



**Regional Housing Authority of Sutter and Nevada Counties**

1455 Butte House Road, Yuba City, CA 95993

Phone: (530) 671-0220, Toll Free: (888) 671-0220

TTY: (866) 735-2929 | Fax: (530) 673-0775

Website: [www.rhasnc.org](http://www.rhasnc.org)


November 18, 2015

TO: Chairperson Diane Hodges  
Commissioner Martha Griese  
Commissioner Brian Foss  
Commissioner Stanley Cleveland, Jr.  
Commissioner Charles Epp  
Commissioner Dan Miller  
Commissioner Suzanne Gallaty  
Commissioner Jim Whiteaker  
Commissioner Luis Uribe

Sutter County Board of Supervisors  
Nevada County Board of Supervisors  
Yuba County Board of Supervisors  
Colusa County Board of Supervisors  
City Council, Live Oak  
City Council, Yuba City  
Appeal-Democrat  
Duane Oliveira, Legal Counsel  
SCEA  
Terrel Locke, City of Yuba City  
Darin Gale, City of Yuba City  
The Union  
Rob Choate, County of Nevada

**NOTICE OF SPECIAL MEETING  
November 23, 2015**

You are hereby notified that the Commissioners of the Regional Housing Authority of Sutter and Nevada Counties are called to meet in Special Session at **12:15 PM on Monday, November 23, 2015 at Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991.**



Gustavo Becerra  
Interim Executive Director

s: No11232015



*The Housing Authority is an equal opportunity employer and housing provider.*



AGENDA  
SPECIAL MEETING  
OF THE BOARD OF COMMISSIONERS OF  
REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES  
**Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991**  
**November 23, 2015, 12:15 PM**

- A. CALL TO ORDER: ROLL CALL
  
- B. PUBLIC PARTICIPATION: Members of the public shall be provided with an opportunity to address the Board on items of interest that are within the subject matter jurisdiction of the Board. Any member of the audience who may wish to bring something before the Board that is not on the agenda may do so at this time; however, State law provides that no action may be taken on any item not appearing on the posted Agenda.
  
- C. AWARDS AND PRESENTATIONS:
  - 1. MEET THE STAFF:
    - A. Maria Conrique, Planning and Community Development Department
    - B. Cyril Jackson, Finance Department
  
- D. CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that the Board votes on the motion, unless members of the Board request specific items to be discussed or removed from the Consent Calendar for individual action.

NONE
  
- E. OLD BUSINESS: Discussion/Possible Action:
  - 2. Update on Approval of Amendment to Add Yuba County
  
- F. NEW BUSINESS: Discussion/Possible Action:
  - 3. Recommend Approval to Award Construction Contract for Rehab Project at Office of Migrant Services pg. 1
  - 4. Recommend Approval of First Amendment to Lease Agreement with Yuba City Unified School District pg. 3
  - 5. Resolution 15-1424, Admissions and Continued Occupancy pg. 8

Policy

6. Resolution 15-1425, Adoption of the Housing Choice Voucher Administrative Plan pg. 9
7. Adoption of Audit for Fiscal Year Ending March 31, 2015 pg. 10

G. ADMINISTRATIVE REPORT:

8. Administrative Update

H. HOUSING COMMISSIONERS' COMMENTS:

- I. EXECUTIVE SESSION: May be held under California Government Code regarding pending and/or anticipated litigation, property acquisition, and/or personnel issues.

9. CLOSED SESSION: Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code 54956.9  
Anticipated Litigation: One (1) Case
10. CLOSED SESSION: Pursuant to Section 54957 of the California Government Code  
Public Employee Appointment  
Title: Executive Director
11. CLOSED SESSION: Pursuant to Section 54956.8 of the California Government Code  
Conference with Real Property Negotiators  
Property: 445 Bernard Drive, Yuba City, CA 95991  
Agency Negotiator: Gustavo Becerra  
Under negotiation: Possible Leasing of Additional Property to the Yuba City Unified School District (includes instructions to negotiator regarding price and terms of lease)

J. NEXT MEETING:

K. ADJOURNMENT

**REGIONAL HOUSING AUTHORITY  
OF SUTTER AND NEVADA COUNTIES**

**STAFF REPORT**

**Date:** November 23, 2015  
**To:** Board of Commissioners  
**From:** Gustavo Becerra, Interim Executive Director

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**SUBJECT:** Migrant Farmworker Housing Center, Yuba City  
**RECOMMENDATION:** Award contract to Bayview Construction for the rehabilitation project to be performed at the Migrant Farmworker Housing Center in Yuba City  
**FISCAL IMPACT:** \$227,100 in capital improvement funds held by the State Department of Housing and Community Development – Office of Migrant Services (“HCD-OMS”)

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**Background**

The Migrant Farmworker Housing Center in Yuba City is a 79 unit development of farmworker multi-family housing that is managed by the Housing Authority.

After a review by HCD-OMS of the Capital Needs Assessment report that was conducted on the property in September 2013, and from feedback by Housing Authority staff to HCD-OMS as to the current condition of the roofing, water heaters, existing windows, and exterior paint, it was determined by HCD-OMS that the highest priority for replacement is the roofing and the water heaters.

At this time HCD-OMS has indicated that they cannot fund the window replacement, or the exterior paint.

Eleven General Contractors and sub-contractors signed out bid documents and plans/specifications. The pre-bid project walkthrough was conducted on September 16, 2015, with bids due to the Housing Authority on October 14, 2015. Six General Contractors submitted the following bids:

**Bids Submitted:**

|  |           |
|--|-----------|
| REM Construction, Inc. (Paradise, CA)      | \$188,665 |
| Bayview Construction (Burlingame, CA)      | \$227,100 |
| CNW Construction, Inc. (Rescue, CA)        | \$246,000 |
| Buskirk Building Solutions (Roseville, CA) | \$259,565 |

|   |           |
|---|-----------|
| Fletcher's Plumbing & Contracting, Inc. (Yuba City, CA) | \$268,100 |
| SW Allen Construction Inc. (Sacramento, CA)             | \$321,596 |

The above bids include the payment of State prevailing wage rates.

After the Board approved the award of the contract to REM Construction, Inc. ("Contractor") on November 4, 2015, the Contractor communicated with staff indicating they are withdrawing their bid due to a miscalculation of their bid proposal. Staff accepted their bid withdrawal, and immediately communicated the issue to the funding source, the State Department of Housing and Community Development – Office of Migrant Services ("HCD-OMS").


HCD-OMS concurred with staff on accepting the bid withdrawal, and has now given the Housing Authority a budget authority for the second bidder, Bayview Construction, in the amount of \$227,100.

The additional funds approved by HCD-OMS are not part of the annual operating budget approved by the Board in October 2015. These funds are capital improvement funds held by HCD-OMS.

**Recommendation**

Staff recommends that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties approve the bid from Bayview Construction, in the amount of \$227,100 for the rehabilitation project planned for the Migrant Farmworker Housing Center in Yuba City, and authorize the Interim Executive Director to execute the construction contract and all required documents.

Prepared and submitted by:

  
\_\_\_\_\_  
Gustavo Becerra  
Interim Executive Director

## First Amendment to Lease Agreement

This First Amendment ("Amendment") to that certain Lease Agreement dated July 1, 2014 by and between the Regional Housing Authority of Sutter and Nevada Counties ("RHASNC") and Yuba City Unified School District ("DISTRICT") is entered into on this 29 day of October, 2015.

RHASNC and DISTRICT agree as follows:

### Recitals

- A. **Whereas**, RHASNC is the current owner of certain improved real property located at 445 Bernard Drive, Yuba City, California 95991; and
- B. **Whereas**, DISTRICT is leasing Lot 14 on the above-referenced real property to use as a school pursuant to the July 1, 2014 lease mentioned above ("Master Lease"), which is described in more detail in the plat map and legal description attached as Exhibit A to this Amendment;
- C. **Whereas**, DISTRICT desires to lease two (2) additional parcels from RHASNC to use as a parking lot on one parcel, and a playground area on a separate parcel;
- D. **Whereas**, DISTRICT desires to install a portable (relocatable) building which is being purchased pursuant to a Grant and/or Loan provided by the California Department of Education ("CDE") on Lot 14.

### 1. Premises

- 1.1 RHASNC shall lease to DISTRICT, and DISTRICT shall lease from RHASNC, the unimproved real property known as Lot 20 and set forth on the plat map and legal description attached hereto as Exhibit "B" and that portion of Lot 16 delineated in red on the plat map attached hereto as Exhibit "C". The provisions of the Master Lease shall apply to the lease of Lot 20 and Lot 16, except as amended by this Amendment. In case of conflict between the Master Lease and this Amendment, the provisions of this Amendment shall govern.

1.2 The Master Lease for Lot 14 is amended by this Amendment as set forth herein. In case of conflict between the Master Lease and this Amendment, the provisions of this Amendment shall govern.

2. Term

2.1 The term for the use of the real property described in Paragraph 1 above shall be for three (3) years commencing the date of this First Amendment to Lease Agreement.

2.2 The Term for the lease of Lot 14 set forth in Paragraph 2 of the Master Lease shall be increased to expire ten (10) years and six (6) months from the date of the first repayment by DISTRICT to the CDE on Contract No. GREV-1403 between DISTRICT and CDE.

3. Rent

3.1 There shall be no rent charged to DISTRICT by RHASNC for its use of Lots 16 and 20.

3.2 The monthly rent (charges) for Lot 14 shall be increased from Eight Hundred Dollars (\$800.00) per month to One Thousand Dollars (\$1000.00) per month once the portable unit being purchased by DISTRICT with CDE funds is installed on Lot 14. The increased rent will be due starting the first day of the month following the commencement of use by District for school purposes of the portable unit and continue thereafter for the duration of the lease term. The rent shall be increased annually on the anniversary date by an amount equal to the United States Consumer Price Index for the San Francisco-Oakland-San Jose Metropolitan Statistical Area

4. Use

Lot 16 is to be used as a parking lot and Lot 20 as a playground for the school being operated by DISTRICT pursuant to the Master Lease.

5. Alterations and/or Capital Improvements

Should DISTRICT plan to make any alterations and/or capital improvements to the Property as authorized by Paragraph 5 of the Master Lease, DISTRICT shall give advance written notice to RHASNC of its plans. District shall give written notice of said alterations and/or capital improvements that are estimated to be in excess of \$5,000 to CDE.

6. Termination

a) Termination of Lease for Lots 16 and 20

The lease of Lots 16 and 20 by DISTRICT may be terminated as follows:

- 1) RHASNC may terminate the lease of Lots 16 and 20 before the expiration of the three (3) year term, or any extension thereof, if it determines, in its sole discretion, that the said property is needed and necessary for use by RHASNC. RHASNC shall provide DISTRICT with thirty (30) days advance written notice pursuant to Paragraph 21 of the Master Lease of its intent to terminate the lease for Lots 16 and 20 for this purpose.
- 2) DISTRICT may terminate the lease of Lots 16 and 20 at any time provided RHASNC is given thirty (30) days advance written notice pursuant to Paragraph 21 of the Master Lease of its intent to terminate.
- 3) The lease for Lots 16 and 20 may also be terminated as set forth in Paragraphs 8 and 13 of the Master Lease.

b) Termination of Lease for Lot 14

As long as DISTRICT is obligated to repay the funds it received from the CDE for the portable (relocatable) building it is purchasing pursuant to the Contract and Lease to Own Agreement between DISTRICT and the CDE dated March 27, 2015, neither DISTRICT nor RHASNC can terminate the Master Lease as it applies to Lot 14. This prohibition does not apply to the leasing of Lots 16 and 20 by DISTRICT.

7. Indemnification of California Department of Education

RHASNC and DISTRICT acknowledge and agree that Paragraph 20 of the Master Lease shall be amended by adding the following indemnification provisions on behalf of CDE:

DISTRICT agrees to indemnify, defend and hold the CDE, and its agents and employees ("CDE's Indemnities") harmless against all losses and damages, including its attorney fees, liabilities, claims, demands, obligations, causes of action, judgments, costs, settlements, or expenses of any kind or character, that CDE's Indemnities may suffer or incur with respect to third party claims resulting or arising from DISTRICT's lease of the Property, including without



limitation, the following:

- a) Any claim related to any accident, casualty, or personal or bodily injury occurring on the Property caused by the negligence or willful misconduct of DISTRICT or any of DISTRICT's agents, contractors, subcontractors, or employees;
- b) Any violation by DISTRICT or any of DISTRICT's agents, contractors, subcontractors, or employees of any law now or hereinafter enacted; or
- c) The negligence or willful misconduct of DISTRICT or any of DISTRICT's agents, contractors, subcontractors, employees, and/or invitees and licensees in connection with the use of the Property.

#### 8. State of California's Title

- 8.1 DISTRICT and RHASNC recognize and acknowledge that the State of California holds title to the portable (relocatable) building being installed on Lot 14 by DISTRICT until DISTRICT has repaid all funds advanced by the CDE CCFRF contract.
- 8.2 RHASNC shall have no right of ownership to the portable (relocatable) building being installed on Lot 14 and financed under the CDE CCFRF contract, or to any other building, fixture, furniture, equipment, or item brought to Lot 14, 16 or 20 by DISTRICT, unless expressly provided under this Amendment.

#### 9. CCFRF Contract Supersedes Other Lease and Contractual Agreements

- 9.1 Any other contractual agreements relating to the portable (relocatable) building shall be subject and subservient to the terms of a separate contract agreement between DISTRICT and the CDE for the term of that agreement (the CCFRF Contract), which is attached to this Amendment as Exhibit D.
- 9.2 RHASNC agrees that it has been given a copy of the CCFRF Contract and has reviewed it and understands its terms and the impact of its terms on this Amendment and the Master Lease.
- 9.3 By executing this Amendment, DISTRICT and RHASNC each represents that it has had the opportunity to seek legal advice from an attorney of its own choosing and to discuss the legal effect of this Amendment and the effect of the CCFRF on this Amendment with its own counsel. DISTRICT and RHASNC each represents that the

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terms of this Amendment and the effect of the CCFRF on this Amendment have been completely read and explained to it by its attorneys, and that it fully understands and voluntarily accepts those terms and their legal effect.

10. Integration

Except as amended or modified by this First Amendment to Lease Agreement, the Master Lease shall remain in full force and effect.

**Signatures:**

DISTRICT:

Yuba City Unified School District

By: \_\_\_\_\_

Print Name: Robert Shemwell

Title: Assistant Superintendent, Business

Date: \_\_\_\_\_

RHASNC:

Regional Housing Authority of Sutter and Nevada Counties

By: \_\_\_\_\_

Print Name: Gustavo Becerra

Title: Interim Executive Director

Date: \_\_\_\_\_

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**Regional Housing Authority of Sutter and Nevada Counties**  
1455 Butte House Road, Yuba City, CA 95993  
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**RESOLUTION 15-1424**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE REGIONAL HOUSING AUTHORITY  
OF SUTTER AND NEVADA COUNTIES ADMISSIONS AND CONTINUED OCCUPANCY POLICY**

**WHEREAS**, the Regional Housing Authority of Sutter & Nevada Counties (RHASNC) manages 173 Public Housing Units; and

**WHEREAS**, federal regulations require RHASNC to review and update the Admissions and Continued Occupancy Policy for the Public Housing Program when needed; and

**WHEREAS**, the proposed 2015-2016 edition of the Admissions and Continued Occupancy Policy was posted for public review and notice was posted to actively seek public comment, and no comments were received;

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties that:

1. The Board finds that RHASNC needs to adopt an updated Admissions and Continued Occupancy Policy this year.
2. A copy of the Admissions and Continued Occupancy Policy is posted online at [www.rhasnc.org](http://www.rhasnc.org)
3. The Admissions and Continued Occupancy Policy is hereby adopted for use by RHASNC and is effective 12/1/2015.

This Resolution was approved at the Regular Meeting of the Board of Commissioners on November 23, 2015 by the following vote:

AYES:

NAYS:

ABSTAINED:

ABSENT:

(SEAL)

ATTEST: \_\_\_\_\_  
Diane Hodges, Chairperson

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**Regional Housing Authority of Sutter and Nevada Counties**  
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Website: [www.rhasnc.org](http://www.rhasnc.org)

**RESOLUTION 15-1425**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE REGIONAL HOUSING AUTHORITY  
OF SUTTER AND NEVADA COUNTIES ADOPTION OF THE HOUSING CHOICE VOUCHER  
ADMINISTRATIVE PLAN**

**WHEREAS**, the Regional Housing Authority of Sutter & Nevada Counties (RHASNC) manages up to 1630 Housing Choice Voucher Participants; and

**WHEREAS**, federal regulations require RHASNC to review and updated the Administrative Plan for the Housing Choice Voucher Program as needed; and

**WHEREAS**, the proposed 2015-2016 edition of the Administrative Plan was posted for public review and notice was posted to actively seek public comment, and no comments were received;

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties that:

1. The Board finds that RHASNC needs to adopt an updated Administrative plan this year.
2. A copy of the Administrative Plan is posted online at [www.rhasnc.org](http://www.rhasnc.org)
3. The Administrative Plan hereby adopted for use by RHASNC and is effective 12/1/2015.

This Resolution was approved at the Regular Meeting of the Board of Commissioners on November 23, 2015 by the following vote:

AYES:

NAYS:

ABSTAINED:

ABSENT:

(SEAL)

ATTEST: \_\_\_\_\_  
Diane Hodges, Chairperson

**REGIONAL HOUSING AUTHORITY OF  
SUTTER AND NEVADA COUNTIES,  
CALIFORNIA**

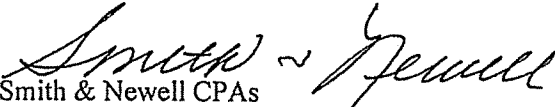
**DEBT SERVICE COVERAGE RATIO CALCULATION  
FOR KINGWOOD COMMONS  
WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
MARCH 31, 2015**

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**INDEPENDENT AUDITOR'S REPORT ON DEBT SERVICE COVERAGE RATIO  
CALCULATION FOR KINGWOOD COMMONS**

To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

We have audited the financial statements of the Regional Housing Authority of Sutter and Nevada Counties as of and for the year ended March 31, 2015, and have issued our report thereon dated September 30, 2015 which contains an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Debt Service Coverage Ratio Calculation for Kingwood Commons is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
Smith & Newell CPAs  
Yuba City, California  
September 30, 2015

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Schedule of Debt Service Coverage Ratio Calculation for Kingwood Commons**  
**For the Year Ended March 31, 2015**

|  |                   |
|--|-------------------|
| Net Operating Income (Kingwood Commons)                          | (\$ 227,897)      |
| Plus Adjustments to Arrive at Income Available for Debt Service: |                   |
| Insurance  | 6,550             |
| Amortization   | 161,374           |
| Depreciation   | <u>151,116</u>    |
| Income Available for Debt Service                                | <u>\$ 91,143</u>  |
| Debt Service Requirement:  |                   |
| Interest   | \$ 206,999        |
| Principal  | <u>2,065</u>      |
| Total Debt Service Requirement                                   | <u>\$ 209,064</u> |
| Debt Service Coverage Ratio                                      | <u>43.60%</u>     |

See Independent Auditor's Report

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**REGIONAL HOUSING AUTHORITY OF  
SUTTER AND NEVADA COUNTIES,  
CALIFORNIA**

**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
MARCH 31, 2015**

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Annual Financial Report**  
**For the Year Ended March 31, 2015**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**

**List of Officials**

**For the Year Ended March 31, 2015**

|                              |                       |               |
|------------------------------|-----------------------|---------------|
| Diane Hodges, Chairperson    | City of Live Oak      | November 2018 |
| Brian Foss, Vice-Chairperson | County of Nevada      | June 2015     |
| Jim Whiteaker                | County of Sutter      | December 2018 |
| Martha Griese                | City of Yuba City     | December 2017 |
| Stan Cleveland               | City of Yuba City     | December 2018 |
| Charles Epp                  | City of Live Oak      | February 2017 |
| Dan Miller                   | County of Nevada      | June 2015     |
| Suzanne Gallaty              | Tenant Representative | February 2017 |

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## **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Regional Housing Authority of Sutter and Nevada Counties, Yuba City, California (Authority) as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of March 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 2A to the basic financial statements, errors were detected in prior year net position. The correction of these errors resulted in the restatement of beginning net position for the year ended March 31, 2015. Our opinion is not modified with respect to this matter.

As described in Note 10 to the financial statements, in 2015, the Authority implemented Governmental Accounting Standards Board (GASB ) Statement No. 70. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

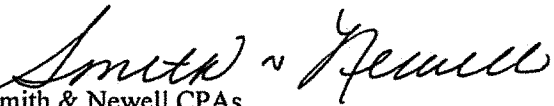
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2015 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

  
Smith & Newell CPAs  
Yuba City, California  
September 30, 2015

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**Management's Discussion and Analysis  
(Unaudited)**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Regional Area Housing Authority of Sutter and Nevada Counties (Housing Authority) we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended March 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

### FINANCIAL HIGHLIGHTS

#### Entity-wide:

- The Housing Authority's total net position was \$16,411,159 as of March 31, 2015, all of which was business-type activities.
- Entity-wide business-type revenues include program revenues of \$17,082,060, and general revenues of \$547,226 for a total of \$17,629,286.
- Entity-wide Business-type expenses were \$12,665,530.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements, commonly referred to as the Housing Authority's Basic Financial Statements. Management's Discussion and Analysis introduces these statements and includes two different views of the Housing Authority's financial activities and position: (1) Government-Wide Financial Statements provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances; (2) Fund Financial Statements provide detailed information about the individual functions of Housing Authority programs, telling how services were financed in the short-term as well as what remains for future spending.

Each set of statements presents the Housing Authority's finances in a distinct way. To assist the reader in understanding the differences between them, a brief discussion of each follows, including the relationship of these statements to each other and the significant differences in the information they provide.

#### Government-Wide Financial Statements

The Government-Wide Financial Statements provide a broad overview of Housing Authority finances in a manner similar to private sector business. These statements present all non-fiduciary activities of the Housing Authority in the following area:

- **Business-Type Activities** - these services rely upon user fees and charges to help cover all or most of their costs. All activities of the Housing Authority are reported here.

Within the framework of these activities, a Statement of Net Position and a Statement of Activities report information about the Housing Authority as a whole. These statements include all assets and liabilities of the Housing Authority (i.e., infrastructure and long-term debt) and use the accrual basis of accounting in which all the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The two statements can be generally described as follows:

- **The Statement of Net Position** presents information on all the Housing Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating.
- **The Statement of Activities** presents information showing how the Housing Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Notably, these statements differ from the Fund Financial Statements in that they exclude certain interfund receivables, payables and other interfund activity as prescribed by GASB Statement No. 34.

### **Fund Financial Statements**

The Fund Financial Statements provide detailed information about each of the Housing Authority's most significant funds – not the Housing Authority as a whole. Management establishes funds to help control and manage money for particular purposes. Funds are organized into proprietary and fiduciary fund types.

- **Proprietary Funds** - when the Housing Authority charges customers for services it provides, whether outside customers or to other units of the Housing Authority, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements (i.e., business-type activities), only in more detail. The Housing Authority uses enterprise funds to account for all of its operations.
- **Fiduciary Funds** - the Housing Authority is the trustee, or fiduciary, for certain funds held on behalf of external parties. The Housing Authority's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the Housing Authority's other financial statements because the resources of the funds are not available to support the Housing Authority's own programs. The Housing Authority is responsible for ensuring that the assets reported in these funds are used for the intended purposes.

### **NOTES TO BASIC FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the basic financial statements and accompanying notes, this report presents the following required supplementary information: Schedule of Funding Progress.

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

### Analysis of Net Position

|                                  | Business-Type Activities |                      | Total               |              |
|----------------------------------|--------------------------|----------------------|---------------------|--------------|
|                                  | 2015                     | 2014                 | Dollar<br>Change    | %<br>Change  |
| <b>Assets:</b>                   |                          |                      |                     |              |
| Current and other assets         | \$ 7,944,531             | \$ 8,005,050         | (\$ 60,519)         | (0.76)       |
| Capital assets                   | 29,849,301               | 23,523,876           | 6,325,425           | 26.89        |
| <b>Total Assets</b>              | <b>37,793,832</b>        | <b>31,528,926</b>    | <b>6,264,906</b>    | <b>19.87</b> |
| <b>Liabilities:</b>              |                          |                      |                     |              |
| Current and other liabilities    | 6,179,868                | 5,303,750            | 876,118             | 16.52        |
| Noncurrent liabilities           | 15,202,805               | 15,032,453           | 170,352             | 1.13         |
| <b>Total Liabilities</b>         | <b>21,382,673</b>        | <b>20,336,203</b>    | <b>1,046,470</b>    | <b>5.15</b>  |
| <b>Net Position:</b>             |                          |                      |                     |              |
| Net investment in capital assets | 15,334,773               | 9,095,927            | 6,238,846           | 68.59        |
| Restricted                       | 56,392                   | -                    | 56,392              | 100.00       |
| Unrestricted                     | 1,019,994                | 2,096,796            | ( 1,076,802)        | (51.35)      |
| <b>Total Net Position</b>        | <b>\$ 16,411,159</b>     | <b>\$ 11,192,723</b> | <b>\$ 5,218,436</b> | <b>46.62</b> |

Net position represents the difference between the Housing Authority's resources and its obligations. At March 31, 2015, the largest portion of the Housing Authority's total net position, 93 percent, reflects the investment in capital assets, less related debt outstanding used to acquire the capital assets. These capital assets are used by the Housing Authority to provide services to the citizens. These assets are not available for future spending. Additional capital asset information can be found in the Capital Asset and Debt Administration section of this MD&A. The unrestricted balance of net position may be used at the Housing Authority's discretion.

## Statement of Changes in Net Position

|                                    | Business-Type Activities |                      | Total               |                 |
|------------------------------------|--------------------------|----------------------|---------------------|-----------------|
|                                    | 2015                     | 2014                 | Dollar Change       | % Change        |
| Revenues:                          |                          |                      |                     |                 |
| Program Revenues:                  |                          |                      |                     |                 |
| Charges for services               | \$ 9,615,816             | \$ 9,475,647         | \$ 140,169          | 1.48            |
| Operating grants and               | 5,381,402                | 2,614,633            | 2,766,769           | 105.82          |
| Capital grants and contributions   | 2,084,842                | -                    | 2,084,842           | 100.00          |
| General Revenues:                  |                          |                      |                     |                 |
| Interest and investment earnings   | 6,089                    | 6,719                | ( 630)              | (9.38)          |
| Partnership income (expense)       | ( 8)                     | -                    | ( 8)                | (100.00)        |
| Miscellaneous                      | 541,145                  | 640,262              | ( 99,117)           | (15.48)         |
| Total Revenues                     | <u>17,629,286</u>        | <u>12,737,261</u>    | <u>4,892,025</u>    | <u>38.41</u>    |
| Expenses:                          |                          |                      |                     |                 |
| Public Housing                     | 1,675,049                | 1,551,829            | 123,220             | 7.94            |
| Rural Development                  | 2,026,861                | 2,078,840            | ( 51,979)           | (2.50)          |
| Business Activities                | 1,625,533                | 1,290,347            | 335,186             | 25.98           |
| Housing Choice Vouchers            | 6,554,780                | 6,735,558            | ( 180,778)          | (2.68)          |
| State/Local                        | 783,307                  | 802,962              | ( 19,655)           | (2.45)          |
| Total Expenses                     | <u>12,665,530</u>        | <u>12,229,034</u>    | <u>436,496</u>      | <u>3.57</u>     |
| Change in Net Position             | <u>4,963,756</u>         | <u>277,725</u>       | <u>4,686,031</u>    | <u>1,687.29</u> |
| Net Position - Beginning           | 11,192,723               | 10,914,998           | 277,725             | 2.54            |
| Prior Period Adjustment            | 254,680                  | -                    | 254,680             | 100.00          |
| Net Position - Beginning, Restated | <u>11,447,403</u>        | <u>10,914,998</u>    | <u>532,405</u>      | <u>4.88</u>     |
| Total Net Position                 | <u>\$ 16,411,159</u>     | <u>\$ 11,192,723</u> | <u>\$ 5,218,436</u> | <u>46.62</u>    |

### Revenue

The Housing Authority's total revenue from business-type activities was \$17.6 million for the fiscal year ended March 31, 2015. Charges for services provided 55 percent of the total revenue received during the 2013/14 fiscal year, intergovernmental operating revenues provided 31 percent of total revenues received during the fiscal year, and intergovernmental capital revenues provided 12 percent of total revenues received during the fiscal year.

## Expenses

Expenses of the Housing Authority for the year totaled \$12.7 million.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The Housing Authority's investment in capital assets for its business-type activities as of March 31, 2015, was \$29,849,301 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, and equipment. Net additions to capital assets were \$7,214,209 and net additions to accumulated depreciation were (\$888,784). Therefore the Housing Authority's net investment in capital assets increased \$6,325,425 from March 31, 2014.

### Long-term Debt

At the end of the current fiscal year, the Housing Authority had total long-term obligations outstanding of \$15,202,805, an increase of \$170,352 from March 31, 2014.

The following table shows the composition of the Housing Authority's total outstanding debt for proprietary funds.

#### Regional Area Housing Authority of Sutter and Nevada Counties Long-Term Debt

|                      | Business-Type Activities |               |
|----------------------|--------------------------|---------------|
|                      | 2015                     | 2014          |
| Revenue Bonds        | \$ 2,280,257             | \$ 4,972,690  |
| Loans Payable        | 12,234,271               | 9,454,759     |
| Line of Credit       | -                        | 500           |
| OPEB Liability       | 479,142                  | 410,466       |
| Compensated Absences | 209,135                  | 194,038       |
| Total Long-Term Debt | \$ 15,202,805            | \$ 15,032,453 |

## ECONOMIC FACTORS

Since the Housing Authority is dependent on funding from HUD, Rural Development and State and local governments for a majority of its operations, the Housing Authority is affected by the federal budget, proration, sequestration and other State and local economic conditions. With HUD subsidies continuing to be prorated, subsidy changes in the Public Housing and Housing Choice Vouchers programs will not only affect the upkeep of the Public Housing properties, but the number of community households that can be assisted through the Housing Choice Voucher program.

## REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in the Housing Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, at the Regional Housing Authority of Sutter and Nevada Counties, 1455 Butte House Rd., Yuba City, CA 95993.

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Statement of Net Position**  
**March 31, 2015**

|                                  | <u><b>Business-Type<br/>Activities</b></u> |
|----------------------------------|--|
| <b>ASSETS</b>                    |  |
| Cash and investments             | \$ 5,308,923                               |
| Cash with fiscal agent           | 300,737                                    |
| Receivables:                     |  |
| Tenants, net                     | 53,624                                     |
| Operating reimbursement          | 966,168                                    |
| Other                            | 33,431                                     |
| Prepaid costs                    | 1,373                                      |
| Investment in partnership        | 319,892                                    |
| Restricted assets:               |  |
| Cash and investments             | 960,383                                    |
| Total restricted assets          | <u>960,383</u>                             |
| Capital assets:                  |  |
| Nondepreciable assets            | 8,541,702                                  |
| Depreciable assets, net          | <u>21,307,599</u>                          |
| Total capital assets             | <u>29,849,301</u>                          |
| <b>Total Assets</b>              | <u><b>37,793,832</b></u>                   |
| <b>LIABILITIES</b>               |  |
| Accounts payable                 | 1,473,221                                  |
| Retention payable                | 190,569                                    |
| Accrued interest                 | 99,000                                     |
| Prepaid tenant rent              | 17,879                                     |
| Accrued salaries and benefits    | 130,457                                    |
| Security deposits payable        | 118,685                                    |
| Escrow deposits payable          | 126,426                                    |
| Unearned revenue                 | 4,023,631                                  |
| Long-term liabilities:           |  |
| Due within one year              | 430,177                                    |
| Due in more than one year        | <u>14,772,628</u>                          |
| <b>Total Liabilities</b>         | <u><b>21,382,673</b></u>                   |
| <b>NET POSITION</b>              |  |
| Net investment in capital assets | 15,334,773                                 |
| Restricted                       | 56,392                                     |
| Unrestricted                     | <u>1,019,994</u>                           |
| <b>Total Net Position</b>        | <u><b>\$ 16,411,159</b></u>                |

The notes to the basic financial statements are an integral part of this statement.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Statement of Activities**  
**For the Year Ended March 31, 2015**

| <u>Function/Programs</u>                  | <u>Expenses</u>      | <u>Program Revenues</u>         |   | <u>Capital<br/>Grants and<br/>Contributions</u> | <u>Net (Expense)<br/>Revenue and<br/>Changes in<br/>Net Position</u> |
|---|----------------------|---------------------------------|---|---|--|
|   |                      | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> |   |  |
| Business-type activities                  |                      |                                 |   |   |  |
| Public Housing                            | \$ 1,675,049         | \$ 954,424                      | \$ 680,086  | \$ -  | (40,539)   |
| Rural Development                         | 2,026,861            | 1,074,243                       | 3,710,945   | -   | 2,758,327  |
| Business Activities                       | 1,625,533            | 721,601                         | 107,792   | 100,469   | (695,671)  |
| Housing Choice Vouchers                   | 6,554,780            | 6,683,187                       | 26,157  | 260,000   | 414,564  |
| State/Local                               | 783,307              | 182,361                         | 856,422   | 1,724,373                                       | 1,979,849  |
| <b>Total Business-Type Activities</b>     | <b>\$ 12,665,530</b> | <b>\$ 9,615,816</b>             | <b>\$ 5,381,402</b>                               | <b>\$ 2,084,842</b>                             | <b>4,416,530</b>   |
| <b>General revenues:</b>                  |                      |                                 |   |   |  |
| Interest and investment earnings          |                      |                                 |   |   | 6,089  |
| Partnership income (expense)              |                      |                                 |   |   | (8)  |
| Miscellaneous                             |                      |                                 |   |   | 541,145  |
| <b>Total General Revenues</b>             |                      |                                 |   |   | <b>547,226</b>   |
| <b>Change in Net Position</b>             |                      |                                 |   |   | <b>4,963,756</b>   |
| <b>Net Position - Beginning</b>           |                      |                                 |   |   | <b>11,192,723</b>  |
| Prior period adjustment                   |                      |                                 |   |   | 254,680  |
| <b>Net Position - Beginning, Restated</b> |                      |                                 |   |   | <b>11,447,403</b>  |
| <b>Net Position - Ending</b>              |                      |                                 |   |   | <b>\$ 16,411,159</b>   |

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Statement of Net Position**  
**Proprietary Funds**  
**March 31, 2015**

|                                | <b>Public<br/>Housing</b> | <b>Rural<br/>Development</b> | <b>Business<br/>Activities</b> |
|--------------------------------|---------------------------|------------------------------|--------------------------------|
| <b>ASSETS</b>                  |                           |                              |                                |
| Current Assets:                |                           |                              |                                |
| Cash and investments           | \$ 968,550                | \$ 3,937,638                 | \$ 30,603                      |
| Cash with fiscal agent         | 204,416                   | -                            | 96,321                         |
| Receivables:                   |                           |                              |                                |
| Tenants, net                   | 19,986                    | 8,964                        | 14,376                         |
| Operating reimbursement        | -                         | -                            | 17,582                         |
| Other                          | -                         | -                            | -                              |
| Prepaid costs                  | -                         | 1,373                        | -                              |
| Due from other funds           | 141,740                   | 1,544,936                    | 281,345                        |
| Investment in partnership      | 319,892                   | -                            | -                              |
| <b>Total Current Assets</b>    | <b>1,654,584</b>          | <b>5,492,911</b>             | <b>440,227</b>                 |
| Restricted Assets:             |                           |                              |                                |
| Cash and investments           | -                         | 872,493                      | -                              |
| <b>Total Restricted Assets</b> | <b>-</b>                  | <b>872,493</b>               | <b>-</b>                       |
| Capital Assets:                |                           |                              |                                |
| Nondepreciable assets          | 550,880                   | 4,619,172                    | 2,590,260                      |
| Depreciable assets, net        | 3,392,086                 | 10,118,725                   | 5,025,361                      |
| <b>Total Capital Assets</b>    | <b>3,942,966</b>          | <b>14,737,897</b>            | <b>7,615,621</b>               |
| <b>Total Assets</b>            | <b>\$ 5,597,550</b>       | <b>\$ 21,103,301</b>         | <b>\$ 8,055,848</b>            |

The notes to the basic financial statements are an integral part of this statement.



| <u>Housing<br/>Choice<br/>Vouchers</u> | <u>State/<br/>Local</u> | <u>Totals</u>        |
|--|-------------------------|----------------------|
| \$ 4,645                               | \$ 367,487              | \$ 5,308,923         |
| -                                      | -                       | 300,737              |
| 4,696                                  | 5,602                   | 53,624               |
| 850,643                                | 97,943                  | 966,168              |
| 33,431                                 | -                       | 33,431               |
| -                                      | -                       | 1,373                |
| -                                      | 26,881                  | 1,994,902            |
| -                                      | -                       | 319,892              |
| <u>893,415</u>                         | <u>497,913</u>          | <u>8,979,050</u>     |
| <u>87,890</u>                          | <u>-</u>                | <u>960,383</u>       |
| <u>87,890</u>                          | <u>-</u>                | <u>960,383</u>       |
| -                                      | 781,390                 | 8,541,702            |
| <u>8,479</u>                           | <u>2,762,948</u>        | <u>21,307,599</u>    |
| <u>8,479</u>                           | <u>3,544,338</u>        | <u>29,849,301</u>    |
| <u>\$ 989,784</u>                      | <u>\$ 4,042,251</u>     | <u>\$ 39,788,734</u> |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Statement of Net Position**  
**Proprietary Funds**  
**March 31, 2015**

|   | <b>Public<br/>Housing</b> | <b>Rural<br/>Development</b> | <b>Business<br/>Activities</b> |
|---|---------------------------|------------------------------|--------------------------------|
| <b>LIABILITIES</b>                            |                           |                              |                                |
| Current Liabilities:                          |                           |                              |                                |
| Accounts payable                              | \$ 78,741                 | \$ 1,338,008                 | \$ 25,246                      |
| Retention payable                             | -                         | 190,569                      | -                              |
| Accrued interest                              | -                         | -                            | 99,000                         |
| Prepaid tenant rent                           | 6,463                     | 8,038                        | 3,309                          |
| Accrued salaries and benefits                 | 29,491                    | 40,455                       | 34,855                         |
| Security deposits payable                     | 51,491                    | 28,809                       | 26,860                         |
| Escrow deposits payable                       | -                         | -                            | -                              |
| Due to other funds                            | 141,740                   | 490,603                      | 1,224,452                      |
| Unearned revenue                              | -                         | 3,947,720                    | -                              |
| Compensated absences payable                  | 23,808                    | 34,648                       | 33,694                         |
| Bonds payable                                 | -                         | 19,796                       | -                              |
| Loans payable                                 | -                         | 223,268                      | 79,485                         |
| <b>Total Current Liabilities</b>              | <b>331,734</b>            | <b>6,321,914</b>             | <b>1,526,901</b>               |
| Noncurrent Liabilities:                       |                           |                              |                                |
| OPEB liability                                | 101,904                   | 144,978                      | 125,588                        |
| Compensated absences - net of current portion | 17,837                    | 26,801                       | 40,228                         |
| Bonds payable - net of current portion        | 1,625,000                 | 635,461                      | -                              |
| Loans payable - net of current portion        | -                         | 6,742,043                    | 5,189,475                      |
| <b>Total Noncurrent Liabilities</b>           | <b>1,744,741</b>          | <b>7,549,283</b>             | <b>5,355,291</b>               |
| <b>Total Liabilities</b>                      | <b>2,076,475</b>          | <b>13,871,197</b>            | <b>6,882,192</b>               |
| <b>NET POSITION</b>                           |                           |                              |                                |
| Net investment in capital assets              | 2,317,966                 | 7,117,329                    | 2,346,661                      |
| Restricted                                    | -                         | -                            | -                              |
| Unrestricted                                  | 1,203,109                 | 114,775                      | (1,173,005)                    |
| <b>Total Net Position</b>                     | <b>\$ 3,521,075</b>       | <b>\$ 7,232,104</b>          | <b>\$ 1,173,656</b>            |

The notes to the basic financial statements are an integral part of this statement.

| <b>Housing<br/>Choice<br/>Vouchers</b> | <b>State/<br/>Local</b> | <b>Totals</b>        |
|--|-------------------------|----------------------|
| \$ 12,300                              | \$ 18,926               | \$ 1,473,221         |
| -                                      | -                       | 190,569              |
| -                                      | -                       | 99,000               |
| 2                                      | 67                      | 17,879               |
| 25,499                                 | 157                     | 130,457              |
| -                                      | 11,525                  | 118,685              |
| 126,426                                | -                       | 126,426              |
| 111,226                                | 26,881                  | 1,994,902            |
| -                                      | 75,911                  | 4,023,631            |
| 15,330                                 | 148                     | 107,628              |
| -                                      | -                       | 19,796               |
| -                                      | -                       | 302,753              |
| <u>290,783</u>                         | <u>133,615</u>          | <u>8,604,947</u>     |
| 106,092                                | 580                     | 479,142              |
| 16,490                                 | 151                     | 101,507              |
| -                                      | -                       | 2,260,461            |
| -                                      | -                       | 11,931,518           |
| <u>122,582</u>                         | <u>731</u>              | <u>14,772,628</u>    |
| <u>413,365</u>                         | <u>134,346</u>          | <u>23,377,575</u>    |
| 8,479                                  | 3,544,338               | 15,334,773           |
| -                                      | 56,392                  | 56,392               |
| 567,940                                | 307,175                 | 1,019,994            |
| <u>\$ 576,419</u>                      | <u>\$ 3,907,905</u>     | <u>\$ 16,411,159</u> |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended March 31, 2015**

|   | <u>Public<br/>Housing</u> | <u>Rural<br/>Development</u> | <u>Business<br/>Activities</u> |
|---|---------------------------|------------------------------|--------------------------------|
| <b>OPERATING REVENUES</b>                       |                           |                              |                                |
| Dwelling rents                                  | \$ 918,414                | \$ 1,061,509                 | \$ 668,604                     |
| Housing assistance payments revenue and fees    | -                         | -                            | -                              |
| Other tenant revenue                            | 36,010                    | 12,734                       | 52,997                         |
| Other revenue                                   | 158                       | 4,027                        | 464,939                        |
| <b>Total Operating Revenues</b>                 | <u>954,582</u>            | <u>1,078,270</u>             | <u>1,186,540</u>               |
| <b>OPERATING EXPENSES</b>                       |                           |                              |                                |
| Administrative                                  | 532,899                   | 425,092                      | 483,578                        |
| Tenant services                                 | 50,364                    | 18,094                       | 18,491                         |
| Utilities                                       | 247,380                   | 270,899                      | 91,631                         |
| Maintenance                                     | 423,180                   | 640,417                      | 238,859                        |
| Protective services                             | 12,914                    | 19,773                       | 5,713                          |
| Insurance premiums                              | 22,281                    | 46,344                       | 9,813                          |
| Other general expenses                          | 169,614                   | 34,997                       | 46,188                         |
| Housing assistance payments                     | -                         | -                            | -                              |
| Amortization                                    | -                         | -                            | 161,374                        |
| Depreciation                                    | 154,086                   | 435,330                      | 245,531                        |
| <b>Total Operating Expenses</b>                 | <u>1,612,718</u>          | <u>1,890,946</u>             | <u>1,301,178</u>               |
| <b>Operating Income (Loss)</b>                  | <u>(658,136)</u>          | <u>(812,676)</u>             | <u>(114,638)</u>               |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>        |                           |                              |                                |
| Intergovernmental revenue                       | 680,086                   | 3,710,945                    | 107,792                        |
| Partnership revenue (expense)                   | (8)                       | -                            | -                              |
| Interest income                                 | 202                       | 4,939                        | 296                            |
| Interest expense                                | (62,331)                  | (135,915)                    | (324,355)                      |
| <b>Total Non-operating Revenue (Expenses)</b>   | <u>617,949</u>            | <u>3,579,969</u>             | <u>(216,267)</u>               |
| <b>Income (Loss) Before Transfers</b>           | <u>(40,187)</u>           | <u>2,767,293</u>             | <u>(330,905)</u>               |
| Capital contribution                            | -                         | -                            | 100,469                        |
| <b>Change in Net Position</b>                   | <u>(40,187)</u>           | <u>2,767,293</u>             | <u>(230,436)</u>               |
| <b>Total Net Position - Beginning</b>           | 3,241,362                 | 4,464,811                    | 1,404,092                      |
| Prior period adjustment                         | 319,900                   | -                            | -                              |
| <b>Total Net Position - Beginning, Restated</b> | <u>3,561,262</u>          | <u>4,464,811</u>             | <u>1,404,092</u>               |
| <b>Total Net Position - Ending</b>              | <u>\$ 3,521,075</u>       | <u>\$ 7,232,104</u>          | <u>\$ 1,173,656</u>            |

The notes to the basic financial statements are an integral part of this statement.

| <b>Housing<br/>Choice<br/>Vouchers</b> | <b>State/<br/>Local</b> | <b>Totals</b>        |
|--|-------------------------|----------------------|
| \$ -                                   | \$ 180,048              | \$ 2,828,575         |
| 6,683,187                              | -                       | 6,683,187            |
| -                                      | 2,313                   | 104,054              |
| 44,675                                 | 27,346                  | 541,145              |
| <u>6,727,862</u>                       | <u>209,707</u>          | <u>10,156,961</u>    |
| 633,158                                | 433,641                 | 2,508,368            |
| 70,872                                 | 2,906                   | 160,727              |
| 6,083                                  | 83,708                  | 699,701              |
| 10,514                                 | 186,005                 | 1,498,975            |
| -                                      | -                       | 38,400               |
| 8,130                                  | 6,793                   | 93,361               |
| 121,381                                | 16,982                  | 389,162              |
| 5,704,077                              | -                       | 5,704,077            |
| -                                      | -                       | 161,374              |
| 565                                    | 53,272                  | 888,784              |
| <u>6,554,780</u>                       | <u>783,307</u>          | <u>12,142,929</u>    |
| <u>173,082</u>                         | <u>(573,600)</u>        | <u>(1,985,968)</u>   |
| 26,157                                 | 856,422                 | 5,381,402            |
| -                                      | -                       | (8)                  |
| 541                                    | 111                     | 6,089                |
| -                                      | -                       | (522,601)            |
| <u>26,698</u>                          | <u>856,533</u>          | <u>4,864,882</u>     |
| 199,780                                | 282,933                 | 2,878,914            |
| <u>260,000</u>                         | <u>1,724,373</u>        | <u>2,084,842</u>     |
| 459,780                                | 2,007,306               | 4,963,756            |
| 181,859                                | 1,900,599               | 11,192,723           |
| <u>(65,220)</u>                        |                         | <u>254,680</u>       |
| <u>116,639</u>                         | <u>1,900,599</u>        | <u>11,447,403</u>    |
| <u>\$ 576,419</u>                      | <u>\$ 3,907,905</u>     | <u>\$ 16,411,159</u> |

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended March 31, 2015**

|   | <u>Public<br/>Housing</u> | <u>Rural<br/>Development</u> | <u>Business<br/>Activities</u> |
|---|---------------------------|------------------------------|--------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                           |                              |                                |
| Receipts from customers   | \$ 949,324                | \$ 1,091,456                 | \$ 1,188,266                   |
| Housing assistance payments on behalf of tenants                            | -                         | -                            | -                              |
| Payments to suppliers   | (855,187)                 | (744,934)                    | (538,133)                      |
| Payments to employees   | (555,758)                 | (618,188)                    | (282,715)                      |
| <b>Net Cash Provided (Used) by Operating Activities</b>                     | <u>(461,621)</u>          | <u>(271,666)</u>             | <u>367,418</u>                 |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                      |                           |                              |                                |
| Intergovernmental revenues received   | 564,055                   | 3,300,203                    | 139,627                        |
| Interfund loans received  | 141,740                   | 490,603                      | 1,224,452                      |
| Interfund loans made  | (141,740)                 | (1,544,936)                  | (281,345)                      |
| Interfund loans repaid  | -                         | 1,099,667                    | (1,325,446)                    |
| Interfund loan repayments received  | -                         | -                            | 225,779                        |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>          | <u>564,055</u>            | <u>3,345,537</u>             | <u>(16,933)</u>                |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>             |                           |                              |                                |
| Acquisition of capital assets   | (155,533)                 | (3,133,930)                  | (602,597)                      |
| Proceeds of debt  | -                         | -                            | 3,022,346                      |
| Principal paid on debt  | -                         | (226,516)                    | (2,860,321)                    |
| Interest paid on debt   | (62,331)                  | (135,914)                    | (311,125)                      |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b> | <u>(217,864)</u>          | <u>(3,496,360)</u>           | <u>(751,697)</u>               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                           |                              |                                |
| Interest income   | 201                       | 5,132                        | 297                            |
| <b>Net Cash Provided (Used) by Investing Activities</b>                     | <u>201</u>                | <u>5,132</u>                 | <u>297</u>                     |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                 | (115,229)                 | (417,357)                    | (400,915)                      |
| <b>Balances - Beginning</b>   | <u>1,288,195</u>          | <u>5,227,488</u>             | <u>527,839</u>                 |
| <b>Balances - Ending</b>  | <u>\$ 1,172,966</u>       | <u>\$ 4,810,131</u>          | <u>\$ 126,924</u>              |

The notes to the basic financial statements are an integral part of this statement.

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| <b>Housing<br/>Choice<br/>Vouchers</b> | <b>State/<br/>Local</b> | <b>Totals</b>       |
|--|-------------------------|---------------------|
| \$ 131,094                             | \$ 213,994              | \$ 3,574,134        |
| 5,731,209                              | -                       | 5,731,209           |
| (5,990,813)                            | (494,513)               | (8,623,580)         |
| (470,463)                              | (597,708)               | (2,524,832)         |
| <u>(598,973)</u>                       | <u>(878,227)</u>        | <u>(1,843,069)</u>  |
| -                                      | 1,044,769               | 5,048,654           |
| 286,157                                | 26,881                  | 2,169,833           |
| -                                      | (26,881)                | (1,994,902)         |
| -                                      | -                       | (225,779)           |
| -                                      | -                       | 225,779             |
| <u>286,157</u>                         | <u>1,044,769</u>        | <u>5,223,585</u>    |
| -                                      | (23,603)                | (3,915,663)         |
| -                                      | -                       | 3,022,346           |
| -                                      | -                       | (3,086,837)         |
| -                                      | -                       | (509,370)           |
| <u>-</u>                               | <u>(23,603)</u>         | <u>(4,489,524)</u>  |
| <u>541</u>                             | <u>111</u>              | <u>6,282</u>        |
| <u>541</u>                             | <u>111</u>              | <u>6,282</u>        |
| (312,275)                              | 143,050                 | (1,102,726)         |
| <u>293,584</u>                         | <u>224,437</u>          | <u>7,561,543</u>    |
| <u>\$ (18,691)</u>                     | <u>\$ 367,487</u>       | <u>\$ 6,458,817</u> |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended March 31, 2015**

|  | <u>Public<br/>Housing</u> | <u>Rural<br/>Development</u> | <u>Business<br/>Activities</u> |
|--|---------------------------|------------------------------|--------------------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                           |                              |                                |
| Operating income (loss)  | \$ (658,136)              | \$ (812,676)                 | \$ (114,638)                   |
| Adjustments to reconcile operating income to net cash provided<br>by operating activities:               |                           |                              |                                |
| Amortization and depreciation  | 154,086                   | 435,330                      | 406,905                        |
| Decrease (increase) in:  |                           |                              |                                |
| Accounts receivable - tenants, net   | (2,732)                   | 7,644                        | (1,798)                        |
| Accounts receivable - operating reimbursement  | -                         | -                            | -                              |
| Accounts receivable - other  | -                         | -                            | -                              |
| Prepaid costs  | -                         | (27)                         | -                              |
| Deposits   | -                         | -                            | 3,444                          |
| Increase (decrease) in:  |                           |                              |                                |
| Accounts payable   | 4,060                     | 42,388                       | (71,475)                       |
| Prepaid tenant rent  | (44)                      | 2,819                        | (76)                           |
| Accrued salaries and benefits  | 14,674                    | 15,583                       | 23,496                         |
| Security deposits payable  | (2,482)                   | 2,723                        | 3,600                          |
| Escrow deposits payable  | -                         | -                            | -                              |
| OPEB liability   | 21,393                    | 31,340                       | 73,845                         |
| Compensated absences payable   | 7,560                     | 3,210                        | 44,115                         |
| <b>Net Cash Provided (Used) by Operating Activities</b>  | <u>\$ (461,621)</u>       | <u>\$ (271,666)</u>          | <u>\$ 367,418</u>              |
| <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                           |                              |                                |
| Contribution of capital assets   | \$ -                      | \$ -                         | \$ 100,469                     |

The notes to the basic financial statements are an integral part of this statement.



| <u>Housing<br/>Choice<br/>Vouchers</u> | <u>State/<br/>Local</u> | <u>Totals</u>         |
|--|-------------------------|-----------------------|
| \$ 173,082                             | \$ (573,600)            | \$ (1,985,968)        |
| 565                                    | 53,272                  | 1,050,158             |
| 6,286                                  | 131                     | 9,531                 |
| (850,643)                              | -                       | (850,643)             |
| 26,172                                 | -                       | 26,172                |
| -                                      | -                       | (27)                  |
| -                                      | -                       | 3,444                 |
| (10,236)                               | (250,161)               | (285,424)             |
| (202)                                  | (93)                    | 2,404                 |
| 572                                    | (13,069)                | 41,256                |
| -                                      | 4,249                   | 8,090                 |
| 54,163                                 | -                       | 54,163                |
| 15,545                                 | (73,359)                | 68,764                |
| (14,277)                               | (25,597)                | 15,011                |
| <u>\$ (598,973)</u>                    | <u>\$ (878,227)</u>     | <u>\$ (1,843,069)</u> |
| \$ -                                   | \$ 1,724,373            | \$ 100,469            |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**March 31, 2015**

|                                    | <b>Agency<br/>Fund</b> |
|------------------------------------|------------------------|
| <b>ASSETS</b>                      |                        |
| Cash and investments               | \$ 317,433             |
| Accounts receivable - tenants, net | 6,026                  |
| <b>Total Assets</b>                | <b>323,459</b>         |
| <b>LIABILITIES</b>                 |                        |
| Accounts payable                   | 2,823                  |
| Prepaid tenant rent                | 236                    |
| Security deposits payable          | 9,950                  |
| Agency obligations                 | 310,450                |
| <b>Total Liabilities</b>           | <b>\$ 323,459</b>      |

The notes to the basic financial statements are an integral part of this statement.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended March 31, 2015**

|   | <b>Agency<br/>Fund</b> |
|---|------------------------|
| <b>OPERATING REVENUES</b>                   |                        |
| Dwelling rents                              | \$ 192,857             |
| Other tenant revenue                        | 3,505                  |
| Interest income                             | 289                    |
| <b>Total Operating Revenues</b>             | <b>196,651</b>         |
| <b>OPERATING EXPENSES</b>                   |                        |
| Administrative                              | 37,812                 |
| Utilities                                   | 22,333                 |
| Maintenance                                 | 97,044                 |
| Insurance premiums                          | 36                     |
| Other general expenses                      | 2,276                  |
| <b>Total Operating Expenses</b>             | <b>159,501</b>         |
| <b>Change in Net Assets</b>                 | <b>37,150</b>          |
| <b>Total Agency Obligations - Beginning</b> | <b>273,300</b>         |
| <b>Total Agency Obligations - Ending</b>    | <b>\$ 310,450</b>      |

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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# REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

## Notes to Basic Financial Statements

For the Year Ended March 31, 2015

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Regional Housing Authority of Sutter and Nevada Counties (Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

#### A. Reporting Entity

The Consolidated Area Housing Authority of Sutter County was established in April 1946, by a resolution of the Sutter County Board of Supervisors and reorganized as the Consolidated Area Housing Authority of Sutter County, California in February 1994, by agreement between the City of Live Oak, the City of Yuba City and the County of Sutter. In April 2011, the Consolidated Area Housing Authority of Sutter County combined with the Nevada County Housing Authority and was reorganized as the Regional Housing Authority of Sutter and Nevada Counties (the Authority). The Authority is governed by a nine member Board of Commissioners. The Board of Commissioners is made up of two members appointed by the Sutter County Board of Supervisors, two members appointed by the City of Yuba City, two members appointed by the City of Live Oak and two members appointed by the Nevada County Board of Supervisors. The remaining member is a resident of affordable housing selected by the members of the Authority's Board of Commissioners and approved by Sutter County, City of Live Oak, City of Yuba City, and County of Nevada. Commissioners are appointed for four-year terms.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the Authority's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the Authority's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the Authority's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Commissioners. The financial statements of the individual component units may be obtained by writing to the Regional Housing Authority of Sutter and Nevada Counties, 1455 Butte House Road, Yuba City, CA 95993.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**Blended Component Units**

The blended component units of the Authority, which are included in Business Activities, are as follows:

Building Better Partnerships, Inc.  
Healthy Housing, LLC

**Joint Agencies**

The California Affordable Housing Agency - Joint Powers Authority began operations on March 1, 2001, and has continued without interruption since that time. The Joint Powers Authority is composed of member housing agencies. All member agencies are on the Board of Directors who select an Executive Committee of five members. The operations are managed and expenses are approved by the Executive Director of the Joint Powers Authority. Complete audited financial statements can be obtained at the Authority's office: 580 Vallombrosa Avenue, Chico, CA, 95926. The Authority is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Boards.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the Authority and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements present the business-type activities of the Authority, which are financed in whole or in part by fees charged to external parties. The Authority's activities are all classified as business-type.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the Authority's business-type activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues are presented instead as general revenues.

**Fund Financial Statements**

The fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Funds are organized into the proprietary and fiduciary fund types. The operations of the Authority are organized on a series of sub-funds consolidated into five major enterprise proprietary funds which account for all activities of the Authority. An emphasis is placed on major funds within the enterprise proprietary category, each is displayed in a separate column.



**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

The Authority reports the following major proprietary funds:

- The Public Housing fund is an enterprise fund used to account for revenues and expenses for Public and Indian Housing programs.
- The Rural Development fund is an enterprise fund used to account for farm labor housing activities.
- The Business Activities fund is an enterprise fund used to account for activity related to apartment rental and administration of various projects.
- The Housing Choice Vouchers fund is an enterprise fund used to account for the Housing Voucher program.
- The State/Local fund is an enterprise fund used to account for activity related to various low-income housing rental programs.

The Authority reports the following additional fund type:

- Agency Fund accounts for assets held by the Authority as an agent for other governments or other funds. The Authority administers the Home 2 Families program for the City of Yuba City and accounts for this activity in an agency fund.

**C. Basis of Accounting and Measurement Focus**

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange include revenues from grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services and assistance payments and fees from the Section 8 program. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Cash, Cash Equivalents, and Investments**

Cash and investments consist of cash on hand, cash held in bank checking and savings accounts, cash held with fiscal agents, and cash on deposit in the State of California Local Agency Investment Fund (LAIF).

The Authority pools cash and investments of all funds except for amounts held by fiscal agent. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Income from pooled investments is allocated to the various funds based on the fund's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

Investments are reported in the accompanying Statement of Net Position at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments, except cash with fiscal agent, of the proprietary funds are pooled with the Authority's pooled cash and investments.

**E. Restricted Cash and Investments**

The Authority reflects cash and investments held for the Rural Development supervised account of \$872,493 and Housing Choice Voucher escrow account of \$87,890 as restricted cash and investments.

**F. Receivables**

The Authority only accrues those revenues it deems collectible except for Housing Choice Voucher fraud recovery receivables, which are included in Receivables-tenant, net. The Authority has established an allowance for doubtful accounts in the amount of \$57,947, which represents 100 percent of the fraud recovery receivable. The Authority expects to collect all other receivables within one year.

**G. Other Assets**

**Inventory**

Inventory items are recorded as an expense at the time individual items are purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

**Prepaid Costs**

Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid costs. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Capital Assets**

Capital assets, which include property, plant and equipment are valued at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are valued at their estimated fair value at the date of donation. Capital assets are defined by the Authority as an asset with a cost greater than \$1,000 and an estimated useful life of more than two years. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not included as part of the capitalized value.

Capital assets used in operations are depreciated or amortized using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| <u>Depreciable Asset</u>    | <u>Estimated Lives</u> |
|-----------------------------|------------------------|
| Equipment                   | 2-10 years             |
| Structures and improvements | 10-30 years            |

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**I. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenses in the reimbursing fund and a corresponding decrease in expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

**J. Unearned Revenue**

Under the accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Compensated Absences**

It is the Authority's policy to permit employees to accumulate a limited amount of earned but unused vacation leave which vests with the employee and will be paid upon separation from Authority service. The liability for these compensated absences is recorded as long-term debt in the financial statements. The current portion of this debt is estimated based on historical trends. In the financial statements, the proprietary funds report the liability as it is incurred. The Authority includes its share of social security and medicare taxes payable on behalf of the employees in the accrual of compensated absences.

**L. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. At March 31, 2015, the Authority did not have any deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At March 31, 2015, the Authority did not have any deferred inflows of resources.

**M. Grant Revenues**

Grant revenues are recognized when specified related expenses have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenses and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expense is recorded as unearned revenue.

**N. Estimates**

The preparation of basic 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. Accordingly, actual results could differ from those estimates.

**O. Implementation of Governmental Accounting Standards Board Statements (GASB)**

The following Governmental Accounting Standards Board (GASB) Statement has been implemented, if applicable to Regional Housing Authority of Sutter and Nevada Counties, in the current financial statements.

**Statement No. 70**, Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Restatement of Net Position**

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the Authority reports these changes as restatements of beginning net position. During the current year an adjustment to net position was required to correct prior year misstatements of investment in partnership and allowance for doubtful accounts related to Housing Choice Voucher fraud recovery.

The impact of the restatements on the net position on the governmental activities financial statements as previously reported is presented below:

|  | <u>Public<br/>Housing</u> | <u>Housing<br/>Choice<br/>Vouchers</u> | <u>Governmental<br/>Activities</u> |
|--|---------------------------|--|------------------------------------|
| Net Position, March 31, 2014, as previously reported | \$ 3,241,362              | \$ 181,859                             | \$ 11,192,723                      |
| Adjustment associated with:                          |                           |  |                                    |
| Correction of investment in partnership              | 319,900                   | -                                      | 319,900                            |
| Correction of allowance for doubtful accounts        | <u>-</u>                  | <u>( 65,220)</u>                       | <u>( 65,220)</u>                   |
| Total Adjustments                                    | <u>319,900</u>            | <u>( 65,220)</u>                       | <u>254,680</u>                     |
| Net Position, April 1, 2014, as restated             | <u>\$ 3,561,262</u>       | <u>\$ 116,639</u>                      | <u>\$ 11,447,403</u>               |

**NOTE 3: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of March 31, 2015, the Authority's cash and investments consisted of the following:

Cash:

|                                      |                  |
|--------------------------------------|------------------|
| Imprest cash                         | \$ 582           |
| Deposits (less outstanding warrants) | <u>6,585,397</u> |
| Total Cash in Authority Pool         | 6,585,979        |
| Deposits with fiscal agents          | <u>300,737</u>   |
| Total Cash                           | <u>6,886,716</u> |

Investments:

|                              |                     |
|------------------------------|---------------------|
| Local Agency Investment Fund | <u>760</u>          |
| Total Investments            | <u>760</u>          |
| Total Cash and Investments   | <u>\$ 6,887,476</u> |

**B. Cash**

At year end, the carrying amount of the Authority's cash deposits (including amount in checking accounts and money market accounts) was \$6,585,397 and the bank balance was \$6,911,519. The difference between the bank balance and the carrying amount represents outstanding warrants and deposits in transit. In addition, the Authority had cash on hand of \$582.

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**B. Cash (Continued)**

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The Authority complies with the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the Authority's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized. The Authority's investment policy does not further limit its deposits.

**C. Investments**

Investments are selected based on safety, liquidity and yield. The Authority's investment policy is more restrictive than the California Government Code. Under the provisions of the Authority's investment policy and the California Government Code, the Authority may invest or deposit in the following:

- Local Agency bonds, US Treasury Obligations, State of California Obligations, CA Local Agency Obligations and US Agencies
- Banker's Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Reverse Repurchase Agreements
- Medium Term Notes
- Mutual Funds as permitted by the Government Code
- Collateralized Bank Deposits
- Mortgage Pass-Through Securities
- Time Deposits
- Local Agency Investment Fund (LAIF)

The investment policy specifically allows investment in LAIF and any other investment allowed by the California Government Code with prior Board of Commissioners approval.

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the Authority's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the Authority to meet all projected obligations.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

As of March 31, 2015, the Authority had the following investments:

| Investment Type                     | Interest Rates | Maturities |           | Fair Value | Weighted Average Maturity (Years) |
|-------------------------------------|----------------|------------|-----------|------------|-----------------------------------|
|                                     |                | 0-1 year   | 1-5 years |            |                                   |
| <b>Pooled Investments</b>           |                |            |           |            |                                   |
| Local Agency Investment Fund (LAIF) | Variable       | \$ 760     | \$ -      | \$ 760     | -                                 |
| Total                               |                | \$ 760     | \$ -      | \$ 760     | -                                 |

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code, and the actual rating as of year end for each investment type.

| Investment Type | Minimum Legal Rating | Standard & Poor's Rating | Moody's Rating | % of Portfolio |
|-----------------|----------------------|--------------------------|----------------|----------------|
| LAIF            | N/A                  | Unrated                  | Unrated        | 100.00%        |
| Total           |                      |                          |                | 100.00%        |

**Custodial Credit Risk** - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The Authority's investment policy does not contain limitations on the amount that can be invested in any one issuer. All investments of the Authority are in the Local Agency Investment Fund which contain a diversification of investments. The Authority's investment policy does not further limit the exposure to concentration of credit risk.

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**D. Investments in External Investment Pools**

Investment in Local Agency Investment Fund - The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. At March 31, 2015 the Authority's investment position in LAIF was \$760 which approximates fair value and is the same as the value of the pool shares. The total amount invested by all public agencies in LAIF on that day was \$62,518,479,478. Of that amount, 98.42% is invested in non-derivative financial products and 1.58% in structured notes and asset-backed securities. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. The Local Investment Advisory Board, which consists of five members designed by the State statutes, has oversight responsibility for LAIF.

**NOTE 4: INVESTMENT IN PARTNERSHIP**

The Authority is a limited partner in Maple Park I, L.P. The Authority's share of profit, loss, and capital is 0.001%. At March 31, 2015, the Authority's investment in the partnership was \$319,892.

**NOTE 5: CAPITAL ASSETS**

Capital assets activity for the year ended March 31, 2015, was as follows:

|  | <u>Balance</u><br><u>April 1, 2014</u> | <u>Additions</u>   | <u>Retirements/<br/>Adjustments</u> | <u>Balance</u><br><u>March 31, 2015</u> |
|--|--|--------------------|-------------------------------------|---|
| Capital Assets, Not Being Depreciated:       |  |                    |                                     |   |
| Land   | \$ 3,684,416                           | \$ 554,093         | \$ -                                | \$ 4,238,509                            |
| Construction in progress                     | <u>-</u>                               | <u>4,303,193</u>   | <u>-</u>                            | <u>4,303,193</u>                        |
| Total Capital Assets, Not Being Depreciated  | <u>3,684,416</u>                       | <u>4,857,286</u>   | <u>-</u>                            | <u>8,541,702</u>                        |
| Capital Assets, Being Depreciated:           |  |                    |                                     |   |
| Buildings and improvements                   | 35,555,922                             | 2,356,923          | -                                   | 37,912,845                              |
| Equipment                                    | <u>1,531,543</u>                       | <u>-</u>           | <u>-</u>                            | <u>1,531,543</u>                        |
| Total Capital Assets, Being Depreciated      | <u>37,087,465</u>                      | <u>2,356,923</u>   | <u>-</u>                            | <u>39,444,388</u>                       |
| Less Accumulated Depreciation For:           |  |                    |                                     |   |
| Buildings and improvements                   | ( 16,255,803)                          | ( 831,644)         | -                                   | ( 17,087,447)                           |
| Equipment                                    | <u>( 992,202)</u>                      | <u>( 57,140)</u>   | <u>-</u>                            | <u>( 1,049,342)</u>                     |
| Total Accumulated Depreciation               | <u>( 17,248,005)</u>                   | <u>( 888,784)</u>  | <u>-</u>                            | <u>( 18,136,789)</u>                    |
| Total Capital Assets, Being Depreciated, Net | <u>19,839,460</u>                      | <u>1,468,139</u>   | <u>-</u>                            | <u>21,307,599</u>                       |
| Capital Assets, Net                          | <u>\$ 23,523,876</u>                   | <u>\$6,325,425</u> | <u>\$ -</u>                         | <u>\$ 29,849,301</u>                    |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

**Depreciation**

Depreciation expense was charged to the business-type functions as follows:

|                            |                   |
|----------------------------|-------------------|
| Public Housing             | \$ 154,086        |
| Rural Development          | 435,330           |
| Business Activities        | 245,531           |
| Housing Choice Vouchers    | 565               |
| State/Local                | <u>53,272</u>     |
| Total Depreciation Expense | <u>\$ 888,784</u> |

**NOTE 6: INTERFUND TRANSACTIONS**

**Due To/From Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of March 31, 2015:

|                         | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|-------------------------|---------------------------------|-------------------------------|
| Public Housing          | \$ 141,740                      | \$ 141,740                    |
| Rural Development       | 1,544,936                       | 490,603                       |
| Business Activities     | 281,345                         | 1,224,452                     |
| Housing Choice Vouchers | -                               | 111,226                       |
| State/Local             | <u>26,881</u>                   | <u>26,881</u>                 |
| Total                   | <u>\$ 1,994,902</u>             | <u>\$ 1,994,902</u>           |

**NOTE 7: UNEARNED REVENUE**

At March 31, 2015, components of unearned revenue reported were as follows:

|   |                     |
|---|---------------------|
| Rural Development   |                     |
| ADA grant monies received prior to completion of earnings requirements                      | \$ 1,659,917        |
| Joe Serna grant monies received prior to completion of earnings requirements                | 287,607             |
| Labor Housing grant monies received prior to completion of earnings requirements            | 2,000,196           |
| State/Local   |                     |
| Community development activity delivery monies prior to completion of earnings requirements | <u>75,911</u>       |
| Total   | <u>\$ 4,023,631</u> |

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 8: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended March 31, 2015:

|                             | <u>Balance</u><br><u>April 1, 2014</u> | <u>Additions/</u><br><u>Adjustments</u> | <u>Retirements/</u><br><u>Adjustments</u> | <u>Balance</u><br><u>March 31, 2015</u> | <u>Due Within</u><br><u>One Year</u> |
|-----------------------------|--|---|---|---|--------------------------------------|
| Revenue Bonds               | \$ 5,134,066                           | \$ -                                    | (\$ 2,853,809)                            | \$ 2,280,257                            | \$ 19,796                            |
| Less: Bond Discount         | ( 161,376)                             | -                                       | 161,376                                   | -                                       | -                                    |
| Revenue Bonds (Net)         | <u>4,972,690</u>                       | <u>-</u>                                | <u>( 2,692,433)</u>                       | <u>2,280,257</u>                        | <u>19,796</u>                        |
| Loans Payable               | 9,454,759                              | 3,022,346                               | ( 242,834)                                | 12,234,271                              | 302,753                              |
| Line of Credit              | 500                                    | -                                       | ( 500)                                    | -                                       | -                                    |
| OPEB Liability              | 410,466                                | 76,822                                  | ( 8,146)                                  | 479,142                                 | -                                    |
| Compensated Absences        | <u>194,038</u>                         | <u>125,924</u>                          | <u>( 110,827)</u>                         | <u>209,135</u>                          | <u>107,628</u>                       |
| Total Long-Term Liabilities | <u>\$ 15,032,453</u>                   | <u>\$ 3,225,092</u>                     | <u>(\$ 3,054,740)</u>                     | <u>\$ 15,202,805</u>                    | <u>\$ 430,177</u>                    |

Individual issues of debt payable outstanding at March 31, 2015, are as follows:

Revenue Bonds Payable:

California Affordable Housing Agency Multi Family Housing Revenue Bonds Series 2014A, issued in the amount of \$1,625,000 and payable in semi-annual interest installments of \$34,531, with an interest rate of 4.250 percent and a maturity of March 1, 2019. The bonds were used to finance the acquisition of the Devonshire Apartments. \$ 1,625,000

Butte View Estate Bonds, issued in the amount of \$810,000 and payable in monthly payments of \$4,418 including interest at 5.14 percent and maturity of November 1, 2034. These bonds were used to finance the acquisition of the Butte View Estates Apartment complex. 655,257

Total Revenue Bonds Payable 2,280,257

Loans Payable:

Rural Development Agency Loan, issued in the amount of \$290,000 and payable in monthly payments of \$863 including interest of 1 percent and maturity of October 1, 2026. This loan was used to finance rural development activities of the Authority. 128,082

Rural Development Agency Loan, issued in the amount of \$22,670 and payable in monthly payments of \$68 including interest of 1 percent and maturity of October 1, 2032. This loan was used to finance rural development activities of the authority. 12,760

Rural Development Agency Loan, issued in the amount of \$7,466 and payable in monthly payments of \$22 including interest of 1 percent and maturity of October 1, 2032. This loan was used to finance rural development activities of the Authority. 4,202

Rural Development Agency Loan, issued in the amount of \$47,378 and payable in monthly payments of \$141 including interest of 1 percent and maturity of October 1, 2032. This loan was used to finance rural development activities of the Authority. 26,667

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 8: LONG-TERM LIABILITIES (CONTINUED)**

Individual issues of debt payable outstanding at March 31, 2015, are as follows (Continued):

Loans Payable (Continued):

|  |           |
|--|-----------|
| Rural Development Agency Loan, issued in the amount of \$2,902 and payable in monthly payments of \$9 including interest of 1 percent and maturity of October 1, 2032. This loan was used to finance rural development activities of the Authority.                              | 1,633     |
| Rural Development Agency Loan, issued in the amount of \$4,875 and payable in monthly payments of \$15 including interest of 1 percent and maturity of October 1, 2032. This loan was used to finance rural development activities of the Authority.                             | 2,744     |
| Rural Development Agency Loan, issued in the amount of \$1,412,827 and payable in monthly payments of \$4,206 including interest of 1 percent and maturity of October 1, 2032. This loan was used to finance rural development activities of the Authority.                      | 795,283   |
| Rural Development Agency Loan, issued in the amount of \$139,644 and payable in monthly payments of \$416 including interest of 1 percent and maturity of October 1, 2032. This loan was used to finance rural development activities of the Authority.                          | 78,598    |
| Rural Development Agency Loan, issued in the amount of \$1,365,908 and payable in monthly installments of \$4,584 including interest of 1 percent and maturity on August 1, 2040. This loan was used to finance rural development activities of the Authority.                   | 1,208,592 |
| Rural Development Agency Loan, issued in the amount of \$3,000,000 and payable in monthly installments of \$9,168 including interest of 1 percent and maturity on August 1, 2042. This loan was used to finance rural development activities of the Authority.                   | 2,607,287 |
| Rural Development Agency Loan, issued in the amount of \$127,817 and payable in monthly installments of \$391 including interest of 1 percent and maturity on February 1, 2043. This loan was used to finance rural development activities of the Authority.                     | 109,909   |
| Rural Development Agency Loan, issued in the amount of \$311,897 and payable in monthly installments of \$1,468 including interest of 4 percent and maturity of December 1, 2043. This loan was used to finance the acquisition of the Centennial Arms apartment complex.        | 303,059   |
| Rural Development Agency Loan, issued in the amount of \$634,023 and payable in monthly installments of \$2,289, including interest of 1.89 percent and maturity on December 1, 2043. This loan was used to finance the rehabilitation of the Centennial Arms apartment complex. | 619,634   |
| Rural Development Agency Loan, issued in the amount of \$549,801 and payable in monthly installments of \$2,034 including interest of 1 percent and maturity of November 1, 2043. This loan was used to finance the acquisition of the Butte View Estates apartment complex.     | 526,398   |
| Umpqua Bank Loan, issued in the amount of \$576,000 and payable in monthly installments of \$3,392 including interest at 5.750 percent and maturity on February 15, 2040. The loan was used to finance the acquisitions of the Centennial Arms apartment complex.                | 540,463   |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 8: LONG-TERM LIABILITIES (CONTINUED)**

Individual issues of debt payable outstanding at March 31, 2015, are as follows (Continued):

Loans Payable (Continued):

|   |                      |
|---|----------------------|
| Tri Counties Bank Loan, issued in the amount of \$940,000 and payable in monthly installments of \$5,997, including interest of 5.75 percent and maturity on January 25, 2036. This loan was used to finance the acquisition of 1455 Butte House Road.  | 874,796              |
| Tri Counties Bank Loan, issued in the amount of \$73,125 and payable in monthly installments of \$485 including interest of 5.00 percent and maturity on July 29, 2032. This loan was used to finance rehabilitation of Miles Market.   | 67,792               |
| Umpqua Bank loan, issued in the amount of \$1,215,000 and payable in monthly interest only installments of 5.29 percent at the outstanding balance and maturity on October 21, 2019. The loan was used to finance the acquisition of properties related to the Trio program. As of March 31, 2015, \$1,015,937 in loan funds had been received. | 1,015,937            |
| City of Yuba City loan, issued in the amount of \$825,000. Interest is to accrue at the rate of 1 percent per annum. Payments are deferred unless there are sufficient residual receipts. The loan was used to finance the acquisition and rehabilitation of the Kingwood Commons Complex.  | 825,000              |
| River Valley Bank loan, issued in the amount of \$2,487,500 and payable in monthly installments of \$13,470 including interest of 5.00 percent and maturity of December 20, 2024. This loan was used to refinance the acquisition of the Kingwood Commons Apartment Complex.  | <u>2,485,435</u>     |
| Total Loans Payable   | <u>12,234,271</u>    |
| Total Long-Term Liabilities   | <u>\$ 14,514,528</u> |

Following is a schedule of debt payment requirements to maturity for long-term debt, excluding the City of Yuba City loan in the amount of \$825,000 which has no established repayment schedule, compensated absences that have indefinite maturities and OPEB which is reported in Note 10.

| Year Ended<br>March 31 | Revenue Bonds       |                   |                     |
|------------------------|---------------------|-------------------|---------------------|
|                        | Principal           | Interest          | Total               |
| 2016                   | \$ 19,796           | \$ 102,281        | \$ 122,077          |
| 2017                   | 20,837              | 101,239           | 122,076             |
| 2018                   | 21,934              | 100,142           | 122,076             |
| 2019                   | 1,648,088           | 98,988            | 1,747,076           |
| 2020                   | 24,304              | 28,740            | 53,044              |
| 2021-2025              | 142,104             | 122,965           | 265,069             |
| 2026-2030              | 183,646             | 81,423            | 265,069             |
| 2031-2035              | <u>219,548</u>      | <u>27,850</u>     | <u>247,398</u>      |
| Total                  | <u>\$ 2,280,257</u> | <u>\$ 663,628</u> | <u>\$ 2,943,885</u> |

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 8: LONG-TERM LIABILITIES (CONTINUED)**

| Year Ended<br>March 31 | Loans Payable |              |               |
|------------------------|---------------|--------------|---------------|
|                        | Principal     | Interest     | Total         |
| 2016                   | \$ 302,753    | \$ 325,757   | \$ 628,510    |
| 2017                   | 309,536       | 318,974      | 628,510       |
| 2018                   | 316,595       | 311,916      | 628,511       |
| 2019                   | 324,574       | 303,936      | 628,510       |
| 2020                   | 1,249,039     | 277,208      | 1,526,247     |
| 2021-2025              | 3,685,452     | 1,086,894    | 4,772,346     |
| 2026-2030              | 1,528,172     | 428,944      | 1,957,116     |
| 2031-2035              | 1,677,206     | 260,866      | 1,938,072     |
| 2036-2040              | 944,750       | 101,433      | 1,046,183     |
| 2041-2045              | 817,501       | 23,600       | 841,101       |
| 2046-2050              | 77,746        | 10,790       | 88,536        |
| 2051-2055              | 81,731        | 6,805        | 88,536        |
| 2056-2060              | 85,905        | 2,631        | 88,536        |
| 2061-2065              | 8,311         | 30           | 8,341         |
| Total                  | \$ 11,409,271 | \$ 3,459,784 | \$ 14,869,055 |

**NOTE 9: NET POSITION**

The proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Net Position Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 10: EMPLOYEES' RETIREMENT PLAN**

**A. Plan Description**

The Authority contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their Executive Office – 400 Q Street, Lincoln Plaza East, Sacramento, CA 95811.

Effective January 1, 2013, the Authority added retirement tiers for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 are subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding.

**B. Funding Policy**

For active plan members preceding PEPRA, Miscellaneous Plan members pay 7 percent of their annual covered salary. For active plan members in PEPRA, Miscellaneous Plan members pay 6.25 percent of their annual covered salary. The Authority is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The Miscellaneous Plan includes a cost-sharing agreement which determines whether a portion of the member's contribution is paid by the Authority, or whether a portion of the employer's contribution is paid by the member. Results of the cost-sharing agreement are as follows:

|                      | Member Share  |                  | Authority Share |                  | Total         |                  |
|----------------------|---------------|------------------|-----------------|------------------|---------------|------------------|
|                      | <u>Member</u> | <u>Authority</u> | <u>Member</u>   | <u>Authority</u> | <u>Member</u> | <u>Authority</u> |
| <b>Miscellaneous</b> |               |                  |                 |                  |               |                  |
| Classic              |               |                  |                 |                  |               |                  |
| First Tier Plan      | 0.000%        | 7.000%           | 0.000%          | 14.492%          | 0.000%        | 21.492%          |
| Second Tier Plan     | 7.000%        | 0.000%           | 0.000%          | 8.005%           | 7.000%        | 8.005%           |
| PEPRA                | 6.250%        | 0.000%           | 0.000%          | 6.250%           | 6.250%        | 6.250%           |

The Authority's contributions for the years ending March 31, 2015, 2014, and 2013 were \$196,823, \$200,626, and \$225,086, which equaled the required contributions each year.

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

Retirees of the Authority have an option to purchase medical coverage from a variety of providers. One option for medical coverage is the multiple-employer CalPERS Healthcare (PEMHCA) plan. If the employee selects the PEMHCA option, there is a requirement that the Authority pay a monthly contribution amount. The contribution levels are set in statute.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**B. Funding Policy**

The Authority has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the Authority's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The Authority has elected not to establish an irrevocable trust at this time. The Board of Commissioners reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the Authority.

**C. Annual OPEB Cost and Net OPEB Obligation**

The Authority's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in its net OPEB obligation to the Retiree Health Plan:

|   |                          |
|---|--------------------------|
| Annual Required Contribution            | \$ 76,822                |
| Contributions Made                      | <u>8,146</u>             |
| Increase in Net OPEB Obligation         | 68,676                   |
| Net OPEB Obligation - Beginning of Year | <u>410,466</u>           |
| Net OPEB Obligation - End of Year       | <u><u>\$ 479,142</u></u> |

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior fiscal years is as follows:

| Fiscal Year<br>Ended | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation |
|----------------------|---------------------|--|------------------------|
| March 31, 2013       | \$ 105,556          | 6.4%   | \$ 304,464             |
| March 31, 2014       | 112,962             | 6.2%   | 410,466                |
| March 31, 2015       | 76,822              | 10.60%   | 479,142                |

**D. Funded Status and Funding Progress**

As of April 1, 2014, the present value of the actuarial accrued liability for benefits was \$814,604, all of which was unfunded. The covered payroll (annual payroll of employees covered by the plan) was \$1,723,067 and the ratio to the unfunded liability to the covered payroll was 47.28 percent.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**D. Funded Status and Funding Progress (Continued)**

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer as subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**E. Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical average retirement age for the covered group, active plan members were assumed to retire based on the most recent California PERS 2% at 55 Miscellaneous employees retirement plan valuation.

Marital Status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies at the calculation date are based on the most recent California PERS retirement plan valuation. The calculation of OPEB liability for each year is based on the assumption that all participants will live until their expected age as displayed in the mortality tables.

Turnover - The probability that an employee will remain employed until the assumed retirement age was determined using the most recent California PERS Public Agency Miscellaneous retirement plan valuation.

Healthcare cost trend rate - The healthcare cost trend rate was assumed to increase on the contribution requirement - will be 4.0% per year.

Health insurance premiums - 2015 health insurance premiums for retirees were used as a basis for calculation of the present value of total benefits to be paid.

Payroll increase - Changes in the payroll for current employees are expected to increase at a rate of approximately 3.25% annually.

Discount rate - The calculation uses an annual discount rate of 4.5%. This is based on the assumed long-term return on plan assets or employer assets.



**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**E. Methods and Assumptions (Continued)**

Actuarial cost method - The entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 1, 2014 was twenty-five years.

**F. Plan For Funding**

On an ongoing basis, the Authority will be reviewing its assumptions, comparing them against actual experience and recalculating the needed funding with the goal of paying for postemployment benefits out of interest earned on designated funds.

**NOTE 12: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority joined together with other housing authorities to participate in the Housing Authority Risk Retention Pool (HARRP). This joint venture is a public entity risk pool which serves as a common risk management and insurance program for property and liability coverage for 86 housing authority members. The Authority has also joined together with other housing authorities to participate in the California Housing Worker's Compensation Authority. This joint venture is a public entity risk pool which serves as a common risk management and insurance program for workers' compensation coverage for 31 housing authority members.

The Authority pays an annual premium to both of these joint ventures for its insurance coverage. The agreements with the joint ventures provide that they will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

There were no claims liability to be reported based on the requirements of Government Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably determined.

The Authority continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 13: OTHER INFORMATION**

**A. Contingent Liabilities**

The Housing Authority has received funds from various federal, state and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Authority does not expect such disallowed amount, if any, to materially affect the financial statements.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Basic Financial Statements**  
**For the Year Ended March 31, 2015**

**NOTE 13: OTHER INFORMATION (CONTINUED)**

**B. Subsequent Events**

Management has evaluated events subsequent to March 31, 2015 through September 30, 2015, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information**  
**(Unaudited)**

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Required Supplementary Information**  
**For the Year Ended March 31, 2015**

**SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS**

The table below shows a three year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of March 31, 2013, 2014, and 2015 for the Authority Other Postemployment Benefit Plan.

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Value of<br/>Assets<br/>(AVA)</u> | <u>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)</u> | <u>Actuarial<br/>Unfunded<br/>AAL<br/>(UAAL)</u> | <u>Funded<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>UAAL<br/>as a % of<br/>Covered<br/>Payroll</u> |
|---|--------------------------------------|--|--|-------------------------|----------------------------|---|
| March 31, 2013                          | \$ 0                                 | \$ 777,240   | \$ 777,240                                       | 0.0%                    | \$ 1,764,719               | 44.0%   |
| March 31, 2014                          | 0                                    | 858,292  | 858,292  | 0.0%                    | 1,545,119                  | 55.5%   |
| March 31, 2015                          | 0                                    | 814,604  | 814,604  | 0.0%                    | 1,723,067                  | 47.3%   |

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**Supplementary Information**

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Net Position**  
**Public Housing**  
**March 31, 2015**

|   | <b>Richland<br/>Housing</b> | <b>River City<br/>Manor</b> | <b>Senior<br/>Village</b> |
|---|-----------------------------|-----------------------------|---------------------------|
| <b>ASSETS</b>                                 |                             |                             |                           |
| Current Assets:                               |                             |                             |                           |
| Cash and investments                          | \$ 923,240                  | \$ 26,637                   | \$ 11,405                 |
| Cash with fiscal agent                        | -                           | -                           | -                         |
| Receivables:                                  |                             |                             |                           |
| Tenants, net                                  | 9,772                       | 252                         | 4,902                     |
| Due from other funds                          | 141,740                     | -                           | -                         |
| Investment in partnership                     | -                           | -                           | -                         |
| <b>Total Current Assets</b>                   | <b>1,074,752</b>            | <b>26,889</b>               | <b>16,307</b>             |
| Noncurrent Assets:                            |                             |                             |                           |
| Nondepreciable assets                         | 115,017                     | 137,570                     | 88,286                    |
| Depreciable assets, net                       | 2,101,182                   | 139,211                     | 204,671                   |
| <b>Total Noncurrent Assets</b>                | <b>2,216,199</b>            | <b>276,781</b>              | <b>292,957</b>            |
| <b>Total Assets</b>                           | <b>3,290,951</b>            | <b>303,670</b>              | <b>309,264</b>            |
| <b>LIABILITIES</b>                            |                             |                             |                           |
| Current Liabilities:                          |                             |                             |                           |
| Accounts payable                              | 58,887                      | 2,765                       | 10,759                    |
| Prepaid tenant rent                           | 3,620                       | 227                         | 258                       |
| Accrued salaries and benefits                 | 16,705                      | 3,759                       | 6,295                     |
| Security deposits payable                     | 25,369                      | 5,001                       | 11,832                    |
| Due to other funds                            | -                           | -                           | 141,423                   |
| Compensated absences payable                  | 14,153                      | 2,776                       | 5,200                     |
| Bonds payable                                 | -                           | -                           | -                         |
| <b>Total Current Liabilities</b>              | <b>118,734</b>              | <b>14,528</b>               | <b>175,767</b>            |
| Noncurrent Liabilities:                       |                             |                             |                           |
| OPEB liability                                | 59,619                      | 12,688                      | 23,033                    |
| Compensated absences - net of current portion | 10,642                      | 2,190                       | 3,807                     |
| Bonds payable - net of current portion        | -                           | -                           | -                         |
| <b>Total Noncurrent Liabilities</b>           | <b>70,261</b>               | <b>14,878</b>               | <b>26,840</b>             |
| <b>Total Liabilities</b>                      | <b>188,995</b>              | <b>29,406</b>               | <b>202,607</b>            |
| <b>NET POSITION</b>                           |                             |                             |                           |
| Net investment in capital assets              | 2,216,199                   | 276,781                     | 292,957                   |
| Unrestricted                                  | 885,757                     | (2,517)                     | (186,300)                 |
| <b>Total Net Position</b>                     | <b>\$ 3,101,956</b>         | <b>\$ 274,264</b>           | <b>\$ 106,657</b>         |

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| Maple Park      | Devonshire          | Development Project - Maple Park #1 | Total               |
|-----------------|---------------------|-------------------------------------|---------------------|
| \$ 3,414        | \$ 3,854            | \$ -                                | \$ 968,550          |
| -               | 204,416             | -                                   | 204,416             |
| -               | 5,060               | -                                   | 19,986              |
| -               | -                   | -                                   | 141,740             |
| -               | -                   | 319,892                             | 319,892             |
| <u>3,414</u>    | <u>213,330</u>      | <u>319,892</u>                      | <u>1,654,584</u>    |
| -               | 210,007             | -                                   | 550,880             |
| -               | 947,022             | -                                   | 3,392,086           |
| -               | 1,157,029           | -                                   | 3,942,966           |
| <u>3,414</u>    | <u>1,370,359</u>    | <u>319,892</u>                      | <u>5,597,550</u>    |
| 22              | 6,308               | -                                   | 78,741              |
| -               | 2,358               | -                                   | 6,463               |
| -               | 2,732               | -                                   | 29,491              |
| -               | 9,289               | -                                   | 51,491              |
| -               | -                   | 317                                 | 141,740             |
| -               | 1,679               | -                                   | 23,808              |
| -               | -                   | -                                   | -                   |
| <u>22</u>       | <u>22,366</u>       | <u>317</u>                          | <u>331,734</u>      |
| -               | 6,564               | -                                   | 101,904             |
| -               | 1,198               | -                                   | 17,837              |
| -               | 1,625,000           | -                                   | 1,625,000           |
| -               | 1,632,762           | -                                   | 1,744,741           |
| <u>22</u>       | <u>1,655,128</u>    | <u>317</u>                          | <u>2,076,475</u>    |
| -               | (467,971)           | -                                   | 2,317,966           |
| <u>3,392</u>    | <u>183,202</u>      | <u>319,575</u>                      | <u>1,203,109</u>    |
| <u>\$ 3,392</u> | <u>\$ (284,769)</u> | <u>\$ 319,575</u>                   | <u>\$ 3,521,075</u> |

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Public Housing**  
**For the Year Ended March 31, 2015**

|   | <b>Richland<br/>Housing</b> | <b>River City<br/>Manor</b> | <b>Senior<br/>Village</b> |
|---|-----------------------------|-----------------------------|---------------------------|
| <b>OPERATING REVENUES</b>                       |                             |                             |                           |
| Dwelling rents                                  | \$ 475,970                  | \$ 65,398                   | \$ 149,584                |
| Other tenant revenue                            | 15,419                      | 2,189                       | 9,272                     |
| Other revenue                                   | 52                          | -                           | 25                        |
| <b>Total Operating Revenues</b>                 | <u>491,441</u>              | <u>67,587</u>               | <u>158,881</u>            |
| <b>OPERATING EXPENSES</b>                       |                             |                             |                           |
| Administrative                                  | 299,026                     | 65,687                      | 109,192                   |
| Tenant services                                 | 5,397                       | 6,778                       | 5,148                     |
| Utilities                                       | 112,664                     | 20,661                      | 61,496                    |
| Maintenance                                     | 245,263                     | 34,403                      | 97,275                    |
| Protective services                             | 9,768                       | -                           | 3,146                     |
| Insurance premiums                              | 11,205                      | 2,529                       | 6,226                     |
| Other general expenses                          | 120,976                     | 17,227                      | 25,887                    |
| Depreciation                                    | 95,047                      | 9,042                       | 18,107                    |
| <b>Total Operating Expenses</b>                 | <u>899,346</u>              | <u>156,327</u>              | <u>326,477</u>            |
| <b>Operating Income (Loss)</b>                  | <u>(407,905)</u>            | <u>(88,740)</u>             | <u>(167,596)</u>          |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>        |                             |                             |                           |
| Intergovernmental revenue                       | 514,328                     | 49,727                      | 116,031                   |
| Partnership revenue (expense)                   | -                           | -                           | -                         |
| Interest income                                 | 28                          | 10                          | 141                       |
| Interest expense                                | -                           | -                           | -                         |
| <b>Total Non-operating Revenue (Expenses)</b>   | <u>514,356</u>              | <u>49,737</u>               | <u>116,172</u>            |
| <b>Change in Net Position</b>                   | <u>106,451</u>              | <u>(39,003)</u>             | <u>(51,424)</u>           |
| <b>Total Net Position - Beginning</b>           | 2,995,505                   | 313,267                     | 158,081                   |
| Prior period adjustment                         | -                           | -                           | -                         |
| <b>Total Net Position - Beginning, Restated</b> | <u>2,995,505</u>            | <u>313,267</u>              | <u>158,081</u>            |
| <b>Total Net Position - Ending</b>              | <u>\$ 3,101,956</u>         | <u>\$ 274,264</u>           | <u>\$ 106,657</u>         |

| Maple Park | Devonshire   | Development Project - Maple Park #1 | Totals       |
|------------|--------------|-------------------------------------|--------------|
| \$ -       | \$ 227,462   | \$ -                                | \$ 918,414   |
| -          | 9,130        | -                                   | 36,010       |
| -          | -            | 81                                  | 158          |
| -          | 236,592      | 81                                  | 954,582      |
| (4,406)    | 63,364       | 36                                  | 532,899      |
| -          | 33,041       | -                                   | 50,364       |
| -          | 52,559       | -                                   | 247,380      |
| -          | 46,239       | -                                   | 423,180      |
| -          | -            | -                                   | 12,914       |
| -          | 2,321        | -                                   | 22,281       |
| -          | 5,187        | 337                                 | 169,614      |
| -          | 31,890       | -                                   | 154,086      |
| (4,406)    | 234,601      | 373                                 | 1,612,718    |
| 4,406      | 1,991        | (292)                               | (658,136)    |
| -          | -            | -                                   | 680,086      |
| -          | -            | (8)                                 | (8)          |
| -          | 23           | -                                   | 202          |
| -          | (62,331)     | -                                   | (62,331)     |
| -          | (62,308)     | (8)                                 | 617,949      |
| 4,406      | (60,317)     | (300)                               | (40,187)     |
| (1,014)    | (224,452)    | (25)                                | 3,241,362    |
| -          | -            | 319,900                             | 319,900      |
| (1,014)    | (224,452)    | 319,875                             | 3,561,262    |
| \$ 3,392   | \$ (284,769) | \$ 319,575                          | \$ 3,521,075 |

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**Public Housing**  
**For the Year Ended March 31, 2015**

|   | <u>Richland<br/>Housing</u> | <u>River City<br/>Manor</u> | <u>Senior<br/>Village</u> |
|---|-----------------------------|-----------------------------|---------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                             |                             |                           |
| Receipts from customers   | \$ 495,326                  | \$ 66,488                   | \$ 154,945                |
| Payments to suppliers   | (442,343)                   | (87,763)                    | (205,397)                 |
| Payments to employees   | (322,937)                   | (64,623)                    | (104,284)                 |
| <b>Net Cash Provided (Used) by Operating Activities</b>                     | <u>(269,954)</u>            | <u>(85,898)</u>             | <u>(154,736)</u>          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                      |                             |                             |                           |
| Intergovernmental revenues received   | 514,328                     | 49,727                      | -                         |
| Interfund loans received  | -                           | -                           | 141,423                   |
| Interfund loans made  | (141,740)                   | -                           | -                         |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>          | <u>372,588</u>              | <u>49,727</u>               | <u>141,423</u>            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>             |                             |                             |                           |
| Acquisition of capital assets   | (249,349)                   | -                           | 116,031                   |
| Interest paid on debt   | -                           | -                           | -                         |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b> | <u>(249,349)</u>            | <u>-</u>                    | <u>116,031</u>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                             |                             |                           |
| Interest income   | 28                          | 11                          | 140                       |
| <b>Net Cash Provided (Used) by Investing Activities</b>                     | <u>28</u>                   | <u>11</u>                   | <u>140</u>                |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                 | (146,687)                   | (36,160)                    | 102,858                   |
| <b>Balances - Beginning of the Year</b>                                     | <u>1,069,927</u>            | <u>62,797</u>               | <u>(91,453)</u>           |
| <b>Balances - End of the Year</b>   | <u>\$ 923,240</u>           | <u>\$ 26,637</u>            | <u>\$ 11,405</u>          |

| Maple Park | Devonshire | Development Project - Maple Park #1 | Totals       |
|------------|------------|-------------------------------------|--------------|
| \$ 191     | \$ 232,293 | \$ 81                               | \$ 949,324   |
| -          | (119,311)  | (373)                               | (855,187)    |
| 4,226      | (68,140)   | -                                   | (555,758)    |
| 4,417      | 44,842     | (292)                               | (461,621)    |
| -          | -          | -                                   | 564,055      |
| -          | -          | 317                                 | 141,740      |
| -          | -          | -                                   | (141,740)    |
| -          | -          | 317                                 | 564,055      |
| -          | (22,215)   | -                                   | (155,533)    |
| -          | (62,331)   | -                                   | (62,331)     |
| -          | (84,546)   | -                                   | (217,864)    |
| -          | 22         | -                                   | 201          |
| -          | 22         | -                                   | 201          |
| 4,417      | (39,682)   | 25                                  | (115,229)    |
| (1,003)    | 247,952    | (25)                                | 1,288,195    |
| \$ 3,414   | \$ 208,270 | \$ -                                | \$ 1,172,966 |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**Public Housing**  
**For the Year Ended March 31, 2015**

|  | <b>Richland<br/>Housing</b> | <b>River City<br/>Manor</b> | <b>Senior<br/>Village</b> |
|--|-----------------------------|-----------------------------|---------------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                             |                             |                           |
| Operating income (loss)  | \$ (407,905)                | \$ (88,740)                 | \$ (167,596)              |
| Adjustments to reconcile operating income to net cash provided<br>by operating activities:               |                             |                             |                           |
| Amortization and depreciation  | 95,047                      | 9,042                       | 18,107                    |
| Decrease (increase) in:  |                             |                             |                           |
| Accounts receivable - tenants, net   | 5,935                       | (577)                       | (2,838)                   |
| Increase (decrease) in:  |                             |                             |                           |
| Accounts payable   | 24,357                      | (10,699)                    | (12,504)                  |
| Prepaid tenant rent  | (496)                       | (635)                       | (1,271)                   |
| Accrued salaries and benefits  | 7,692                       | 1,562                       | 2,688                     |
| Security deposits payable  | (1,554)                     | 113                         | 173                       |
| OPEB liability   | 4,082                       | 4,017                       | 6,643                     |
| Compensated absences payable   | 2,888                       | 19                          | 1,862                     |
| <b>Net Cash Provided (Used) by Operating Activities</b>  | <b>\$ (269,954)</b>         | <b>\$ (85,898)</b>          | <b>\$ (154,736)</b>       |



| <u>Maple<br/>Park</u> | <u>Devonshire</u> | <u>Development<br/>Project -<br/>Maple<br/>Park #1</u> | <u>Totals</u>       |
|-----------------------|-------------------|--|---------------------|
| \$ 4,406              | \$ 1,991          | \$ (292)   | \$ (658,136)        |
| -                     | 31,890            | -  | 154,086             |
| 191                   | (5,443)           | -  | (2,732)             |
| (180)                 | 3,086             | -  | 4,060               |
| -                     | 2,358             | -  | (44)                |
| -                     | 2,732             | -  | 14,674              |
| -                     | (1,214)           | -  | (2,482)             |
| -                     | 6,651             | -  | 21,393              |
| -                     | 2,791             | -  | 7,560               |
| <u>\$ 4,417</u>       | <u>\$ 44,842</u>  | <u>\$ (292)</u>  | <u>\$ (461,621)</u> |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Net Position**  
**Rural Development**  
**March 31, 2015**

|   | <u>Rural<br/>Development</u> | <u>Joe<br/>Serna<br/>Grant #2</u> | <u>Rural<br/>Development<br/>Loan #3</u> |
|---|------------------------------|-----------------------------------|--|
| <b>ASSETS</b>                                 |                              |                                   |  |
| Current Assets:                               |                              |                                   |  |
| Cash and investments                          | \$ (536,866)                 | \$ 220,816                        | \$ 979,393                               |
| Accounts receivable - tenants, net            | 2,315                        | -                                 | -  |
| Prepaid costs                                 | -                            | -                                 | -  |
| Due from other funds                          | -                            | -                                 | -  |
| <b>Total Current Assets</b>                   | <u>(534,551)</u>             | <u>220,816</u>                    | <u>979,393</u>                           |
| Restricted Assets:                            |                              |                                   |  |
| Cash and investments                          | 872,493                      | -                                 | -  |
| <b>Total Restricted Assets</b>                | <u>872,493</u>               | <u>-</u>                          | <u>-</u>                                 |
| Noncurrent Assets:                            |                              |                                   |  |
| Nondepreciable assets                         | 56,856                       | -                                 | -  |
| Depreciable assets, net                       | 8,855,567                    | -                                 | -  |
| <b>Total Noncurrent Assets</b>                | <u>8,912,423</u>             | <u>-</u>                          | <u>-</u>                                 |
| <b>Total Assets</b>                           | <u>9,250,365</u>             | <u>220,816</u>                    | <u>979,393</u>                           |
| <b>LIABILITIES</b>                            |                              |                                   |  |
| Current Liabilities:                          |                              |                                   |  |
| Accounts payable                              | 96,761                       | -                                 | -  |
| Retention payable                             | -                            | -                                 | -  |
| Prepaid tenant rent                           | 6,453                        | -                                 | -  |
| Accrued salaries and benefits                 | 32,438                       | -                                 | -  |
| Security deposits payable                     | 15,675                       | -                                 | -  |
| Unearned revenue                              | -                            | -                                 | -  |
| Due to other funds                            | -                            | -                                 | -  |
| Compensated absences payable                  | 27,672                       | -                                 | -  |
| Bonds payable                                 | -                            | -                                 | -  |
| Loans payable                                 | 189,690                      | -                                 | -  |
| <b>Total Current Liabilities</b>              | <u>368,689</u>               | <u>-</u>                          | <u>-</u>                                 |
| Noncurrent Liabilities:                       |                              |                                   |  |
| OPEB liability                                | 117,160                      | -                                 | -  |
| Compensated absences - net of current portion | 22,467                       | -                                 | -  |
| Bonds payable - net of current portion        | -                            | -                                 | -  |
| Loans payable - net of current portion        | 4,786,067                    | -                                 | -  |
| <b>Total Noncurrent Liabilities</b>           | <u>4,925,694</u>             | <u>-</u>                          | <u>-</u>                                 |
| <b>Total Liabilities</b>                      | <u>5,294,383</u>             | <u>-</u>                          | <u>-</u>                                 |
| <b>NET POSITION</b>                           |                              |                                   |  |
| Net investment in capital assets              | 3,936,666                    | -                                 | -  |
| Unrestricted                                  | 19,316                       | 220,816                           | 979,393                                  |
| <b>Total Net Position</b>                     | <u>\$ 3,955,982</u>          | <u>\$ 220,816</u>                 | <u>\$ 979,393</u>                        |

| <u>Centennial Arms</u> | <u>Butte View Estates</u> | <u>Centennial Arms Rehabilitation</u> | <u>Hans Miller ADA</u> | <u>Joe Serna Grant #3</u> | <u>15-20 Remaining Units</u> | <u>Totals</u>       |
|------------------------|---------------------------|---------------------------------------|------------------------|---------------------------|------------------------------|---------------------|
| \$ 616,352             | \$ 163,215                | \$ -                                  | \$ 605,584             | \$ 379,551                | \$ 1,509,593                 | \$ 3,937,638        |
| 6,863                  | (214)                     | -                                     | -                      | -                         | -                            | 8,964               |
| 1,373                  | -                         | -                                     | -                      | -                         | -                            | 1,373               |
| -                      | -                         | -                                     | 1,054,333              | -                         | 490,603                      | 1,544,936           |
| <u>624,588</u>         | <u>163,001</u>            | <u>-</u>                              | <u>1,659,917</u>       | <u>379,551</u>            | <u>2,000,196</u>             | <u>5,492,911</u>    |
| -                      | -                         | -                                     | -                      | -                         | -                            | 872,493             |
| -                      | -                         | -                                     | -                      | -                         | -                            | 872,493             |
| 37,245                 | 221,880                   | 584,841                               | 1,981,683              | 1,736,667                 | -                            | 4,619,172           |
| 664,280                | 598,878                   | -                                     | -                      | -                         | -                            | 10,118,725          |
| <u>701,525</u>         | <u>820,758</u>            | <u>584,841</u>                        | <u>1,981,683</u>       | <u>1,736,667</u>          | <u>-</u>                     | <u>14,737,897</u>   |
| <u>1,326,113</u>       | <u>983,759</u>            | <u>584,841</u>                        | <u>3,641,600</u>       | <u>2,116,218</u>          | <u>2,000,196</u>             | <u>21,103,301</u>   |
| 19,517                 | 5,284                     | 75,241                                | 1,126,380              | 14,825                    | -                            | 1,338,008           |
| -                      | -                         | 27,582                                | 162,987                | -                         | -                            | 190,569             |
| 660                    | 925                       | -                                     | -                      | -                         | -                            | 8,038               |
| 2,381                  | 5,636                     | -                                     | -                      | -                         | -                            | 40,455              |
| 3,923                  | 9,211                     | -                                     | -                      | -                         | -                            | 28,809              |
| -                      | -                         | -                                     | 1,659,917              | 287,607                   | 2,000,196                    | 3,947,720           |
| -                      | -                         | 490,603                               | -                      | -                         | -                            | 490,603             |
| 2,320                  | 4,656                     | -                                     | -                      | -                         | -                            | 34,648              |
| -                      | 19,796                    | -                                     | -                      | -                         | -                            | 19,796              |
| 24,818                 | 8,760                     | -                                     | -                      | -                         | -                            | 223,268             |
| <u>53,619</u>          | <u>54,268</u>             | <u>593,426</u>                        | <u>2,949,284</u>       | <u>302,432</u>            | <u>2,000,196</u>             | <u>6,321,914</u>    |
| 8,817                  | 19,001                    | -                                     | -                      | -                         | -                            | 144,978             |
| 1,331                  | 3,003                     | -                                     | -                      | -                         | -                            | 26,801              |
| -                      | 635,461                   | -                                     | -                      | -                         | -                            | 635,461             |
| 1,438,338              | 517,638                   | -                                     | -                      | -                         | -                            | 6,742,043           |
| <u>1,448,486</u>       | <u>1,175,103</u>          | <u>-</u>                              | <u>-</u>               | <u>-</u>                  | <u>-</u>                     | <u>7,549,283</u>    |
| <u>1,502,105</u>       | <u>1,229,371</u>          | <u>593,426</u>                        | <u>2,949,284</u>       | <u>302,432</u>            | <u>2,000,196</u>             | <u>13,871,197</u>   |
| (761,631)              | (360,897)                 | 584,841                               | 1,981,683              | 1,736,667                 | -                            | 7,117,329           |
| 585,639                | 115,285                   | (593,426)                             | (1,289,367)            | 77,119                    | -                            | 114,775             |
| <u>\$ (175,992)</u>    | <u>\$ (245,612)</u>       | <u>\$ (8,585)</u>                     | <u>\$ 692,316</u>      | <u>\$ 1,813,786</u>       | <u>\$ -</u>                  | <u>\$ 7,232,104</u> |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Rural Development**  
**For the Year Ended March 31, 2015**

|   | <b>Rural<br/>Development</b> | <b>Joe<br/>Serna<br/>Grant #2</b> | <b>Rural<br/>Development<br/>Loan #3</b> |
|---|------------------------------|-----------------------------------|--|
| <b>OPERATING REVENUES</b>                     |                              |                                   |  |
| Dwelling rents                                | \$ 744,498                   | \$ -                              | \$ -                                     |
| Other tenant revenue                          | 9,159                        | -                                 | -  |
| Other revenue                                 | 3,980                        | -                                 | -  |
| <b>Total Operating Revenues</b>               | <u>757,637</u>               | <u>-</u>                          | <u>-</u>                                 |
| <b>OPERATING EXPENSES</b>                     |                              |                                   |  |
| Administrative                                | 346,618                      | -                                 | -  |
| Tenant services                               | 6,517                        | -                                 | -  |
| Utilities                                     | 203,845                      | -                                 | -  |
| Maintenance                                   | 424,374                      | -                                 | -  |
| Protective services                           | 17,760                       | -                                 | -  |
| Insurance premiums                            | 28,057                       | -                                 | -  |
| Other general expenses                        | 28,071                       | -                                 | -  |
| Depreciation                                  | 372,913                      | -                                 | -  |
| <b>Total Operating Expenses</b>               | <u>1,428,155</u>             | <u>-</u>                          | <u>-</u>                                 |
| <b>Operating Income (Loss)</b>                | <u>(670,518)</u>             | <u>-</u>                          | <u>-</u>                                 |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>      |                              |                                   |  |
| Intergovernmental revenue                     | 1,214,688                    | -                                 | -  |
| Interest income                               | 758                          | 2                                 | -  |
| Interest expense                              | (49,575)                     | -                                 | -  |
| <b>Total Non-operating Revenue (Expenses)</b> | <u>1,165,871</u>             | <u>2</u>                          | <u>-</u>                                 |
| <b>Income (Loss) Before Transfers</b>         | 495,353                      | 2                                 | -  |
| Transfer in                                   | -                            | -                                 | -  |
| Transfer out                                  | -                            | -                                 | -  |
| <b>Change in Net Position</b>                 | 495,353                      | 2                                 | -  |
| <b>Total Net Position - Beginning</b>         | <u>3,460,629</u>             | <u>220,814</u>                    | <u>979,393</u>                           |
| <b>Total Net Position - Ending</b>            | <u>\$ 3,955,982</u>          | <u>\$ 220,816</u>                 | <u>\$ 979,393</u>                        |

| Centennial Arms     | Butte View Estates  | Centennial Arms Rehabilitation | Hans Miller ADA   | Joe Serna Grant #3  | 15-20 Remaining Units | Totals              |
|---------------------|---------------------|--------------------------------|-------------------|---------------------|-----------------------|---------------------|
| \$ 55,489           | \$ 261,522          | \$ -                           | \$ -              | \$ -                | \$ -                  | \$ 1,061,509        |
| 1,280               | 2,295               | -                              | -                 | -                   | -                     | 12,734              |
| 21                  | 26                  | -                              | -                 | -                   | -                     | 4,027               |
| <u>56,790</u>       | <u>263,843</u>      | <u>-</u>                       | <u>-</u>          | <u>-</u>            | <u>-</u>              | <u>1,078,270</u>    |
| 45,644              | 96,875              | (3,410)                        | -                 | (60,635)            | -                     | 425,092             |
| -                   | 11,577              | -                              | -                 | -                   | -                     | 18,094              |
| 27,773              | 39,281              | -                              | -                 | -                   | -                     | 270,899             |
| 86,217              | 65,700              | -                              | (786)             | 64,912              | -                     | 640,417             |
| -                   | 2,013               | -                              | -                 | -                   | -                     | 19,773              |
| 3,729               | 4,655               | -                              | -                 | 9,903               | -                     | 46,344              |
| 4,348               | 2,578               | -                              | -                 | -                   | -                     | 34,997              |
| 25,549              | 36,868              | -                              | -                 | -                   | -                     | 435,330             |
| <u>193,260</u>      | <u>259,547</u>      | <u>(3,410)</u>                 | <u>(786)</u>      | <u>14,180</u>       | <u>-</u>              | <u>1,890,946</u>    |
| <u>(136,470)</u>    | <u>4,296</u>        | <u>3,410</u>                   | <u>786</u>        | <u>(14,180)</u>     | <u>-</u>              | <u>(812,676)</u>    |
| 85,515              | -                   | -                              | 686,508           | 1,724,234           | -                     | 3,710,945           |
| 288                 | 122                 | 187                            | 2,269             | 1,313               | -                     | 4,939               |
| <u>(41,065)</u>     | <u>(45,275)</u>     | <u>-</u>                       | <u>-</u>          | <u>-</u>            | <u>-</u>              | <u>(135,915)</u>    |
| <u>44,738</u>       | <u>(45,153)</u>     | <u>187</u>                     | <u>688,777</u>    | <u>1,725,547</u>    | <u>-</u>              | <u>3,579,969</u>    |
| <u>(91,732)</u>     | <u>(40,857)</u>     | <u>3,597</u>                   | <u>689,563</u>    | <u>1,711,367</u>    | <u>-</u>              | <u>2,767,293</u>    |
| -                   | -                   | -                              | -                 | -                   | -                     | -                   |
| -                   | -                   | -                              | -                 | -                   | -                     | -                   |
| <u>(91,732)</u>     | <u>(40,857)</u>     | <u>3,597</u>                   | <u>689,563</u>    | <u>1,711,367</u>    | <u>-</u>              | <u>2,767,293</u>    |
| <u>(84,260)</u>     | <u>(204,755)</u>    | <u>(12,182)</u>                | <u>2,753</u>      | <u>102,419</u>      | <u>-</u>              | <u>4,464,811</u>    |
| <u>\$ (175,992)</u> | <u>\$ (245,612)</u> | <u>\$ (8,585)</u>              | <u>\$ 692,316</u> | <u>\$ 1,813,786</u> | <u>\$ -</u>           | <u>\$ 7,232,104</u> |

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**Rural Development**  
**For the Year Ended March 31, 2015**

|   | <b>Rural<br/>Development</b> | <b>Joe<br/>Serna<br/>Grant #2</b> | <b>Rural<br/>Development<br/>Loan #3</b> |
|---|------------------------------|-----------------------------------|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                              |                                   |  |
| Receipts from customers   | \$ 764,063                   | \$ -                              | \$ -                                     |
| Payments to suppliers   | (487,315)                    | -                                 | -  |
| Payments to employees   | (506,843)                    | -                                 | -  |
| <b>Net Cash Provided (Used) by Operating Activities</b>                     | <b>(230,095)</b>             | <b>-</b>                          | <b>-</b>                                 |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                      |                              |                                   |  |
| Intergovernmental revenues received   | 1,214,688                    | -                                 | -  |
| Interfund loans received  | -                            | -                                 | -  |
| Interfund loans made  | -                            | -                                 | -  |
| Interfund loans repayments received   | -                            | -                                 | -  |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>          | <b>1,214,688</b>             | <b>-</b>                          | <b>-</b>                                 |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>             |                              |                                   |  |
| Acquisition of capital assets   | (212,755)                    | -                                 | -  |
| Principal paid on debt  | (189,005)                    | -                                 | -  |
| Interest paid on debt   | (49,574)                     | -                                 | -  |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b> | <b>(451,334)</b>             | <b>-</b>                          | <b>-</b>                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                              |                                   |  |
| Interest income   | 758                          | 2                                 | -  |
| <b>Net Cash Provided (Used) by Investing Activities</b>                     | <b>758</b>                   | <b>2</b>                          | <b>-</b>                                 |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                 | <b>534,017</b>               | <b>2</b>                          | <b>-</b>                                 |
| <b>Balances - Beginning of the Year</b>                                     | <b>(198,390)</b>             | <b>220,814</b>                    | <b>979,393</b>                           |
| <b>Balances - End of the Year</b>   | <b>\$ 335,627</b>            | <b>\$ 220,816</b>                 | <b>\$ 979,393</b>                        |

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| Centennial Arms | Butte View Estates | Centennial Arms Rehabilitation | Hans Miller ADA | Joe Serna Grant #3 | 15-20 Remaining Units | Totals       |
|-----------------|--------------------|--------------------------------|-----------------|--------------------|-----------------------|--------------|
| \$ 57,112       | \$ 270,281         | \$ -                           | \$ -            | \$ -               | \$ -                  | \$ 1,091,456 |
| (96,188)        | (151,447)          | 3,410                          | 786             | (14,180)           | -                     | (744,934)    |
| (49,809)        | (61,536)           | -                              | -               | -                  | -                     | (618,188)    |
| (88,885)        | 57,298             | 3,410                          | 786             | (14,180)           | -                     | (271,666)    |
| 85,515          | -                  | -                              | -               | -                  | 2,000,000             | 3,300,203    |
| -               | -                  | 490,603                        | -               | -                  | -                     | 490,603      |
| -               | -                  | -                              | (1,054,333)     | -                  | (490,603)             | (1,544,936)  |
| -               | -                  | -                              | 1,099,667       | -                  | -                     | 1,099,667    |
| 85,515          | -                  | 490,603                        | 45,334          | -                  | 1,509,397             | 3,345,537    |
| -               | -                  | (482,018)                      | (692,316)       | (1,746,841)        | -                     | (3,133,930)  |
| (15,789)        | (21,722)           | -                              | -               | -                  | -                     | (226,516)    |
| (41,065)        | (45,275)           | -                              | -               | -                  | -                     | (135,914)    |
| (56,854)        | (66,997)           | (482,018)                      | (692,316)       | (1,746,841)        | -                     | (3,496,360)  |
| 288             | 121                | 187                            | 2,269           | 1,311              | 196                   | 5,132        |
| 288             | 121                | 187                            | 2,269           | 1,311              | 196                   | 5,132        |
| (59,936)        | (9,578)            | 12,182                         | (643,927)       | (1,759,710)        | 1,509,593             | (417,357)    |
| 676,288         | 172,793            | (12,182)                       | 1,249,511       | 2,139,261          | -                     | 5,227,488    |
| \$ 616,352      | \$ 163,215         | \$ -                           | \$ 605,584      | \$ 379,551         | \$ 1,509,593          | \$ 4,810,131 |

Continued (Page 1 of 2)

1.00

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**Rural Development**  
**For the Year Ended March 31, 2015**

|  | <u>Rural<br/>Development</u> | <u>Joe<br/>Serna<br/>Grant #2</u> | <u>Rural<br/>Development<br/>Loan #3</u> |
|--|------------------------------|-----------------------------------|--|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                              |                                   |  |
| Operating income (loss)  | \$ (670,518)                 | \$ -                              | \$ -                                     |
| Adjustments to reconcile operating income to net cash provided<br>by operating activities:               |                              |                                   |  |
| Amortization and depreciation  | 372,913                      | -                                 | -  |
| Decrease (increase) in:  |                              |                                   |  |
| Accounts receivable - tenants, net   | 2,316                        | -                                 | -  |
| Prepaid costs  | -                            | -                                 | -  |
| Increase (decrease) in:  |                              |                                   |  |
| Accounts payable   | 38,083                       | -                                 | -  |
| Prepaid tenant rent  | 2,935                        | -                                 | -  |
| Accrued salaries and benefits  | 11,234                       | -                                 | -  |
| Security deposits payable  | 1,175                        | -                                 | -  |
| OPEB liability   | 11,915                       | -                                 | -  |
| Compensated absences payable   | (148)                        | -                                 | -  |
| <b>Net Cash Provided (Used) by Operating Activities</b>  | <u>\$ (230,095)</u>          | <u>\$ -</u>                       | <u>\$ -</u>                              |



| <u>Centennial Arms</u> | <u>Butte View Estates</u> | <u>Centennial Arms Rehabilitation</u> | <u>Hans Miller ADA</u> | <u>Joe Serna Grant #3</u> | <u>15-20 Remaining Units</u> | <u>Totals</u>       |
|------------------------|---------------------------|---------------------------------------|------------------------|---------------------------|------------------------------|---------------------|
| \$ (136,470)           | \$ 4,296                  | \$ 3,410                              | \$ 786                 | \$ (14,180)               | \$ -                         | \$ (812,676)        |
| 25,549                 | 36,868                    | -                                     | -                      | -                         | -                            | 435,330             |
| (1,028)                | 6,356                     | -                                     | -                      | -                         | -                            | 7,644               |
| (27)                   | -                         | -                                     | -                      | -                         | -                            | (27)                |
| 13,983                 | (9,678)                   | -                                     | -                      | -                         | -                            | 42,388              |
| (38)                   | (78)                      | -                                     | -                      | -                         | -                            | 2,819               |
| 1,129                  | 3,220                     | -                                     | -                      | -                         | -                            | 15,583              |
| 1,388                  | 160                       | -                                     | -                      | -                         | -                            | 2,723               |
| 5,573                  | 13,852                    | -                                     | -                      | -                         | -                            | 31,340              |
| 1,056                  | 2,302                     | -                                     | -                      | -                         | -                            | 3,210               |
| <u>\$ (88,885)</u>     | <u>\$ 57,298</u>          | <u>\$ 3,410</u>                       | <u>\$ 786</u>          | <u>\$ (14,180)</u>        | <u>\$ -</u>                  | <u>\$ (271,666)</u> |

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Net Position**  
**Business Activities**  
**March 31, 2015**

|   | <b>Trailer<br/>Park</b> | <b>LC-35</b>        | <b>Percy<br/>Avenue</b> |
|---|-------------------------|---------------------|-------------------------|
| <b>ASSETS</b>                                 |                         |                     |                         |
| Current Assets:                               |                         |                     |                         |
| Cash and investments                          | \$ -                    | \$ 451              | \$ 2,125                |
| Cash with fiscal agent                        | -                       | -                   | -                       |
| Accounts receivable - tenants, net            | 685                     | 2,845               | 322                     |
| Accounts receivable - operating reimbursement | -                       | -                   | -                       |
| Due from other funds                          | -                       | -                   | -                       |
| <b>Total Current Assets</b>                   | <b>685</b>              | <b>3,296</b>        | <b>2,447</b>            |
| Noncurrent Assets:                            |                         |                     |                         |
| Nondepreciable assets                         | -                       | 1,835,920           | 60,080                  |
| Depreciable assets, net                       | 26,188                  | 1,004,639           | 135,798                 |
| <b>Total Noncurrent Assets</b>                | <b>26,188</b>           | <b>2,840,559</b>    | <b>195,878</b>          |
| <b>Total Assets</b>                           | <b>26,873</b>           | <b>2,843,855</b>    | <b>198,325</b>          |
| <b>LIABILITIES</b>                            |                         |                     |                         |
| Current Liabilities:                          |                         |                     |                         |
| Accounts payable                              | 502                     | 65                  | 1,337                   |
| Accrued interest                              | -                       | -                   | -                       |
| Prepaid tenant rent                           | 343                     | 1                   | 22                      |
| Accrued salaries and benefits                 | 747                     | 29,925              | 313                     |
| Security deposits payable                     | -                       | -                   | 2,125                   |
| Due to other funds                            | 86,000                  | 113,659             | 74,930                  |
| Compensated absences payable                  | 649                     | 30,231              | 296                     |
| Loans payable                                 | -                       | 24,780              | -                       |
| <b>Total Current Liabilities</b>              | <b>88,241</b>           | <b>198,661</b>      | <b>79,023</b>           |
| Noncurrent Liabilities:                       |                         |                     |                         |
| OPEB liability                                | 2,765                   | 110,497             | 1,160                   |
| Compensated absences - net of current portion | 615                     | 36,736              | 303                     |
| Loans payable - net of current portion        | -                       | 917,808             | -                       |
| <b>Total Noncurrent Liabilities</b>           | <b>3,380</b>            | <b>1,065,041</b>    | <b>1,463</b>            |
| <b>Total Liabilities</b>                      | <b>91,621</b>           | <b>1,263,702</b>    | <b>80,486</b>           |
| <b>NET POSITION</b>                           |                         |                     |                         |
| Net investment in capital assets              | 26,188                  | 1,897,971           | 195,878                 |
| Unrestricted                                  | (90,936)                | (317,818)           | (78,039)                |
| <b>Total Net Position</b>                     | <b>\$ (64,748)</b>      | <b>\$ 1,580,153</b> | <b>\$ 117,839</b>       |

| Kingwood Commons      | Neighborhood Stabilization #3 Admin | Neighborhood Stabilization Admin | Home 2 Families Admin | Butte View Estates Admin | Nonprofit Admin  | Coldweather Shelter | Transitional Trailer |
|-----------------------|-------------------------------------|----------------------------------|-----------------------|--------------------------|------------------|---------------------|----------------------|
| \$ 21,861             | \$ -                                | \$ -                             | \$ -                  | \$ -                     | \$ -             | \$ -                | \$ -                 |
| 96,321                | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 9,715                 | -                                   | -                                | -                     | -                        | -                | 223                 | -                    |
| -                     | -                                   | 500                              | 600                   | -                        | 4,578            | -                   | -                    |
| -                     | 13,031                              | 3,256                            | 56,987                | -                        | 6,591            | -                   | 18,213               |
| <u>127,897</u>        | <u>13,031</u>                       | <u>3,756</u>                     | <u>57,587</u>         | <u>-</u>                 | <u>11,169</u>    | <u>223</u>          | <u>18,213</u>        |
| 320,000               | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 2,696,400             | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| <u>3,016,400</u>      | <u>-</u>                            | <u>-</u>                         | <u>-</u>              | <u>-</u>                 | <u>-</u>         | <u>-</u>            | <u>-</u>             |
| 3,144,297             | 13,031                              | 3,756                            | 57,587                | -                        | 11,169           | 223                 | 18,213               |
| 11,201                | -                                   | -                                | 68                    | -                        | -                | -                   | -                    |
| 99,000                | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 2,502                 | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 3,191                 | -                                   | -                                | -                     | -                        | 522              | -                   | -                    |
| 22,660                | -                                   | -                                | -                     | -                        | -                | -                   | 575                  |
| 687,658               | -                                   | -                                | -                     | -                        | -                | 21,571              | -                    |
| 2,369                 | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 36,443                | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| <u>865,024</u>        | <u>-</u>                            | <u>-</u>                         | <u>68</u>             | <u>-</u>                 | <u>522</u>       | <u>21,571</u>       | <u>575</u>           |
| 9,854                 | -                                   | 732                              | -                     | -                        | -                | -                   | -                    |
| 2,422                 | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 3,273,992             | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| <u>3,286,268</u>      | <u>-</u>                            | <u>732</u>                       | <u>-</u>              | <u>-</u>                 | <u>-</u>         | <u>-</u>            | <u>-</u>             |
| 4,151,292             | -                                   | 732                              | 68                    | -                        | 522              | 21,571              | 575                  |
| (294,035)             | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| (712,960)             | 13,031                              | 3,024                            | 57,519                | -                        | 10,647           | (21,348)            | 17,638               |
| <u>\$ (1,006,995)</u> | <u>\$ 13,031</u>                    | <u>\$ 3,024</u>                  | <u>\$ 57,519</u>      | <u>\$ -</u>              | <u>\$ 10,647</u> | <u>\$ (21,348)</u>  | <u>\$ 17,638</u>     |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Net Position**  
**Business Activities**  
**March 31, 2015**

|   | Nevada<br>County<br>Section 8 | Payroll<br>Allocations | Heather<br>Glenn<br>Admin |
|---|-------------------------------|------------------------|---------------------------|
| <b>ASSETS</b>                                 |                               |                        |                           |
| Current Assets:                               |                               |                        |                           |
| Cash and investments                          | \$ -                          | \$ -                   | \$ -                      |
| Cash with fiscal agent                        | -                             | -                      | -                         |
| Accounts receivable - tenants, net            | -                             | -                      | -                         |
| Accounts receivable - operating reimbursement | -                             | -                      | -                         |
| Due from other funds                          | 73,420                        | -                      | -                         |
| <b>Total Current Assets</b>                   | <b>73,420</b>                 | <b>-</b>               | <b>-</b>                  |
| Noncurrent Assets:                            |                               |                        |                           |
| Nondepreciable assets                         | -                             | -                      | -                         |
| Depreciable assets, net                       | -                             | -                      | -                         |
| <b>Total Noncurrent Assets</b>                | <b>-</b>                      | <b>-</b>               | <b>-</b>                  |
| <b>Total Assets</b>                           | <b>73,420</b>                 | <b>-</b>               | <b>-</b>                  |
| <b>LIABILITIES</b>                            |                               |                        |                           |
| Current Liabilities:                          |                               |                        |                           |
| Accounts payable                              | -                             | -                      | -                         |
| Accrued interest                              | -                             | -                      | -                         |
| Prepaid tenant rent                           | -                             | -                      | -                         |
| Accrued salaries and benefits                 | -                             | -                      | 110                       |
| Security deposits payable                     | -                             | -                      | -                         |
| Due to other funds                            | -                             | -                      | 1,178                     |
| Compensated absences payable                  | -                             | -                      | 102                       |
| Loans payable                                 | -                             | -                      | -                         |
| <b>Total Current Liabilities</b>              | <b>-</b>                      | <b>-</b>               | <b>1,390</b>              |
| Noncurrent Liabilities:                       |                               |                        |                           |
| OPEB liability                                | -                             | -                      | 406                       |
| Compensated absences - net of current portion | -                             | -                      | 69                        |
| Loans payable - net of current portion        | -                             | -                      | -                         |
| <b>Total Noncurrent Liabilities</b>           | <b>-</b>                      | <b>-</b>               | <b>475</b>                |
| <b>Total Liabilities</b>                      | <b>-</b>                      | <b>-</b>               | <b>1,865</b>              |
| <b>NET POSITION</b>                           |                               |                        |                           |
| Net investment in capital assets              | -                             | -                      | -                         |
| Unrestricted                                  | 73,420                        | -                      | (1,865)                   |
| <b>Total Net Position</b>                     | <b>\$ 73,420</b>              | <b>\$ -</b>            | <b>\$ (1,865)</b>         |

| <u>Planning</u>   | <u>Maple Park Admin</u> | <u>Kristen Court Apartments</u> | <u>Healthy Housing, LLC</u> | <u>Development Projects</u> | <u>Trio</u>         | <u>Building Better Partnerships Inc.</u> | <u>Totals</u>       |
|-------------------|-------------------------|---------------------------------|-----------------------------|-----------------------------|---------------------|--|---------------------|
| \$ -              | \$ -                    | \$ -                            | \$ -                        | \$ -                        | \$ -                | \$ 6,166                                 | \$ 30,603           |
| -                 | -                       | -                               | -                           | -                           | -                   | -  | 96,321              |
| -                 | 2,848                   | -                               | -                           | -                           | -                   | 586                                      | 14,376              |
| 103,361           | -                       | -                               | -                           | 6,486                       | -                   | 9,056                                    | 17,582              |
| <u>103,361</u>    | <u>2,848</u>            | <u>-</u>                        | <u>-</u>                    | <u>6,486</u>                | <u>-</u>            | <u>15,808</u>                            | <u>440,227</u>      |
| -                 | -                       | 91,413                          | -                           | -                           | 236,647             | 46,200                                   | 2,590,260           |
| -                 | -                       | -                               | -                           | 106,349                     | 739,774             | 316,213                                  | 5,025,361           |
| -                 | -                       | 91,413                          | -                           | 106,349                     | 976,421             | 362,413                                  | 7,615,621           |
| <u>103,361</u>    | <u>2,848</u>            | <u>91,413</u>                   | <u>-</u>                    | <u>112,835</u>              | <u>976,421</u>      | <u>378,221</u>                           | <u>8,055,848</u>    |
| -                 | -                       | -                               | -                           | -                           | 9,347               | 2,726                                    | 25,246              |
| -                 | -                       | -                               | -                           | -                           | -                   | -  | 99,000              |
| -                 | -                       | -                               | -                           | -                           | -                   | 441                                      | 3,309               |
| -                 | -                       | -                               | -                           | -                           | -                   | 47                                       | 34,855              |
| -                 | -                       | -                               | -                           | -                           | -                   | 1,500                                    | 26,860              |
| -                 | 3,864                   | 8,243                           | 3,144                       | 166,050                     | 58,155              | -  | 1,224,452           |
| -                 | -                       | -                               | -                           | -                           | -                   | 47                                       | 33,694              |
| -                 | -                       | -                               | -                           | -                           | 18,262              | -  | 79,485              |
| <u>-</u>          | <u>3,864</u>            | <u>8,243</u>                    | <u>3,144</u>                | <u>166,050</u>              | <u>85,764</u>       | <u>4,761</u>                             | <u>1,526,901</u>    |
| -                 | -                       | -                               | -                           | -                           | -                   | 174                                      | 125,588             |
| -                 | -                       | -                               | -                           | -                           | -                   | 83                                       | 40,228              |
| -                 | -                       | -                               | -                           | -                           | 997,675             | -  | 5,189,475           |
| <u>-</u>          | <u>-</u>                | <u>-</u>                        | <u>-</u>                    | <u>-</u>                    | <u>997,675</u>      | <u>257</u>                               | <u>5,355,291</u>    |
| <u>-</u>          | <u>3,864</u>            | <u>8,243</u>                    | <u>3,144</u>                | <u>166,050</u>              | <u>1,083,439</u>    | <u>5,018</u>                             | <u>6,882,192</u>    |
| -                 | -                       | 91,413                          | -                           | 106,349                     | (39,516)            | 362,413                                  | 2,346,661           |
| 103,361           | (1,016)                 | (8,243)                         | (3,144)                     | (159,564)                   | (67,502)            | 10,790                                   | (1,173,005)         |
| <u>\$ 103,361</u> | <u>\$ (1,016)</u>       | <u>\$ 83,170</u>                | <u>\$ (3,144)</u>           | <u>\$ (53,215)</u>          | <u>\$ (107,018)</u> | <u>\$ 373,203</u>                        | <u>\$ 1,173,656</u> |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Business Activities**  
**For the Year Ended March 31, 2015**

|   | Trailer<br>Park    | LC-35               | Percy<br>Avenue   |
|---|--------------------|---------------------|-------------------|
| <b>OPERATING REVENUES</b>                                       |                    |                     |                   |
| Dwelling rents  | \$ 41,310          | \$ 41,125           | \$ 45,844         |
| Other tenant revenue  | 2,377              | 27,804              | 1,471             |
| Other revenue   | -                  | 75,849              | -                 |
| <b>Total Operating Revenues</b>                                 | <u>43,687</u>      | <u>144,778</u>      | <u>47,315</u>     |
| <b>OPERATING EXPENSES</b>                                       |                    |                     |                   |
| Administrative  | 6,544              | 221,851             | 9,044             |
| Tenant services   | 31                 | -                   | -                 |
| Utilities   | 9,133              | 219                 | 6,979             |
| Maintenance   | 13,072             | 3,291               | 13,355            |
| Protective services   | 1,184              | -                   | 503               |
| Insurance premiums  | 273                | 284                 | 812               |
| Other general expenses  | (136)              | 12,902              | 1,266             |
| Amortization  | -                  | -                   | -                 |
| Depreciation  | 2,182              | 44,461              | 18,251            |
| <b>Total Operating Expenses</b>                                 | <u>32,283</u>      | <u>283,008</u>      | <u>50,210</u>     |
| <b>Operating Income (Loss)</b>                                  | <u>11,404</u>      | <u>(138,230)</u>    | <u>(2,895)</u>    |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                        |                    |                     |                   |
| Intergovernmental revenue                                       | -                  | 107,792             | -                 |
| Interest income   | -                  | 192                 | -                 |
| Interest expense  | -                  | (55,042)            | -                 |
| <b>Total Non-operating Revenue (Expenses)</b>                   | <u>-</u>           | <u>52,942</u>       | <u>-</u>          |
| <b>Income (Loss) Before Transfers and Capital Contributions</b> | <u>11,404</u>      | <u>(85,288)</u>     | <u>(2,895)</u>    |
| Capital contribution  | -                  | -                   | -                 |
| <b>Change in Net Position</b>                                   | <u>11,404</u>      | <u>(85,288)</u>     | <u>(2,895)</u>    |
| <b>Total Net Position - Beginning</b>                           | <u>(76,152)</u>    | <u>1,665,441</u>    | <u>120,734</u>    |
| <b>Total Net Position - Ending</b>                              | <u>\$ (64,748)</u> | <u>\$ 1,580,153</u> | <u>\$ 117,839</u> |

| Kingwood Commons      | Neighborhood Stabilization #3 Admin | Neighborhood Stabilization Admin | Home 2 Families Admin | Butte View Estates Admin | Nonprofit Admin  | Coldweather Shelter | Transitional Trailer |
|-----------------------|-------------------------------------|----------------------------------|-----------------------|--------------------------|------------------|---------------------|----------------------|
| \$ 444,364            | \$ -                                | \$ -                             | \$ -                  | \$ -                     | \$ -             | \$ -                | \$ 8,340             |
| 19,175                | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 9                     | -                                   | 9,200                            | 62,650                | -                        | 67,342           | -                   | -                    |
| <u>463,548</u>        | <u>-</u>                            | <u>9,200</u>                     | <u>62,650</u>         | <u>-</u>                 | <u>67,342</u>    | <u>-</u>            | <u>8,340</u>         |
| 128,001               | (2,267)                             | (8,317)                          | 12,888                | (1,917)                  | 24,433           | 1                   | -                    |
| 9,069                 | -                                   | -                                | -                     | -                        | 9,391            | -                   | -                    |
| 64,463                | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 149,893               | (1,219)                             | 6,421                            | 12,073                | -                        | 16,864           | -                   | 800                  |
| 4,026                 | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 6,550                 | -                                   | -                                | -                     | -                        | -                | -                   | 116                  |
| 16,953                | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 161,374               | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 151,116               | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| <u>691,445</u>        | <u>(3,486)</u>                      | <u>(1,896)</u>                   | <u>24,961</u>         | <u>(1,917)</u>           | <u>50,688</u>    | <u>1</u>            | <u>916</u>           |
| <u>(227,897)</u>      | <u>3,486</u>                        | <u>11,096</u>                    | <u>37,689</u>         | <u>1,917</u>             | <u>16,654</u>    | <u>(1)</u>          | <u>7,424</u>         |
| -                     | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| 67                    | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| (206,999)             | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| <u>(206,932)</u>      | <u>-</u>                            | <u>-</u>                         | <u>-</u>              | <u>-</u>                 | <u>-</u>         | <u>-</u>            | <u>-</u>             |
| <u>(434,829)</u>      | <u>3,486</u>                        | <u>11,096</u>                    | <u>37,689</u>         | <u>1,917</u>             | <u>16,654</u>    | <u>(1)</u>          | <u>7,424</u>         |
| -                     | -                                   | -                                | -                     | -                        | -                | -                   | -                    |
| <u>(434,829)</u>      | <u>3,486</u>                        | <u>11,096</u>                    | <u>37,689</u>         | <u>1,917</u>             | <u>16,654</u>    | <u>(1)</u>          | <u>7,424</u>         |
| <u>(572,166)</u>      | <u>9,545</u>                        | <u>(8,072)</u>                   | <u>19,830</u>         | <u>(1,917)</u>           | <u>(6,007)</u>   | <u>(21,347)</u>     | <u>10,214</u>        |
| <u>\$ (1,006,995)</u> | <u>\$ 13,031</u>                    | <u>\$ 3,024</u>                  | <u>\$ 57,519</u>      | <u>\$ -</u>              | <u>\$ 10,647</u> | <u>\$ (21,348)</u>  | <u>\$ 17,638</u>     |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Business Activities**  
**For the Year Ended March 31, 2015**

|   | Nevada<br>County<br>Section 8 | Payroll<br>Allocations | Heather<br>Glenn<br>Admin |
|---|-------------------------------|------------------------|---------------------------|
| <b>OPERATING REVENUES</b>                                       |                               |                        |                           |
| Dwelling rents  | \$ -                          | \$ -                   | \$ -                      |
| Other tenant revenue  | -                             | -                      | -                         |
| Other revenue   | -                             | -                      | 4,760                     |
| <b>Total Operating Revenues</b>                                 | <b>-</b>                      | <b>-</b>               | <b>4,760</b>              |
| <b>OPERATING EXPENSES</b>                                       |                               |                        |                           |
| Administrative  | -                             | 1                      | 6,495                     |
| Tenant services   | -                             | -                      | -                         |
| Utilities   | -                             | -                      | -                         |
| Maintenance   | -                             | -                      | 130                       |
| Protective services   | -                             | -                      | -                         |
| Insurance premiums  | -                             | -                      | -                         |
| Other general expenses  | -                             | -                      | -                         |
| Amortization  | -                             | -                      | -                         |
| Depreciation  | -                             | -                      | -                         |
| <b>Total Operating Expenses</b>                                 | <b>-</b>                      | <b>1</b>               | <b>6,625</b>              |
| <b>Operating Income (Loss)</b>                                  | <b>-</b>                      | <b>(1)</b>             | <b>(1,865)</b>            |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                        |                               |                        |                           |
| Intergovernmental revenue                                       | -                             | -                      | -                         |
| Interest income   | -                             | -                      | -                         |
| Interest expense  | -                             | -                      | -                         |
| <b>Total Non-operating Revenue (Expenses)</b>                   | <b>-</b>                      | <b>-</b>               | <b>-</b>                  |
| <b>Income (Loss) Before Transfers and Capital Contributions</b> | <b>-</b>                      | <b>(1)</b>             | <b>(1,865)</b>            |
| Capital contribution  | -                             | -                      | -                         |
| <b>Change in Net Position</b>                                   | <b>-</b>                      | <b>(1)</b>             | <b>(1,865)</b>            |
| <b>Total Net Position - Beginning</b>                           | <b>73,420</b>                 | <b>1</b>               | <b>-</b>                  |
| <b>Total Net Position - Ending</b>                              | <b>\$ 73,420</b>              | <b>\$ -</b>            | <b>\$ (1,865)</b>         |



| Planning   | Maple Park Admin | Kristen Court Apartments | Healthy Housing, LLC | Development Projects | Trio         | Building Better Partnerships Inc. | Totals       |
|------------|------------------|--------------------------|----------------------|----------------------|--------------|-----------------------------------|--------------|
| \$ -       | \$ -             | \$ -                     | \$ -                 | \$ -                 | \$ 61,646    | \$ 25,975                         | \$ 668,604   |
| -          | -                | -                        | -                    | -                    | 862          | 1,308                             | 52,997       |
| -          | 10,254           | -                        | -                    | 209,894              | 20,163       | 4,818                             | 464,939      |
| -          | 10,254           | -                        | -                    | 209,894              | 82,671       | 32,101                            | 1,186,540    |
| -          | 1,667            | 8,176                    | 445                  | 49,173               | 19,615       | 7,745                             | 483,578      |
| -          | -                | -                        | -                    | -                    | -            | -                                 | 18,491       |
| -          | -                | -                        | -                    | -                    | -            | 10,837                            | 91,631       |
| -          | 7,111            | -                        | -                    | -                    | 10,787       | 6,281                             | 238,859      |
| -          | -                | -                        | -                    | -                    | -            | -                                 | 5,713        |
| -          | -                | -                        | -                    | -                    | 744          | 1,034                             | 9,813        |
| -          | -                | 67                       | -                    | -                    | 8,659        | 6,477                             | 46,188       |
| -          | -                | -                        | -                    | -                    | -            | -                                 | 161,374      |
| -          | -                | -                        | -                    | 6,450                | 11,778       | 11,293                            | 245,531      |
| -          | 8,778            | 8,243                    | 445                  | 55,623               | 51,583       | 43,667                            | 1,301,178    |
| -          | 1,476            | (8,243)                  | (445)                | 154,271              | 31,088       | (11,566)                          | (114,638)    |
| -          | -                | -                        | -                    | -                    | -            | -                                 | 107,792      |
| 36         | -                | -                        | -                    | -                    | -            | 1                                 | 296          |
| -          | -                | -                        | -                    | -                    | (62,314)     | -                                 | (324,355)    |
| 36         | -                | -                        | -                    | -                    | (62,314)     | 1                                 | (216,267)    |
| 36         | 1,476            | (8,243)                  | (445)                | 154,271              | (31,226)     | (11,565)                          | (330,905)    |
| -          | -                | 91,413                   | -                    | -                    | -            | 9,056                             | 100,469      |
| 36         | 1,476            | 83,170                   | (445)                | 154,271              | (31,226)     | (2,509)                           | (230,436)    |
| 103,325    | (2,492)          | -                        | (2,699)              | (207,486)            | (75,792)     | 375,712                           | 1,404,092    |
| \$ 103,361 | \$ (1,016)       | \$ 83,170                | \$ (3,144)           | \$ (53,215)          | \$ (107,018) | \$ 373,203                        | \$ 1,173,656 |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**Business Activities**  
**For the Year Ended March 31, 2015**

|   | <u>Trailer<br/>Park</u> | <u>LC-35</u>    | <u>Percy<br/>Avenue</u> |
|---|-------------------------|-----------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                         |                 |                         |
| Receipts from customers   | \$ 43,655               | \$ 144,797      | \$ 48,069               |
| Payments to suppliers   | (18,995)                | (44,351)        | (21,273)                |
| Payments to employees   | (13,049)                | (1,749)         | (13,068)                |
| <b>Net Cash Provided (Used) by Operating Activities</b>                         | <u>11,611</u>           | <u>98,697</u>   | <u>13,728</u>           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                          |                         |                 |                         |
| Intergovernmental revenues received   | -                       | 128,484         | -                       |
| Interfund loans received  | 86,000                  | 113,659         | 74,930                  |
| Interfund loans made  | -                       | -               | -                       |
| Interfund loans repaid  | (97,611)                | (262,734)       | (88,183)                |
| Interfund loan repayments received  | -                       | -               | -                       |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>              | <u>(11,611)</u>         | <u>(20,591)</u> | <u>(13,253)</u>         |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>             |                         |                 |                         |
| Acquisition of capital assets   | -                       | -               | -                       |
| Proceeds of debt  | -                       | -               | -                       |
| Principal paid on debt  | -                       | (23,255)        | -                       |
| Interest paid on debt   | -                       | (55,042)        | -                       |
| <b>Net Cash Provided (Used) by Capital and Related<br/>Financing Activities</b> | <u>-</u>                | <u>(78,297)</u> | <u>-</u>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |                         |                 |                         |
| Interest income   | -                       | 192             | -                       |
| <b>Net Cash Provided (Used) by Investing Activities</b>                         | <u>-</u>                | <u>192</u>      | <u>-</u>                |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                     | -                       | 1               | 475                     |
| <b>Balances - Beginning of the Year</b>   | <u>-</u>                | <u>450</u>      | <u>1,650</u>            |
| <b>Balances - End of the Year</b>   | <u>\$ -</u>             | <u>\$ 451</u>   | <u>\$ 2,125</u>         |

|||

| Kingwood Commons  | Neighborhood Stabilization #3 Admin | Neighborhood Stabilization Admin | Home 2 Families Admin | Butte View Estates Admin | Nonprofit Admin | Coldweather Shelter | Transitional Trailer |
|-------------------|-------------------------------------|----------------------------------|-----------------------|--------------------------|-----------------|---------------------|----------------------|
| \$ 467,557        | \$ (954)                            | \$ 7,982                         | \$ 62,650             | \$ -                     | \$ 67,342       | \$ -                | \$ 8,415             |
| (317,234)         | -                                   | -                                | (280)                 | -                        | -               | (195)               | (921)                |
| (138,171)         | -                                   | (6,422)                          | (29,834)              | -                        | (62,908)        | -                   | -                    |
| 12,152            | (954)                               | 1,560                            | 32,536                | -                        | 4,434           | (195)               | 7,494                |
| -                 | -                                   | 1,150                            | 5,550                 | -                        | 5,090           | -                   | -                    |
| 687,658           | -                                   | -                                | -                     | -                        | -               | 21,571              | -                    |
| -                 | (13,031)                            | (3,256)                          | (56,987)              | -                        | (6,591)         | -                   | (18,213)             |
| (546,639)         | -                                   | -                                | -                     | -                        | (2,933)         | (21,376)            | -                    |
| -                 | 13,985                              | 546                              | 18,901                | -                        | -               | -                   | 10,719               |
| 141,019           | 954                                 | (1,560)                          | (32,536)              | -                        | (4,434)         | 195                 | (7,494)              |
| (10,730)          | -                                   | -                                | -                     | -                        | -               | -                   | -                    |
| 2,487,500         | -                                   | -                                | -                     | -                        | -               | -                   | -                    |
| (2,837,066)       | -                                   | -                                | -                     | -                        | -               | -                   | -                    |
| (198,749)         | -                                   | -                                | -                     | -                        | -               | -                   | -                    |
| (559,045)         | -                                   | -                                | -                     | -                        | -               | -                   | -                    |
| 67                | -                                   | -                                | -                     | -                        | -               | -                   | -                    |
| 67                | -                                   | -                                | -                     | -                        | -               | -                   | -                    |
| (405,807)         | -                                   | -                                | -                     | -                        | -               | -                   | -                    |
| 523,989           | -                                   | -                                | -                     | -                        | -               | -                   | -                    |
| <u>\$ 118,182</u> | <u>\$ -</u>                         | <u>\$ -</u>                      | <u>\$ -</u>           | <u>\$ -</u>              | <u>\$ -</u>     | <u>\$ -</u>         | <u>\$ -</u>          |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**Business Activities**  
**For the Year Ended March 31, 2015**

|   | Nevada<br>County<br>Section 8 | Payroll<br>Allocations | Heather<br>Glenn<br>Admin |
|---|-------------------------------|------------------------|---------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                               |                        |                           |
| Receipts from customers   | \$ -                          | \$ -                   | \$ 4,760                  |
| Payments to suppliers   | -                             | (615)                  | (2,204)                   |
| Payments to employees   | -                             | -                      | (3,734)                   |
| <b>Net Cash Provided (Used) by Operating Activities</b>                     | <b>-</b>                      | <b>(615)</b>           | <b>(1,178)</b>            |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                      |                               |                        |                           |
| Intergovernmental revenues received   | -                             | -                      | -                         |
| Interfund loans received  | -                             | -                      | 1,178                     |
| Interfund loans made  | (73,420)                      | -                      | -                         |
| Interfund loans repaid  | -                             | -                      | -                         |
| Interfund loan repayments received  | 73,420                        | 615                    | -                         |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>          | <b>-</b>                      | <b>615</b>             | <b>1,178</b>              |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>             |                               |                        |                           |
| Acquisition of capital assets   | -                             | -                      | -                         |
| Proceeds of debt  | -                             | -                      | -                         |
| Principal paid on debt  | -                             | -                      | -                         |
| Interest paid on debt   | -                             | -                      | -                         |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b> | <b>-</b>                      | <b>-</b>               | <b>-</b>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                               |                        |                           |
| Interest income   | -                             | -                      | -                         |
| <b>Net Cash Provided (Used) by Investing Activities</b>                     | <b>-</b>                      | <b>-</b>               | <b>-</b>                  |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                 | <b>-</b>                      | <b>-</b>               | <b>-</b>                  |
| <b>Balances - Beginning of the Year</b>                                     | <b>-</b>                      | <b>-</b>               | <b>-</b>                  |
| <b>Balances - End of the Year</b>   | <b>\$ -</b>                   | <b>\$ -</b>            | <b>\$ -</b>               |

| Planning  | Maple Park Admin | Kristen Court Apartments | Healthy Housing, LLC | Development Projects | Trio      | Building Better Partnerships Inc. | Totals       |
|-----------|------------------|--------------------------|----------------------|----------------------|-----------|-----------------------------------|--------------|
| \$ -      | \$ 10,254        | \$ -                     | \$ -                 | \$ 209,894           | \$ 82,671 | \$ 31,174                         | \$ 1,188,266 |
| -         | (56)             | (8,243)                  | (445)                | (69,373)             | (27,027)  | (26,921)                          | (538,133)    |
| -         | (8,722)          | -                        | -                    | (373)                | (28)      | (4,657)                           | (282,715)    |
| -         | 1,476            | (8,243)                  | (445)                | 140,148              | 55,616    | (404)                             | 367,418      |
| -         | (1,197)          | -                        | -                    | -                    | -         | 550                               | 139,627      |
| -         | 3,864            | 8,243                    | 3,144                | 166,050              | 58,155    | -                                 | 1,224,452    |
| (103,361) | -                | -                        | -                    | (6,486)              | -         | -                                 | (281,345)    |
| -         | (4,143)          | -                        | (2,699)              | (242,691)            | (56,437)  | -                                 | (1,325,446)  |
| 103,325   | -                | -                        | -                    | -                    | -         | 4,268                             | 225,779      |
| (36)      | (1,476)          | 8,243                    | 445                  | (83,127)             | 1,718     | 4,818                             | (16,933)     |
| -         | -                | -                        | -                    | (57,021)             | (534,846) | -                                 | (602,597)    |
| -         | -                | -                        | -                    | -                    | 534,846   | -                                 | 3,022,346    |
| -         | -                | -                        | -                    | -                    | -         | -                                 | (2,860,321)  |
| -         | -                | -                        | -                    | -                    | (57,334)  | -                                 | (311,125)    |
| -         | -                | -                        | -                    | (57,021)             | (57,334)  | -                                 | (751,697)    |
| 36        | -                | -                        | -                    | -                    | -         | 2                                 | 297          |
| 36        | -                | -                        | -                    | -                    | -         | 2                                 | 297          |
| -         | -                | -                        | -                    | -                    | -         | 4,416                             | (400,915)    |
| -         | -                | -                        | -                    | -                    | -         | 1,750                             | 527,839      |
| \$ -      | \$ -             | \$ -                     | \$ -                 | \$ -                 | \$ -      | \$ 6,166                          | \$ 126,924   |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**Business Activities**  
**For the Year Ended March 31, 2015**

|  | <u>Trailer<br/>Park</u> | <u>LC-35</u>     | <u>Percy<br/>Avenue</u> |
|--|-------------------------|------------------|-------------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                         |                  |                         |
| Operating income (loss)  | \$ 11,404               | \$ (138,230)     | \$ (2,895)              |
| Adjustments to reconcile operating income to net cash provided<br>by operating activities:               |                         |                  |                         |
| Amortization and depreciation  | 2,182                   | 44,461           | 18,251                  |
| Decrease (increase) in:  |                         |                  |                         |
| Accounts receivable - tenants, net   | (95)                    | 419              | (104)                   |
| Deposits   | -                       | -                | -                       |
| Increase (decrease) in:  |                         |                  |                         |
| Accounts payable   | (658)                   | (14,942)         | (696)                   |
| Prepaid tenant rent  | 63                      | -                | (17)                    |
| Accrued salaries and benefits  | (19)                    | 29,925           | (80)                    |
| Security deposits payable  | -                       | (400)            | 875                     |
| OPEB liability   | (654)                   | 110,497          | (1,296)                 |
| Compensated absences payable   | (612)                   | 66,967           | (310)                   |
| <b>Net Cash Provided (Used) by Operating Activities</b>  | <u>\$ 11,611</u>        | <u>\$ 98,697</u> | <u>\$ 13,728</u>        |
| <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                         |                  |                         |
| Contribution of capital assets   | \$ -                    | \$ -             | \$ -                    |

| <u>Kingwood<br/>Commons</u> | <u>Neighborhood<br/>Stabilization #3<br/>Admin</u> | <u>Neighborhood<br/>Stabilization<br/>Admin</u> | <u>Home 2<br/>Families<br/>Admin</u> | <u>Butte<br/>View<br/>Estates<br/>Admin</u> | <u>Nonprofit<br/>Admin</u> | <u>Coldweather<br/>Shelter</u> | <u>Transitional<br/>Trailer</u> |
|-----------------------------|--|---|--------------------------------------|---|----------------------------|--------------------------------|---------------------------------|
| \$ (227,897)                | \$ 3,486   | \$ 11,096                                       | \$ 37,689                            | \$ 1,917                                    | \$ 16,654                  | \$ (1)                         | \$ 7,424                        |
| 312,490                     | -  | -   | -                                    | -   | -                          | -                              | -                               |
| (1,557)                     | -  | -   | -                                    | -   | -                          | -                              | -                               |
| -                           | -  | -   | -                                    | -   | -                          | -                              | -                               |
| (63,626)                    | -  | -   | 38                                   | -   | -                          | (194)                          | (5)                             |
| 2,016                       | (954)  | (1,218)   | -                                    | -   | -                          | -                              | -                               |
| (497)                       | -  | -   | (735)                                | -   | (1,178)                    | -                              | -                               |
| 3,550                       | -  | -   | -                                    | -   | -                          | -                              | 75                              |
| (10,843)                    | (1,219)  | (5,407)   | (3,095)                              | (1,917)                                     | (6,815)                    | -                              | -                               |
| (1,484)                     | (2,267)  | (2,911)   | (1,361)                              | -   | (4,227)                    | -                              | -                               |
| <u>\$ 12,152</u>            | <u>\$ (954)</u>                                    | <u>\$ 1,560</u>                                 | <u>\$ 32,536</u>                     | <u>\$ -</u>                                 | <u>\$ 4,434</u>            | <u>\$ (195)</u>                | <u>\$ 7,494</u>                 |
| \$ -                        | \$ -   | \$ -  | \$ -                                 | \$ -  | \$ -                       | \$ -                           | \$ -                            |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**Business Activities**  
**For the Year Ended March 31, 2015**

|  | Nevada<br>County<br>Voucher<br>Program | Payroll<br>Allocations | Heather<br>Glenn<br>Admin |
|--|--|------------------------|---------------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |  |                        |                           |
| Operating income (loss)  | \$ -                                   | \$ (1)                 | \$ (1,865)                |
| Adjustments to reconcile operating income to net cash provided<br>by operating activities:               |  |                        |                           |
| Amortization and depreciation  | -                                      | -                      | -                         |
| Decrease (increase) in:  |  |                        |                           |
| Accounts receivable - tenants, net   | -                                      | -                      | -                         |
| Deposits   | -                                      | -                      | -                         |
| Increase (decrease) in:  |  |                        |                           |
| Accounts payable   | -                                      | (614)                  | 110                       |
| Prepaid tenant rent  | -                                      | -                      | -                         |
| Accrued salaries and benefits  | -                                      | -                      | -                         |
| Security deposits payable  | -                                      | -                      | -                         |
| OPEB liability   | -                                      | -                      | 406                       |
| Compensated absences payable   | -                                      | -                      | 171                       |
| <b>Net Cash Provided (Used) by Operating Activities</b>  | <b>\$ -</b>                            | <b>\$ (615)</b>        | <b>\$ (1,178)</b>         |
| <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |  |                        |                           |
| Contribution of capital assets   | \$ -                                   | \$ -                   | \$ -                      |



| <u>Planning</u> | <u>Maple<br/>Park<br/>Admin</u> | <u>Kristin<br/>Court<br/>Apartments</u> | <u>Healthy<br/>Housing, LLP</u> | <u>Development<br/>Projects</u> | <u>Trio</u>      | <u>Building<br/>Better<br/>Partnerships<br/>Inc.</u> | <u>Totals</u>     |
|-----------------|---------------------------------|---|---------------------------------|---------------------------------|------------------|--|-------------------|
| \$ -            | \$ 1,476                        | \$ (8,243)                              | \$ (445)                        | \$ 154,271                      | \$ 31,088        | \$ (11,566)  | \$ (114,638)      |
| -               | -                               | -                                       | -                               | 6,450                           | 11,778           | 11,293   | 406,905           |
| -               | -                               | -                                       | -                               | -                               | -                | (461)  | (1,798)           |
| -               | -                               | -                                       | -                               | -                               | 3,444            | -  | 3,444             |
| -               | -                               | -                                       | -                               | (1,200)                         | 9,334            | 978  | (71,475)          |
| -               | -                               | -                                       | -                               | -                               | -                | 34   | (76)              |
| -               | -                               | -                                       | -                               | (3,836)                         | -                | (84)   | 23,496            |
| -               | -                               | -                                       | -                               | -                               | -                | (500)  | 3,600             |
| -               | -                               | -                                       | -                               | (5,829)                         | (28)             | 45   | 73,845            |
| -               | -                               | -                                       | -                               | (9,708)                         | -                | (143)  | 44,115            |
| <u>\$ -</u>     | <u>\$ 1,476</u>                 | <u>\$ (8,243)</u>                       | <u>\$ (445)</u>                 | <u>\$ 140,148</u>               | <u>\$ 55,616</u> | <u>\$ (404)</u>                                      | <u>\$ 367,418</u> |
| \$ -            | \$ -                            | \$ 91,413                               | \$ -                            | \$ -                            | \$ -             | \$ 9,056   | \$ 100,469        |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Net Position**  
**State/Local**  
**March 31, 2015**

|   | <b>Migrant</b>    | <b>Community<br/>Development</b> | <b>Mental<br/>Health<br/>Housing<br/>Services</b> |
|---|-------------------|----------------------------------|---|
| <b>ASSETS</b>                                 |                   |                                  |   |
| Current Assets:                               |                   |                                  |   |
| Cash and investments                          | \$ 123,387        | \$ 98,094                        | \$ 21,815   |
| Accounts receivable - tenants, net            | 3,363             | -                                | 25  |
| Accounts receivable - operating reimbursement | 88,670            | 9,273                            | -   |
| Due from other funds                          | 26,881            | -                                | -   |
| <b>Total Current Assets</b>                   | <b>242,301</b>    | <b>107,367</b>                   | <b>21,840</b>                                     |
| Noncurrent Assets:                            |                   |                                  |   |
| Nondepreciable assets                         | -                 | -                                | 45,317  |
| Depreciable assets, net                       | 1,103             | 1,026                            | 258,280   |
| <b>Total Noncurrent Assets</b>                | <b>1,103</b>      | <b>1,026</b>                     | <b>303,597</b>                                    |
| <b>Total Assets</b>                           | <b>243,404</b>    | <b>108,393</b>                   | <b>325,437</b>                                    |
| <b>LIABILITIES</b>                            |                   |                                  |   |
| Current Liabilities:                          |                   |                                  |   |
| Accounts payable                              | 12,756            | 747                              | 993   |
| Prepaid tenant rent                           | -                 | -                                | 25  |
| Accrued salaries and benefits                 | -                 | -                                | 157   |
| Security deposits payable                     | -                 | -                                | 1,025   |
| Due to other funds                            | -                 | -                                | -   |
| Unearned revenues                             | -                 | 75,911                           | -   |
| Compensated absences payable                  | -                 | -                                | 148   |
| <b>Total Current Liabilities</b>              | <b>12,756</b>     | <b>76,658</b>                    | <b>2,348</b>                                      |
| Noncurrent Liabilities:                       |                   |                                  |   |
| OPEB liability                                | -                 | -                                | 580   |
| Compensated absences - net of current portion | -                 | -                                | 151   |
| <b>Total Noncurrent Liabilities</b>           | <b>-</b>          | <b>-</b>                         | <b>731</b>  |
| <b>Total Liabilities</b>                      | <b>12,756</b>     | <b>76,658</b>                    | <b>3,079</b>                                      |
| <b>NET POSITION</b>                           |                   |                                  |   |
| Net investment in capital assets              | 1,103             | 1,026                            | 303,597   |
| Restricted                                    | -                 | -                                | -   |
| Unrestricted                                  | 229,545           | 30,709                           | 18,761  |
| <b>Total Net Position</b>                     | <b>\$ 230,648</b> | <b>\$ 31,735</b>                 | <b>\$ 322,358</b>                                 |

| <u>Mental Health Services Act</u> | <u>814 F Street #1-4</u> | <u>FSS Program - Yuba County</u> | <u>Neighborhood Stabilization Program</u> | <u>Totals</u>       |
|-----------------------------------|--------------------------|----------------------------------|---|---------------------|
| \$ -                              | \$ 41,123                | \$ -                             | \$ 83,068                                 | \$ 367,487          |
| -                                 | -                        | -                                | 2,214                                     | 5,602               |
| -                                 | -                        | -                                | -   | 97,943              |
| -                                 | -                        | -                                | -   | 26,881              |
| -                                 | 41,123                   | -                                | 85,282                                    | 497,913             |
| -                                 | -                        | -                                | 736,073                                   | 781,390             |
| -                                 | -                        | -                                | 2,502,539                                 | 2,762,948           |
| -                                 | -                        | -                                | 3,238,612                                 | 3,544,338           |
| -                                 | 41,123                   | -                                | 3,323,894                                 | 4,042,251           |
| -                                 | 10                       | -                                | 4,420                                     | 18,926              |
| -                                 | -                        | -                                | 42  | 67                  |
| -                                 | -                        | -                                | -   | 157                 |
| -                                 | -                        | -                                | 10,500                                    | 11,525              |
| 12,773                            | -                        | 180                              | 13,928                                    | 26,881              |
| -                                 | -                        | -                                | -   | 75,911              |
| -                                 | -                        | -                                | -   | 148                 |
| 12,773                            | 10                       | 180                              | 28,890                                    | 133,615             |
| -                                 | -                        | -                                | -   | 580                 |
| -                                 | -                        | -                                | -   | 151                 |
| -                                 | -                        | -                                | -   | 731                 |
| 12,773                            | 10                       | 180                              | 28,890                                    | 134,346             |
| -                                 | -                        | -                                | 3,238,612                                 | 3,544,338           |
| -                                 | -                        | -                                | 56,392                                    | 56,392              |
| (12,773)                          | 41,113                   | (180)                            | -   | 307,175             |
| <u>\$ (12,773)</u>                | <u>\$ 41,113</u>         | <u>\$ (180)</u>                  | <u>\$ 3,295,004</u>                       | <u>\$ 3,907,905</u> |

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**State/Local**  
**For the Year Ended March 31, 2015**

|   | <b>Migrant</b>    | <b>Community<br/>Development</b> | <b>Mental<br/>Health<br/>Housing<br/>Services</b> |
|---|-------------------|----------------------------------|---|
| <b>OPERATING REVENUES</b>                     |                   |                                  |   |
| Dwelling rents                                | \$ -              | \$ -                             | \$ 24,609   |
| Other tenant revenue                          | -                 | -                                | 154   |
| Other revenue                                 | -                 | 1,960                            | -   |
| <b>Total Operating Revenues</b>               | <u>-</u>          | <u>1,960</u>                     | <u>24,763</u>                                     |
| <b>OPERATING EXPENSES</b>                     |                   |                                  |   |
| Administrative                                | 51,115            | 234,698                          | 6,816   |
| Tenant services                               | 2,726             | -                                | -   |
| Utilities                                     | 53,555            | 90                               | 8,912   |
| Maintenance                                   | 115,727           | 3,456                            | 7,715   |
| Insurance premiums                            | 3,307             | 683                              | 486   |
| Other general expenses                        | 13,025            | 9                                | 536   |
| Depreciation                                  | 73                | 68                               | 11,237  |
| <b>Total Operating Expenses</b>               | <u>239,528</u>    | <u>239,004</u>                   | <u>35,702</u>                                     |
| <b>Operating Income (Loss)</b>                | <u>(239,528)</u>  | <u>(237,044)</u>                 | <u>(10,939)</u>                                   |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>      |                   |                                  |   |
| Intergovernmental revenue                     | 344,839           | 337,516                          | -   |
| Interest income                               | 81                | -                                | 6   |
| <b>Total Non-operating Revenue (Expenses)</b> | <u>344,920</u>    | <u>337,516</u>                   | <u>6</u>  |
| <b>Income (Loss) Before Transfers</b>         | <u>105,392</u>    | <u>100,472</u>                   | <u>(10,933)</u>                                   |
| Capital contribution                          | -                 | -                                | -   |
| <b>Change in Net Position</b>                 | <u>105,392</u>    | <u>100,472</u>                   | <u>(10,933)</u>                                   |
| <b>Total Net Position - Beginning</b>         | <u>125,256</u>    | <u>(68,737)</u>                  | <u>333,291</u>                                    |
| <b>Total Net Position - Ending</b>            | <u>\$ 230,648</u> | <u>\$ 31,735</u>                 | <u>\$ 322,358</u>                                 |

| <b>Mental Health Services Act</b> | <b>814 F Street #1-4</b> | <b>FSS Program - Yuba County</b> | <b>Neighborhood Stabilization Program</b> | <b>Totals</b> |
|-----------------------------------|--------------------------|----------------------------------|---|---------------|
| \$ -                              | \$ -                     | \$ -                             | \$ 155,439                                | \$ 180,048    |
| -                                 | -                        | -                                | 2,159                                     | 2,313         |
| -                                 | 25,020                   | -                                | 366                                       | 27,346        |
| -                                 | 25,020                   | -                                | 157,964                                   | 209,707       |
| (3,717)                           | 17,146                   | -                                | 127,583                                   | 433,641       |
| -                                 | -                        | 180                              | -   | 2,906         |
| -                                 | -                        | -                                | 21,151                                    | 83,708        |
| -                                 | 300                      | -                                | 58,807                                    | 186,005       |
| -                                 | -                        | -                                | 2,317                                     | 6,793         |
| (2,257)                           | -                        | -                                | 5,669                                     | 16,982        |
| -                                 | -                        | -                                | 41,894                                    | 53,272        |
| (5,974)                           | 17,446                   | 180                              | 257,421                                   | 783,307       |
| 5,974                             | 7,574                    | (180)                            | (99,457)                                  | (573,600)     |
| -                                 | 33,539                   | -                                | 140,528                                   | 856,422       |
| -                                 | -                        | -                                | 24  | 111           |
| -                                 | 33,539                   | -                                | 140,552                                   | 856,533       |
| 5,974                             | 41,113                   | (180)                            | 41,095                                    | 282,933       |
| -                                 | -                        | -                                | 1,724,373                                 | 1,724,373     |
| 5,974                             | 41,113                   | (180)                            | 1,765,468                                 | 2,007,306     |
| (18,747)                          | -                        | -                                | 1,529,536                                 | 1,900,599     |
| \$ (12,773)                       | \$ 41,113                | \$ (180)                         | \$ 3,295,004                              | \$ 3,907,905  |

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**State/Local**  
**For the Year Ended March 31, 2015**

|   | <u>Migrant</u>    | <u>Community<br/>Development</u> | <u>Mental<br/>Health<br/>Housing<br/>Services</u> |
|---|-------------------|----------------------------------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                   |                                  |   |
| Receipts from customers   | \$ (103)          | \$ 1,960                         | \$ 25,301   |
| Payments to suppliers   | (364,145)         | (11,387)                         | (17,689)  |
| Payments to employees   | (157,597)         | (277,413)                        | (6,669)   |
| <b>Net Cash Provided (Used) by Operating Activities</b>                     | <u>(521,845)</u>  | <u>(286,840)</u>                 | <u>943</u>  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                      |                   |                                  |   |
| Intergovernmental revenues received   | 438,818           | 407,259                          | -   |
| Interfund loans received  | -                 | -                                | -   |
| Interfund loans made  | (26,881)          | -                                | -   |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>          | <u>411,937</u>    | <u>407,259</u>                   | <u>-</u>  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>             |                   |                                  |   |
| Acquisition of capital assets   | -                 | -                                | -   |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b> | <u>-</u>          | <u>-</u>                         | <u>-</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                   |                                  |   |
| Interest income   | 81                | -                                | 6   |
| <b>Net Cash Provided (Used) by Investing Activities</b>                     | <u>81</u>         | <u>-</u>                         | <u>6</u>  |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                 | (109,827)         | 120,419                          | 949   |
| <b>Balances - Beginning of the Year</b>                                     | 233,214           | (22,325)                         | 20,866  |
| <b>Balances - End of the Year</b>   | <u>\$ 123,387</u> | <u>\$ 98,094</u>                 | <u>\$ 21,815</u>                                  |

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| <u>Mental Health Services Act</u> | <u>814 F Street #1-4</u> | <u>FSS Program - Yuba County</u> | <u>Neighborhood Stabilization Program</u> | <u>Totals</u>     |
|-----------------------------------|--------------------------|----------------------------------|---|-------------------|
| \$ -                              | \$ 25,020                | \$ -                             | \$ 161,816                                | \$ 213,994        |
| (838)                             | (1,101)                  | (180)                            | (99,173)                                  | (494,513)         |
| -                                 | (16,335)                 | -                                | (139,694)                                 | (597,708)         |
| (838)                             | 7,584                    | (180)                            | (77,051)                                  | (878,227)         |
| -                                 | 33,539                   | -                                | 165,153                                   | 1,044,769         |
| 12,773                            | -                        | 180                              | 13,928                                    | 26,881            |
| -                                 | -                        | -                                | -   | (26,881)          |
| 12,773                            | 33,539                   | 180                              | 179,081                                   | 1,044,769         |
| -                                 | -                        | -                                | (23,603)                                  | (23,603)          |
| -                                 | -                        | -                                | (23,603)                                  | (23,603)          |
| -                                 | -                        | -                                | 24  | 111               |
| -                                 | -                        | -                                | 24  | 111               |
| 11,935                            | 41,123                   | -                                | 78,451                                    | 143,050           |
| (11,935)                          | -                        | -                                | 4,617                                     | 224,437           |
| <u>\$ -</u>                       | <u>\$ 41,123</u>         | <u>\$ -</u>                      | <u>\$ 83,068</u>                          | <u>\$ 367,487</u> |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Cash Flows**  
**State/Local**  
**For the Year Ended March 31, 2015**

|  | <u>Migrant</u>      | <u>Community<br/>Development</u> | <u>Mental<br/>Health<br/>Housing<br/>Services</u> |
|--|---------------------|----------------------------------|---|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                     |                                  |   |
| Operating income (loss)  | \$ (239,528)        | \$ (237,044)                     | \$ (10,939)                                       |
| Adjustments to reconcile operating income to net cash provided<br>by operating activities:               |                     |                                  |   |
| Amortization and depreciation  | 73                  | 68                               | 11,237  |
| Decrease (increase) in:  |                     |                                  |   |
| Accounts receivable - tenants, net   | (63)                | -                                | 732   |
| Increase (decrease) in:  |                     |                                  |   |
| Accounts payable   | (245,012)           | 447                              | 171   |
| Prepaid tenant rent  | (151)               | -                                | 18  |
| Accrued salaries and benefits  | (3,986)             | (4,325)                          | 26  |
| Security deposits payable  | 111                 | -                                | (212)   |
| OPEB liability   | (23,100)            | (40,118)                         | (116)   |
| Compensated absences payable   | (10,189)            | (5,868)                          | 26  |
| <b>Net Cash Provided (Used) by Operating Activities</b>  | <u>\$ (521,845)</u> | <u>\$ (286,840)</u>              | <u>\$ 943</u>                                     |
| <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                     |                                  |   |
| Contribution of capital assets   | \$ -                | \$ -                             | \$ -  |

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| <u>Mental Health Services Act</u> | <u>814 F Street #1-4</u> | <u>FSS Program - Yuba County</u> | <u>Neighborhood Statbilization Program</u> | <u>Totals</u>       |
|-----------------------------------|--------------------------|----------------------------------|--|---------------------|
| \$ 5,974                          | \$ 7,574                 | \$ (180)                         | \$ (99,457)                                | \$ (573,600)        |
| -                                 | -                        | -                                | 41,894                                     | 53,272              |
| -                                 | -                        | -                                | (538)                                      | 131                 |
| -                                 | 10                       | -                                | (5,777)                                    | (250,161)           |
| -                                 | -                        | -                                | 40   | (93)                |
| (1,189)                           | -                        | -                                | (3,595)                                    | (13,069)            |
| -                                 | -                        | -                                | 4,350                                      | 4,249               |
| (3,366)                           | -                        | -                                | (6,659)                                    | (73,359)            |
| (2,257)                           | -                        | -                                | (7,309)                                    | (25,597)            |
| <u>\$ (838)</u>                   | <u>\$ 7,584</u>          | <u>\$ (180)</u>                  | <u>\$ (77,051)</u>                         | <u>\$ (878,227)</u> |
| \$ -                              | \$ -                     | \$ -                             | \$ 1,724,373                               | \$ 1,724,373        |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Fiduciary Net Position**  
**March 31, 2015**

|                                    | <u>815<br/>Bridge<br/>Street</u> | <u>899<br/>Bridge<br/>Street</u> | <u>925<br/>Bridge<br/>Street</u> | <u>1082<br/>McCollum<br/>Avenue</u> |
|------------------------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------------------|
| <b>ASSETS</b>                      |                                  |                                  |                                  |                                     |
| Current Assets:                    |                                  |                                  |                                  |                                     |
| Cash and investments               | \$ 941                           | \$ 36,059                        | \$ 12,503                        | \$ 21,152                           |
| Accounts receivable - tenants, net | (239)                            | 640                              | 313                              | -                                   |
| <b>Total Current Assets</b>        | <u>702</u>                       | <u>36,699</u>                    | <u>12,816</u>                    | <u>21,152</u>                       |
| <b>Total Assets</b>                | <u>702</u>                       | <u>36,699</u>                    | <u>12,816</u>                    | <u>21,152</u>                       |
| <b>LIABILITIES</b>                 |                                  |                                  |                                  |                                     |
| Current Liabilities:               |                                  |                                  |                                  |                                     |
| Accounts payable                   | 637                              | 102                              | 102                              | 245                                 |
| Prepaid tenant rent                | 25                               | -                                | -                                | 15                                  |
| Security deposits payable          | 500                              | 500                              | 525                              | 575                                 |
| Agency obligations                 | (460)                            | 36,097                           | 12,189                           | 20,317                              |
| <b>Total Current Liabilities</b>   | <u>702</u>                       | <u>36,699</u>                    | <u>12,816</u>                    | <u>21,152</u>                       |
| <b>Total Liabilities</b>           | <u>\$ 702</u>                    | <u>\$ 36,699</u>                 | <u>\$ 12,816</u>                 | <u>\$ 21,152</u>                    |

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| <u>1483<br/>Gray<br/>Avenue</u> | <u>529<br/>Main<br/>Street</u> | <u>545<br/>Laurel<br/>Drive</u> | <u>732<br/>Winslow<br/>Avenue</u> | <u>764<br/>Regent<br/>Loop</u> | <u>825<br/>Jones<br/>Street</u> | <u>829<br/>Bridge<br/>Street</u> | <u>847<br/>Chestnut<br/>Street</u> |
|---------------------------------|--------------------------------|---------------------------------|-----------------------------------|--------------------------------|---------------------------------|----------------------------------|------------------------------------|
| \$ 28,143                       | \$ 10,119                      | \$ 25,544                       | \$ 13,041                         | \$ 38,444                      | \$ 31,746                       | \$ 17,260                        | \$ 37,638                          |
| -                               | 570                            | 67                              | 2,847                             | -                              | -                               | -                                | -                                  |
| <u>28,143</u>                   | <u>10,689</u>                  | <u>25,611</u>                   | <u>15,888</u>                     | <u>38,444</u>                  | <u>31,746</u>                   | <u>17,260</u>                    | <u>37,638</u>                      |
| <u>28,143</u>                   | <u>10,689</u>                  | <u>25,611</u>                   | <u>15,888</u>                     | <u>38,444</u>                  | <u>31,746</u>                   | <u>17,260</u>                    | <u>37,638</u>                      |
| 59                              | 102                            | 102                             | 135                               | 175                            | 132                             | 191                              | 102                                |
| -                               | -                              | -                               | -                                 | 17                             | -                               | -                                | -                                  |
| 500                             | 500                            | 575                             | 525                               | 500                            | 500                             | 525                              | 575                                |
| <u>27,584</u>                   | <u>10,087</u>                  | <u>24,934</u>                   | <u>15,228</u>                     | <u>37,752</u>                  | <u>31,114</u>                   | <u>16,544</u>                    | <u>36,961</u>                      |
| <u>28,143</u>                   | <u>10,689</u>                  | <u>25,611</u>                   | <u>15,888</u>                     | <u>38,444</u>                  | <u>31,746</u>                   | <u>17,260</u>                    | <u>37,638</u>                      |
| <u>\$ 28,143</u>                | <u>\$ 10,689</u>               | <u>\$ 25,611</u>                | <u>\$ 15,888</u>                  | <u>\$ 38,444</u>               | <u>\$ 31,746</u>                | <u>\$ 17,260</u>                 | <u>\$ 37,638</u>                   |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Fiduciary Net Position**  
**March 31, 2015**

|                                    | <b>1035<br/>Oakwood<br/>Drive</b> | <b>625<br/>Clark<br/>Avenue</b> | <b>716<br/>Winslow<br/>Avenue</b> | <b>817<br/>Bridge<br/>Street</b> |
|------------------------------------|-----------------------------------|---------------------------------|-----------------------------------|----------------------------------|
| <b>ASSETS</b>                      |                                   |                                 |                                   |                                  |
| Current Assets:                    |                                   |                                 |                                   |                                  |
| Cash and investments               | \$ 26,513                         | \$ 15,281                       | \$ 24,621                         | \$ 38                            |
| Accounts receivable - tenants, net | -                                 | -                               | 885                               | -                                |
| <b>Total Current Assets</b>        | <u>26,513</u>                     | <u>15,281</u>                   | <u>25,506</u>                     | <u>38</u>                        |
| <b>Total Assets</b>                | <u>26,513</u>                     | <u>15,281</u>                   | <u>25,506</u>                     | <u>38</u>                        |
| <b>LIABILITIES</b>                 |                                   |                                 |                                   |                                  |
| Current Liabilities:               |                                   |                                 |                                   |                                  |
| Accounts payable                   | 102                               | 116                             | 102                               | 107                              |
| Prepaid tenant rent                | 20                                | -                               | 2                                 | -                                |
| Security deposits payable          | 500                               | 575                             | 500                               | 500                              |
| Agency obligations                 | 25,891                            | 14,590                          | 24,902                            | (569)                            |
| <b>Total Current Liabilities</b>   | <u>26,513</u>                     | <u>15,281</u>                   | <u>25,506</u>                     | <u>38</u>                        |
| <b>Total Liabilities</b>           | <u>\$ 26,513</u>                  | <u>\$ 15,281</u>                | <u>\$ 25,506</u>                  | <u>\$ 38</u>                     |

| <u>833<br/>Bridge<br/>Street</u> | <u>614<br/>Clark<br/>Avenue</u> | <u>590<br/>Washington<br/>Avenue</u> | <u>Totals</u>     |
|----------------------------------|---------------------------------|--------------------------------------|-------------------|
| \$ (11,130)                      | \$ 19,511                       | \$ (29,991)                          | \$ 317,433        |
| 436                              | 179                             | 328                                  | 6,026             |
| <u>(10,694)</u>                  | <u>19,690</u>                   | <u>(29,663)</u>                      | <u>323,459</u>    |
| <u>(10,694)</u>                  | <u>19,690</u>                   | <u>(29,663)</u>                      | <u>323,459</u>    |
| 102                              | 105                             | 105                                  | 2,823             |
| -                                | 157                             | -                                    | 236               |
| 575                              | 500                             | 500                                  | 9,950             |
| <u>(11,371)</u>                  | <u>18,928</u>                   | <u>(30,268)</u>                      | <u>310,450</u>    |
| <u>(10,694)</u>                  | <u>19,690</u>                   | <u>(29,663)</u>                      | <u>323,459</u>    |
| <u>\$ (10,694)</u>               | <u>\$ 19,690</u>                | <u>\$ (29,663)</u>                   | <u>\$ 323,459</u> |

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended March 31, 2015**

|   | <b>815<br/>Bridge<br/>Street</b> | <b>899<br/>Bridge<br/>Street</b> | <b>925<br/>Bridge<br/>Street</b> | <b>1082<br/>McCollum<br/>Avenue</b> |
|---|----------------------------------|----------------------------------|----------------------------------|-------------------------------------|
| <b>OPERATING REVENUES</b>                   |                                  |                                  |                                  |                                     |
| Dwelling rents                              | \$ 6,901                         | \$ 12,960                        | \$ 7,219                         | \$ 10,660                           |
| Other tenant revenue                        | 25                               | 180                              | 149                              | 243                                 |
| Interest income                             | 3                                | 5                                | 4                                | 151                                 |
| <b>Total Operating Revenues</b>             | <u>6,929</u>                     | <u>13,145</u>                    | <u>7,372</u>                     | <u>11,054</u>                       |
| <b>OPERATING EXPENSES</b>                   |                                  |                                  |                                  |                                     |
| Administrative                              | 1,865                            | 2,275                            | 2,312                            | 1,825                               |
| Utilities                                   | 1,579                            | 1,117                            | 1,278                            | 1,145                               |
| Maintenance                                 | 2,743                            | 16,471                           | 11,432                           | 2,166                               |
| Insurance premiums                          | 2                                | 2                                | 2                                | 2                                   |
| Other general expenses                      | -                                | -                                | -                                | -                                   |
| <b>Total Operating Expenses</b>             | <u>6,189</u>                     | <u>19,865</u>                    | <u>15,024</u>                    | <u>5,138</u>                        |
| <b>Change in Net Assets</b>                 | 740                              | (6,720)                          | (7,652)                          | 5,916                               |
| <b>Total Agency Obligations - Beginning</b> | <u>(1,200)</u>                   | <u>42,817</u>                    | <u>19,841</u>                    | <u>14,401</u>                       |
| <b>Total Agency Obligations - Ending</b>    | <u>\$ (460)</u>                  | <u>\$ 36,097</u>                 | <u>\$ 12,189</u>                 | <u>\$ 20,317</u>                    |

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| 1483<br>Gray<br>Avenue | 529<br>Main<br>Street | 545<br>Laurel<br>Drive | 732<br>Winslow<br>Avenue | 764<br>Regent<br>Loop | 825<br>Jones<br>Street | 829<br>Bridge<br>Street | 847<br>Chestnut<br>Street |
|------------------------|-----------------------|------------------------|--------------------------|-----------------------|------------------------|-------------------------|---------------------------|
| \$ 10,716              | \$ 9,759              | \$ 11,976              | \$ 8,690                 | \$ 12,162             | \$ 11,340              | \$ 8,712                | \$ 11,340                 |
| 20                     | 1,077                 | 95                     | 459                      | 25                    | -                      | -                       | -                         |
| 4                      | 2                     | 2                      | 6                        | 5                     | 4                      | 19                      | 6                         |
| <u>10,740</u>          | <u>10,838</u>         | <u>12,073</u>          | <u>9,155</u>             | <u>12,192</u>         | <u>11,344</u>          | <u>8,731</u>            | <u>11,346</u>             |
| 1,800                  | 2,021                 | 1,800                  | 1,837                    | 1,825                 | 1,825                  | 1,862                   | 1,825                     |
| 1,084                  | 1,207                 | 1,278                  | 1,152                    | 1,377                 | 1,029                  | 1,285                   | 1,034                     |
| 3,490                  | 14,528                | 2,685                  | 4,499                    | 3,009                 | 2,212                  | 4,096                   | 2,320                     |
| 2                      | 2                     | 2                      | 2                        | 2                     | 2                      | 2                       | 2                         |
| -                      | -                     | -                      | 1,112                    | -                     | -                      | -                       | -                         |
| <u>6,376</u>           | <u>17,758</u>         | <u>5,765</u>           | <u>8,602</u>             | <u>6,213</u>          | <u>5,068</u>           | <u>7,245</u>            | <u>5,181</u>              |
| 4,364                  | (6,920)               | 6,308                  | 553                      | 5,979                 | 6,276                  | 1,486                   | 6,165                     |
| <u>23,220</u>          | <u>17,007</u>         | <u>18,626</u>          | <u>14,675</u>            | <u>31,773</u>         | <u>24,838</u>          | <u>15,058</u>           | <u>30,796</u>             |
| <u>\$ 27,584</u>       | <u>\$ 10,087</u>      | <u>\$ 24,934</u>       | <u>\$ 15,228</u>         | <u>\$ 37,752</u>      | <u>\$ 31,114</u>       | <u>\$ 16,544</u>        | <u>\$ 36,961</u>          |

Continued (Page 1 of 2)

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended March 31, 2015**

|   | <b>1035<br/>Oakwood<br/>Drive</b> | <b>625<br/>Clark<br/>Avenue</b> | <b>716<br/>Winslow<br/>Avenue</b> | <b>817<br/>Bridge<br/>Street</b> |
|---|-----------------------------------|---------------------------------|-----------------------------------|----------------------------------|
| <b>OPERATING REVENUES</b>                   |                                   |                                 |                                   |                                  |
| Dwelling rents                              | \$ 11,340                         | \$ 11,028                       | \$ 13,200                         | \$ 6,844                         |
| Other tenant revenue                        | 6                                 | -                               | 130                               | 386                              |
| Interest income                             | 65                                | 1                               | 3                                 | -                                |
| <b>Total Operating Revenues</b>             | <u>11,411</u>                     | <u>11,029</u>                   | <u>13,333</u>                     | <u>7,230</u>                     |
| <b>OPERATING EXPENSES</b>                   |                                   |                                 |                                   |                                  |
| Administrative                              | 1,825                             | 2,598                           | 1,800                             | 1,947                            |
| Utilities                                   | 1,137                             | 1,242                           | 1,377                             | 801                              |
| Maintenance                                 | 1,706                             | 10,913                          | 1,957                             | 4,067                            |
| Insurance premiums                          | 2                                 | 2                               | 2                                 | 2                                |
| Other general expenses                      | -                                 | -                               | -                                 | -                                |
| <b>Total Operating Expenses</b>             | <u>4,670</u>                      | <u>14,755</u>                   | <u>5,136</u>                      | <u>6,817</u>                     |
| <b>Change in Net Assets</b>                 | 6,741                             | (3,726)                         | 8,197                             | 413                              |
| <b>Total Agency Obligations - Beginning</b> | <u>19,150</u>                     | <u>18,316</u>                   | <u>16,705</u>                     | <u>(982)</u>                     |
| <b>Total Agency Obligations - Ending</b>    | <u>\$ 25,891</u>                  | <u>\$ 14,590</u>                | <u>\$ 24,902</u>                  | <u>\$ (569)</u>                  |

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| <b>833<br/>Bridge<br/>Street</b> | <b>614<br/>Clark<br/>Avenue</b> | <b>590<br/>Washington<br/>Avenue</b> | <b>Totals</b>     |
|----------------------------------|---------------------------------|--------------------------------------|-------------------|
| \$ 9,000                         | \$ 12,588                       | \$ 6,422                             | \$ 192,857        |
| 471                              | 219                             | 20                                   | 3,505             |
| 4                                | 3                               | 2                                    | 289               |
| <u>9,475</u>                     | <u>12,810</u>                   | <u>6,444</u>                         | <u>196,651</u>    |
| 1,850                            | 1,800                           | 2,920                                | 37,812            |
| 1,064                            | 1,176                           | 971                                  | 22,333            |
| 4,015                            | 2,303                           | 2,432                                | 97,044            |
| 2                                | 2                               | -                                    | 36                |
| -                                | -                               | 1,164                                | 2,276             |
| <u>6,931</u>                     | <u>5,281</u>                    | <u>7,487</u>                         | <u>159,501</u>    |
| 2,544                            | 7,529                           | (1,043)                              | 37,150            |
| <u>(13,915)</u>                  | <u>11,399</u>                   | <u>(29,225)</u>                      | <u>273,300</u>    |
| <u>\$ (11,371)</u>               | <u>\$ 18,928</u>                | <u>\$ (30,268)</u>                   | <u>\$ 310,450</u> |

Continued (Page 2 of 2)

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**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

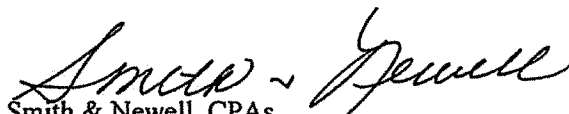
In planning and performing our audit of the financial statements of Regional Housing Authority of Sutter and Nevada Counties, (the Authority) as of and for the year ended March 31, 2015, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are described in the attached appendix.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. It is our intention to use our knowledge of the Authority gained during our work to make comments and suggestions that will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This communication is intended solely for the information and use of management, the Board of Commissioners and others with the Authority and is not intended to be and should not be used by anyone other than these specified parties.

  
Smith & Newell, CPAs  
Yuba City, California  
September 30, 2015

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# REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

## Appendix A: Management Letter Comments

For the Fiscal Year Ended March 31, 2015

### CURRENT YEAR FINDINGS AND RECOMMENDATIONS

#### Year End Closing Process

##### Condition

At the time of our audit we noted financial statements as presented to us contained misstatements that required adjustments. Many of these adjustments were noted by the Authority and presented to us during our audit fieldwork. However, some of the adjustments were noted as a part of the audit process.

##### Cause

The process to close the Authority's accounting records and produce the annual financial report is labor intensive and the reports produced by the accounting system can require additional analysis and reconciliation.

##### Criteria

Government auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements. Also producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

##### Effect of Condition

The financial statements as presented to us for audit contained misstatements and required adjustment.

##### Recommendation

We recommend that the Authority strive to record all adjustments in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

##### Corrective Action Plan

Although it is the Housing Authority's intent to ensure all data is posted to the agency's database prior to the annual audit, the following events are noted:

- OPEB - The ending balance of the previous 5-year actuarial did not match the beginning balance of the new actuarial. The actuarial company was contacted and after providing a revised schedule, appropriate adjustments were made to the general ledger.
- Accrued Compensated Absences Long-Term - Minor adjustments to current versus long-term values were required that did not affect the combined total.
- Retentions - In the past, the Housing Authority has not recorded the retention portion of a major contract until payment is due. Steps have been taken to ensure future postings are made at the time of invoicing.
- Maple Park Investment - The Housing Authority's investment was posted to the trial balance.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**

**Appendix A: Management Letter Comments**

**For the Fiscal Year Ended March 31, 2015**

**CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**Year End Closing Process (Continued)**

**Corrective Action Plan (Continued)**

- Net investment in capital assets - Minor calculations to net investment in capital assets versus actual balances were required that did not affect the combined total.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**

**Appendix A: Management Letter Comments**

**For the Fiscal Year Ended March 31, 2015**

**STATUS OF PRIOR YEAR RECOMMENDATIONS**

**Year End Closing Process**

**Prior Year Recommendation**

We recommend that the Authority strive to record all adjustments in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

**Status of Prior Year Recommendation**

In Progress

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**REGIONAL HOUSING AUTHORITY OF  
SUTTER AND NEVADA COUNTIES,  
CALIFORNIA**

**SINGLE AUDIT ACT  
REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
MARCH 31, 2015**

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Single Audit Act**  
**For the Year Ended March 31, 2015**

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| Independent Auditor's Report on Internal Control over Financial Reporting<br>And on Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with Government Auditing Standards. .... | 1-2  |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal<br>Control over Compliance Required by Circular A-133.....   | 3-5  |
| Schedule of Expenditures of Federal Awards for the Year Ended March 31, 2015.....  | 6    |
| Notes to Schedule of Expenditures of Federal Awards.....   | 7    |
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| Schedule of Prior Year Findings and Questioned Costs. ....   | 11   |

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

To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Regional Housing Authority of Sutter and Nevada Counties, as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 30, 2015.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the previous paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness. (2015-001)

To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency. (2015-002)

### **Compliance and Other Matters**

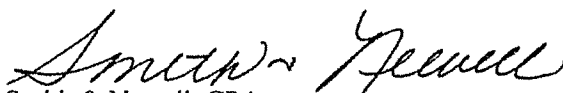
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Authority's Response to Findings**

The Regional Housing Authority of Sutter and Nevada Counties' response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

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

  
Smith & Newell, CPAs  
Yuba City, California  
September 30, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

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

We have audited Regional Housing Authority of Sutter and Nevada Counties' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2015. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

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

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2015.

### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

### **Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

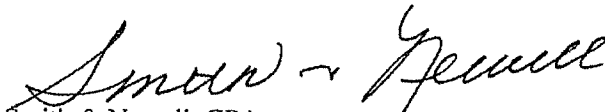
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



To the Board of Commissioners  
Regional Housing Authority of Sutter and Nevada Counties  
Yuba City, California

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the business-type activities and each major fund of Regional Housing Authority of Sutter and Nevada Counties, as of and for the year ended March 31, 2015 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated September 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Smith & Newell, CPAs  
Yuba City, California  
September 30, 2015

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended March 31, 2015**

| <u>Federal Program/Pass Through Program Title</u>             | <u>Federal CFDA Number</u> | <u>Federal Agency/<br/>Pass-Through<br/>Entity Identifying<br/>Number</u> | <u>Disburse-<br/>ments/<br/>Expenditures</u> |
|---|----------------------------|---|--|
| <b>U.S. Department of Agriculture</b>                         |                            |   |  |
| Direct Program:   |                            |   |  |
| Rural Rental Assistance Payments                              | 10.427                     | 04-051-0946003474   | \$ 1,300,203                                 |
| <b>Total U.S. Department of Agriculture</b>                   |                            |   | <u>1,300,203</u>                             |
| <b>U.S. Department of Housing and Urban Development</b>       |                            |   |  |
| Direct Program:   |                            |   |  |
| Public and Indian Housing                                     | 14.850                     | CA 048-000032-14D   | 344,284                                      |
| Public and Indian Housing                                     | 14.850                     | CA 048-000032-15D   | 74,132                                       |
| Public and Indian Housing                                     | 14.850                     | CA 048-000022-15D   | <u>32,438</u>                                |
| <b>Subtotal 14.850</b>  |                            |   | <u>450,854</u>                               |
| Family Self-Sufficiency Program                               | 14.896                     | CA 048-FSH083014  | 12,885                                       |
| Family Self-Sufficiency Program                               | 14.896                     | CA 107-FSH090A014   | <u>13,749</u>                                |
| <b>Subtotal 14.850</b>  |                            |   | <u>26,634</u>                                |
| Section 8 Housing Choice Vouchers                             | 14.871                     | CA048VO   | 6,683,187                                    |
| Public Housing Capital Fund                                   | 14.872                     | CA-30-P048501-14  | <u>228,755</u>                               |
| <b>Total U.S. Department of Housing and Urban Development</b> |                            |   | <u>7,389,430</u>                             |
| <b>Total Expenditures of Federal Awards</b>                   |                            |   | <u>\$ 8,689,633</u>                          |

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

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**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended March 31, 2015**

**1. REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Regional Housing Authority of Sutter and Nevada Counties. The Regional Housing Authority of Sutter and Nevada Counties reporting entity is defined in Note 1 to the Authority's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule of Expenditures of Federal Awards.

**2. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards, is presented using the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the Authority's financial statements.

**3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

**4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the Authority's basic financial statements.

**5. PASS -THROUGH ENTITIES' IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the Authority determined that no identifying number is assigned for the program or the Authority was unable to obtain an identifying number from the pass-through entity.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended March 31, 2015**

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

| <b>Financial Statements</b>  | <u>Status</u> |
|--|---------------|
| 1. Type of auditor's report issued   | Unqualified   |
| 2. Internal controls over financial reporting:                                   |               |
| a. Material weaknesses identified?   | Yes           |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes           |
| 3. Noncompliance material to financial statements noted?                         | No            |

**Federal Awards**

|  |             |
|--|-------------|
| 1. Internal control over major programs:   |             |
| a. Material weaknesses identified?   | No          |
| b. Significant deficiencies identified not considered to be material weaknesses?                                       | No          |
| 2. Type of auditor's report issued on compliance for major programs:   | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)? | No          |
| 4. Identification of major programs:<br>14.871 Section 8 Housing Choice Vouchers                                       |             |
| 5. Dollar threshold used to distinguish between Type A and Type B programs?  | \$ 300,000  |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?                                      | No          |

**SECTION II - FINANCIAL STATEMENT FINDINGS**

|                             |          |
|-----------------------------|----------|
| Prior Period Adjustment     | 2015-001 |
| FSS Escrow Deposits Payable | 2015-002 |

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None Reported

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended March 31, 2015**

**2015-001    Prior Period Adjustments (Material Weakness)**

**Condition**

During our audit we noted that the Authority made material prior period adjustments to correct a prior year allowance for doubtful accounts related to Housing Choice Voucher fraud recovery. A prior period adjustment was also required to record the Authority's investment in the Maple Park I, Limited Partnership.

**Cause**

In the current year the Authority made adjustments to balances reported for allowance for doubtful accounts related to Housing Choice Voucher fraud recovery as directed by HUD. In addition, the Authority had not recorded its investment in the Maple Park I, Limited Partnership.

**Criteria**

An effective internal control system including accounting policies and procedures is necessary to provide reasonable assurance for the completeness of accounting records and proper year end closing.

**Effect of Condition**

Business-type activities fund beginning net position and enterprise fund beginning net position were restated as of April 1, 2014.

**Recommendation**

We recommend that the Authority continue to improve its internal control system and its policies and procedures in reviewing detail general ledger accounts for accuracy.

**Corrective Action Plan**

RHASNC was requested by HUD to change their process on how fraud recovery is posted. In the past, the total amount due was posted as a debit to Accounts Receivable and a credit to Revenue. In the future, the total amount due will continue to be posted as a debit to Accounts Receivable, however, there will now be an offset to Fraud Recovery (a liability account) until actual payment is received, at which time the revenue will be recognized. The net result is that only actual collections will be posted to the Income Statement. This change could result in less revenue being posted annually to the HCV program Income Statement, however, eventually the entire amount will appear as revenue.

Maple Park was developed with donated land from RHASNC. When the project was completed, a review as to whether or not RHASNC held interest in the property was researched and when it was determined that there was a recordable interest, an entry was made to the RHASNC balance sheet.

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended March 31, 2015**

**2015-002 FSS Escrow Deposits Payable (Significant Deficiency)**

**Condition**

During our audit we noted that FSS escrow deposits payable were overstated by \$26,967.

**Cause**

The Authority did not properly reconcile the FSS escrow deposits payable account to the supporting schedule and remove deposits for amounts that had been forfeited.

**Criteria**

Good internal control requires that monies held for FSS escrow deposits be reconciled to the general ledger on a monthly basis and any amounts forfeited be properly recorded.

**Effect of Condition**

By not reconciling monies held for FSS escrow deposits to the general ledger on a monthly basis the possibility of errors and irregularities occurring and not being detected is increased.

**Recommendation**

We recommend that the Authority reconcile the FSS escrow deposits payable on a monthly basis and record any adjustments in the proper period.

**Corrective Action Plan**

The FSS escrow account was over funded by \$26,967 due to participants leaving the program and their escrow funds not being transferred back to the HAP bank account where they originated. Although there was a process in place, it had not been followed. Funds have now been transferred and training provided to staff monitoring this program.



**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended March 31, 2015**

| <u>Audit Reference</u> | <u>Status of Prior Year Audit Recommendations</u> |
|------------------------|---|
|------------------------|---|

2014-001

**Debt Issuance**

**Recommendation**

We recommend that all debt and liabilities and capital assets be properly recorded in the general ledger prior to the start of the annual audit. We further recommend that the Authority implement policies and procedures to ensure that financial documents such as bond and loan issuances and capital asset acquisitions be routed to the finance department to facilitate the proper recording of assets and liabilities in the general ledger.

**Status**

Implemented

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