipment	5

NOTES TO FINANCIAL STATEMENTS

Capital asset activity for the year ended December 31, 2007 was as follows:

	Balance 01/01/07	Additions	Deletions	Balance 12/31/07
Capital assets, not being depreciated				
Construction work in progress	\$ -	\$ 313,580	\$ -	\$ 313,580
Land	574,613	-	3,371	571,242
Total capital assets not being depreciated	<u>574,613</u>	<u>313,580</u>	<u>3,371</u>	<u>884,822</u>
Capital assets, being depreciated				
Buildings and improvements	18,878,844	2,000	-	18,880,844
Furniture, equipment and machinery - dwellings	876,954	14,282	-	891,236
Furniture, equipment and machinery - administrative	844,519	-	24,584	819,935
Leasehold improvements	82,838	-	-	82,838
Total capital assets being depreciated	<u>20,683,155</u>	<u>16,282</u>	<u>24,584</u>	<u>20,674,853</u>
Less accumulated depreciation for:				
Buildings and improvements	11,960,827	453,089	-	12,413,916
Furniture, equipment and machinery - dwellings	560,940	58,606	-	619,546
Furniture, equipment and machinery - administrative	559,595	59,219	13,464	605,350
Leasehold improvements	22,313	2,642	-	24,955
Total accumulated depreciation	<u>13,103,675</u>	<u>573,556</u>	<u>13,464</u>	<u>13,663,767</u>
Total capital assets, being depreciated, net	<u>7,579,480</u>	<u>(557,274)</u>	<u>11,120</u>	<u>7,011,086</u>
Net book value	<u>\$ 8,154,093</u>	<u>\$ (243,694)</u>	<u>\$ 14,491</u>	<u>\$ 7,895,908</u>

Depreciation expense was charged to the function of the Authority as follows:

Business-type activities:	
Low-Rent Public Housing	\$ 488,646
Capital fund program	28,037
General business activities	<u>57,301</u>
	<u>\$ 573,984</u>

NOTES TO FINANCIAL STATEMENTS

Capital asset activity for the year ended December 31, 2006 was as follows:

	Balance 01/01/06	Additions	Deletions	Balance 12/31/06
Capital assets, not being depreciated				
Land	\$ 574,613	\$ -	\$ -	\$ 574,613
Construction work in progress	420,434	-	420,434	-
Total capital assets not being depreciated	<u>995,047</u>	<u>-</u>	<u>420,434</u>	<u>574,613</u>
Capital assets, being depreciated				
Buildings and improvements	18,859,865	18,979	-	18,878,844
Furniture, equipment and machinery - dwellings	727,509	149,445	-	876,954
Furniture, equipment and machinery - administrative	674,760	189,897	20,138	844,519
Leasehold improvements	82,838	-	-	82,838
Total capital assets being depreciated	<u>20,344,972</u>	<u>358,321</u>	<u>20,138</u>	<u>20,683,155</u>
Less accumulated depreciation for:				
Buildings and improvements	11,508,309	452,518	-	11,960,827
Furniture, equipment and machinery - dwellings	513,578	47,362	-	560,940
Furniture, equipment and machinery - administrative	511,370	62,752	14,527	559,595
Leasehold improvements	18,652	3,661	-	22,313
Total accumulated depreciation	<u>12,551,909</u>	<u>566,293</u>	<u>14,527</u>	<u>13,103,675</u>
Total capital assets, being depreciated, net	<u>7,793,063</u>	<u>(207,972)</u>	<u>5,611</u>	<u>7,579,480</u>
Net book value	<u>\$ 8,788,110</u>	<u>\$ (207,972)</u>	<u>\$ 426,045</u>	<u>\$ 8,154,093</u>

Depreciation expense was charged to the function of the Authority as follows:

Business-type activities:	
Low-Rent Public Housing	\$ 484,155
Capital fund program	27,738
General business activities	<u>54,400</u>
	<u>\$ 566,293</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM DEBT

The following is a summary of long-term debt as of December 31, 2007:

	Balance 01/01/07	New Issue	Retired	Balance 12/31/07
Notes payable				
City of Fargo, North Dakota Industrial Development Revenue Bonds Series 1983 6.0% interest rate -due June 1, 2016 secured by property	\$ 415,123	\$ -	\$ 33,471	\$ 381,652
Wells Fargo Bank North Dakota Promissory note - 7.36% interest rate due April 15, 2008, unsecured	133,525	-	8,175	125,350
American Federal Bank Promissory note - 6.625% interest rate due November 1, 2011, secured by property	125,979	-	22,872	103,107
City of Fargo - Fannie Mae Promissory note - 1.85% interest rate above 3 month LIBOR - due August 2008, secured by property	1,910,000	1,390,000	2,935,000	365,000
City of Fargo - Fannie Mae Promissory note - 1.85% interest rate above 3 month LIBOR - due September 2009, secured by property	-	710,000	-	710,000
City of Fargo - Fannie Mae Promissory note - 1.85% interest rate above 3 month LIBOR - due September 2010, secured by property	-	325,000	-	325,000
General fund - 0% interest, unsecured	205,940	-	-	205,940
Totals	<u>\$ 2,790,567</u>	<u>\$ 2,425,000</u>	<u>\$ 2,999,518</u>	<u>\$ 2,216,049</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS

The estimated debt requirements to maturity for years ending December 31, 2007 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 68,068	\$ 31,701	\$ 99,769
2009	1,146,896	24,772	1,171,668
2010	400,969	20,699	421,668
2011	75,794	15,609	91,403
2012	53,265	12,873	66,138
2013 - 2016	<u>471,057</u>	<u>22,307</u>	<u>493,364</u>
Total	<u>\$ 2,216,049</u>	<u>\$ 127,961</u>	<u>\$ 2,344,010</u>

The following is a summary of long-term debt as of December 31, 2006:

	<u>Balance 01/01/06</u>	<u>New Issue</u>	<u>Retired</u>	<u>Balance 12/31/06</u>
Notes payable				
City of Fargo, North Dakota Industrial Development Revenue Bonds Series 1983 6.0% interest rate -due June 1, 2016 secured by property	\$ 446,747	\$ -	\$ 31,626	\$ 415,121
Wells Fargo Bank North Dakota Promissory note - 7.36% interest rate - due April 15, 2008	141,700	-	8,175	133,525
American Federal Bank Promissory note - 6.625% interest rate - due November 1, 2011	147,389	-	21,409	125,980
City of Fargo - Fannie Mae Promissory note - 1.85% interest rate above 3 month LIBOR - due September 23, 2007	1,450,000	3,275,000	2,815,000	1,910,000
City of Fargo - Fannie Mae Promissory note - .95% interest rate above 3 month LIBOR - due when property sold	343,571	-	343,571	-
General fund - Sister's Path - Low Rent Public Housing	447,360	-	447,360	-
General fund - 0% interest	<u>205,940</u>	<u>-</u>	<u>-</u>	<u>205,940</u>
Totals	<u>\$ 3,182,707</u>	<u>\$ 3,275,000</u>	<u>\$ 3,667,141</u>	<u>\$ 2,790,566</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS

The estimated debt requirements to maturity for years ending December 31, 2006 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 63,669	\$ 41,800	\$ 105,469
2008	2,095,243	31,701	2,126,944
2009	63,721	24,772	88,493
2010	67,794	20,699	88,493
2011	67,746	15,609	83,355
2012 - 2016	432,393	35,177	467,570
Total	<u>\$ 2,790,566</u>	<u>\$ 169,758</u>	<u>\$ 2,960,324</u>

NOTE 8 - ANNUAL CONTRIBUTIONS CONTRACT

In prior years the Authority had issued New Housing Authority Bonds to provide for the development of low-rent housing units. These bonds are payable by HUD and secured by an annual contributions contract (DEN-075). Consistent with the change to GAAP in 1999, it was determined the bonds do not constitute a debt by the Authority and accordingly have not been reported in the accompanying financial statements.

The Authority has an annual contributions contract for Section 8 HAP and adjustments vary based on requirements. The maximum contract was \$4,900,000 for the year ended December 31, 2007.

NOTE 9 - PENSION PLAN

The Authority provides pension benefits for all of its permanent employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after working six months. The plan requires the employee to contribute 5 percent of taxable salary and the employer contributes 7 percent of basic salary. The total cost of the plan was \$89,700, \$82,300 and \$83,300 for the years ended December 31, 2007, 2006 and 2005, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - INTERFUND BALANCES

At various times during the year the programs need to borrow funds to maintain appropriate levels of client participation. The funds are usually paid back on a monthly basis. The balances at December 31, 2007 consisted of the following:

	<u>Due From</u>	<u>Due To</u>
Low-Rent Public Housing	\$ 69	\$ 14
General Business Activities	363	69
Graver Annex	3	12
Colonial Manor II	3	136
Dakota Life	-	36
Supportive Housing	-	34
Burrell Apartments	8	145
	<u>8</u>	<u>145</u>
Total	<u>\$ 446</u>	<u>\$ 446</u>

NOTE 11 - RISK MANAGEMENT

The Authority is exposed to various risks of losses including general liability, property damage and employee bodily injury. The insurance coverage is considered to be adequate to cover unexpected claims against the Authority. The Authority retains the responsibility to cover any settlements exceeding the specific coverage. There was no reduction in coverage from the prior year and settlements have not exceeded insurance coverage in the past three years.

NOTE 12 - COMMITMENT

Beyond Shelter, Inc. has issued its revenue bonds of \$278,000 through the City of Fargo for the purpose of purchasing, remodeling and equipping two buildings which will provide rental income. These bonds do not constitute an indebtedness of the City of Fargo. The Fargo Housing and Redevelopment Authority has guaranteed payment if Beyond Shelter, Inc. should default. During 2006, the guarantee was canceled by Wells Fargo Brokerage Services Inc.

NOTE 13 - RECLASSIFICATION

Certain reclassifications have been made to the 2006 financial statements with no effect on net assets to be consistent with the classification used in the 2007 financial statements.

**FARGO HOUSING AND
REDEVELOPMENT AUTHORITY**

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
BOARD OF COMMISSIONERS (Unaudited)

Karen Moore	Chairperson
Ken Krajsa	Vice Chairperson/Secretary
Ron Hanson	Commissioner
Michael Leier	Commissioner
Bryce Alme Johnson	Commissioner
Thomas Jefferson	Commissioner
Lynn Fundingsland	Executive Director

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF NETS ASSETS
DECEMBER 31, 2007

	Special Business Activities	Enterprise Funds	Totals
ASSETS			
CURRENT ASSETS			
Cash	\$ 549,960	\$ 867,782	\$ 1,417,742
Investments	-	1,048,724	1,048,724
Accounts receivable			
HUD	5,000	-	5,000
Tenants	-	62,384	62,384
Allowance for doubtful accounts-tenants	-	(16,197)	(16,197)
Fraud recovery	16,200	-	16,200
Other	1,432	27,178	28,610
Interest receivable on note receivables	-	326,251	326,251
Interfund balances	-	446	446
Other assets	2,817	2,929	5,746
Material and supplies	-	97,743	97,743
	<u>575,409</u>	<u>2,417,240</u>	<u>2,992,649</u>
Total current assets			
RESTRICTED ASSETS			
Restricted cash	14,459	138,604	153,063
Restricted investments	-	75,000	75,000
	<u>14,459</u>	<u>213,604</u>	<u>228,063</u>
Total restricted assets			
OTHER ASSETS			
Note receivable	-	3,611,885	3,611,885
	<u>-</u>	<u>3,611,885</u>	<u>3,611,885</u>
Total other assets			
CAPITAL ASSETS			
Land, structures and equipment	-	21,559,675	21,559,675
Accumulated depreciation	-	(13,663,767)	(13,663,767)
	<u>-</u>	<u>7,895,908</u>	<u>7,895,908</u>
Total capital assets			
Total assets	<u>\$ 589,868</u>	<u>\$ 14,138,637</u>	<u>\$ 14,728,505</u>

	Special Business Activities	Enterprise Funds	Totals
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Current portion of notes payable	\$ -	\$ 68,068	\$ 68,068
Accounts payable			
Vendors	783	68,732	69,515
HUD	7,646	-	7,646
Accrued wages payable	-	8,962	8,962
Accrued compensated absences	5,138	10,058	15,196
Tenants security deposits	-	117,242	117,242
FSS escrow accounts	14,459	-	14,459
Accrued interest payable	-	27,289	27,289
Accrued payments in lieu of taxes	-	36,034	36,034
Interfund balances	-	446	446
Deferred revenues	336	65,181	65,517
Other	16,200	-	16,200
	<u>44,562</u>	<u>402,012</u>	<u>446,574</u>
Total current liabilities			
	<u>44,562</u>	<u>402,012</u>	<u>446,574</u>
LONG-TERM LIABILITIES			
Accrued compensated absences	46,245	90,518	136,763
Notes payable - net of current portion	-	2,147,981	2,147,981
	<u>46,245</u>	<u>2,238,499</u>	<u>2,284,744</u>
Total long-term liabilities			
	<u>46,245</u>	<u>2,238,499</u>	<u>2,284,744</u>
	<u>90,807</u>	<u>2,640,511</u>	<u>2,731,318</u>
Total liabilities			
	<u>90,807</u>	<u>2,640,511</u>	<u>2,731,318</u>
NET ASSETS			
Investment in capital assets - net of related debt	-	6,754,860	6,754,860
Restricted	14,459	213,604	228,063
Unrestricted	484,602	4,529,662	5,014,264
	<u>499,061</u>	<u>11,498,126</u>	<u>11,997,187</u>
Total net assets			
	<u>499,061</u>	<u>11,498,126</u>	<u>11,997,187</u>
Total liabilities and net assets	<u>\$ 589,868</u>	<u>\$ 14,138,637</u>	<u>\$ 14,728,505</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007

	Special Business Activities	Enterprise Funds	Totals
OPERATING REVENUES			
Dwelling rentals	\$ -	\$ 1,846,999	\$ 1,846,999
Excess utilities	-	18,284	18,284
Nondwelling rent	-	81,788	81,788
HUD PHA grants	5,312,303	1,861,904	7,174,207
Other government grants	-	319,964	319,964
Interest received from note receivable	-	260,891	260,891
Fraud recovery	28,695	7,320	36,015
Management fees	-	119,335	119,335
Other	43,925	242,152	286,077
	<u>5,384,923</u>	<u>4,758,637</u>	<u>10,143,560</u>
OPERATING EXPENSES			
Administrative	620,628	1,066,687	1,687,315
Tenant services	163,337	49,318	212,655
Utilities	-	513,695	513,695
Ordinary maintenance and operation	2,660	1,917,848	1,920,508
General expense	25,270	200,398	225,668
Nonroutine maintenance	-	-	-
Depreciation	-	573,984	573,984
Housing assistance payments	4,547,153	-	4,547,153
	<u>5,359,048</u>	<u>4,321,930</u>	<u>9,680,978</u>
	<u>25,875</u>	<u>436,707</u>	<u>462,582</u>
OPERATING GAIN			
NONOPERATING REVENUES (EXPENSES)			
Loss on disposition of fixed assets	-	(4,297)	(4,297)
Interest expense	-	(167,206)	(167,206)
Interest earned	564	79,278	79,842
	<u>564</u>	<u>(92,225)</u>	<u>(91,661)</u>
NET CHANGE IN ASSETS	<u>26,439</u>	<u>344,482</u>	<u>370,921</u>
NET ASSETS, BEGINNING OF YEAR	<u>472,622</u>	<u>11,153,644</u>	<u>11,626,266</u>
NET ASSETS, END OF YEAR	<u>\$ 499,061</u>	<u>\$ 11,498,126</u>	<u>\$ 11,997,187</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL BUSINESS ACTIVITIES
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2007
(With Comparative Totals for 2006)

	DEN-2477-02V	DEN-2044	ND014MR0001	Sisters Path	ND006C931185	Chronic Shelter	Totals	
	Section 8 Vouchers	Fraser Hall	SRO - Section 8	Supportive Housing	Shelter Plus Care	Plus Care	2007	2006
ASSETS								
Cash	\$ 530,300	\$ 8,707	\$ 10,953	\$ -	\$ -	\$ -	\$ 549,960	\$ 529,356
Accounts receivable								
HUD	5,000	-	-	-	-	-	5,000	20,356
Fraud	16,200	-	-	-	-	-	16,200	19,528
Other	1,432	-	-	-	-	-	1,432	-
Other Assets	2,817	-	-	-	-	-	2,817	-
Restricted assets	14,459	-	-	-	-	-	14,459	-
Interfund balances	-	-	-	-	-	-	-	20,356
Total assets	<u>\$ 570,208</u>	<u>\$ 8,707</u>	<u>\$ 10,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,868</u>	<u>\$ 589,596</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts payable - vendors	\$ 783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 783	\$ 8,812
Accounts payable - HUD	-	4,540	3,106	-	-	-	7,646	7,508
FSS escrow accounts	14,459	-	-	-	-	-	14,459	9,700
Accrued compensated absence	5,138	-	-	-	-	-	5,138	5,007
Interfund Balances	-	-	-	-	-	-	-	20,356
Deferred Revenue	336	-	-	-	-	-	336	1,000
Other	16,200	-	-	-	-	-	16,200	19,528
Total current liabilities	<u>36,916</u>	<u>4,540</u>	<u>3,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,562</u>	<u>71,911</u>
Accrued compensated absence	<u>46,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,245</u>	<u>45,063</u>
NET ASSETS								
Restricted	14,459	-	-	-	-	-	14,459	-
Unrestricted	472,588	4,167	7,847	-	-	-	484,602	472,622
Total net assets	<u>487,047</u>	<u>4,167</u>	<u>7,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>499,061</u>	<u>472,622</u>
Total liabilities and net assets	<u>\$ 570,208</u>	<u>\$ 8,707</u>	<u>\$ 10,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,868</u>	<u>\$ 589,596</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL BUSINESS ACTIVITIES
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007
(With Comparative Totals for 2006)

	DEN-2477-02V Section 8 Vouchers	DEN-2044 Fraser Hall	ND014MR0001 SRO - Section 8	Sisters Path Supportive Housing	ND006C931185 Shelter Plus Care	Chronic Shelter Plus Care	Totals	
							2007	2006
REVENUES								
HUD PHA grants	\$ 4,895,588	\$ 31,507	\$ 52,228	\$ 117,470	\$ 162,291	\$ 53,219	\$ 5,312,303	\$ 5,342,641
Fraud recovery	28,695	-	-	-	-	-	28,695	16,386
Other	11,209	-	-	-	32,716	-	43,925	26,160
Total revenues	4,935,492	31,507	52,228	117,470	195,007	53,219	5,384,923	5,385,187
EXPENDITURES								
Administrative	591,937	4,838	11,119	-	8,795	3,939	620,628	548,010
Tenant Services	45,867	-	-	117,470	-	-	163,337	149,470
Maintenance and operations	2,660	-	-	-	-	-	2,660	133,236
General expenses	1,348	-	-	-	23,922	-	25,270	62,653
Housing assistance payments	4,268,456	26,145	40,982	-	162,290	49,280	4,547,153	4,186,129
Total expenditures	4,910,268	30,983	52,101	117,470	195,007	53,219	5,359,048	5,079,498
OPERATING INCOME	25,224	524	127	-	-	-	25,875	305,689
NONOPERATING INCOME								
Interest	564	-	-	-	-	-	564	-
CHANGE IN NET ASSETS	25,788	524	127	-	-	-	26,439	305,689
NET ASSETS, BEGINNING OF YEAR	461,259	3,643	7,720	-	-	-	472,622	166,933
NET ASSETS, END OF YEAR	\$ 487,047	\$ 4,167	\$ 7,847	\$ -	\$ -	\$ -	\$ 499,061	\$ 472,622

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL BUSINESS ACTIVITIES
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007
(With Comparative Totals for 2006)

	DEN-2477-02V Section 8 Vouchers	DEN-2044 Fraser Hall	ND014MR001 SRO - Section 8	Sisters Path Supportive Housing	ND006C931185 Shelter Plus Care	Chronic Shelter Plus Care	Totals	
							2007	2006
OPERATING ACTIVITIES								
Receipts from tenants	\$ 38,447	\$ -	\$ -	\$ -	\$ 32,716	\$ -	\$ 71,163	\$ 24,988
HUD PHA grants	4,895,588	31,507	52,228	117,470	162,291	-	5,259,084	5,342,641
HAP payments	(4,268,456)	(26,145)	(40,982)		(162,290)	-	(4,497,873)	(4,186,129)
Payments to suppliers	(57,404)	(2,908)	3,007	(117,470)	(23,922)	-	(198,697)	(330,593)
Payments to employees	(594,188)	(4,838)	(11,119)	-	(8,795)	-	(618,940)	(540,797)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	13,987	(2,384)	3,134	-	-	-	14,737	310,110
NONCAPITAL FINANCING ACTIVITY								
Interfund balances	19,762	-	-	-	-	-	19,762	(14,505)
INVESTING ACTIVITY								
Investment income received	564	-	-	-	-	-	564	-
NET CHANGE IN CASH AND INVESTMENTS	34,313	(2,384)	3,134	-	-	-	35,063	295,605
CASH AND INVESTMENTS, BEGINNING OF YEAR	510,446	11,091	7,819	-	-	-	529,356	233,751
CASH AND INVESTMENTS, END OF YEAR	\$ 544,759	\$ 8,707	\$ 10,953	\$ -	\$ -	\$ -	\$ 564,419	\$ 529,356

(continued on next page)

SPECIAL BUSINESS ACTIVITIES
COMBINING STATEMENT OF CASH FLOWS – Page 2

	DEN-2477-02V Section 8 Vouchers	DEN-2044 Fraser Hall	ND014MR001 SRO - Section 8	Sisters Path Supportive Housing	ND006C931185 Shelter Plus Care	Chronic Shelter Plus Care	Totals	
							2007	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM (USED FOR) OPERATING ACTIVITIES								
Operating income	\$ 25,224	\$ 524	\$ 127	\$ -	\$ -	\$ -	\$ 25,875	\$ 305,689
Changes in assets and liabilities								
Other accounts receivable	(3,104)	-	-	-	-	-	(3,104)	383
Other assets	(2,817)	-	-	-	-	-	(2,817)	-
Accounts payable	(7,990)	(2,908)	3,007	-	-	-	(7,891)	16,153
Security deposits	4,689	-	-	-	-	-	4,689	(17,941)
Accrued compensated absences	1,313	-	-	-	-	-	1,313	7,114
Other liabilities	(3,328)	-	-	-	-	-	(3,328)	(1,288)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	\$ 13,987	\$ (2,384)	\$ 3,134	\$ -	\$ -	\$ -	\$ 14,737	\$ 310,110

FARGO HOUSING AND REDEVELOPMENT AUTHORITY

ENTERPRISE FUNDS

COMBINING STATEMENT OF NET ASSETS

DECEMBER 31, 2007

(With Comparative Totals for 2006)

	LOW RENT PUBLIC HOUSING			Totals	
	Low Rent	Capital Fund Program	General Business Activities	2007	2006
ASSETS					
Current Assets					
Cash	\$ 380,653	\$ -	\$ 487,129	\$ 867,782	\$ 501,523
Investments	1,010,397	-	38,327	1,048,724	999,956
Accounts receivable					
HUD	-	-	-	-	3,883
Tenants	38,658	-	23,726	62,384	54,310
Allowance for doubtful accounts- tenants	(12,308)	-	(3,889)	(16,197)	(34,814)
Fraud recovery	-	-	-	-	27,598
Other	562	-	26,616	27,178	31,660
Interest receivable on note receivables	-	-	326,251	326,251	236,434
Interfund balances	69	-	377	446	4,667
Other assets	-	-	2,929	2,929	1,010
Material and supplies	97,743	-	-	97,743	101,558
Total current assets	1,515,774	-	901,466	2,417,240	1,927,785
Restricted Assets					
Restricted cash	69,616	-	68,988	138,604	434,127
Restricted investments	75,000	-	-	75,000	75,000
Total restricted assets	144,616	-	68,988	213,604	509,127
Other assets					
Notes receivable	-	-	3,611,885	3,611,885	3,978,439
Capital Assets					
Land, structures and equipment	19,174,124	193,482	2,192,069	21,559,675	21,257,768
Accumulated depreciation	(13,249,053)	(36,625)	(378,089)	(13,663,767)	(13,103,675)
Total capital assets	5,925,071	156,857	1,813,980	7,895,908	8,154,093
Total assets	\$ 7,585,461	\$ 156,857	\$ 6,396,319	\$ 14,138,637	\$ 14,569,444

(continued on next page)

ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS – Page 2

	<u>LOW RENT PUBLIC HOUSING</u>				
	Low Rent	Capital Fund Program	General Business Activities	Totals	
				<u>2007</u>	<u>2006</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Current portion of long-term debt	\$ -	\$ -	\$ 68,068	\$ 68,068	\$ 63,669
Accounts payable - vendors	42,916	-	25,816	68,732	113,575
Accrued wages payable	7,503	-	1,459	8,962	10,543
Accrued compensated absences	8,985	-	1,073	10,058	9,395
Tenants security deposits	105,018	-	12,224	117,242	114,567
Accrued payments in lieu of taxes	24,063	-	11,971	36,034	59,630
Interest payable	-	-	27,289	27,289	26,950
Deferred revenues	12,180	-	53,001	65,181	211,903
Interfund balances	14	-	432	446	4,667
	<u>200,679</u>	<u>-</u>	<u>201,333</u>	<u>402,012</u>	<u>614,899</u>
Total current liabilities					
Accrued compensated absence	80,865	-	9,653	90,518	74,004
Notes payable	-	-	2,147,981	2,147,981	2,726,897
	<u>281,544</u>	<u>-</u>	<u>2,358,967</u>	<u>2,640,511</u>	<u>3,415,800</u>
Total liabilities					
NET ASSETS					
Investment in capital assets - net of related debt	5,925,071	156,857	672,932	6,754,860	7,273,527
Restricted	144,616	-	68,988	213,604	509,127
Unrestricted	1,234,230	-	3,295,432	4,529,662	3,370,990
	<u>7,303,917</u>	<u>156,857</u>	<u>4,037,352</u>	<u>11,498,126</u>	<u>11,153,644</u>
Total net assets					
Total liabilities and net assets	<u>\$ 7,585,461</u>	<u>\$ 156,857</u>	<u>\$ 6,396,319</u>	<u>\$ 14,138,637</u>	<u>\$ 14,569,444</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007
(With Comparative Totals for 2006)

	<u>LOW RENT PUBLIC HOUSING</u>			<u>Totals</u>	
	Low Rent	Capital Fund Program	General Business Activities	<u>2007</u>	<u>2006</u>
OPERATING REVENUES					
Dwelling rentals	\$ 1,427,356	\$ -	\$ 419,643	\$ 1,846,999	\$ 1,735,075
Excess utilities	18,284	-	-	18,284	17,022
Nondwelling rent	81,788	-	-	81,788	36,584
Other government grants	-	-	319,964	319,964	274,355
HUD PHA grant	801,516	1,060,388	-	1,861,904	1,005,114
Interest received from note receivable	-	-	260,891	260,891	254,526
Fraud recovery	7,320	-	-	7,320	21,814
Management fees	-	-	119,335	119,335	97,484
Other	110,663	-	131,489	242,152	393,815
Total revenues	2,446,927	1,060,388	1,251,322	4,758,637	3,835,789
OPERATING EXPENSES					
Administrative	820,235	62,967	183,485	1,066,687	741,298
Tenant services	38,842	-	10,476	49,318	188,717
Utilities	444,840	-	68,855	513,695	475,673
Ordinary maintenance and operation	771,409	996,331	150,108	1,917,848	1,050,345
General expense	152,712	-	47,686	200,398	193,207
Nonroutine maintenance	-	-	-	-	375,876
Depreciation	488,646	28,037	57,301	573,984	566,293
Total operating expenses	2,716,684	1,087,335	517,911	4,321,930	3,591,409
OPERATING INCOME (LOSS)	(269,757)	(26,947)	733,411	436,707	244,380

(continued on next page)

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS – Page 2

	<u>LOW RENT PUBLIC HOUSING</u>			<u>Totals</u>	
	Low Rent	Capital Fund Program	General Business Activities	<u>2007</u>	2006
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NONOPERATING REVENUES (EXPENSES)					
Loss on disposition of fixed assets	(4,297)	-	-	(4,297)	(786)
Interest expense	(1,078)	-	(166,128)	(167,206)	(213,936)
Interest earned	47,263	-	32,015	79,278	63,594
Total nonoperating revenues (expenses)	<u>41,888</u>	<u>-</u>	<u>(134,113)</u>	<u>(92,225)</u>	<u>(151,128)</u>
NET INCOME (LOSS)					
BEFORE TRANSFERS	(227,869)	(26,947)	599,298	344,482	93,252
TRANSFERS					
Interfund transfers in	97,104	-	158,446	255,550	1,279,241
Interfund transfers out	<u>(158,446)</u>	<u>(97,104)</u>	<u>-</u>	<u>(255,550)</u>	<u>(1,279,241)</u>
NET CHANGE IN ASSETS	(289,211)	(124,051)	757,744	344,482	93,252
NET ASSETS,					
BEGINNING OF YEAR	<u>7,593,128</u>	<u>280,908</u>	<u>3,279,608</u>	<u>11,153,644</u>	<u>11,060,392</u>
NET ASSETS , END OF YEAR	<u>\$ 7,303,917</u>	<u>\$ 156,857</u>	<u>\$ 4,037,352</u>	<u>\$ 11,498,126</u>	<u>\$ 11,153,644</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2007

	LOW RENT PUBLIC HOUSING			Total	
	Low Rent	Capital Fund Program	General Business Activities	2007	2006
OPERATING ACTIVITIES					
Receipts from tenants	\$ 1,652,092	\$ -	\$ 933,488	\$ 2,585,580	\$ 2,606,497
HUD PHA grants	801,516	859,778	-	1,661,294	1,001,231
Other government grants	-	-	319,964	319,964	274,355
Payments to suppliers	(1,448,991)	(996,331)	(221,514)	(2,666,836)	(2,278,781)
Payments to employees	(804,499)	(62,967)	(183,625)	(1,051,091)	(737,225)
Payments in lieu of taxes	(23,598)	-	2	(23,596)	(2,169)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	176,520	(199,520)	848,315	825,315	863,908
NONCAPITAL FINANCING ACTIVITIES					
Interfund transfers	(158,446)	-	158,446	-	-
Interfund balances	3,828	(4,545)	(1,093)	(1,810)	258,233
NET CASH FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(154,618)	(4,545)	157,353	(1,810)	258,233
CAPITAL AND RELATED FINANCING ACTIVITIES					
New debt issued	-	-	2,425,000	2,425,000	3,275,000
Principal payments	-	-	(2,999,517)	(2,999,517)	(3,667,140)
Proceeds from sale of assets	103	-	-	103	418,802
Interest expense	1,078	-	(165,744)	(164,666)	(212,148)
Acquisition of capital assets	(5,458)	-	(314,241)	(319,699)	(358,321)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(4,277)	-	(1,054,502)	(1,058,779)	(543,807)

(continued on next page)

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS – Page 2

	LOW RENT PUBLIC HOUSING			Total	
	Low Rent	Capital Fund Program	General Business Activities	2007	2006
INVESTING ACTIVITIES					
Notes issued	-	-	(2,568,446)	(2,568,446)	(3,797,000)
Principal payments notes receivable	-	-	2,935,000	2,935,000	3,945,072
Interest payments note receivable	-	-	(91,054)	(91,054)	(75,879)
Restricted assets	-	-	-	-	(179,297)
Investment income received	47,263	-	32,015	79,278	63,594
NET CASH FROM INVESTING ACTIVITIES	47,263	-	307,515	354,778	(43,510)
NET CHANGE IN CASH AND INVESTMENTS	64,888	(204,065)	258,681	119,504	534,824
CASH AND INVESTMENTS, BEGINNING OF YEAR	1,470,778	204,065	335,763	2,010,606	1,475,782
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,535,666</u>	<u>\$ -</u>	<u>\$ 594,444</u>	<u>\$ 2,130,110</u>	<u>\$ 2,010,606</u>
RECONCILIATION OF CASH AND INVESTMENTS					
Cash	\$ 450,269	\$ -	\$ 556,117	\$ 1,006,386	\$ 935,650
Investments	1,085,397	-	38,327	1,123,724	1,074,956
TOTALS	<u>\$ 1,535,666</u>	<u>\$ -</u>	<u>\$ 594,444</u>	<u>\$ 2,130,110</u>	<u>\$ 2,010,606</u>

(continued on next page)

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS – Page 3

	<u>LOW RENT PUBLIC HOUSING</u>				
	Low Rent	Capital Fund Program	General Business Activities	Totals	
				<u>2007</u>	<u>2006</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (269,757)	\$ (26,947)	\$ 733,411	\$ 436,707	\$ 244,380
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities					
Depreciation	488,646	28,037	57,301	573,984	566,293
Loss on disposition of capital assets	(4,297)	-	-	(4,297)	
Changes in assets and liabilities					
Accounts receivable	3,464	3,454	(2,557)	4,361	(6,689)
Other receivables	(205)	-	4,687	4,482	50,980
Material and supplies	3,815	-	-	3,815	1,153
Other assets	-	-	-	-	(3,207)
Accounts payable	(48,917)	-	4,074	(44,843)	25,975
Accrued wages	7,503	-	1,459	8,962	266
Accrued compensated absences	8,233	-	(1,599)	6,634	5,535
Payments in lieu of taxes	(23,598)	-	2	(23,596)	(30,127)
Deferred revenue	7,719	(204,064)	52,776	(143,569)	1,796
Security deposits	3,914	-	(1,239)	2,675	7,553
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 176,520</u>	<u>\$ (199,520)</u>	<u>\$ 848,315</u>	<u>\$ 825,315</u>	<u>\$ 863,908</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
GENERAL BUSINESS ACTIVITIES
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2007
(With Comparative Totals for 2006)

	SRO	Graver	Colonial	Dakota	Supportive	Burrell	General	Totals	
	Public Housing	Annex	Manor II	Life	Housing	Apartments	Business Fund	2007	2006
ASSETS									
CURRENT ASSETS									
Cash	\$ 21,179	\$ (59,915)	\$ 76,272	\$ 26,798	\$ 127,855	\$ 79,113	\$ 215,827	\$ 487,129	\$ 299,072
Investments	-	-	-	-	-	-	38,327	38,327	36,691
Accounts receivable - tenants	1,725	339	5,439	-	3,248	11,960	1,015	23,726	19,240
Allowance for doubtful accounts- tenants	(1,487)	(108)	(75)	-	-	(1,804)	(415)	(3,889)	(1,960)
Other accounts receivable	-	-	-	-	-	-	26,616	26,616	31,303
Interest receivable on note receivables	-	-	-	-	-	-	326,251	326,251	236,434
Other assets	-	-	-	-	-	1,692	1,237	2,929	1,010
Interfund balances	-	3	3	-	-	8	363	377	784
Total current assets	<u>21,417</u>	<u>(59,681)</u>	<u>81,639</u>	<u>26,798</u>	<u>131,103</u>	<u>90,969</u>	<u>609,221</u>	<u>901,466</u>	<u>622,574</u>
OTHER ASSETS									
Restricted cash	-	-	-	-	-	-	68,988	68,988	-
Note receivable	-	-	-	-	-	-	3,611,885	3,611,885	3,978,439
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,680,873</u>	<u>3,680,873</u>	<u>3,978,439</u>
CAPITAL ASSETS									
Land, structures and equipment	67,180	329,902	222,618	72,104	314,298	783,284	402,683	2,192,069	1,877,828
Accumulated depreciation	(23,694)	(42,062)	(28,045)	(19,289)	(96,222)	(140,975)	(27,802)	(378,089)	(320,786)
Total capital assets	<u>43,486</u>	<u>287,840</u>	<u>194,573</u>	<u>52,815</u>	<u>218,076</u>	<u>642,309</u>	<u>374,881</u>	<u>1,813,980</u>	<u>1,557,042</u>
Total assets	<u>\$ 64,903</u>	<u>\$ 228,159</u>	<u>\$ 276,212</u>	<u>\$ 79,613</u>	<u>\$ 349,179</u>	<u>\$ 733,278</u>	<u>\$ 4,664,975</u>	<u>\$ 6,396,319</u>	<u>\$ 6,158,055</u>

(continued on next page)

**GENERAL BUSINESS ACTIVITIES
COMBINING STATEMENT OF NET ASSETS – Page 2**

	SRO	Graver Annex	Colonial Manor II	Dakota Life	Supportive Housing	Burrell Apartments	General Business Activities	Totals	
	Public Housing							2007	2006
LIABILITIES AND NET ASSETS									
LIABILITIES									
Current Liabilities									
Current portion of long-term debt	\$ -	\$ 24,299	\$ 8,175	\$ -	\$ -	\$ 35,594	\$ -	\$ 68,068	\$ 63,669
Accounts payable - vendors	3,282	2,339	259	1	576	1,336	18,023	25,816	21,742
Accrued wages payable	78	72	88	-	-	295	926	1,459	1,725
Accrued compensated absences	-	-	-	-	-	-	1,073	1,073	1,233
Security deposits	4,400	1,208	1,283	1,000	1,172	2,830	331	12,224	13,463
Payment in lieu of taxes	-	1,849	2,527	-	-	7,595	-	11,971	11,969
Interest payable	-	-	397	-	-	-	26,892	27,289	26,950
Deferred revenue	176	1	52,812	-	12	-	-	53,001	648
Interfund balances	-	12	136	36	34	145	69	432	784
Total current liabilities	<u>7,936</u>	<u>29,780</u>	<u>65,677</u>	<u>1,037</u>	<u>1,794</u>	<u>47,795</u>	<u>47,314</u>	201,333	142,183
Accrued compensated absences	-	-	-	-	-	-	9,653	9,653	9,367
Notes payable	-	196,734	205,189	-	-	346,058	1,400,000	2,147,981	2,726,897
Total liabilities	<u>7,936</u>	<u>226,514</u>	<u>270,866</u>	<u>1,037</u>	<u>1,794</u>	<u>393,853</u>	<u>1,456,967</u>	2,358,967	2,878,447
NET ASSETS									
Investment in capital									
assets - net of related debt	43,486	66,807	(18,791)	52,815	218,076	260,657	49,882	672,932	676,476
Restricted	-	-	-	-	-	-	68,988	68,988	-
Unrestricted	<u>13,481</u>	<u>(65,162)</u>	<u>24,137</u>	<u>25,761</u>	<u>129,309</u>	<u>78,768</u>	<u>3,089,138</u>	3,295,432	2,603,132
Total net assets	<u>56,967</u>	<u>1,645</u>	<u>5,346</u>	<u>78,576</u>	<u>347,385</u>	<u>339,425</u>	<u>3,208,008</u>	4,037,352	3,279,608
Total liabilities and net assets	<u>\$ 64,903</u>	<u>\$ 228,159</u>	<u>\$ 276,212</u>	<u>\$ 79,613</u>	<u>\$ 349,179</u>	<u>\$ 733,278</u>	<u>\$ 4,664,975</u>	\$ 6,396,319	<u>\$ 6,158,055</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
GENERAL BUSINESS ACTIVITIES
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007
(With Comparative Totals for 2006)

	SRO	Graver Annex	Colonial Manor II	Dakota Life	Supportive Housing	Burrell Apartments	General Business Activities	Totals	
	Public Housing							2007	2006
OPERATING REVENUES									
Dwelling rent	\$ 83,199	\$ 51,095	\$ 60,498	\$ 11,473	\$ 32,268	\$ 168,988	\$ 12,122	\$ 419,643	\$ 395,280
Nondwelling rent	-	-	-	-	-	-	-	-	35
Other government grants	-	-	-	-	-	-	319,964	319,964	274,355
Interest received from note receivable	-	-	-	-	-	-	260,891	260,891	254,526
Management fees	-	-	-	-	-	-	119,335	119,335	97,484
Other	507	332	406	249	-	3,119	126,876	131,489	191,827
Total operating revenues	83,706	51,427	60,904	11,722	32,268	172,107	839,188	1,251,322	1,213,507
OPERATING EXPENSES									
Administrative	12,902	7,111	7,625	1,856	4,879	25,486	123,626	183,485	234,405
Tenant services	476	-	-	-	-	-	10,000	10,476	149,589
Utilities	31,386	13,142	4,483	2,162	96	17,268	318	68,855	68,225
Ordinary maintenance and operation	24,803	8,841	14,963	6,007	1,861	43,201	50,432	150,108	193,438
General expense	5,671	5,753	5,121	937	1,402	14,767	14,035	47,686	35,919
Nonroutine maintenance	-	-	-	-	-	-	-	-	29,634
Depreciation	2,441	8,998	5,609	1,841	7,789	20,467	10,156	57,301	54,400
Total operating expenses	77,679	43,845	37,801	12,803	16,027	121,189	208,567	517,911	765,610
OPERATING INCOME (LOSS)	6,027	7,582	23,103	(1,081)	16,241	50,918	630,621	733,411	447,897
NONOPERATING REVENUE (EXPENSES)									
Interest income	278	-	531	709	3,014	2,616	24,867	32,015	24,805
Interest expense	(19)	(7,665)	(9,711)	(11)	(15)	(24,516)	(124,191)	(166,128)	(213,056)
Total nonoperating revenue (expenses)	259	(7,665)	(9,180)	698	2,999	(21,900)	(99,324)	(134,113)	(188,251)
INTERFUND TRANSFERS	-	-	-	-	-	-	158,446	158,446	857,360
CHANGE IN NET ASSETS	6,286	(83)	13,923	(383)	19,240	29,018	689,743	757,744	1,117,006
NET ASSETS (DEFICIT), BEGINNING OF YEAR	50,681	1,728	(8,577)	78,959	328,145	310,407	2,518,265	3,279,608	2,162,602
NET ASSETS, END OF YEAR	\$ 56,967	\$ 1,645	\$ 5,346	\$ 78,576	\$ 347,385	\$ 339,425	\$ 3,208,008	\$ 4,037,352	\$ 3,279,608

FARGO HOUSING AND REDEVELOPMENT AUTHORITY

GENERAL BUSINESS ACTIVITIES

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2007

(With Comparative Totals for 2006)

	SRO	Graver Annex	Colonial Manor II	Dakota Life	Supportive Housing	Burrell Apartments	General Business Activities	Totals	
	Public Housing							2007	2006
OPERATING ACTIVITIES									
Receipts from tenants	\$ 84,686	\$ 52,034	\$ 55,727	\$ 11,722	\$ 30,136	\$ 175,622	\$ 523,561	\$ 933,488	\$ 988,449
Other government grants	-	-	-	-	-	-	319,964	319,964	274,355
Payments to suppliers	(60,258)	(29,521)	28,439	(9,477)	(3,770)	(75,656)	(71,271)	(221,514)	(471,768)
Payments to employees	(12,824)	(7,039)	(7,537)	(1,856)	(4,879)	(25,191)	(124,299)	(183,625)	(230,332)
Payments in lieu of taxes	-	(398)	200	-	-	200	-	2	300
NET CASH FROM									
OPERATING ACTIVITIES	11,604	15,076	76,829	389	21,487	74,975	647,955	848,315	561,004
NONCAPITAL FINANCING ACTIVITIES									
Interfund transfers	-	-	-	-	-	-	158,446	158,446	857,360
Interfund balances	(451)	188	390	121	34	(792)	(583)	(1,093)	91,004
NET CASH FROM									
(USED FOR) NONCAPITAL FINANCING ACTIVITIES	(451)	188	390	121	34	(792)	157,863	157,353	948,364
CAPITAL AND RELATED FINANCING ACTIVITIES									
New debt issued	-	-	-	-	-	-	2,425,000	2,425,000	3,275,000
Principal payments	-	(22,871)	(8,175)	-	-	(33,471)	(2,935,000)	(2,999,517)	(3,667,140)
Interest on long term debt	-	(7,665)	(9,696)	-	-	(24,516)	(123,867)	(165,744)	(213,028)
Acquisition of capital assets	-	-	-	-	-	(661)	(313,580)	(314,241)	(82,587)
NET CASH USED FOR									
CAPITAL AND RELATED FINANCING ACTIVITIES	-	(30,536)	(17,871)	-	-	(58,648)	(947,447)	(1,054,502)	(687,755)

(continued on next page)

GENERAL BUSINESS ACTIVITIES
COMBINING STATEMENT OF CASH FLOWS – Page 2

	SRO Public Housing	Graver Annex	Colonial Manor II	Dakota Life	Supportive Housing	Burrell Apartments	General Business Activities	Total	
								2007	2006
INVESTING ACTIVITIES									
Notes issued	-	-	-	-	-	-	(2,568,446)	(2,568,446)	(3,797,000)
Principal payments notes receivable	-	-	-	-	-	-	2,935,000	2,935,000	3,214,183
Interest payments note receivable	-	-	-	-	-	-	(91,054)	(91,054)	(75,879)
Investment income received	278	-	531	709	3,014	2,616	24,867	32,015	24,805
NET CASH FROM INVESTING ACTIVITIES	278	-	531	709	3,014	2,616	300,367	307,515	(633,891)
NET CHANGE IN CASH AND INVESTMENTS	11,431	(15,272)	59,879	1,219	24,535	18,151	158,738	258,681	187,722
CASH AND INVESTMENTS, BEGINNING OF YEAR	9,748	(44,643)	16,393	25,579	103,320	60,962	164,404	335,763	148,041
CASH AND INVESTMENTS, END OF YEAR	\$ 21,179	\$ (59,915)	\$ 76,272	\$ 26,798	\$ 127,855	\$ 79,113	\$ 323,142	\$ 594,444	\$ 335,763
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED FOR) OPERATING ACTIVITIES									
Operating income (loss)	\$ 6,027	\$ 7,582	\$ 23,103	\$ (1,081)	\$ 16,241	\$ 50,918	\$ 630,621	\$ 733,411	\$ 447,897
Adjustments to reconcile operating income to net cash from operating activities									
Depreciation	2,441	8,998	5,609	1,841	7,789	20,467	10,156	57,301	54,400
Changes in assets and liabilities									
Accounts receivable - tenants	980	607	(5,177)	-	(2,132)	3,515	(350)	(2,557)	(9,331)
Other accounts receivable	-	-	-	-	-	-	4,687	4,687	58,114
Accounts payable	1,478	(1,728)	140	(396)	567	149	3,864	4,074	5,534
Security deposits	600	(57)	90	25	(978)	(569)	(350)	(1,239)	(11)
Accrued wages payable	78	72	88	-	-	295	926	1,459	234
Accrued compensated absences	-	-	-	-	-	-	(1,599)	(1,599)	2,079
Payments in lieu of taxes	-	(398)	200	-	-	200	-	2	292
Deferred revenue	-	-	52,776	-	-	-	-	52,776	1,796
NET CASH FROM OPERATING ACTIVITIES	\$ 11,604	\$ 15,076	\$ 76,829	\$ 389	\$ 21,487	\$ 74,975	\$ 647,955	\$ 848,315	\$ 561,004

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
BURRELL APARTMENTS
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	<u>2007</u>	<u>2006</u>
ASSETS		
Current Assets		
Cash	\$ 79,113	\$ 60,962
Accounts receivable		
Tenants	11,960	14,550
Allowance for doubtful accounts- tenants	(1,804)	(879)
Due from other funds	8	-
Other assets	<u>1,692</u>	<u>1,010</u>
Total current assets	<u>90,969</u>	<u>75,643</u>
Capital assets		
Land, structure and equipment	783,284	782,623
Less accumulated depreciation	<u>(140,975)</u>	<u>(120,507)</u>
Total assets	<u>\$ 733,278</u>	<u>\$ 737,759</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Current portion of long-term debt	\$ 35,594	\$ 33,551
Accounts payable	1,336	1,187
Accrued wages payable	295	-
Tenants security deposits	2,830	3,399
Payment in lieu of taxes	7,595	7,395
Interfund balances	<u>145</u>	<u>248</u>
Total current liabilities	47,795	45,780
Revenue bonds payable	<u>346,058</u>	<u>381,572</u>
Total liabilities	<u>393,853</u>	<u>427,352</u>
NET ASSETS		
Investment in capital assets - net of related debt	260,657	246,993
Unrestricted	<u>78,768</u>	<u>63,414</u>
Total net assets	<u>339,425</u>	<u>310,407</u>
Total liabilities and net assets	<u>\$ 733,278</u>	<u>\$ 737,759</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
BURRELL APARTMENTS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEARS ENDED DECEMBER 31, 2007

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES		
Dwelling rentals	\$ 168,988	\$ 154,705
Other	<u>3,119</u>	<u>6,911</u>
Total operating revenues	<u>172,107</u>	<u>161,616</u>
OPERATING EXPENSES		
Administrative	25,486	34,347
Utilities	17,268	15,511
Ordinary maintenance and operation	43,201	39,584
General expense	14,767	16,313
Interest expense	24,516	26,371
Depreciation	<u>20,467</u>	<u>20,381</u>
Total operating expenses	<u>145,705</u>	<u>152,507</u>
NONOPERATING REVENUE		
Interest	<u>2,616</u>	<u>3,005</u>
CHANGE IN NET ASSETS	29,018	12,114
NET ASSETS, BEGINNING OF YEAR	<u>310,407</u>	<u>298,293</u>
NET ASSETS, END OF YEAR	<u>\$ 339,425</u>	<u>\$ 310,407</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF CAPITAL FUND PROGRAM - UNCOMPLETED
UNCOMPLETED AT

	Grant Year 2007	Grant Year 2006	Grant Year 2005	Totals
Funds approved	\$ 842,210	\$ 895,562	\$ 937,061	\$ 2,674,833
Funds expended	<u>1,944</u>	<u>662,181</u>	<u>937,061</u>	<u>1,601,186</u>
Excess of funds approved	<u>\$ 840,266</u>	<u>\$ 233,381</u>	<u>\$ -</u>	<u>\$ 1,073,647</u>
Funds advanced	\$ 1,944	\$ 662,181	\$ 937,061	\$ 1,601,186
Funds expended	<u>1,944</u>	<u>662,181</u>	<u>937,061</u>	<u>1,601,186</u>
Excess of funds advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED

<u>Federal Grants</u>	<u>Federal CFDA Number</u>	<u>Grant Contract Number</u>	<u>Federal Expenditures</u>
Direct programs			
Department of Housing and Urban Development			
Low-Income			
SRO-Sec. 8	14.249	ND014MR0001	\$ 52,101
Section 8 - Rehab	14.197	DEN-2044	<u>30,983</u>
Subtotal			83,084
LRPH			
Operating subsidy	14.850	DEN-075	801,516
Capital Fund Program	14.872	DEN-075	1,059,726
Supportive Housing for People with Disabilities	14.181	DEN-075	117,470
Section 8 - Voucher	14.871	DEN-2477-027V	4,865,142
Resident Opportunity and Supportive Services	14.870	DEN-075	-
Shelter Plus Care	14.238	ND00C93-1185	<u>224,304</u>
Total expenditures of federal awards			<u>\$ 7,151,242</u>

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting.



CPAs & BUSINESS ADVISORS

**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***

The Board of Commissioners
Fargo Housing and Redevelopment Authority
Fargo, North Dakota

We have audited the financial statements of the **Fargo Housing and Redevelopment Authority** as of and for the year ended December 31, 2007, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated September 23, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Fargo Housing and Redevelopment Authority's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority’s financial statements that is more than inconsequential will be not be prevented or detected by the entity’s internal control. We considered deficiency 07-1 and 07-2, described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 07-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Fargo Housing and Redevelopment Authority's** financial statements are free of 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*.

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eric Bailey" followed by a stylized flourish.

Fargo, North Dakota
September 23, 2008



CPAs & BUSINESS ADVISORS

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

The Board of Commissioners
Fargo Housing and Redevelopment Authority
Fargo, North Dakota

Compliance

We have audited the compliance of **Fargo Housing and Redevelopment Authority** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. **Fargo Housing and Redevelopment Authority's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **Fargo Housing and Redevelopment Authority's** management. Our responsibility is to express an opinion on **Fargo Housing and Redevelopment Authority's** compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Fargo Housing and Redevelopment Authority'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. Our audit does not provide a legal determination on **Fargo Housing and Redevelopment Authority's** compliance with those requirements.

In our opinion, **Fargo Housing and Redevelopment Authority** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of **Fargo Housing and Redevelopment Authority** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered **Fargo Housing and Redevelopment Authority's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the **Fargo Housing and Redevelopment Authority's** internal control over compliance.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weaknesses, as defined above.

This report is intended solely for the information and use of the board of commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eric Bailey" followed by a stylized flourish.

Fargo, North Dakota
September 23, 2008

FARGO HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2007

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of **Fargo Housing and Redevelopment Authority**.
1. Two control deficiencies were disclosed during the audit of the financial statements reported in the Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. See finding 07-1, a material weakness, and 07-2, a significant deficiency.
3. No instances of noncompliance material to the financial statements of the **Fargo Housing and Redevelopment Authority** were disclosed during the audit.
4. No control deficiencies were reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Controls over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the **Fargo Housing and Redevelopment Authority** expresses an unqualified report.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in Part C. of the schedule.
7. The program tested as major program was: Department of Housing and Urban Development, Section 8 Rental Voucher Program CFDA 14.871.
8. The threshold for distinguishing a Type A program was \$300,000.
9. **Fargo Housing and Redevelopment Authority** was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weakness

07-1 Segregation of Duties

Condition: The Fargo Housing and Redevelopment Authority does not have enough staff to adequately separate duties in related liabilities and general ledger maintenance and reconciliation.

Criteria: A good system of internal control requires an adequate segregation of duties so that no one individual has incompatible responsibilities. No one person should have more than one duty relating to the authorization (approval), custody of assets (check signers), record keeping and reconciliation functions.

Effect: Inadequate segregation of duties could adversely affect the Fargo Housing and Redevelopment Authority's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Cause: There is a limited amount of office employees involved in the internal control process.

Recommendation: While we recognize that your staff may not be large enough to permit complete segregation of duties in all material respects for an effective system of internal control, the functions should be reviewed to determine if additional segregation of duties is feasible and to improve the efficiency and effectiveness of financial management and financial statement accuracy for the Fargo Housing and Redevelopment Authority. Segregation of authorization, custody of assets, record keeping and reconciliation functions would assist in mitigating the risk of fraud or misstatements to the financial statements.

Response: Due to cost constraints, the Fargo Housing and Redevelopment Authority feels that the cost of hiring additional staff would not be significantly beneficial. The Fargo Housing and Redevelopment mitigates this situation through action of the Board of Commissioners and oversight by management.

Significant Deficiency

07-2 Preparation of Financial Statements

Criteria: A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements.

Condition: The Fargo Housing and Redevelopment Authority does not have an internal control system designed to provide for the preparation of the financial statements being audited. As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause: Due to cost constraints, the Fargo Housing and Redevelopment Authority will not spend the additional resources necessary to ensure account is up-to-date on new and changing accounting principals.

Effect: This control deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation: This circumstance is not unusual for an organization of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Response: Due to cost constraints, the Fargo Housing and Redevelopment Authority will continue to have the auditor's draft the financial statements and accompanying notes to the financial statements.

C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT - none

**FARGO HOUSING AND
REDEVELOPMENT AUTHORITY**

Attachment H

Question #7

Mixed Finance/Disposition

The Housing and Redevelopment Authority of the City of Fargo (HRA) proposes a major rehabilitation of project ND14-1, its 249 unit - Lashkowitz High-Rise. The building was put into service in February of 1971 and has enjoyed a near 100% occupancy since it opened; it's a needed and high-use facility serving both elderly and disabled clients. Disposition of this project has been in both the HRA's 5 year plans and the City's Comprehensive Plan for several years.

The Lashkowitz building is in an ideal location for its tenants; within walking distance of all essential services and overlooking a park and the Red River of the North on one side and the downtown Fargo CBD on the other and, the city bus service comes directly to the front door. The building is severely distressed though, due to both functional and physical deterioration. The units are quite small by current standards, with an average square footage of 368 square feet and, the site has only 80 off-street parking stalls available. These two facts argue for a floor-plan reconfiguration and a combining of units to bring the total number down to 205 and bring the average unit size up to 447 square feet. All units are one-bedroom. The newly modernized building will then have 123 units of Public Housing with the remaining 82 units as LIHTC affordable – some new community support office and recreation spaces are also a part of the project. The HRA plans to project base up to 82 vouchers to the building so that the current population will continue to be served.

The LIHTC program continues to put affordable units on-line in the community and the general plan and intention is to place as many of the now floating 125 PH subsidies into new LIHTC units, at whatever level of absorption is financially workable.

The physical deterioration and condition of the mechanical systems in the project is most urgent. The cast iron waste lines and vent stacks are literally crumbling and are continually developing leaks of varying levels of severity. It is not uncommon to trace a leak back up through several floors before finding the source. A current plumbing repair which is dealing with only one leak involves vacating 10 units for up to 150 days, opening up the walls, doing the required asbestos abatement and, in the process, running up a cost of near \$70,000 – for just one of many (leaks) we have seen and expect to deal with until such time when the systemic problem is addressed. The feed lines are also in need of replacement as they are severely calcified and constricted. Coupled with these issues is the need to upgrade the boilers and the requirement of asbestos abatement throughout. With the level of wall removal called for to address the plumbing issue - we can take it just a little further and get needed wall insulation in also, so, the building requires a near gut rehab. The 40 year old kitchen cabinets will be replaced and the worn and dated bathroom fixtures will be replaced with water saving fixtures. The estimated cost of a rehab is approaching the cost of new construction. Due to the site advantages of the project, the difficulty of finding comparable real-estate available for new construction, plus the inherent green advantages of rehab versus new construction: we believe a rehab is still a better option than replacement of the project. The building is 22 stories with lift slab construction on a steel infrastructure, it is structurally very sound.

Due to the limited amount of Low Income Housing Tax Credits available to our low population State, the project is not a candidate for a 9% LIHTC overhaul due to it would require over one half the State's annual credit allocation and, the QAP for the LIHTC program restricts any one developer to 25% of the available credits.

A 4% credit allocation will provide the majority of leverage capital needed to match the competitive capital funds. These two major components will be layered in with tax exempt bond issue proceeds, a portion of the HRA's formula capital funds, a contribution of CDBG funds through the city and, soft loans from the HRA and its affiliate non-profit developer; Beyond Shelter Inc., to complete the financing for the project.

A "rolling rehab" is designed which requires isolating and vacating 60 units at a time and rotating the balance of tenants between units. A relocation plan budgets for this and is a part of the TDC. Tenants will be informed of project plans and receive written notices within 30 days of notification of the award of capital funds. Up to 43 tenants will be unable to return to the building due to the reduction in total unit count. All tenants will have the option of permanent relocation to off-site housing with a S-8 Voucher and assistance in locating alternative housing.

The HRA has completed the procurement process to hire the 501(C)(3) affordable housing development firm of Beyond Shelter Inc. (BSI) as the primary project developer, BSI in turn retains the firm of Winthrop & Weinstein for general counsel and issues related to real estate matters, the firm of Pepper Hamilton LLP to assist with overall project oversight, assistance with bond issue and placement and LIHTC placement and, to assist with interpretation of HUD and IRS policy and interaction with staff. A to be named financial consultant with mixed finance and HOPE VI project experience will be retained to provide oversight of and direct assistance with all financial projections and reporting – discussions have been held with several prospects. The North Dakota Housing Finance Agency has agreed to issuance of the tax-exempt bond. The independent accounting firm of Eide Bailly will provide cost certifications, annual audits and IRS reports. The firm of Anderson Architecture PC has been procured to be the general architect for the project and, they will also provide construction management. The HRA shares general legal counsel with the City of Fargo. The HRA has significant and long term experience with management of LIHTC (and PH) properties and, will be the contract property manager. In addition, the HRA will manage the tenant relocation process.

Due to lack of ARRA funding the finance package is not yet complete and the relocation schedule will be forth coming at that time.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 4/30/2011

Part I: Summary PHA Name: Fargo Housing & Redevelopment Authority PO Box 430, 325 Broadway Fargo, ND 58102-4714	Grant Type and Number Capital Fund Program Grant No: ND0SP014501-10 Replacement Housing Factor Grant No: Date of CFFP: 09/03/2009	FFY of Grant: 2010 FFY of Grant Approval:
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Line	Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: Summary by Development Account	Original	Total Estimated Cost	Revised ²	Obligated	Total Actual Cost ¹ Expended
1	Total non-CFP Funds					
2	1406 Operations (may not exceed 20% of line 21) ³	16,500				
3	1408 Management Improvements					
4	1410 Administration (may not exceed 10% of line 21)	91,122				
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs	56,907				
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures	657,168				
11	1465.1 Dwelling Equipment—Nonexpendable	71,000				
12	1470 Non-dwelling Structures					
13	1475 Non-dwelling Equipment	18,524				
14	1485 Demolition					
15	1492 Moving to Work Demonstration					
16	1495.1 Relocation Costs					
17	1499 Development Activities ⁴					

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here.

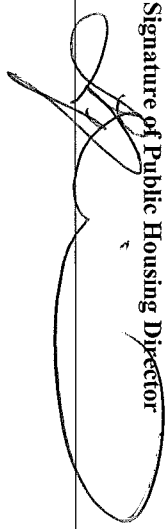
Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 4/30/2011

Part I: Summary		FFY of Grant: 2010	
PHA Name: Fargo Housing & Redevelopment Authority PO Box 430, 325 Broadway Fargo, ND 58102-4714		Grant Type and Number Capital Fund Program Grant No: ND05P014501-10 Replacement Housing Factor Grant No: Date of CFPP: 9/03/2009	
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report	

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	911,221			
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director Lynn Fundingsland
 Date 10/09/2009

Signature of Public Housing Director  Date 10.13.09

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFPP Grants for operations.
⁴ RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 4/30/2011

Part II: Supporting Pages

PHA Name: Fargo Housing & Redevelopment Authority
 PO Box 430, 325 Broadway
 Fargo, ND 58102-4714

Grant Type and Number
 Capital Fund Program Grant No: ND0SP014501-10
 CFFP (Yes/ No): No
 Replacement Housing Factor Grant No:

Federal FFY of Grant: 2010

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
ND0SP011401	Apartment/Hallway Rehab.	1460	5,000					
	Parking Lot Rehab.	1460	5,500					
	Appliances	1465.1	4,500					
	Penthouse Sealing	1460	1,500					
	Exterior Improvements	1460	5,000					
	Interior Improvements	1460	15,000					
	HVAC Improvements	1465.1	6,500					
	Lawn Maintenance Equipment	1475	500					
	Electrical Service Improvements	1460	7,500					
	Apartment/Hallway Rehab	1460	4,500					
ND0SP011402	Closet Doors	1460	105,000					
	Apartment Flooring	1460	3,500					
	Appliances	1465.1	4,500					
	Exterior Improvements	1460	11,000					
	Interior Improvements	1460	15,000					
	HVAC Improvements	1465.1	12,500					
	Lawn Maintenance Equipment	1475	1,500					
	Flooring	1460	5,000					
	Appliances	1465.1	1,500					
	ND0SP011403							

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

² To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
Expires 4/30/2011

Part II: Supporting Pages
 PHA Name: Fargo Housing & Redevelopment Authority
 PO Box 430, 325 Broadway
 Fargo, ND 58102-4714

Grant Type and Number
 Capital Fund Program Grant No: ND0SP014501-10
 CFFP (Yes/ No): No
 Replacement Housing Factor Grant No:

Federal FFY of Grant: 2010

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
ND0SP011403	Walkway/Driveway Rehab.	1460		2,000				
	Basement Repairs	1460		1,500				
	Exterior Improvements	1460		3,500				
	Interior Improvements	1460		210,000				
	Lawn Maintenance Equipment	1475		19,500				
ND0SP011404	Flooring	1460		8,500				
	Appliances	1465.1		4,500				
	Exterior Improvements	1460		8,500				
	Interior Improvements	1460		22,000				
	Bathroom Im,provements	1460		40,000				
ND0SP011405	Flooring	1460		2,500				
	Appliances	1465.1		4,500				
	Exterior Improvements	1460		1,000				
	Interior Improvements	1460		1,000				
	Bathroom Im,provements	1460		11,000				
ND0SP011406	Flooring	1460		12,500				
	Appliances	1465.1		2,500				
	Exterior Improvements	1460		10,000				
	Interior Improvements	1460		93,418				

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 4/30/2011

Part III: Implementation Schedule for Capital Fund Financing Program

PHA Name: Fargo Housing & Redevelopment Authority PO Box 430, 325 Broadway
 Fargo, ND 58102-4714

Federal FFY of Grant: 2010

Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
ND0SP011401	10/06/2011		10/06/2013		
ND0SP011402	10/06/2011		10/06/2013		
ND0SP011403	10/06/2011		10/06/2013		
ND0SP011404	10/06/2011		10/06/2013		
ND0SP011405	10/06/2011		10/06/2013		
ND0SP011406	10/06/2011		10/06/2013		
ND0SP011407	10/06/2011		10/06/2013		
PHA Wide	10/06/2011		10/06/2013		

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Capital Fund Program—Five-Year Action Plan

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 Expires 4/30/20011

Part I: Summary

PHA Name/Number		Locality (City/County & State)			<input checked="" type="checkbox"/> Original 5-Year Plan <input type="checkbox"/> Revision No:	
Development Number and Name Fargo Housing & Redevelopment Authority	Work Statement for Year 1 FFY 2010	Work Statement for Year 2 FFY 2011	Work Statement for Year 3 FFY 2012	Work Statement for Year 4 FFY 2013	Work Statement for Year 5 FFY 2014	
B. Physical Improvements Subtotal	706,128	706,128	741,528	706,128	741,528	
C. Management Improvements						
D. PHA-Wide Non-dwelling Structures and Equipment	85,500	85,500	51,000	85,500	51,000	
E. Administration	91,569	91,569	91,569	91,569	91,569	
F. Other	13,000	13,000	12,000	13,000	12,000	
G. Operations	19,500	19,500	19,500	19,500	19,500	
H. Demolition						
I. Development						
J. Capital Fund Financing - Debt Service						
K. Total CFP Funds	915,697	915,697	915,697	915,697	915,697	
L. Total Non-CFP Funds						
M. Grand Total						

Capital Fund Program—Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/20011

Part II: Supporting Pages – Physical Needs Work Statement(s)

Work Statement for Year 1 FFY	Work Statement for Year 2011			Work Statement for Year 2012			Work Statement for Year 2013		
	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost
See Appendix Statement	ND0SP014501	Apt/Hallway Rehab Flooring Appliances	8,000 2,000 2,000	ND0SP014501	Apt/Hallway Rehab Flooring Appliances	35,000 3,500 2,000	ND0SP014501	Apt/Hallway Rehab Flooring Appliances	45,000 65,000 68,000
	ND0SP014502	Security Improvements Closet Doors Flooring	10,000 70,000 5,500	ND0SP014502	Security Improvements Closet Doors Flooring	2,000	ND0SP014502	Security Improvements Closet Doors Flooring	2,000
		Appliances	4,000		Appliances	2,500		Appliances	2,500
		Apt/Hallway Rehab	25,000		Apt/Hallway Rehab	147,508		Apt/Hallway Rehab	40,000
		Service Vehicle	26,000		Service Vehicle	40,000		Service Vehicle	40,000
		Interior Improvements	40,000		Interior Improvements	10,000		Interior Improvements	10,000
		Exterior Improvements	40,000	ND0SP014503	Flooring	13,000		Flooring	13,000
	ND0SP014503	Flooring	12,000		Basement Repair	10,000		Basement Repair	10,000
		Appliances	3,500		Appliances	4,000		Appliances	4,000
		Drive/Sidewalk Rehab	25,000		Interior Improvements	90,000		Interior Improvements	90,000
		Interior Improvements	100,000		Exterior Improvements	69,820		Exterior Improvements	69,820
		Exterior Improvements	25,000		Service Vehicle	25,000		Service Vehicle	25,000
	ND0SP014504	Flooring	2,500		Security Improvements	10,000		Security Improvements	10,000
		Appliances	4,500	ND0SP014504	Flooring	2,500		Flooring	2,500
		Interior Improvements	35,000		Appliances	500		Appliances	500
		Exterior Improvements	32,000		Interior Improvements	5,000		Interior Improvements	5,000
	ND0SP014505	Flooring	2,500		Exterior Improvements	4,300		Exterior Improvements	4,300
		Appliances	4,500	ND0SP014505	Flooring	2,500		Flooring	2,500
		Interior Improvements	15,000		Appliances	1,500		Appliances	1,500
		Exterior Improvements	14,300		Interior Improvements	6,500		Interior Improvements	6,500
		Service Vehicle	36,500		Exterior Improvements	7,500		Exterior Improvements	7,500
	ND0SP014506	Flooring	4,500		Flooring	4,500		Flooring	4,500
		Appliances	3,000	ND0SP014506	Appliances	3,000		Appliances	3,000
		Interior Improvements	15,500		Interior Improvements	15,000		Interior Improvements	15,000
		Exterior Improvements	16,500		Exterior Improvements	25,000		Exterior Improvements	25,000

Capital Fund Program—Five-Year Action Plan
ND014501

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/20011

	ND0SP014507	Flooring	5,000	ND0SP014507	Flooring	1,500
		Appliances	1,500		Appliances	500
		Interior Improvements	35,000		Interior Improvements	3,000
		Exterior Improvements	35,000		Exterior Improvements	1,500
					Service Vehicle	26,000
	PHA Wide	Operations	19,500	PHA Wide	Operations	19,500
		A & E Fees	13,000		A & E Fees	12,000
		Administrative	90,069		Administrative	90,069
		Administrative Travel	1,500		Administrative Travel	1,500
		Subtotal of Estimated Cost	\$915,697		Subtotal of Estimated Cost	\$915,697

Part II: Supporting Pages – Physical Needs Work Statement(s)

Work Statement for Year 1 FFY _____	Work Statement for Year _____ 2013 _____			Work Statement for Year _____ 2014 _____		
	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost
See Annual Statement	ND0SP014501	Apt/Hallway Rehab Flooring	8,000 2,000	ND0SP014501	Apt/Hallway Rehab Flooring	35,000 3,500
		Appliances	2,000		Appliances	2,000
		Interior Improvements	100,000		Interior Improvements	45,000
		Exterior Improvements	85,000		Exterior Improvements	65,000
	ND0SP014502	Apt/Hallway Rehab	15,000	ND0SP014502	Closest Doors	68,000
		Closest Doors	70,000		Flooring	2,000
		Flooring	5,500		Appliances	2,500
		Appliances	4,000		Apt/Hallway Rehab	147,508
		Interior Improvements	40,000		Interior Improvements	40,000
		Exterior Improvements	40,000		Exterior Improvements	40,000
					Security Improvements	10,000
	ND0SP014503	Flooring	12,000	ND0SP014503	Flooring	13,000
		Appliances	3,500		Basement Repair	10,000
		Drive/Sidewalk Rehab	25,000		Appliances	4,000
		Interior Improvements	100,000		Interior Improvements	100,000
		Exterior Improvements	71,910		Exterior Improvements	69,820
					Service Vehicle	25,000
	ND0SP014504	Flooring	2,500	ND0SP014504	Flooring	2,500
		Appliances	4,500		Appliances	500
		Interior Improvements	35,000		Interior Improvements	5,000
		Exterior Improvements	32,000		Exterior Improvements	4,300
	ND0SP014505	Flooring	2,500	ND0SP014505	Flooring	2,500
		Appliances	4,500		Appliances	1,500
		Interior Improvements	15,000		Interior Improvements	6,500
		Exterior Improvements	14,300		Exterior Improvements	7,500
		Service Vehicle	36,500			
	ND0SP014506	Flooring	4,500	ND0SP014506	Flooring	4,500
		Appliances	3,000		Appliances	3,000
		Interior Improvements	15,500		Interior Improvements	16,000
		Exterior Improvements	15,500		Exterior Improvements	25,000

Capital Fund Program—Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Expires 4/30/2011

	ND0SP014507	Flooring	2,500	ND0SP014507	Flooring	500
		Appliances	4,000		Appliances	500
		Interior Improvements	19,418		Interior Improvements	3,000
		Exterior Improvements	16,500		Exterior Improvements	2,500
					Service Vehicle	26,000
	PHA Wide	Operations	21,000	PHA Wide	Operations	19,500
		A & E Fees	13,000		A & E Fees	12,000
		Administrative	90,069		Administrative	90,069
		Administrative Travel	1,500		Administrative Travel	1,500
		Subtotal of Estimated Cost	\$915,697		Subtotal of Estimated Cost	\$915,697

Capital Fund Program—Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Expires 4/30/2011

Part III: Supporting Pages – Management Needs Work Statement(s)

Work Statement for Year 1 FFY	Work Statement for Year: 2013	Work Statement for Year: 2014
Development Number/Name	Development Number/Name	Development Number/Name
General Description of Major Work Categories	General Description of Major Work Categories	General Description of Major Work Categories
Estimated Cost	Estimated Cost	Estimated Cost
ND0SP014501, Apt/Hallway Rehab.	ND0SP014501, Apt/Hallway Rehab.	ND0SP014501, Apt/Hallway Rehab.
8,000	35,000	35,000
Flooring		3,500
2,000		
Appliances		2,000
2,000		
Interior Improvements		45,000
75,828		
Exterior Improvements		65,000
55,000		
Security Improvements		68,000
10,000	ND0SP014502, Closet Doors	68,000
70,000		2,000
Flooring		2,500
5,500		
Appliances		147,508
4,000		
Apt/Hallway Rehab		40,000
25,000		
Service Vehicle		40,000
26,000		
Interior Improvements		10,000
40,000		
Exterior Improvements		13,000
40,000	ND0SP014503, Flooring	13,000
12,000		10,000
Appliances		4,000
3,500		
Drive/Sidewalk Rehab		90,000
25,000		
Interior Improvements		69,820
100,000		
Exterior Improvements		25,000
25,000		
ND0SP014504, Flooring		10,000
2,500		
Appliances	ND0SP014504, Flooring	2,500
4,500		
Subtotal of Estimated Cost	Subtotal of Estimated Cost	Subtotal of Estimated Cost
\$535,828	\$648,828	\$648,828

Part III: Supporting Pages – Management Needs Work Statement(s)

Work Statement for Year 1 FFY	Work Statement for Year: 2013	Work Statement for Year: 2014
General Description of Major Work Categories	Development Number/Name	Development Number/Name
ND0SP014504, Interior Improvements	35,000	500
Exterior Improvements	32,000	5,000
ND0SP014505, Flooring	2,500	4,300
Appliances	4,500	2,500
Interior Improvements	15,000	1,500
Exterior Improvements	14,300	6,500
Service Vehicle	38,500	7,500
ND0SP014506, Flooring	4,500	4,500
Appliances	3,000	3,000
Interior Improvements	15,500	15,000
Exterior Improvements	16,500	25,000
ND0SP014507, Flooring	5,000	1,500
Appliances	1,500	500
Interior Improvements	35,000	3,000
Exterior Improvements	35,000	1,500
PHA Wide, Operations	19,500	26,000
A & E Fees	13,000	19,500
Administrative	90,069	12,000
Administrative Travel	1,500	90,069
Subtotal of Estimated Cost	\$915,697	\$915,697