

**BIELE PLACE APARTMENTS  
(CONTRACT NUMBER 80-RHC-032)  
A PROJECT OF THE  
CAPITOL AREA DEVELOPMENT AUTHORITY  
SACRAMENTO, CALIFORNIA**

Independent Auditor's Reports,  
Financial Statements and Supplemental Information

For the Fiscal Years Ended June 30, 2008 and 2007

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

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Board of Directors  
Capitol Area Development Authority  
Sacramento, California

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Biele Place Apartments (Contract Number 80-RHC-032) (Project), a project of the Capitol Area Development Authority (Authority), as of and for the fiscal years ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over the Project's financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note A, the financial statements present only the Project and do not purport to, and do not, present fairly the financial position of the Authority, as of June 30, 2008 and 2007, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Project as of June 30, 2008 and 2007, and the changes in its financial position and its cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated November 28, 2008, on our consideration of the Authority's internal control over the Project's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Project has not presented Management's Discussion and Analysis which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Macie Mini & O'Connell LLP*

Certified Public Accountants

Sacramento, California  
November 28, 2008

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Statements of Net Assets**  
**June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 77,336	\$ 56,522
Restricted cash - tenant security deposits	10,615	10,140
Total current assets	<u>87,951</u>	<u>66,662</u>
Noncurrent assets:		
Restricted cash - reserve for replacements	99,673	89,384
Capital assets:		
Buildings and improvements, net of accumulated depreciation	<u>236,582</u>	<u>271,146</u>
Total noncurrent assets	<u>336,255</u>	<u>360,530</u>
Total assets	<u>424,206</u>	<u>427,192</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	19,868	9,735
Prepaid rent	1,056	1,606
Due to State - HCD	66,657	47,577
Security deposits	10,615	10,140
Notes payable, current portion	3,684	3,504
Total current liabilities	<u>101,880</u>	<u>72,562</u>
Noncurrent liabilities:		
Notes payable	<u>23,911</u>	<u>27,595</u>
Total liabilities	<u>125,791</u>	<u>100,157</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	208,987	240,047
Restricted for replacements	99,673	89,384
Unrestricted	<u>(10,245)</u>	<u>(2,396)</u>
Total net assets	<u>\$ 298,415</u>	<u>\$ 327,035</u>

See accompanying notes to financial statements.

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Statements of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Operating revenues</b>		
Rental revenue, net	\$ 128,539	\$ 125,838
HCD annuities	23,739	15,468
Less: Excess program payments	<u>(46,165)</u>	<u>(31,386)</u>
Net HCD annuities	(22,426)	(15,918)
CADA annuity	4,980	4,980
Coin-operated laundry	2,282	1,894
Miscellaneous	<u>214</u>	<u>55</u>
Total operating revenues	<u>113,589</u>	<u>116,849</u>
<b>Operating expenses</b>		
Payroll:		
Salaries and benefits	<u>29,020</u>	<u>29,079</u>
Administrative:		
Legal and accounting services	3,900	3,222
Management fee	18,444	17,820
Media	<u>360</u>	<u>866</u>
Total administrative	<u>22,704</u>	<u>21,908</u>
Utilities	<u>25,166</u>	<u>22,860</u>
Operating and maintenance:		
Supplies	1,235	1,877
Service contracts	7,462	15,745
Courtesy patrol	1,875	1,500
Decorating and painting	242	651
Repairs and maintenance	<u>10,694</u>	<u>7,321</u>
Total operating and maintenance	<u>21,508</u>	<u>27,094</u>
Insurance and taxes:		
Insurance	6,802	8,492
Property taxes	<u>705</u>	<u>70</u>
Total insurance and taxes	<u>7,507</u>	<u>8,562</u>
Depreciation	<u>42,414</u>	<u>42,414</u>
Total operating expenses	<u>148,319</u>	<u>151,917</u>
Operating loss	<u>(34,730)</u>	<u>(35,068)</u>
<b>Non-operating revenues (expenses)</b>		
Interest income	7,585	5,880
Interest expense	<u>(1,475)</u>	<u>(1,646)</u>
Total non-operating revenues, net	<u>6,110</u>	<u>4,234</u>
Change in net assets	(28,620)	(30,834)
Net assets, beginning of year	<u>327,035</u>	<u>357,869</u>
Net assets, end of year	<u>\$ 298,415</u>	<u>\$ 327,035</u>

See accompanying notes to financial statements.

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Rental receipts	\$ 127,989	\$ 126,704
HCD annuities	(3,346)	7,074
CADA annuity	4,980	4,980
Other receipts	2,496	1,949
Tenant security deposits received	510	1,570
Payroll and related costs	(29,020)	(29,079)
Administrative expenses	(22,704)	(21,908)
Utilities expense	(25,166)	(22,860)
Operating and maintenance expenses	(11,375)	(19,941)
Tenant security deposits paid	(35)	(1,100)
Insurance and taxes expense	(7,507)	(8,562)
Net cash provided by operating activities	<u>36,822</u>	<u>38,827</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(7,850)	-
Principal payment on debt	(3,504)	(3,334)
Interest paid on debt	(1,475)	(1,646)
Net cash used for capital and related financing activities	<u>(12,829)</u>	<u>(4,980)</u>
Cash flows from investing activities:		
Interest receipts	<u>7,585</u>	<u>5,880</u>
Net increase in cash	31,578	39,727
Cash and cash equivalents, beginning of year	156,046	116,319
Cash and cash equivalents, end of year	<u>\$ 187,624</u>	<u>\$ 156,046</u>
Cash and cash equivalents	\$ 77,336	\$ 56,522
Restricted cash:		
Tenant security deposits	10,615	10,140
Reserve for replacements	<u>99,673</u>	<u>89,384</u>
Total cash and cash equivalents	<u>\$ 187,624</u>	<u>\$ 156,046</u>

See accompanying notes to financial statements.

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Statements of Cash Flows (Continued)**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (34,730)	\$ (35,068)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	42,414	42,414
Changes in assets and liabilities:		
Accounts payable	10,133	7,153
Prepaid rent	(550)	866
Due to State - HCD	19,080	22,992
Security deposits	475	470
Net cash provided by operating activities	\$ 36,822	\$ 38,827

See accompanying notes to financial statements.

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General

Biele Place Apartments (Project) is a 35-unit apartment complex located in downtown Sacramento, California. It provides housing for eligible low-income families under the State of California Department of Housing and Community Development (HCD) Rental Housing Construction Program (RHCP). This program provides long-term financing to construct the housing project and monthly annuities to fund operating deficits.

In accordance with a regulatory agreement dated December 30, 1982, the Capitol Area Development Authority (Authority) manages the Project. The Authority is a joint powers agency with a Board of Directors comprised of appointees of the City of Sacramento (City) and the State of California. The accompanying financial statements are not intended to present fairly the financial position or changes in financial position of the Authority in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Project is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The Project distinguishes operating from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the Project's ongoing operations. The principal operating revenue of the Project is rental income from tenants of its housing units. Operating expenses for the Project include employee services, administrative expenses, maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Project's policy to use restricted resources first, then unrestricted resources as needed.

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting*, the Authority has elected not to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989.

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Notes to the Financial Statements (Continued)**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash, Cash Equivalents and Restricted Cash

The Project participates in the City's investment pool. The City Treasurer pools cash with other City funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the City's investment policy. The City, as a charter city, has adopted its own investment guidelines to guide investment of City funds by the Treasurer. These guidelines are consistent with the requirements of Government Code Section 53601. The City Council provides regulatory oversight of the City's investment pool and reviews its investment policy on a quarterly basis. The estimated fair value of investments in the pool is based on quoted market prices. However, the value of the pool shares in the City's investment pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Project's position in the pool. The City's investment pool is unrated and the weighted average maturity is 1.4 and 1.0 year at June 30, 2008 and 2007, respectively. At June 30, 2008 and 2007, the entire amount of the Project's cash and cash equivalents and restricted cash are invested in the City's investment pool. Detailed disclosures, including investment policies and associated risk policies, regarding the Project's cash and investments are included in the notes to the Authority's basic financial statements.

Restricted cash and cash equivalents includes replacement reserves and tenant security deposits.

For purposes of the statements of cash flows, the Authority considers cash and cash equivalents to include all pooled cash and investments, including restricted account balances, as these pooled balances have the general characteristic of a demand deposit account.

Capital Assets

Capital assets, which are defined by the Project as assets with an initial, individual cost of more than \$3,000 and an estimated useful life beyond 1 year, are stated at cost. Depreciation is calculated using the straight-line method over an estimated useful life of between 10 to 30 years. Maintenance and repair costs are expensed as incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

**NOTE B - TENANT SECURITY DEPOSITS**

The Project collects security deposits from tenants at the inception of the tenant lease. These deposits, which are reported in these financial statements as restricted cash, are refundable to the tenants to the extent there are no unpaid rents or damages to the housing unit. Tenant security deposits held as of June 30, 2008 and 2007 amounted to \$10,615 and \$10,140, respectively.

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Notes to the Financial Statements (Continued)**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

**NOTE C - CAPITAL ASSETS**

Information on additions and disposals of capital assets is presented below:

	<u>June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2008</u>
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 7,850	\$ -	\$ 7,850
Capital assets:				
Buildings and improvements	1,129,311	-	-	1,129,311
Less accumulated depreciation for:				
Buildings and improvements	<u>(858,165)</u>	<u>(42,414)</u>	<u>-</u>	<u>(900,579)</u>
Capital assets being depreciated, net	<u>271,146</u>	<u>(42,414)</u>	<u>-</u>	<u>228,732</u>
Capital assets, net	<u>\$ 271,146</u>	<u>\$ (34,564)</u>	<u>\$ -</u>	<u>\$ 236,582</u>
	<u>June 30, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2007</u>
Capital assets:				
Buildings and improvements	\$ 1,129,311	\$ -	\$ -	\$ 1,129,311
Less accumulated depreciation for:				
Buildings and improvements	<u>(815,751)</u>	<u>(42,414)</u>	<u>-</u>	<u>(858,165)</u>
Capital assets, net	<u>\$ 355,974</u>	<u>\$ (42,414)</u>	<u>\$ -</u>	<u>\$ 271,146</u>

**NOTE D - REPLACEMENT RESERVES**

Replacement reserves, which are reported in these financial statements as restricted cash, are funded monthly to provide for future major additions, repairs or replacements. The replacement reserve activity for the years is as follows:

	<u>2008</u>	<u>2007</u>
Beginning balance	\$ 89,384	\$ 81,138
Interest earned	4,189	4,031
Required deposits	6,100	6,100
Authorized expenses	-	(1,885)
Ending balance	<u>\$ 99,673</u>	<u>\$ 89,384</u>

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Notes to the Financial Statements (Continued)**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

**NOTE E - UNEXPENDED PROGRAM PAYMENTS**

As stated in Note A, the HCD Rental Housing Construction Program provides operating funds to the Project to cover the operating costs not covered by rental revenues. Unexpended payments due back to HCD exceeded authorized annuities by \$22,426 and \$15,918, during fiscal year ended June 30, 2008 and 2007, respectively.

In determining the qualifying operating costs, HCD disallows certain expenses reflected in these financial statements. Specifically excluded are depreciation expense, repairs paid out of replacement reserves and asset acquisitions exceeding authorized budget. For the years ended June 30, 2008 and 2007, rental and program revenues exceeded qualifying operating costs by \$46,165 and \$31,386 respectively. Net unexpended program payments are reported as Due to State - HCD on the Project's statements of net assets.

The activity in the account for the fiscal years ended June 30, are as follows:

	<u>2008</u>	<u>2007</u>
Beginning balance	\$ 47,577	\$ 24,585
Excess program payments for the current year	46,165	31,386
Payment to HCD	<u>(27,085)</u>	<u>(8,394)</u>
Ending balance	<u>\$ 66,657</u>	<u>\$ 47,577</u>

**NOTE F - NOTE PAYABLE**

Note payable as of June 30, 2008 and 2007 consisted of the following:

	<u>2008</u>	<u>2007</u>
Sacramento Housing and Redevelopment Agency (SHRA)	\$ 27,595	\$ 31,099
Less: current portion	<u>3,684</u>	<u>3,504</u>
Long-term portion	<u>\$ 23,911</u>	<u>\$ 27,595</u>

This note payable to the SHRA is payable at a rate of \$415 per month including interest at 5%, maturing on June 1, 2015.

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Notes to the Financial Statements (Continued)**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

**NOTE F - NOTE PAYABLE (CONTINUED)**

The following is the schedule of principal and interest payments for the Project's notes payable:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 3,684	\$ 1,296	\$ 4,980
2010	3,872	1,108	4,980
2011	4,071	909	4,980
2012	4,279	701	4,980
2013	4,498	482	4,980
2014-2015	7,191	288	7,479
	<u>\$ 27,595</u>	<u>\$ 4,784</u>	<u>\$ 32,379</u>

The following is a summary of the note payable transactions for the fiscal years ended June 30, 2008 and 2007:

<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Amounts due</u> <u>within one year</u>
<u>\$ 31,099</u>	<u>\$ -</u>	<u>\$ 3,504</u>	<u>\$ 27,595</u>	<u>\$ 3,684</u>

<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Amounts due</u> <u>within one year</u>
<u>\$ 34,433</u>	<u>\$ -</u>	<u>\$ 3,334</u>	<u>\$ 31,099</u>	<u>\$ 3,504</u>

**NOTE F - LEASED PROPERTY**

The land on which the Project is located is owned by the State of California. On August 29, 1980, a 60-year operating lease was entered into between the Authority and the State of California. This lease is without cost, so is not reflected in these financial statements.

The State of California or the Authority may terminate the lease at any time by giving 60 days notice. Should this lease be terminated, the developmental ground lease will be honored by the State on behalf of the Authority.

**NOTE G - COMMITMENTS**

The project awarded a construction contract for a roof replacement in the amount of \$68,841. The work commenced in July 2008 and was completed in August 2008.

**SUPPLEMENTAL INFORMATION**

**BIELE PLACE APARTMENTS**  
**(Contract Number 80-RHC-032)**  
**A Project of the Capitol Area Development Authority**  
**Supplemental Information Required by HCD**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

**Insurance**

Insurance premiums are current as of June 30, 2008. The annual renewal policy was paid before the due date.

**Debt Service**

The debt service payments are current.

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Project Name: Biele Place

Contract #: 80-RHC-032

Sponsor's Name: Capitol Area Development Authority

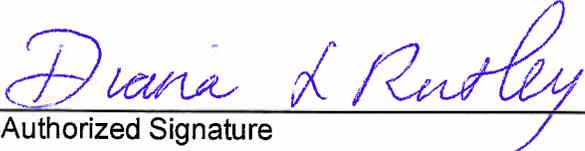
Project Fiscal Year: 2007/2008

The sponsor must send one copy of this *Annual Report Sponsor Certification* along with the annual *Audited Financial Statements* to the Department of Housing and Community Development within ninety (90) days (or within the period of time specified in the Regulatory Agreement, if different) after the end of the project fiscal year. The *Annual Report Sponsor Certification* must have original signatures. Please note that if additional information is required for a specific program's *annual reporting requirement*, that information must accompany the *Annual Audited Financial Statements* as a separate attachment. The *Annual Report* includes the *Sponsor Certification*, the *Audited Financial Statements* and all other annual reporting documents.

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**Sponsor Certification**

It is hereby certified that all of the representations made by the sponsor in the Regulatory Agreement and the financial disclosures contained in the *Annual Report* are true and correct, and that there is not any condition, event, or act which would constitute an event of default there under, or which with notice, passage of time, or both, would constitute such an event of default.

  
\_\_\_\_\_  
Authorized Signature

Diana L. Rutley  
\_\_\_\_\_  
Printed Name

Property Manager  
\_\_\_\_\_  
Title

10-20-08  
\_\_\_\_\_  
Date



Explanation of other Withdrawals:

**ADDITIONAL REQUESTED INFORMATION FOR FY:**

2007/2008

ITEM	YES	NO	DATES PAID AND COMMENTS
1. <b>Operating Reserves:</b> Funded monthly? If not, how often?			Not Applicable
2. <b>Replacement Reserves:</b> Funded monthly? If not, how often?	X		
3. <b>Security Deposit Acct. :</b> Bal. equal to/greater than security deposit liability plus interest? Explain if "No".			Not Applicable
4. <b>Taxes:</b> Paid current, on time & no late fees incurred?	X		
5. <b>Insurance:</b> Is coverage according to Regulatory Agreement?	X		
6. <b>Insurance:</b> Paid current and the renewal policy paid on time?	X		
7. <b>Required Debt Service:</b> Paid current & always paid by due date?			Not Applicable
8. <b>Debt:</b> Has additional indebtedness been incurred? (If "YES", explain what, when and with whom.)		X	
9. <b>Other Reserve Account?:</b> Name other reserve accounts, how funded, who controls them and their purpose.			Not Applicable
10. <b>Account Insurance:</b> Are all accounts insured by Federal Gov't?	X		

**Rental Housing Construction Program (RHCP) - Original  
 PROPOSED OPERATING COSTS**

Reporting Period: 07/01/2007 to 06/30/2008

Contract No: 80-RHC-032  
 Project Name: Biele Place  
 Prepared by: Noelle Mussen, Accounting Manager  
 Date Prepared: 10/20/2008

Units/Sq. Ft. - Assisted: 35  
 Units/Sq. Ft. - Total: 35

Unit months: 420

ACCOUNT NAME	Account Codes	Proposed Budget	Proration Percentage	Assisted Units	Non-Assisted	Commercial	Proposed Total Budget
<b>MANAGEMENT FEE: 6200/6300</b>							
1 Management Fee	6320	18,444	100.00%	18,444	0	0	18,444
<b>ADMINISTRATIVE EXPENSES: 6200/6300</b>							
2 Advertising	6210	360	100.00%	360	0	0	360
3 Apartment Resale Expense (Cooperatives)	6235	0	100.00%	0	0	0	0
4 Other Renting Expenses	6250	200	100.00%	200	0	0	200
5 Office Salaries	6310	0	100.00%	0	0	0	0
6 Office Supplies	6311	0	100.00%	0	0	0	0
7 Office or Model Apartment Rent	6312	0	100.00%	0	0	0	0
8 Manager or Superintendent Salaries	6330	20,640	100.00%	20,640	0	0	20,640
9 Manager's or Supintendent's Rent Free Unit	6331	5,424	100.00%	5,424	0	0	5,424
10 Legal Expense - Project	6340	750	100.00%	750	0	0	750
11 Audit Expense - Project	6350	3,900	100.00%	3,900	0	0	3,900
12 Bookkeeping Fees/Accounting Services	6351	0	100.00%	0	0	0	0
13 Telephone and Answering Service Expenses	6360	0	100.00%	0	0	0	0
14 Bad Debt Expense	6370	0	100.00%	0	0	0	0
15 Miscellaneous Administrative Expenses (specify)	6390	0	100.00%	0	0	0	0
<b>16 TOTAL ADMINISTRATIVE EXPENSE:</b>	<b>6200/6300T</b>	<b>31,274</b>	<b>100.00%</b>	<b>31,274</b>	<b>0</b>	<b>0</b>	<b>31,274</b>
<b>UTILITIES EXPENSE: 6400</b>							
17 Fuel Oil/Coal	6420	0	100.00%	0	0	0	0
18 Electricity	6450	2,750	100.00%	2,750	0	0	2,750
19 Water	6451	0	100.00%	0	0	0	0
20 Gas	6452	8,300	100.00%	8,300	0	0	8,300
21 Sewer	6453	13,500	100.00%	13,500	0	0	13,500
<b>22 TOTAL UTILITIES EXPENSE:</b>	<b>6400T</b>	<b>24,550</b>	<b>100.00%</b>	<b>24,550</b>	<b>0</b>	<b>0</b>	<b>24,550</b>
<b>OPERATING AND MAINTENANCE EXPENSES: 6500</b>							
23 Janitor and Cleaning Payroll	6510	8,945	100.00%	8,945	0	0	8,945
24 Janitor and Cleaning Supplies	6515	5,000	100.00%	5,000	0	0	5,000
25 Janitor and Cleaning Contract	6517	8,676	100.00%	8,676	0	0	8,676
26 Exterminating Payroll/Contract	6519	0	100.00%	0	0	0	0
27 Exterminating Supplies	6520	0	100.00%	0	0	0	0
28 Garbage and Trash Removal	6525	2,625	100.00%	2,625	0	0	2,625
29 Security Payroll/Contract	6530	1,875	100.00%	1,875	0	0	1,875
30 Grounds Payroll	6535	0	100.00%	0	0	0	0
31 Grounds Supplies	6536	0	100.00%	0	0	0	0
32 Grounds Contract	6537	2,124	100.00%	2,124	0	0	2,124
33 Repairs Payroll	6540	0	100.00%	0	0	0	0
34 Repairs Material	6541	3,000	100.00%	3,000	0	0	3,000
35 Repairs Contract	6542	0	100.00%	0	0	0	0
36 Elevator Maintenance/Contract	6545	3,700	100.00%	3,700	0	0	3,700
37 Heating/Cooling Repairs and Maintenance	6546	0	100.00%	0	0	0	0
38 Swimming Pool Maintenance/Contract	6547	0	100.00%	0	0	0	0
39 Snow Removal	6548	0	100.00%	0	0	0	0
40 Decorating Payroll/Contract	6560	6,000	100.00%	6,000	0	0	6,000
41 Decorating Supplies	6561	0	100.00%	0	0	0	0
42 Vehicle and Maintenance Equipment Operation/Repairs	6570	0	100.00%	0	0	0	0
43 Misc. Operating and Maintenance Expenses (specify)	6590	12,000	100.00%	12,000	0	0	12,000
<b>44 TOTAL OPERATING &amp; MAINTENANCE EXPENSE:</b>	<b>6500T</b>	<b>53,945</b>	<b>100.00%</b>	<b>53,945</b>	<b>0</b>	<b>0</b>	<b>53,945</b>
<b>TAXES AND INSURANCE: 6700</b>							
45 Real Estate Taxes	6710	140	100.00%	140	0	0	140
46 Payroll Taxes (Project's Share)	6711	0	100.00%	0	0	0	0
47 Misc. Taxes, Licenses and Permits	6719	0	100.00%	0	0	0	0
48 Property and Liability Insurance (Hazard)	6720	0	100.00%	0	0	0	0
49 Fidelity Bond Insurance	6721	0	100.00%	0	0	0	0
50 Worker's Compensation	6722	0	100.00%	0	0	0	0
51 Health Insurance/Other Employee Benefits	6723	0	100.00%	0	0	0	0
52 Other Insurance	6729	9,025	100.00%	9,025	0	0	9,025
<b>53 TOTAL TAXES AND INSURANCE:</b>	<b>6700T</b>	<b>9,165</b>	<b>100.00%</b>	<b>9,165</b>	<b>0</b>	<b>0</b>	<b>9,165</b>
<b>ASSISTED LIVING/BOARD &amp; CARE EXPENSES: 6900</b>							
54 Food	6932	0	100.00%	0	0	0	0
55 Recreation and Rehabilitation	6980	0	100.00%	0	0	0	0
56 Rehabilitation Salaries	6983	0	100.00%	0	0	0	0
57 Other Service Expenses	6990	0	100.00%	0	0	0	0
<b>58 TOTAL ASSISTED LIVING EXPENSES</b>	<b>6900T</b>	<b>0</b>	<b>100.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>59 SUBTOTAL OPERATING COSTS:</b>		<b>137,378</b>		<b>137,378</b>	<b>0</b>	<b>0</b>	<b>137,378</b>
60 CONTINGENCY RESERVE (RHCP-O Only)	3.00%	4,121		4,121	0	0	4,121
<b>61 TOTAL OPERATING COSTS</b>		<b>141,499</b>		<b>141,499</b>	<b>0</b>	<b>0</b>	<b>141,499</b>

SIGNATURES:

Management Agent	By	Title	Date
<i>Capitol Area Development Authority</i>	<i>[Signature]</i>	<i>Accounting manager</i>	<i>11/28/08</i>
Borrower	By	Title	Date
Sponsor (Local Agency)	By	Title	Date

**Rental Housing Construction Program (RHCP) - Original**

**PROPOSED CASH FLOW ANALYSIS**

Reporting Period: 07/01/2007 to 06/30/2008

Contract No: 80-RHC-032  
Project Name: Biele Place  
Prepared by: Noelle Mussen, Accounting Manager  
Date Prepared: 10/20/2008

Units/Sq. Ft. - Assisted: 35  
Units/Sq. Ft. - Total: 35

Unit months: 420

ACCOUNT NAME	Account Codes	Assisted Units Proposed	Non-Assisted Units Proposed	Commercial	Total Project Proposal
<b>REVENUE ACCOUNTS/RENT REVENUE: 5100</b>					
1 Rent Revenue - Gross Potential	5120	125,011	0	0	125,011
2 Tenant Assistance Payments	5121	0	0	0	0
3 Rent Revenue - Stores and Commercial	5140	0	0	0	0
4 Garage and Parking Spaces	5170	0	0	0	0
5 Flexible Subsidy Revenue	5180	0	0	0	0
6 Rent Revenue - Miscellaneous	5190	0	0	0	0
7 Excess Rent	5191	0	0	0	0
8 Rent Revenue/Insurance	5192	0	0	0	0
9 Special Claims Revenue	5193	0	0	0	0
10 Retained Excess Income	5194	0	0	0	0
<b>11 GROSS POTENTIAL RENT (GR)</b>	<b>5100T</b>	<b>125,011</b>	<b>0</b>	<b>0</b>	<b>125,011</b>
<b>VACANCIES: 5200</b>					
<b>Vacancy percentage</b>		<b>3.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
12 Apartments	5220	3,750	0	0	3,750
13 Stores and Commercial	5240	0	0	0	0
14 Rental Concessions	5250	0	0	0	0
15 Garage and Parking Space	5270	0	0	0	0
16 Miscellaneous	5290	0	0	0	0
<b>Total Vacancies</b>	<b>5200T</b>	<b>3,750</b>	<b>0</b>	<b>0</b>	<b>3,750</b>
<b>ASSISTED LIVING/BOARD &amp; CARE REVENUE: 5300</b>					
17 Food	5332	0	0	0	0
18 Recreation (Activities) and Rehabilitation	5380	0	0	0	0
19 Rehabilitation	5385	0	0	0	0
20 Other Service Revenue	5390	0	0	0	0
<b>Total Living Revenues</b>	<b>5300T</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FINANCIAL REVENUE: 5400</b>					
21 Financial Revenue - Project Operations	5410	800	0	0	800
<b>Total Financial Revenue</b>	<b>5400T</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>800</b>
<b>OTHER REVENUE: 5900</b>					
22 Laundry and Vending Revenue	5910	1,800	0	0	1,800
23 NSF and Late Charges	5920	0	0	0	0
24 Damages and Cleaning Fees	5930	0	0	0	0
25 Forfeited Tenant Security Deposits	5940	0	0	0	0
26 Other Revenue	5990	0	0	0	0
<b>Total other Revenue</b>	<b>5900T</b>	<b>1,800</b>	<b>0</b>	<b>0</b>	<b>1,800</b>
<b>27 EFFECTIVE GROSS RENT (EGR)</b>	<b>5152N</b>	<b>123,861</b>	<b>0</b>	<b>0</b>	<b>123,861</b>
<b>28 TOTAL OPERATING EXPENSES</b>	<b>6000T</b>	<b>141,499</b>	<b>0</b>	<b>0</b>	<b>141,499</b>
<b>29 NET OPERATING INCOME (NOI)</b>	<b>5000T</b>	<b>(17,639)</b>	<b>0</b>	<b>0</b>	<b>(17,639)</b>
<b>FINANCIAL EXPENSES: 6800</b>					
30 Non-Contingent Debt Service (specify lender)					
1st Mortgage =	6895	0	0	0	0
2nd Mortgage =		0	0	0	0
3rd Mortgage =		0	0	0	0
31 HCD Required Payments	6890	0	0	0	0
32 Lease Payment	6890	0	0	0	0
33 Miscellaneous Financial Expenses	6890	0	0	0	0
<b>Total Financial Expenses</b>	<b>6800T</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUNDED RESERVES: 1300</b>					
34 Escrow Deposits	1310	0	0	0	0
35 Replacement Reserve-Deposit	1320	6,100	0	0	6,100
36 Operating Reserve-Deposit	1365	0	0	0	0
37 Other Reserves (specify)					
#1	1350	0	0	0	0
#2	1350	0	0	0	0
#3	1350	0	0	0	0
<b>Total Reserve Deposits</b>		<b>6,100</b>	<b>0</b>	<b>0</b>	<b>6,100</b>
<b>38 PROJECT CASH FLOW (CF)</b>		<b>(23,739)</b>	<b>0</b>	<b>0</b>	<b>(23,739)</b>

**Rental Housing Construction Program (RHCP) - Original**

**PROPOSED CASH FLOW ANALYSIS**

Reporting Period: 07/01/2007 to 06/30/2008

Contract No: 80-RHC-032  
 Project Name: Biele Place  
 Prepared by: Noelle Mussen, Accounting Manager  
 Date Prepared: 10/20/2008

Units/Sq. Ft. - Assisted: 35  
 Units/Sq. Ft. - Total: 35

Unit months: 420

ACCOUNT NAME	Account Codes	Assisted Units Proposed	Non-Assisted Units Proposed	Commercial	Total Project Proposal
<b>ADDITIONAL REVENUE:</b>					
39 RHCP-O Annuity Fund Request (For Assisted Units Only)		23,739			23,739
40 Withdrawal from Operating Reserves		0	0	0	0
41 Borrower Contribution		0	0	0	0
42 Other (specify)		0	0	0	0
<b>Total Additional Revenue</b>		23,739	0	0	23,739
<b>USE OF CASH FLOW:</b>					
43 HCD Interest Payments		0	0	0	0
44 Asset Mgmt Fee (CHRP-R/SUHRP & HOME-pre-UMR Only)		0	0	0	0
45 Asset Mgmt Fee/Prtshp Costs (MHP/HOME under UMR)		0	0	0	0
46 Borrower Distributions		0	0	0	0
47 Residual Receipt Loan Payments		0	0	0	0
48 Other (specify)		0	0	0	0
<b>Total Use of Cash Flow</b>		0	0	0	0

**SIGNATURES:**

Management Agent By Title Date

Capitol Area Development Authority By *Dalkyusa* Title *Accounting manager* Date *11/28/08*

Sponsor (Local Agency) By Title Date

## Rental Housing Construction Program (RHCP) - Original

### APPROVED OPERATING COSTS

Reporting Period: 07/01/2007 to 06/30/2008

Contract: 80-RHC-032  
 Project Name: Biele Place  
 Prepared by: Noelle Mussen, Accounting Manager  
 Date Prepared: 10/20/2008

Units/Sq. Ft. - Assisted: 35  
 Units/Sq. Ft. - Total: 35

Unit Months: 420

ACCOUNT NAME		TOTAL EXPENSES		TOTAL EXPENSES		
		PROPOSED		HCD APPROVED		
ACCOUNT CODES		ANNUAL (A)	PUM (B)	ANNUAL (C)	PUM (D)	
<b>MANAGEMENT FEE: 6200/6300</b>						
1	Management Fee	6320	18,444	43.91	18,444	43.91
<b>ADMINISTRATIVE EXPENSES: 6200/6300</b>						
2	Advertising	6210	360	0.86	360	0.86
3	Apartment Resale Expense (Cooperatives)	6235	0	0.00	0	0.00
4	Other Renting Expenses	6250	200	0.48	200	0.48
5	Office Salaries	6310	0	0.00	0	0.00
6	Office Supplies	6311	0	0.00	0	0.00
7	Office or Model Apartment Rent	6312	0	0.00	0	0.00
8	Manager and Superintendent Salaries	6330	20,640	49.14	20,640	49.14
9	Manager's or Superintendent's Rent Free Unit	6331	5,424	12.91	5,424	12.91
10	Legal Expense - Project	6340	750	1.79	750	1.79
11	Audit Expense - Project	6350	3,900	9.29	3,900	9.29
12	Bookkeeping Fees/Accounting Services	6351	0	0.00	0	0.00
13	Telephone and Answering Service Expenses	6360	0	0.00	0	0.00
14	Bad Debt Expense	6370	0	0.00	0	0.00
15	Miscellaneous Administrative Expenses (specify)	6390	0	0.00	0	0.00
16	<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>6200/6300T</b>	<b>31,274</b>	<b>74.46</b>	<b>31,274</b>	<b>74.46</b>
<b>UTILITIES EXPENSES: 6400</b>						
17	Fuel Oil/Coal	6420	0	0.00	0	0.00
18	Electricity	6450	2,750	6.55	2,750	6.55
19	Water	6451	0	0.00	0	0.00
20	Gas	6452	8,300	19.76	8,300	19.76
21	Sewer	6453	13,500	32.14	13,500	32.14
22	<b>TOTAL UTILITIES EXPENSES</b>	<b>6400T</b>	<b>24,550</b>	<b>58.45</b>	<b>24,550</b>	<b>58.45</b>
<b>OPERATING AND MAINTENANCE EXPENSES: 6500</b>						
23	Janitor and Cleaning Payroll	6510	8,945	21.30	8,945	21.30
24	Janitor and Cleaning Supplies	6515	5,000	11.90	5,000	11.90
25	Janitor and Cleaning Contracts	6517	8,676	20.66	8,676	20.66
26	Exterminating Payroll/Contract	6519	0	0.00	0	0.00
27	Exterminating Supplies	6520	0	0.00	0	0.00
28	Garbage and Trash Removal	6525	2,625	6.25	2,625	6.25
29	Security Payroll/Contract	6530	1,875	4.46	1,875	4.46
30	Grounds Payroll	6535	0	0.00	0	0.00
31	Grounds Supplies	6536	0	0.00	0	0.00
32	Grounds Contract	6537	2,124	5.06	2,124	5.06
33	Repairs Payroll	6540	0	0.00	0	0.00
34	Repairs Material	6541	3,000	7.14	3,000	7.14
35	Repairs Contract	6542	0	0.00	0	0.00
36	Elevator Maintenance/Contract	6545	3,700	8.81	3,700	8.81
37	Heating/Cooling Repairs and Maintenance	6546	0	0.00	0	0.00
38	Swimming Pool Maintenance/Contract	6547	0	0.00	0	0.00
39	Snow Removal	6548	0	0.00	0	0.00
40	Decorating/Payroll Contract	6560	6,000	14.29	6,000	14.29
41	Decorating Supplies	6561	0	0.00	0	0.00
42	Vehicle and Maint. Equipment Operation/Repairs	6570	0	0.00	0	0.00
43	Misc. Operating and Maintenance Expenses (specify)	6590	12,000	28.57	12,000	28.57
44	<b>TOTAL OPERATING &amp; MAINTENANCE EXPENSES</b>	<b>6500T</b>	<b>53,945</b>	<b>128.44</b>	<b>53,945</b>	<b>128.44</b>

**Rental Housing Construction Program (RHCP) - Original**

**APPROVED OPERATING COSTS**

Reporting Period: 07/01/2007 to 06/30/2008

Contract: 80-RHC-032  
 Project Name: Biele Place  
 Prepared by: Noelle Mussen, Accounting Manager  
 Date Prepared: 10/20/2008

Units/Sq. Ft. - Assisted: 35  
 Units/Sq. Ft. - Total: 35  
 Unit Months: 420

		TOTAL EXPENSES			
		PROPOSED		HCD APPROVED	
<b>TAXES AND INSURANCE: 6700</b>					
45 Real Estate Taxes	6710	140	0.33	140	0.33
46 Payroll Taxes (Project's Share)	6711	0	0.00	0	0.00
47 Misc. Taxes, Licenses and Permits	6719	0	0.00	0	0.00
48 Property and Liability Insurance (Hazard)	6720	0	0.00	0	0.00
49 Fidelity Bond Insurance	6721	0	0.00	0	0.00
50 Worker's Compensation	6722	0	0.00	0	0.00
51 Health Insurance and Other Employee Benefits	6723	0	0.00	0	0.00
52 Other Insurance	6729	9,025	21.49	9,025	21.49
53 <b>TOTAL TAXES AND INSURANCE</b>	<b>6700T</b>	<b>9,165</b>	<b>21.82</b>	<b>9,165</b>	<b>21.82</b>
<b>ASSISTED LIVING/BOARD &amp; CARE EXPENSES; 6900</b>					
54 Food	6932	0	0.00	0	0.00
55 Recreation and Rehabilitation	6980	0	0.00	0	0.00
56 Rehabilitation Salaries	6983	0	0.00	0	0.00
57 Other Service Expenses	6990	0	0.00	0	0.00
58 <b>TOTAL ASSISTED LIVING EXPENSES</b>	<b>6900T</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
59 <b>SUBTOTAL OPERATING COSTS</b>		<b>137,378</b>	<b>327.09</b>	<b>137,378</b>	<b>327.09</b>
60 <b>CONTINGENCY RESERVE (RHCP-O Only):</b>	3.00%	4,121	9.81	4,121	9.81
61 <b>TOTAL OPERATING COSTS</b>		<b>141,499</b>	<b>336.90</b>	<b>141,499</b>	<b>336.90</b>

**SIGNATURES:**

Management	By	Title	Date
<i>Capital Area Development Authority</i>	<i>Noelle Mussen</i>	<i>Accounting manager</i>	<i>10/28/08</i>
Borrower	By	Title	Date
Sponsor (Local Agency)	By	Title	Date

**DEPARTMENTAL APPROVAL:**

Department of Housing and Community Development	By	Title	Date
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**Rental Housing Construction Program (RHCP) - Original**

**APPROVED PRORATION OF COSTS**

Reporting Period: 07/01/2007 to 06/30/2008

Contract: 80-RHC-032  
 Project Name: Biele Place  
 Prepared by: Noelle Mussen, Accounting Manager  
 Date Prepared: 10/20/2008

Units/Sq. Ft. - Assisted: 35  
 Units/Sq. Ft. - Total: 35

Unit Months: 420

ACCOUNT NAME	PRORATED EXPENSES								
	PROPOSED					APPROVED			
	ACCOUNT CODES	% (E)	ASSISTED (F)	NON ASST. (G)	COMMERCIAL (H)	% (I)	ASSISTED (J)	NON ASST. (K)	COMMERCIAL (L)
<b>MANAGEMENT FEE: 6200/6300</b>									
1 Management Fee	6320	100.00%	18,444	0	0	100.00%	18,444	0	0
<b>ADMINISTRATIVE EXPENSES: 6200/6300</b>									
2 Advertising	6210	100.00%	360	0	0	100.00%	360	0	0
3 Apartment Resale Expense (Cooperatives)	6235	100.00%	0	0	0	100.00%	0	0	0
4 Other Renting Expenses	6250	100.00%	200	0	0	100.00%	200	0	0
5 Office Salaries	6310	100.00%	0	0	0	100.00%	0	0	0
6 Office Supplies	6311	100.00%	0	0	0	100.00%	0	0	0
7 Office or Model Apartment Rent	6312	100.00%	0	0	0	100.00%	0	0	0
8 Manager or Superintendent Salaries	6330	100.00%	20,640	0	0	100.00%	20,640	0	0
9 Manager's or Superintendent's Rent Free Unit	6331	100.00%	5,424	0	0	100.00%	5,424	0	0
10 Legal Expense - Project	6340	100.00%	750	0	0	100.00%	750	0	0
11 Audit Expense - Project	6350	100.00%	3,900	0	0	100.00%	3,900	0	0
12 Bookkeeping Fees/Accounting Services	6351	100.00%	0	0	0	100.00%	0	0	0
13 Telephone and answering Service Expenses	6360	100.00%	0	0	0	100.00%	0	0	0
14 Bad Debt Expense	6370	100.00%	0	0	0	100.00%	0	0	0
15 Miscellaneous Administrative Expenses (specify)	6390	100.00%	0	0	0	100.00%	0	0	0
<b>16 TOTAL ADMINISTRATIVE EXPENSE:</b>	<b>6200/6300T</b>		<b>31,274</b>	<b>0</b>	<b>0</b>		<b>31,274</b>	<b>0</b>	<b>0</b>
<b>UTILITIES EXPENSE: 6400</b>									
17 Fuel Oil/Coal	6420	100.00%	0	0	0	100.00%	0	0	0
18 Electricity	6450	100.00%	2,750	0	0	100.00%	2,750	0	0
19 Water	6451	100.00%	0	0	0	100.00%	0	0	0
20 Gas	6452	100.00%	8,300	0	0	100.00%	8,300	0	0
21 Sewer	6453	100.00%	13,500	0	0	100.00%	13,500	0	0
<b>22 TOTAL UTILITIES EXPENSE:</b>	<b>6400T</b>		<b>24,550</b>	<b>0</b>	<b>0</b>		<b>24,550</b>	<b>0</b>	<b>0</b>
<b>OPERATING AND MAINTENANCE EXPENSES: 6500</b>									
23 Janitor and Cleaning Payroll	6510	100.00%	8,945	0	0	100.00%	8,945	0	0
24 Janitor and Cleaning Supplies	6515	100.00%	5,000	0	0	100.00%	5,000	0	0
25 Janitor and Cleaning Contracts	6517	100.00%	8,676	0	0	100.00%	8,676	0	0
26 Exterminating Payroll/Contract	6519	100.00%	0	0	0	100.00%	0	0	0
27 Exterminating Supplies	6520	100.00%	0	0	0	100.00%	0	0	0
28 Garbage and Trash Removal	6525	100.00%	2,625	0	0	100.00%	2,625	0	0
29 Security Payroll/Contract	6530	100.00%	1,875	0	0	100.00%	1,875	0	0
30 Grounds Payroll	6535	100.00%	0	0	0	100.00%	0	0	0
31 Grounds Supplies	6536	100.00%	0	0	0	100.00%	0	0	0
32 Grounds Contract	6537	100.00%	2,124	0	0	100.00%	2,124	0	0
33 Repairs Payroll	6540	100.00%	0	0	0	100.00%	0	0	0
34 Repairs Material	6541	100.00%	3,000	0	0	100.00%	3,000	0	0
35 Repairs Contract	6542	100.00%	0	0	0	100.00%	0	0	0
36 Elevator Maintenance/Contract	6545	100.00%	3,700	0	0	100.00%	3,700	0	0
37 Heating/Cooling Repairs and Maintenance	6546	100.00%	0	0	0	100.00%	0	0	0
38 Swimming Pool Maintenance/Contract	6547	100.00%	0	0	0	100.00%	0	0	0
39 Snow Removal	6548	100.00%	0	0	0	100.00%	0	0	0
40 Decorating/Payroll Contract	6560	100.00%	6,000	0	0	100.00%	6,000	0	0
41 Decorating Supplies	6561	100.00%	0	0	0	100.00%	0	0	0
42 Vehicle and Maint. Equipment Operation/Reports	6570	100.00%	0	0	0	100.00%	0	0	0
43 Misc. Operating and Maintenance Expenses (specify)	6590	100.00%	12,000	0	0	100.00%	12,000	0	0
<b>44 TOTAL OPERATING &amp; MAINTENANCE EXPENSE:</b>	<b>6500T</b>		<b>53,945</b>	<b>0</b>	<b>0</b>		<b>53,945</b>	<b>0</b>	<b>0</b>
<b>TAXES AND INSURANCE: 6700</b>									
45 Real Estate Taxes	6710	100.00%	140	0	0	100.00%	140	0	0
46 Payroll Taxes (Project's Share)	6711	100.00%	0	0	0	100.00%	0	0	0
47 Misc. Taxes, Licenses and Permits	6719	100.00%	0	0	0	100.00%	0	0	0
48 Property and Liability Insurance (Hazard)	6720	100.00%	0	0	0	100.00%	0	0	0
49 Fidelity Bond Insurance	6721	100.00%	0	0	0	100.00%	0	0	0
50 Worker's Compensation	6722	100.00%	0	0	0	100.00%	0	0	0
51 Health Insurance/Other Employee Benefits	6723	100.00%	0	0	0	100.00%	0	0	0
52 Other Insurance	6729	100.00%	9,025	0	0	100.00%	9,025	0	0
<b>53 TOTAL TAXES AND INSURANCE:</b>	<b>6700T</b>		<b>9,165</b>	<b>0</b>	<b>0</b>		<b>9,165</b>	<b>0</b>	<b>0</b>
<b>ASSISTED LIVING/BOARD &amp; CARE EXPENSES: 6900</b>									
54 Food	6932	100.00%	0	0	0	0.00%	0	0	0
55 Recreation and Rehabilitation	6980	100.00%	0	0	0	0.00%	0	0	0
56 Rehabilitation Salaries	6983	100.00%	0	0	0	0.00%	0	0	0
57 Other Service Expenses	6990	100.00%	0	0	0	0.00%	0	0	0
<b>58 TOTAL ASSISTED LIVING EXPENSES:</b>	<b>6900T</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>59 SUBTOTAL OPERATING COSTS:</b>			<b>137,378</b>	<b>0</b>	<b>0</b>		<b>137,378</b>	<b>0</b>	<b>0</b>
60 CONTINGENCY RESERVE (RHCP-O Only):	3.00%		4,121	0	0	3.00%	4,121	0	0
<b>61 TOTAL OPERATING COSTS</b>			<b>141,499</b>	<b>0</b>	<b>0</b>		<b>141,499</b>	<b>0</b>	<b>0</b>

**SIGNATURES:**

Management By Capital Area Development Authority Title Account Manager Date 11/28/08  
 Borrower By Noelle Mussen Title Account Manager Date 11/28/08

**Sponsor (Local Agency)**

**DEPARTMENTAL APPROVAL:**

Department of Housing and  
 Community Development

**Rental Housing Construction Program (RHCP) - Original**

**APPROVED CASH FLOW ANALYSIS**

Reporting Period: 07/01/2007 to 06/30/2008

Contract: 80-RHC-032  
Project Name: Biele Place  
Prepared by: Noelle Mussen, Accounting Manager  
Date Prepared: 10/20/2008

Units/Sq Ft - Assisted: 35  
Units/Sq Ft - Total: 35

Unit Months: 420

ACCOUNT NAME	ASSISTED UNITS			NON-ASSISTED UNITS			TOTAL PROJECT		
	Account Codes	Proposed (A)	Approved (B)	Proposed (C)	Approved (D)	Commercial (E)	Proposed (F)	Approved (G)	Commercial (H)
<b>REVENUE ACCOUNTS/RENT REVENUE: 5100</b>									
1 Rent Revenue - Gross Potential	5120	125,011	125,011	0	0	0	125,011	125,011	0
2 Tenant Assistance Payments	5121	0	0	0	0	0	0	0	0
3 Rent Revenue - Stores and Commercial	5140	0	0	0	0	0	0	0	0
4 Garage and Parking Spaces	5170	0	0	0	0	0	0	0	0
5 Flexible Subsidy Revenue	5180	0	0	0	0	0	0	0	0
6 Miscellaneous Rent Revenue	5190	0	0	0	0	0	0	0	0
7 Excess Rent	5191	0	0	0	0	0	0	0	0
8 Rent Revenue/Insurance	5192	0	0	0	0	0	0	0	0
9 Special Claims Revenue	5193	0	0	0	0	0	0	0	0
10 Retained Excess Income	5194	0	0	0	0	0	0	0	0
<b>11 GROSS POTENTIAL RENT (GR)</b>	<b>5100T</b>	<b>125,011</b>	<b>125,011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,011</b>	<b>125,011</b>	<b>0</b>
<b>VACANCIES: 5200</b>									
<b>Vacancy Percentage:</b>		<b>3.00%</b>	<b>3.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>			
12 Apartments -	5220	3,750	3,750	0	0	0	3,750	3,750	0
13 Stores and Commercial	5240	0	0	0	0	0	0	0	0
14 Rental Concessions	5250	0	0	0	0	0	0	0	0
15 Garage and Parking Spaces	5270	0	0	0	0	0	0	0	0
16 Miscellaneous	5290	0	0	0	0	0	0	0	0
<b>Total Vacancies</b>	<b>5200T</b>	<b>3,750</b>	<b>3,750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,750</b>	<b>3,750</b>	<b>0</b>
<b>ASSISTED LIVING/BOARD &amp; CARE REVENUES: 5300</b>									
17 Food	5332	0	0	0	0	0	0	0	0
18 Recreation (Activities) and Rehabilitation	5380	0	0	0	0	0	0	0	0
19 Rehabilitation	5385	0	0	0	0	0	0	0	0
20 Other Service Revenue	5390	0	0	0	0	0	0	0	0
<b>Total Living Revenue</b>	<b>6300T</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FINANCIAL REVENUE: 5400</b>									
21 Financial Revenue - Project Operations	5410	800	800	0	0	0	800	800	0
<b>Total Financial Revenue</b>	<b>5400T</b>	<b>800</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>800</b>	<b>0</b>
<b>OTHER REVENUE: 5900</b>									
22 Laundry and Vending Revenue	5910	1,800	1,800	0	0	0	1,800	1,800	0
23 NSF and Late Charges	5920	0	0	0	0	0	0	0	0
24 Damages and Cleaning Fees	5930	0	0	0	0	0	0	0	0
25 Forfeited Tenant Security Deposits	5940	0	0	0	0	0	0	0	0
26 Other Revenue	5990	0	0	0	0	0	0	0	0
<b>Total Other Revenue</b>	<b>5900T</b>	<b>1,800</b>	<b>1,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,800</b>	<b>1,800</b>	<b>0</b>
<b>27 EFFECTIVE GROSS RENT (EGR)</b>	<b>5152T</b>	<b>123,861</b>	<b>123,861</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>123,861</b>	<b>123,861</b>	<b>0</b>
<b>28 TOTAL OPERATING EXPENSES</b>	<b>6000T</b>	<b>141,499</b>	<b>141,499</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>141,499</b>	<b>141,499</b>	<b>0</b>
<b>29 NET OPERATING INCOME (NOI)</b>	<b>5000T</b>	<b>(17,639)</b>	<b>(17,639)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(17,639)</b>	<b>(17,639)</b>	<b>0</b>
<b>FINANCIAL EXPENSES: 6800</b>									
30 Non-Contingent Debt Service (specify lender)	6895	0	0	0	0	0	0	0	0
1st Mortgage =		0	0	0	0	0	0	0	0
2nd Mortgage =		0	0	0	0	0	0	0	0
3rd Mortgage =		0	0	0	0	0	0	0	0
31 HCD Required Payments	6890	0	0	0	0	0	0	0	0
32 Lease Payment	6890	0	0	0	0	0	0	0	0
33 Miscellaneous Financial Expenses	6890	0	0	0	0	0	0	0	0
<b>Total Financial Expenses</b>	<b>6800T</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUNDED RESERVES:</b>									
34 Escrow Deposits	1300	0	0	0	0	0	0	0	0
35 Replacement Reserve-Deposit	1310	6,100	6,100	0	0	0	6,100	6,100	0
36 Operating Reserve-Deposit	1300	0	0	0	0	0	0	0	0
37 Other Reserves (specify)									
#1	1330	0	0	0	0	0	0	0	0
#2	1330	0	0	0	0	0	0	0	0
#3	1330	0	0	0	0	0	0	0	0
<b>Total Reserve Deposits</b>		<b>6,100</b>	<b>6,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,100</b>	<b>6,100</b>	<b>0</b>
<b>38 PROJECT CASH FLOW (CF)</b>		<b>(23,739)</b>	<b>(23,739)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(23,739)</b>	<b>(23,739)</b>	<b>0</b>
<b>ADDITIONAL REVENUE:</b>									
39 RHCP-O Annuity Fund Request (For Assisted Units Only)		23,739	23,739	0	0	0	23,739	23,739	0
40 Withdrawal from Operating Reserves		0	0	0	0	0	0	0	0
41 Borrower Contribution		0	0	0	0	0	0	0	0
42 Other (specify)		0	0	0	0	0	0	0	0
<b>Total Additional Revenue</b>		<b>23,739</b>	<b>23,739</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,739</b>	<b>23,739</b>	<b>0</b>
<b>USE OF CASH FLOW:</b>									
43 HCD Interest Payments		0	0	0	0	0	0	0	0
44 Asset Mgmt Fee (CHRP-R/SU/HRP & HOME-pre-UMR Only)		0	0	0	0	0	0	0	0
45 Asset Mgmt Fee/Partshp Costs (MHP/HOME under UMR)		0	0	0	0	0	0	0	0
46 Borrower Distributions		0	0	0	0	0	0	0	0
47 Residual Receipt Loan Payments		0	0	0	0	0	0	0	0
48 Other (specify)		0	0	0	0	0	0	0	0
<b>Total Use of Cash Flow</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

SIGNATURES:

Management By Capital Area Development Authority Title Accounting manager Date 11/28/08  
Borrower By Noelle Mussen Title Accounting manager Date 11/28/08  
Sponsor (Local Agency) By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

HCD Use Only:

Annuity Payment in the amount of \$23,739 for the fiscal year from 7/1/2007 to 6/30/2008 is approved for payment from the RHCP Annuity Fund.

Monitoring and Management Program Representative  
Department of Housing and Community Development

Date

Monitoring and Management Program Manager  
Department of Housing and Community Development

Date

**Rental Housing Construction Program (RHCP) - Original**  
**REPORT OF ACTUAL OPERATING COSTS**

Reporting Period: 7/1/2007 to 06/30/2008

Contract No: 80-RHC-032  
Project Name: Biele Place  
Prepared by: Noelle Mussen, Accounting Manager  
Date Prepared: 10/20/2008

Units/Sq. Ft. - Assisted: 35  
Units/Sq. Ft. - Total: 35

Unit Months: 420

ACCOUNT NAME	ACCOUNT CODES	UNIT EXPENSES						PROJECT TOTALS		
		Approved Assisted (A)	Actual Assisted	Approved Non-Assisted	Actual Non-Assisted	Proposed Commercial	Actual Commercial	Approved Total Expenses	Total Actual Expenses (B)	Project Variance (C)
<b>MANAGEMENT FEE: 6200/6300</b>										
1 Management Fee	6320	18,444	18,444	0	0	0	0	18,444	18,444	0
<b>ADMINISTRATIVE EXPENSES: 6200/6300</b>										
2 Advertising	6210	360	360	0	0	0	0	360	360	0
3 Apartment Resale Expense (Cooperatives)	6235	0	0	0	0	0	0	0	0	0
4 Other Renting Expenses	6250	200	0	0	0	0	0	200	0	200
5 Office Salaries	6310	0	0	0	0	0	0	0	0	0
6 Office Supplies	6311	0	0	0	0	0	0	0	0	0
7 Office or Model Apartment Rent	6312	0	0	0	0	0	0	0	0	0
8 Manager and Superintendent Salaries	6330	20,640	20,640	0	0	0	0	20,640	20,640	0
9 Manager's or Superintendent's Rent Free Unit	6331	5,424	5,424	0	0	0	0	5,424	5,424	0
10 Legal Expense - Project	6340	750	0	0	0	0	0	750	0	750
11 Audit Expense - Project	6350	3,900	3,900	0	0	0	0	3,900	3,900	0
12 Bookkeeping Fees/Accounting Services	6351	0	0	0	0	0	0	0	0	0
13 Telephone and Answering Service Expenses	6360	0	0	0	0	0	0	0	0	0
14 Bad Debt Expense	6370	0	0	0	0	0	0	0	0	0
15 Miscellaneous Administrative Expenses (specify)	6390	0	0	0	0	0	0	0	0	0
<b>16 TOTAL ADMINISTRATIVE EXPENSES</b>	<b>6200/6300T</b>	<b>31,274</b>	<b>30,324</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,274</b>	<b>30,324</b>	<b>950</b>
<b>UTILITIES EXPENSES: 6400</b>										
17 Fuel Oil/Coal	6420	0	0	0	0	0	0	0	0	0
18 Electricity	6450	2,750	1,864	0	0	0	0	2,750	1,864	886
19 Water	6451	0	0	0	0	0	0	0	0	0
20 Gas	6452	8,300	5,912	0	0	0	0	8,300	5,912	2,388
21 Sewer	6453	13,500	14,493	0	0	0	0	13,500	14,493	(993)
<b>22 TOTAL UTILITIES EXPENSES</b>	<b>6400T</b>	<b>24,550</b>	<b>22,269</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,550</b>	<b>22,269</b>	<b>2,281</b>
<b>OPERATING AND MAINTENANCE EXPENSES: 6500</b>										
23 Janitor and Cleaning Payroll	6510	8,945	2,956	0	0	0	0	8,945	2,956	5,989
24 Janitor and Cleaning Supplies	6515	5,000	1,235	0	0	0	0	5,000	1,235	3,765
25 Janitor and Cleaning Contracts	6517	8,676	3,515	0	0	0	0	8,676	3,515	5,161
26 Exterminating Payroll/Contract	6519	0	0	0	0	0	0	0	0	0
27 Exterminating Supplies	6520	0	0	0	0	0	0	0	0	0
28 Garbage and Trash Removal	6525	2,625	2,896	0	0	0	0	2,625	2,896	(271)
29 Security Payroll/Contract	6530	1,875	1,875	0	0	0	0	1,875	1,875	0
30 Grounds Payroll	6535	0	0	0	0	0	0	0	0	0
31 Grounds Supplies	6536	0	0	0	0	0	0	0	0	0
32 Grounds Contract	6537	2,124	2,124	0	0	0	0	2,124	2,124	0
33 Repairs Payroll	6540	0	0	0	0	0	0	0	0	0
34 Repairs Material	6541	3,000	1,466	0	0	0	0	3,000	1,466	1,534
35 Repairs Contract	6542	0	0	0	0	0	0	0	0	0
36 Elevator Maintenance/Contract	6545	3,700	1,823	0	0	0	0	3,700	1,823	1,877
37 Heating/Cooling Repairs and Maintenance	6546	0	0	0	0	0	0	0	0	0
38 Swimming Pool Maintenance/Contract	6547	0	0	0	0	0	0	0	0	0
39 Snow Removal	6548	0	0	0	0	0	0	0	0	0
40 Decorating/Payroll Contract	6560	6,000	242	0	0	0	0	6,000	242	5,758
41 Decorating Supplies	6561	0	0	0	0	0	0	0	0	0
42 Vehicle and Maint. Equipment Operation/Repairs	6570	0	0	0	0	0	0	0	0	0
43 Misc. Operating and Maintenance Expenses (specify)	6590	12,000	9,227	0	0	0	0	12,000	9,227	2,773
<b>44 TOTAL OPERATING &amp; MAINTENANCE EXPENSES</b>	<b>6500T</b>	<b>53,945</b>	<b>27,360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,945</b>	<b>27,360</b>	<b>26,585</b>
<b>TAXES AND INSURANCE: 6700</b>										
45 Real Estate Taxes	6710	140	705	0	0	0	0	140	705	(565)
46 Payroll Taxes (Project's Share)	6711	0	0	0	0	0	0	0	0	0
47 Misc. Taxes, Licenses and Permits	6719	0	0	0	0	0	0	0	0	0
48 Property and Liability Insurance (Hazard)	6720	0	0	0	0	0	0	0	0	0
49 Fidelity Bond Insurance	6721	0	0	0	0	0	0	0	0	0
50 Worker's Compensation	6722	0	0	0	0	0	0	0	0	0
51 Health Insurance and Other Employee Benefits	6723	0	0	0	0	0	0	0	0	0
52 Other Insurance	6729	9,025	6,802	0	0	0	0	9,025	6,802	2,223
<b>53 TOTAL TAXES AND INSURANCE</b>	<b>6700T</b>	<b>9,165</b>	<b>7,507</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,165</b>	<b>7,507</b>	<b>1,658</b>
<b>ASSISTED LIVING/BOARD &amp; CARE EXPENSES: 6900</b>										
54 Food	6932	0	0	0	0	0	0	0	0	0
55 Recreation and Rehabilitation	6980	0	0	0	0	0	0	0	0	0
56 Rehabilitation Salaries	6983	0	0	0	0	0	0	0	0	0
57 Other Service Expenses	6990	0	0	0	0	0	0	0	0	0
<b>58 TOTAL ASSISTED LIVING EXPENSES</b>	<b>6900T</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>61 TOTAL OPERATING COSTS</b>		<b>137,378</b>	<b>105,904</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>137,378</b>	<b>105,904</b>	<b>31,474</b>

**Rental Housing Construction Program (RHCP) - Original**  
**ACTUAL CASH FLOW ANALYSIS**

Reporting Period: 07/01/2007 to 06/30/2008

Contract No: 80-RHC-032  
Project Name: Biele Place  
Prepared by: Noelle Mussen, Accounting Manager  
Date Prepared: 10/20/2008

Units/Sq. Ft. - Assisted: 35  
Units/Sq. Ft. - Total: 35

Unit Months: 420

ACCOUNT NAME	Account Codes	ASSISTED UNITS		NON-ASSISTED UNITS		COMMERCIAL		TOTAL PROJECT		PROJECT VARIANCE
		Approved Cashflow (A)	Actual Cashflow (B)	Approved Cashflow (C)	Actual Cashflow (D)	Proposed Cashflow (E)	Actual Cashflow (F)	Approved Cashflow (G)	Actual Cashflow (H)	Cashflow Variance (I)
<b>REVENUE ACCOUNTS/RENT REVENUE: 5100</b>										
1 Rent Revenue	5120	125,011	128,538	0	0	0	0	125,011	128,538	3,527
2 Tenant Assistance Payments	5121	0	0	0	0	0	0	0	0	0
3 Rent revenue - Stores and Commercial	5140	0	0	0	0	0	0	0	0	0
4 Garage and Parking Spaces	5170	0	0	0	0	0	0	0	0	0
5 Flexible Subsidy Revenue	5185	0	0	0	0	0	0	0	0	0
6 Miscellaneous Rent Revenue	5190	0	0	0	0	0	0	0	0	0
7 Excess Rent	5191	0	0	0	0	0	0	0	0	0
8 Rent Revenue/Insurance	5192	0	0	0	0	0	0	0	0	0
9 Special Claims Revenue	5193	0	0	0	0	0	0	0	0	0
10 Retained Excess Income	5194	0	0	0	0	0	0	0	0	0
<b>11 GROSS RENT REVENUE</b>	<b>5100T</b>	<b>125,011</b>	<b>128,538</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,011</b>	<b>128,538</b>	<b>3,527</b>
<i>Total Vacancies (HCD Use Only)</i>	<b>5200T</b>	<b>3,750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,750</b>	<b>0</b>	<b>0</b>
<b>ASSISTED LIVING/BOARD &amp; CARE REVENUES: 5300</b>										
17 Food	5332	0	0	0	0	0	0	0	0	0
18 Recreation (Activities) and Rehabilitation	5380	0	0	0	0	0	0	0	0	0
19 Rehabilitation	5385	0	0	0	0	0	0	0	0	0
20 Other Service Revenue	5390	0	0	0	0	0	0	0	0	0
<i>Total Living Revenue</i>	<b>6300T</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FINANCIAL REVENUE: 5400</b>										
21 Financial Revenue - Project Operations	5410	800	3,396	0	0	0	0	800	3,396	2,596
<i>Total Financial Revenue</i>	<b>5400T</b>	<b>800</b>	<b>3,396</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>3,396</b>	<b>2,596</b>
<b>OTHER REVENUE: 5900</b>										
22 Laundry and Vending Revenue	5910	1,800	2,282	0	0	0	0	1,800	2,282	482
23 NSF and Late Charges	5920	0	0	0	0	0	0	0	0	0
24 Damages and Cleaning Fees	5930	0	0	0	0	0	0	0	0	0
25 Forfeited Tenant Security Deposits	5940	0	0	0	0	0	0	0	0	0
26 Other Revenue	5990	0	214	0	0	0	0	0	214	214
<i>Total Other Revenue</i>	<b>5900T</b>	<b>1,800</b>	<b>2,496</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,800</b>	<b>2,496</b>	<b>696</b>
<b>27 EFFECTIVE GROSS RENT (EGR)</b>	<b>5152T</b>	<b>123,861</b>	<b>134,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>123,861</b>	<b>134,430</b>	<b>10,569</b>
<b>28 TOTAL OPERATING EXPENSES</b>	<b>6000T</b>	<b>141,499</b>	<b>105,904</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>141,499</b>	<b>105,904</b>	<b>35,596</b>
<b>29 NET OPERATING INCOME (NOI)</b>	<b>5000T</b>	<b>(17,639)</b>	<b>28,526</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(17,639)</b>	<b>28,526</b>	<b>46,165</b>
<b>FINANCIAL EXPENSES: 6800</b>										
30 Non-Contingent Debt Service (specify lender)	6895									
1st Mortgage =		0	0	0	0	0	0	0	0	0
2nd Mortgage =		0	0	0	0	0	0	0	0	0
3rd Mortgage =		0	0	0	0	0	0	0	0	0
31 HCD Required Payments	6890	0	0	0	0	0	0	0	0	0
32 Lease Payment	6890	0	0	0	0	0	0	0	0	0
33 Miscellaneous Financial Expenses	6890	0	0	0	0	0	0	0	0	0
<i>Total Financial Expenses</i>	<b>6800T</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUNDED RESERVES:</b>										
34 Escrow Deposits	1300									
1310		0	0	0	0	0	0	0	0	0
35 Replacement Reserve-Deposit	1320	6,100	6,100	0	0	0	0	6,100	6,100	0
36 Operating Reserve-Deposit	1300	0	0	0	0	0	0	0	0	0
37 Other Reserves (specify)										
#1	1330	0	0	0	0	0	0	0	0	0
#2	1330	0	0	0	0	0	0	0	0	0
#3	1330	0	0	0	0	0	0	0	0	0
<i>Total Reserve Deposits</i>		<b>6,100</b>	<b>6,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,100</b>	<b>6,100</b>	<b>0</b>
<b>38 PROJECT CASH FLOW (CF)</b>		<b>(23,739)</b>	<b>22,426</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(23,739)</b>	<b>22,426</b>	<b>46,165</b>
<b>ADDITIONAL REVENUE:</b>										
39 RHCP-O Annuity Fund Request (For Assisted Units Only)		23,739	23,739					23,739	23,739	0
40 Withdrawal from Operating Reserves		0	0	0	0	0	0	0	0	0
41 Borrower Contribution		0	0	0	0	0	0	0	0	0
42 Other (specify)		0	0	0	0	0	0	0	0	0
<i>Total Additional Revenue</i>		<b>23,739</b>	<b>23,739</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,739</b>	<b>23,739</b>	<b>0</b>
<b>USE OF CASH FLOW:</b>										
43 HCD Interest Payments		0	0	0	0	0	0	0	0	0
44 Asset Mgmt Fee (CHRP-R/SUHRP & HOME-pre-UMR Only)		0	0	0	0	0	0	0	0	0
45 Asset Mgmt Fee/Prtshp Costs (MHP/HOME under UMR)		0	0	0	0	0	0	0	0	0
46 Borrower Distributions		0	0	0	0	0	0	0	0	0
47 Residual Receipt Loan Payments		0	0	0	0	0	0	0	0	0
48 Other (specify)		0	0	0	0	0	0	0	0	0
<i>Total Use of Cash Flow</i>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **OTHER REPORT**



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Board of Directors  
Capitol Area Development Authority  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the financial statements of the Biele Place Apartments (Contract Number 80-RHC-032), a project of the Capitol Area Development Authority (Project), as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated November 28, 2008. Our opinion includes an explanatory paragraph describing that the financial statements presents only the Project and does not purport to, and do not, present fairly the financial position or changes in financial position of the Capitol Area Development Authority. 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 the Authority's internal control over the Project's 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 the Project's financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over the Project's financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity'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 entity's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of 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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project'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*.

This report is intended solely for the information and use of the Board of Directors, management and the State of California Department of Housing and Community Development and is not intended to be and should not be used by anyone other than these specified parties.

*Macie Mini & O'Connell LLP*

Certified Public Accountants

Sacramento, California  
November 28, 2008