

**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, 2010 and 2009

BIELE PLACE APARTMENTS
(Contract Number 80-RHC-032)
A Project of the Capitol Area Development Authority
For the Fiscal Years Ended June 30, 2010 and 2009

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Board of Directors
Capitol Area Development Authority
Sacramento, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying basic financial statements of Biele Place Apartments (Contract Number 80-RHC-032) (the Project), a project of the Capitol Area Development Authority (Authority) as of and for the fiscal years ended June 30, 2010 and 2009, 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 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, 2010 and 2009, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Project as of June 30, 2010 and 2009, 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 December 3, 2010, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

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.

Macinn Meiri & O'Connell LLP

Certified Public Accountants

Sacramento, California

December 3, 2010

BIELE PLACE APARTMENTS
(Contract Number 80-RHC-032)
A Project of the Capitol Area Development Authority
Statements of Net Assets
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 51,285	\$ 85,001
Prepaid expense	883	865
Restricted cash - tenant security deposits	10,845	10,190
Total current assets	<u>63,013</u>	<u>96,056</u>
Noncurrent assets:		
Restricted cash - replacement reserve	5,443	29,584
Capital assets:		
Buildings and improvements, net of accumulated depreciation	<u>236,638</u>	<u>259,174</u>
Total noncurrent assets	<u>242,081</u>	<u>288,758</u>
Total assets	<u>305,094</u>	<u>384,814</u>
Liabilities		
Current liabilities:		
Accounts payable	2,000	9,067
Prepaid rent	1,423	1,709
Due to State - HCD	51,140	83,285
Security deposits	10,845	10,190
Notes payable, current portion	4,071	3,872
Total current liabilities	<u>69,479</u>	<u>108,123</u>
Noncurrent liabilities:		
Notes payable	<u>15,968</u>	<u>20,039</u>
Total liabilities	<u>85,447</u>	<u>128,162</u>
Net Assets		
Invested in capital assets, net of related debt	216,599	235,263
Restricted for replacements	5,443	29,584
Unrestricted	(2,395)	(8,195)
Total net assets	<u>\$ 219,647</u>	<u>\$ 256,652</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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating revenues		
Rental revenue, net	\$ 136,364	\$ 125,853
HCD annuities	17,063	20,492
Less: Excess program payments	<u>(45,039)</u>	<u>(37,120)</u>
Net HCD annuities	(27,976)	(16,628)
CADA annuity	4,980	4,980
Coin-operated laundry	1,649	1,592
Miscellaneous	<u>370</u>	<u>400</u>
Total operating revenues	<u>115,387</u>	<u>116,197</u>
Operating expenses		
Payroll:		
Salaries and benefits	<u>30,733</u>	<u>30,387</u>
Administrative:		
Legal and accounting services	4,310	5,351
Management fee	19,932	19,176
Media	<u>564</u>	<u>564</u>
Total administrative	<u>24,806</u>	<u>25,091</u>
Utilities	<u>20,998</u>	<u>22,803</u>
Operating and maintenance:		
Supplies	1,158	1,567
Service contracts	8,643	10,854
Courtesy patrol	2,064	1,968
Decorating and painting	460	2,054
Repairs and maintenance	<u>6,849</u>	<u>11,554</u>
Total operating and maintenance	<u>19,174</u>	<u>27,997</u>
Insurance and taxes:		
Insurance	8,352	6,883
Property taxes	<u>666</u>	<u>609</u>
Total insurance and taxes	<u>9,018</u>	<u>7,492</u>
Depreciation	<u>48,521</u>	<u>46,249</u>
Total operating expenses	<u>153,250</u>	<u>160,019</u>
Operating loss	<u>(37,863)</u>	<u>(43,822)</u>
Non-operating revenues (expenses)		
Interest income	1,966	3,355
Interest expense	<u>(1,108)</u>	<u>(1,296)</u>
Total non-operating revenues, net	<u>858</u>	<u>2,059</u>
Change in net assets	(37,005)	(41,763)
Net assets, beginning of year	256,652	298,415
Net assets, end of year	<u>\$ 219,647</u>	<u>\$ 256,652</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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Rental receipts	\$ 136,078	\$ 126,506
HCD annuities	(60,121)	-
CADA annuity	4,980	4,980
Other receipts	2,019	1,992
Tenant security deposits received	1,550	2,105
Payroll and related costs	(30,733)	(30,387)
Administrative expenses	(24,806)	(25,091)
Utilities expense	(20,998)	(22,803)
Operating and maintenance expenses	(26,259)	(39,663)
Tenant security deposits paid	(895)	(2,530)
Insurance and taxes expense	(9,018)	(7,492)
Net cash (used for) provided by operating activities	<u>(28,203)</u>	<u>7,617</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(25,985)	(68,841)
Principal payment on debt	(3,872)	(3,684)
Interest paid on debt	(1,108)	(1,296)
Net cash used for capital and related financing activities	<u>(30,965)</u>	<u>(73,821)</u>
Cash flows from investing activities:		
Interest receipts	<u>1,966</u>	<u>3,355</u>
Net decrease in cash	(57,202)	(62,849)
Cash and cash equivalents, beginning of year	<u>124,775</u>	<u>187,624</u>
Cash and cash equivalents, end of year	<u>\$ 67,573</u>	<u>\$ 124,775</u>
Reconciliation to the Statement of Net Assets:		
Cash and cash equivalents	\$ 51,285	\$ 85,001
Restricted cash:		
Tenant security deposits	10,845	10,190
Replacement reserves	<u>5,443</u>	<u>29,584</u>
Total cash and cash equivalents	<u>\$ 67,573</u>	<u>\$ 124,775</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, 2010 and 2009

	2010	2009
Reconciliation of operating loss to net cash (used for) provided by operating activities:		
Operating loss	\$ (37,863)	\$ (43,822)
Adjustments to reconcile operating loss to net cash (used for) provided by operating activities:		
Depreciation	48,521	46,249
Changes in assets and liabilities:		
Prepaid expense	(18)	(865)
Accounts payable	(7,067)	(10,801)
Prepaid rent	(286)	653
Due to State - HCD	(32,145)	16,628
Security deposits	655	(425)
Net cash (used for) provided by operating activities	\$ (28,203)	\$ 7,617

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, 2010 and 2009

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 and cash flows 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 occurs. 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, 2010 and 2009

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 California 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 1.41 and 1.16 year at June 30, 2010 and 2009, respectively. At June 30, 2010 and 2009, 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 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, 2010 and 2009 amounted to \$10,845 and \$10,190, 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, 2010 and 2009

NOTE C - CAPITAL ASSETS

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

	<u>June 30, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2010</u>
Capital assets:				
Buildings and improvements	\$ 1,206,002	\$ 25,985	\$ -	\$ 1,231,987
Less accumulated depreciation for:				
Buildings and improvements	<u>(946,828)</u>	<u>(48,521)</u>	<u>-</u>	<u>(995,349)</u>
Capital assets being depreciated, net	<u>259,174</u>	<u>(22,536)</u>	<u>-</u>	<u>236,638</u>
Capital assets, net	<u>\$ 259,174</u>	<u>\$ (22,536)</u>	<u>\$ -</u>	<u>\$ 236,638</u>
	<u>June 30, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2009</u>
Capital assets not being depreciated:				
Construction in progress	<u>\$ 7,850</u>	<u>\$ -</u>	<u>\$ 7,850</u>	<u>\$ -</u>
Capital assets:				
Buildings and improvements	1,129,311	76,691	-	1,206,002
Less accumulated depreciation for:				
Buildings and improvements	<u>(900,579)</u>	<u>(46,249)</u>	<u>-</u>	<u>(946,828)</u>
Capital assets being depreciated, net	<u>228,732</u>	<u>30,442</u>	<u>-</u>	<u>259,174</u>
Capital assets, net	<u>\$ 236,582</u>	<u>\$ 30,442</u>	<u>\$ 7,850</u>	<u>\$ 259,174</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, 2010 and 2009

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:

	2010	2009
Beginning balance	\$ 29,584	\$ 99,673
Interest earned	536	802
Required deposits	6,400	6,100
Authorized expenses	(31,077)	(76,991)
Ending balance	\$ 5,443	\$ 29,584

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 \$27,976 and \$16,628, during fiscal years ended June 30, 2010 and 2009, 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 the authorized budget. For the years ended June 30, 2010 and 2009, rental and program revenues exceeded qualifying operating costs by \$45,039 and \$37,120 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:

	2010	2009
Due to State-HCD, beginning balance	\$ 83,285	\$ 66,657
Excess program payments for the current year	45,039	37,120
HCD reduction	(77,184)	(20,492)
Due to State-HCD, ending balance	\$ 51,140	\$ 83,285

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, 2010 and 2009

NOTE F - NOTE PAYABLE

Note payable as of June 30, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Sacramento Housing and Redevelopment Agency (SHRA)	\$ 20,039	\$ 23,911
Less: current portion	<u>4,071</u>	<u>3,872</u>
Long-term portion	<u>\$ 15,968</u>	<u>\$ 20,039</u>

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

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>
2011	\$ 4,071	\$ 909	\$ 4,980
2012	4,279	701	4,980
2013	4,498	482	4,980
2014	4,728	252	4,980
2015	<u>2,463</u>	<u>36</u>	<u>2,499</u>
	<u>\$ 20,039</u>	<u>\$ 2,380</u>	<u>\$ 22,419</u>

The following is a summary of the note payable transactions for the fiscal years ended June 30, 2010 and 2009:

<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts due</u> <u>within one year</u>
<u>\$ 23,911</u>	<u>\$ -</u>	<u>\$ 3,872</u>	<u>\$ 20,039</u>	<u>\$ 4,071</u>
<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts due</u> <u>within one year</u>
<u>\$ 27,595</u>	<u>\$ -</u>	<u>\$ 3,684</u>	<u>\$ 23,911</u>	<u>\$ 3,872</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, 2010 and 2009

NOTE G - 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, therefore it 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.

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, 2010

Insurance

Insurance premiums are current as of June 30, 2010. The annual renewal policy was paid before the due date.

Debt Service

The debt service payments are current.

Project Name: Biele Place

Contract #: 80-RHC-032

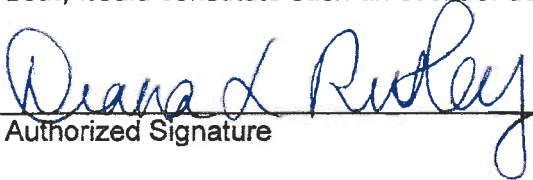
Sponsor's Name: Capitol Area Development Authority

Project Fiscal Year: 2009-2010

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.

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

10/29/10

Date

Project Name: Biele Place **HCD Contract #:** 80-RHC-032

Prepared By: Noelle Mussen, Controller **Date:** 10/29/2010

REPORT OF RESERVE AND OTHER ACCOUNT BALANCES FOR FISCAL YEAR: 2009-2010

Please complete the following table with the appropriate amounts *for each individual account*.

	Operating Reserve Amounts	Replacement Reserve Amounts	Transition Reserve Amounts	Other Reserve Amounts	Tenant Security Dep. Amounts
Account Numbers:					
A. Balance at beginning of FY:		29,584			
Required Deposits for Year		6,100			
Other Deposits (Explain below)		300			
Tenant Security Payment Deposits					
Interest Earned for Year		536			
Subtotal Section A	0	36,520	0	0	0
B. Withdrawals (Insert Date Below)					
2/28/2010 - Approved Reserve Draw		25,985			
4/20/2010 - Approved Reserve Draw		1,480			
6/30/2010 - Approved Reserve Draw		3,612			
Security Deposit Amts Deducted for Tenant Account Receivables					
Bank Charges/Fees Paid for Year					
Other Debits (Explain below)					
Interest paid upon move-out, if any.					
Security Deposit Amounts Returned to Tenants					
Subtotal Section B	0	31,077	0	0	0
C. Balance at end of FY:	0	5,443	0	0	0

Explanation of other Deposits: In the prior year approved expenditures where \$76,691.20 not the reported amount of \$76,991. In the current fiscal year 2009-2010 the reserve account was corrected and the \$300 was posted back to reserves.

*PLEASE NOTE: for CHRP-R & SUHRP attach bank statements.

Explanation of other Withdrawals:

ADDITIONAL REQUESTED INFORMATION FOR FY:

2009-2010

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

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

Reporting Period: 07/01/2009 to 06/30/2010

Contract No: 80-RHC-032
Project Name: Biele Place
Prepared by: Noelle Mussen, Accounting Manager
Date Prepared: 05/22/2008

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
MANAGEMENT FEE: 6200/6300							
1 Management Fee or Sponsor Overhead	6320	19,932	100.00%	19,932	0	0	19,932
ADMINISTRATIVE EXPENSES: 6200/6300							
2 Advertising	6210	564	100.00%	564	0	0	564
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	22,320	100.00%	22,320	0	0	22,320
9 Manager's or Superintendent's Rent Free Unit	6331	5,508	100.00%	5,508	0	0	5,508
10 Legal Expense - Project	6340	750	100.00%	750	0	0	750
11 Audit Expense - Project	6350	4,310	100.00%	4,310	0	0	4,310
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
16 TOTAL ADMINISTRATIVE EXPENSE:	6200/6300T	33,652	100.00%	33,652	0	0	33,652
UTILITIES EXPENSE: 6400							
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	14,175	100.00%	14,175	0	0	14,175
22 TOTAL UTILITIES EXPENSE:	6400T	25,225	100.00%	25,225	0	0	25,225
OPERATING AND MAINTENANCE EXPENSES: 6500							
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	3,225	100.00%	3,225	0	0	3,225
29 Security Payroll/Contract	6530	2,064	100.00%	2,064	0	0	2,064
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
44 TOTAL OPERATING & MAINTENANCE EXPENSE:	6500T	54,734	100.00%	54,734	0	0	54,734
TAXES AND INSURANCE: 6700							
45 Real Estate Taxes	6710	705	100.00%	705	0	0	705
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
53 TOTAL TAXES AND INSURANCE:	6700T	9,730	100.00%	9,730	0	0	9,730
ASSISTED LIVING/BOARD & CARE EXPENSES: 6900							
54 Food	6932	0	100.00%	0	0	0	0
55 Recreation and Rehabilitation	6960	0	100.00%	0	0	0	0
56 Rehabilitation Salaries	6963	0	100.00%	0	0	0	0
57 Other Service Expenses	6990	0	100.00%	0	0	0	0
58 TOTAL ASSISTED LIVING EXPENSES	6900T	0	100.00%	0	0	0	0
59 SUBTOTAL OPERATING COSTS:		143,273		143,273	0	0	143,273
60 CONTINGENCY RESERVE (RHCP-O Only):	3.00%	4,298		4,298	0	0	4,298
61 TOTAL OPERATING COSTS		147,571		147,571	0	0	147,571

SIGNATURES:

Management Agent	By	Title	Date
Borrower	By	Title	Date
Sponsor (Local Agency)	By	Title	Date

Capitol Area Development Authority *Noelle Mussen* Controller *10/29/10*

Rental Housing Construction Program (RHCP) - Original

PROPOSED CASH FLOW ANALYSIS

Reporting Period: 07/01/2009 to 08/30/2010

Contract No: 80-RHC-032
Project Name: Biele Place
Prepared by: Noelle Mussen, Accounting Manager
Date Prepared: 05/22/2009

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
REVENUE ACCOUNTS/RENT REVENUE: 6100					
1 Rent Revenue - Gross Potential	5120	135,765	0	0	135,765
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	100	0	0	100
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
11 GROSS POTENTIAL RENT (GR)	5100T	135,865	0	0	135,865
VACANCIES: 5200					
Vacancy percentage		3.00%	0.00%	0.00%	
12 Apartments	5220	4,073	0	0	4,073
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
Total Vacancies	5200T	4,073	0	0	4,073
ASSISTED LIVING/BOARD & CARE REVENUE: 6300					
17 Food	5332	0	0	0	0
18 Recreation (Activities) and Rehabilitation	5360	0	0	0	0
19 Rehabilitation	5385	0	0	0	0
20 Other Service Revenue	5390	0	0	0	0
Total Living Revenues	5300T	0	0	0	0
FINANCIAL REVENUE: 6400					
21 Financial Revenue - Project Operations	5410	2,300	0	0	2,300
Total Financial Revenue	5400T	2,300	0	0	2,300
OTHER REVENUE: 5900					
22 Laundry and Vending Revenue	5910	2,000	0	0	2,000
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
Total other Revenue	5900T	2,000	0	0	2,000
27 EFFECTIVE GROSS RENT (EGR)	5152N	136,092	0	0	136,092
28 TOTAL OPERATING EXPENSES	6000T	147,571	0	0	147,571
29 NET OPERATING INCOME (NOI)	5000T	(11,479)	0	0	(11,479)
FINANCIAL EXPENSES: 6800					
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
Total Financial Expenses	6800T	0	0	0	0
FUNDED RESERVES: 1300					
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
Total Reserve Deposits		6,100	0	0	6,100
38 PROJECT CASH FLOW (CF)		(17,579)	0	0	(17,579)

Rental Housing Construction Program (RHCP) - Original

PROPOSED CASH FLOW ANALYSIS

Reporting Period: 07/01/2009 to 06/30/2010

Contract No: 80-RHC-032
 Project Name: Biele Place
 Prepared by: Noelle Mussen, Accounting Manager
 Date Prepared: 05/22/2009

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
ADDITIONAL REVENUE:					
39 RHCP-O Annuity Fund Request (For Assisted Units Only)		0			0
40 Withdrawal from Operating Reserves		0	0	0	0
41 Borrower Contribution		0	0	0	0
42 Other (specify)		0	0	0	0
Total Additional Revenue		0	0	0	0
USE OF CASH FLOW:					
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/Ptrshp 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
Total Use of Cash Flow		0	0	0	0

SIGNATURES:

	By	Title	Date
Management Agent			
	By	Title	Date
Borrower			
Capital Area Development Authority Sponsor (Local Agency)	By <i>Noelle Mussen</i>	Title Controller	Date 10/29/10

Rental Housing Construction Program (RHCP) - Original

APPROVED OPERATING COSTS

Reporting Period: 07/01/2009 to 06/30/2010

Contract: 80-RHC-032
 Project Name: Biele Place
 Prepared by: Noelle Mussen, Accounting Manager
 Date Prepared: 05/22/2009

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

Unit Months: 420

ACCOUNT NAME	ACCOUNT CODES	TOTAL EXPENSES			
		PROPOSED		HCD APPROVED	
		ANNUAL (A)	PUM (B)	ANNUAL (C)	PUM (D)
MANAGEMENT FEE: 6200/6300					
1 Management Fee or Sponsor Overhead	6320	19,932	47.46	19,932	47.46
ADMINISTRATIVE EXPENSES: 6200/6300					
2 Advertising	6210	564	1.34	564	1.34
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	22,320	53.14	22,320	53.14
9 Manager's or Superintendent's Rent Free Unit	6331	5,508	13.11	5,508	13.11
10 Legal Expense - Project	6340	750	1.79	750	1.79
11 Audit Expense - Project	6350	4,310	10.26	4,310	10.26
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 TOTAL ADMINISTRATIVE EXPENSES	6200/6300T	33,652	80.12	33,652	80.12
UTILITIES EXPENSES: 6400					
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	14,175	33.75	14,175	33.75
22 TOTAL UTILITIES EXPENSES	6400T	25,225	60.06	25,225	60.06
OPERATING AND MAINTENANCE EXPENSES: 6500					
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	3,225	7.68	3,225	7.68
29 Security Payroll/Contract	6530	2,064	4.91	2,064	4.91
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 TOTAL OPERATING & MAINTENANCE EXPENSES	6500T	54,734	130.32	54,734	130.32

Rental Housing Construction Program (RHCP) - Original

APPROVED OPERATING COSTS

Reporting Period: 07/01/2009 to 06/30/2010

Contract: 80-RHC-032
 Project Name: Biele Place
 Prepared by: Noelle Mussen, Accounting Manager
 Date Prepared: 05/22/2009

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

Unit Months: 420

		TOTAL EXPENSES			
		PROPOSED		HCD APPROVED	
TAXES AND INSURANCE: 6700					
45 Real Estate Taxes	6710	705	1.68	705	1.68
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 TOTAL TAXES AND INSURANCE	6700T	9,730	23.17	9,730	23.17
ASSISTED LIVING/BOARD & CARE EXPENSES; 6900					
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 TOTAL ASSISTED LIVING EXPENSES	6900T	0	0.00	0	0.00
59 SUBTOTAL OPERATING COSTS		143,273	341.13	143,273	341.13
60 CONTINGENCY RESERVE (RHCP-O Only):	3.00%	4,298	10.23	4,298	10.23
61 TOTAL OPERATING COSTS		147,571	351.36	147,571	351.36

SIGNATURES:

Management	By	Title	Date
Borrower	By	Title	Date
Capital Area Development Authority	<i>Noelle Mussen</i>	Controller	10/29/10
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: 07/01/2009 to 06/30/2010

Contract: 80-RHC-032
Project Name: Biele Place
Prepared by: Noelle Mussen, Accounting Manager
Date Prepared: 5/22/2009

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

Unit Months: 420

ACCOUNT NAME	PRORATED EXPENSES								
	ACCOUNT CODES	% (E)	ASSISTED (F)	NON ASST. (G)	COMMERCIAL (H)	% (I)	ASSISTED (J)	NON ASST. (K)	COMMERCIAL (L)
MANAGEMENT FEE: 6200/6300									
1 Management Fee or Sponsor Overhead	6320	100.00%	19,932	0	0	100.00%	19,932	0	0
ADMINISTRATIVE EXPENSES: 6200/6300									
2 Advertising	6210	100.00%	564	0	0	100.00%	564	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%	22,320	0	0	100.00%	22,320	0	0
9 Manager's or Superintendent's Rent Free Unit	6331	100.00%	5,508	0	0	100.00%	5,508	0	0
10 Legal Expense - Project	6340	100.00%	750	0	0	100.00%	750	0	0
11 Audit Expense - Project	6350	100.00%	4,310	0	0	100.00%	4,310	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
16 TOTAL ADMINISTRATIVE EXPENSE:	6200/6300T		33,652	0	0		33,652	0	0
UTILITIES EXPENSE: 6400									
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%	14,175	0	0	100.00%	14,175	0	0
22 TOTAL UTILITIES EXPENSE:	6400T		25,225	0	0		25,225	0	0
OPERATING AND MAINTENANCE EXPENSES: 6500									
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%	3,225	0	0	100.00%	3,225	0	0
29 Security Payroll/Contract	6530	100.00%	2,084	0	0	100.00%	2,084	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
44 TOTAL OPERATING & MAINTENANCE EXPENSE:	6500T		54,734	0	0		54,734	0	0
TAXES AND INSURANCE: 6700									
45 Real Estate Taxes	6710	100.00%	705	0	0	100.00%	705	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
53 TOTAL TAXES AND INSURANCE:	6700T		9,730	0	0		9,730	0	0
ASSISTED LIVING/BOARD & CARE EXPENSES: 6800									
54 Food	6832	100.00%	0	0	0	0.00%	0	0	0
55 Recreation and Rehabilitation	6880	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
58 TOTAL ASSISTED LIVING EXPENSES:	6800T		0	0	0		0	0	0
59 SUBTOTAL OPERATING COSTS:			143,273	0	0		143,273	0	0
60 CONTINGENCY RESERVE (RHCP-O Only):	3.00%		4,298	0	0	3.00%	4,298	0	0
61 TOTAL OPERATING COSTS			147,571	0	0		147,571	0	0

SIGNATURES:

Management By _____ Title _____ Date _____

Borrower By _____ Title _____ Date _____

Sponsor (Local Agency) By Capital Area Development Authority Title Noelle Mussen Controller Date 10/29/10

DEPARTMENTAL APPROVAL:

Department of Housing and Community Development By _____ Title _____ Date _____

Rental Housing Construction Program (RHCP) - Original

APPROVED CASH FLOW ANALYSIS

Reporting Period: 07/01/2009 to 06/30/2010

Contract: 80-RHC-032
Project Name: Biola Place
Prepared by: Noelle Musser, Accounting Manager
Date Prepared: 5/22/2009

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

Unit Months: 420

ACCOUNT NAME	Account Codes	ASSISTED UNITS			NON-ASSISTED UNITS			TOTAL PROJECT		
		Proposed (A)	Approved (B)	Proposed (C)	Approved (D)	Commercial (E)	Proposed (F)	Approved (G)	Commercial (H)	
REVENUE ACCOUNTS/RENT REVENUE: 6100										
1 Rent Revenue - Gross Potential	5120	119,433	119,460	0	0	0	119,433	119,460	0	
2 Tenant Assistance Payments	5121	16,332	16,332	0	0	0	16,332	16,332	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	100	100	0	0	0	100	100	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	
11 GROSS POTENTIAL RENT (GR)	6100T	135,865	135,892	0	0	0	135,865	135,892	0	
VACANCIES: 6200										
Vacancy Percentages:										
12 Apartments -	5220	3.00%	3.00%	0.00%	0.00%	0.00%	4,073	3,684	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	
Total Vacancies	6200T	4,073	3,684	0	0	0	4,073	3,684	0	
ASSISTED LIVING/BOARD & CARE REVENUES: 5300										
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	
Total Living Revenue	6300T	0	0	0	0	0	0	0	0	
FINANCIAL REVENUE: 6400										
21 Financial Revenue - Project Operations	6410	2,300	2,300	0	0	0	2,300	2,300	0	
Total Financial Revenue	6400T	2,300	2,300	0	0	0	2,300	2,300	0	
OTHER REVENUE: 6900										
22 Laundry and Venting Revenue	6910	2,000	2,000	0	0	0	2,000	2,000	0	
23 NSF and Late Charges	6920	0	0	0	0	0	0	0	0	
24 Damages and Cleaning Fees	6930	0	0	0	0	0	0	0	0	
25 Forfeited Tenant Security Deposits	6940	0	0	0	0	0	0	0	0	
26 Other Revenue	6990	0	0	0	0	0	0	0	0	
Total Other Revenue	6900T	2,000	2,000	0	0	0	2,000	2,000	0	
27 EFFECTIVE GROSS RENT (EGR)	6152T	138,092	138,606	0	0	0	138,092	138,606	0	
28 TOTAL OPERATING EXPENSES	6000T	147,871	147,871	0	0	0	147,871	147,871	0	
29 NET OPERATING INCOME (NOI)	6000T	(15,479)	(15,479)	0	0	0	(15,479)	(15,479)	0	
FINANCIAL EXPENSES: 6800										
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	
Total Financial Expenses	6800T	0	0	0	0	0	0	0	0	
FUNDED RESERVES:										
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)		0	0	0	0	0	0	0	0	
#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	
Total Reserve Deposits		6,100	6,100	0	0	0	6,100	6,100	0	
38 PROJECT CASH FLOW (CF)		(17,879)	(17,879)	0	0	0	(17,879)	(17,879)	0	
ADDITIONAL REVENUE:										
39 RHCP-O Annuity Fund Request (For Assisted Units Only)		17,579	17,063	0	0	0	17,579	17,063	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	
Total Additional Revenue		17,579	17,063	0	0	0	17,579	17,063	0	
USE OF CASH FLOW:										
43 HCD Interest Payments		0	0	0	0	0	0	0	0	
44 Asset Mgmt Fee (CHRP-R/SUHRP & HOME-prs-UMR Only)		0	0	0	0	0	0	0	0	
45 Asset Mgmt Fee/Private 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	
Total Use of Cash Flow		0	0	0	0	0	0	0	0	

SIGNATURES:

Management By Title Date
 Borrower By Title Date
 Sponsor (Local Agency) By Title Date
Capital Area Development Authority *Noelle Musser* Controller 10/29/10

HCD Use Only:

Annuity Payment in the amount of 317,063 for the fiscal year from 7/1/2009 to 6/30/2010
 is approved for payment from the RHCP Annuity Fund

Monitoring and Management Program Representative Date
 Monitoring and Management Program Manager Date
 Department of Housing and Community Development Department of Housing and Community Development

Rental Housing Construction Program (RHCP) - Original

REPORT OF ACTUAL OPERATING COSTS

Reporting Period: 7/1/2008 to 06/30/2010

Contract No: 80-RHC-032
 Project Name: Biele Place
 Prepared by:
 Date Prepared:

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)
MANAGEMENT FEE: 6200/6300										
1 Management Fee or Sponsor Overhead	6320	19,932	19,932	0	0	0	0	19,932	19,932	0
ADMINISTRATIVE EXPENSES: 6200/6300										
2 Advertising	6210	564	564	0	0	0	0	564	564	0
3 Apartment Resale Expense (Cooperatives)	6235	0	0	0	0	0	0	0	0	0
4 Other Renting Expenses	6260	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	22,320	22,320	0	0	0	0	22,320	22,320	0
9 Manager's or Superintendent's Rent Free Unit	6331	5,508	5,508	0	0	0	0	5,508	5,508	0
10 Legal Expense - Project	6340	750	0	0	0	0	0	750	0	750
11 Audit Expense - Project	6350	4,310	4,310	0	0	0	0	4,310	4,310	0
12 Bookkeeping Fees/Accounting Services	6361	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
16 TOTAL ADMINISTRATIVE EXPENSES	6200/6300T	33,852	32,702	0	0	0	0	33,852	32,702	950
UTILITIES EXPENSES: 6400										
17 Fuel Oil/Coal	6420	0	0	0	0	0	0	0	0	0
18 Electricity	6450	2,750	2,029	0	0	0	0	2,750	2,029	721
19 Water	6451	0	0	0	0	0	0	0	0	0
20 Gas	6452	3,300	3,968	0	0	0	0	3,300	3,968	4,332
21 Sewer	6453	14,175	12,304	0	0	0	0	14,175	12,304	1,871
22 TOTAL UTILITIES EXPENSES	6400T	25,225	18,300	0	0	0	0	25,225	18,300	6,925
OPERATING AND MAINTENANCE EXPENSES: 6500										
23 Janitor and Cleaning Payroll	6510	3,045	2,905	0	0	0	0	3,045	2,905	6,040
24 Janitor and Cleaning Supplies	6515	5,060	1,157	0	0	0	0	5,060	1,157	3,843
25 Janitor and Cleaning Contracts	6517	3,678	5,034	0	0	0	0	3,678	5,034	3,642
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	3,228	2,698	0	0	0	0	3,228	2,698	527
29 Security Payroll/Contract	6530	2,064	2,064	0	0	0	0	2,064	2,064	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	0	0	0	0	0	3,000	0	3,000
35 Repairs Contract	6542	0	0	0	0	0	0	0	0	0
36 Elevator Maintenance/Contract	6545	3,700	1,485	0	0	0	0	3,700	1,485	2,215
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	5,060	460	0	0	0	0	5,060	460	5,540
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)	6580	12,000	1,757	0	0	0	0	12,000	1,757	10,243
44 TOTAL OPERATING & MAINTENANCE EXPENSES	6500T	54,734	19,684	0	0	0	0	54,734	19,684	35,050
TAXES AND INSURANCE: 6700										
45 Real Estate Taxes	6710	705	666	0	0	0	0	705	666	39
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	8,352	0	0	0	0	9,025	8,352	673
53 TOTAL TAXES AND INSURANCE	6700T	9,730	9,018	0	0	0	0	9,730	9,018	712
ASSISTED LIVING/BOARD & CARE EXPENSES: 6900										
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
58 TOTAL ASSISTED LIVING EXPENSES	6900T	0	0	0	0	0	0	0	0	0
61 TOTAL OPERATING COSTS		143,273	89,637	0	0	0	0	143,273	89,637	43,636

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

Reporting Period: 07/01/2009 to 06/30/2010

Contract No: 80-RHC-032
 Project Name: Biele Place
 Prepared by:
 Date Prepared:

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)
REVENUE ACCOUNTS/RENT REVENUE: 5100										
1 Rent Revenue	5120	119,460	136,364	0	0	0	0	119,460	136,364	16,904
2 Tenant Assistance Payments	5121	16,332	0	0	0	0	0	16,332	0	(16,332)
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	100	370	0	0	0	0	100	370	270
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
11 GROSS RENT REVENUE	5100T	135,892	136,734	0	0	0	0	135,892	136,734	842
<i>Total Vacancies (HCD Use Only)</i>	5200T	3,584	0	0	0	0	0	3,584	0	0
ASSISTED LIVING/BOARD & CARE REVENUES: 5300										
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>	5300T	0	0	0	0	0	0	0	0	0
FINANCIAL REVENUE: 6400										
21 Financial Revenue - Project Operations	5410	2,300	1,430	0	0	0	0	2,300	1,430	(870)
<i>Total Financial Revenue</i>	6400T	2,300	1,430	0	0	0	0	2,300	1,430	(870)
OTHER REVENUE: 5900										
22 Laundry and Vending Revenue	5910	2,000	1,649	0	0	0	0	2,000	1,649	(351)
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	0	0	0	0	0	0	0	0
<i>Total Other Revenue</i>	5900T	2,000	1,649	0	0	0	0	2,000	1,649	(351)
27 EFFECTIVE GROSS RENT (EGR)	5152T	138,608	138,813	0	0	0	0	138,608	138,813	3,205
28 TOTAL OPERATING EXPENSES	6000T	147,571	99,637	0	0	0	0	147,571	99,637	47,935
29 NET OPERATING INCOME (NOI)	5000T	(10,963)	40,177	0	0	0	0	(10,963)	40,177	51,140
FINANCIAL EXPENSES: 6800										
30 Non-Contingent Debt Service (specify lender)	6895	0	0	0	0	0	0	0	0	0
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>	6800T	0	0	0	0	0	0	0	0	0
FUNDED RESERVES:										
34 Escrow Deposits	1300	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)		0	0	0	0	0	0	0	0	0
#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>		6,100	6,100	0	0	0	0	6,100	6,100	0
38 PROJECT CASH FLOW (CF)		(17,083)	34,077	0	0	0	0	(17,083)	34,077	51,140
ADDITIONAL REVENUE:										
39 RHCP-O Annuity Fund Request (For Assisted Units Only)		17,083	0	0	0	0	0	17,083	0	(17,083)
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>		17,083	0	0	0	0	0	17,083	0	(17,083)
USE OF CASH FLOW:										
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/Partshp 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>		0	0	0	0	0	0	0	0	0

OTHER REPORT

Board of Directors
Capitol Area Development Authority
Sacramento, California

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 Biele Place Apartments (Contract Number 80-RHC-032) (Project), a project of the Capitol Area Development Authority (Authority), as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated December 3, 2010. Our report includes an explanatory paragraph describing that the financial statements present only the Project of the 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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, 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.

Maciar Gini & O'Connell LLP

Certified Public Accountants

Sacramento, California
December 3, 2010