

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

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
MARCH 31, 2012**

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REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

**Annual Financial Report
For the Year Ended March 31, 2012**

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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, 2012

Tejinder S. Mann	City of Yuba City	December 2014
Martha Griese	City of Yuba City	December 2013
Diane Hodges	City of Live Oak	November 2014
Malcolm Weston	City of Live Oak	December 2012
Judy Richards	County of Sutter	June 2013
Stan Cleveland	County of Sutter	January 2015
Terry Lamphier	County of Nevada	June 2015
Jeffery Brown	County of Nevada	June 2012
Suzanne Gallaty	Tenant Representative	November 2012

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FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Housing Authority of Sutter and Nevada Counties, California (Authority) as of and for the year ended March 31, 2012, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

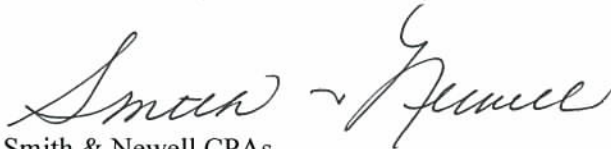
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of March 31, 2012, and the respective changes in financial position, and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 15, 2012 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 and should be considered in assessing the results of our audit.

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

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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements as a whole. The introductory section, combining fund financial statements and Actual Modernization Cost Certificates are presented for purposes of additional analysis and are not a required part of the financial statements. The combining fund financial statements and Actual Modernization Cost Certificates are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the 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 financial statements as a whole. 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 them.



Smith & Newell CPAs
Yuba City, California
August 15, 2012

**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, California, 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, 2012. 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 assets were \$10,084,575 as of March 31, 2012, all of which were business-type assets.
- Entity-wide business-type revenues include program revenues of \$14,695,399, and general revenues and special items of \$1,600,570 for a total of \$16,295,969.
- Entity-wide Business-type expenses were \$12,929,951.

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 nonfiduciary activities of the Housing Authority's activities in the following area:

- **Business-Type Activities** – these services rely upon user fees and charges to help cover all or most of their costs. The Housing Authority's property rentals are reported here.

Within the framework of these activities, a Statement of Net Assets 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 Assets** presents information on all the Housing Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the year. All changes in net assets 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.

During the current fiscal year, the Housing Authority converted all governmental funds to proprietary funds in order to more accurately reflect the activity in accordance with HUD reporting requirements and with the intent of the Authority that the costs and expenses, including depreciation, of providing services on a continuing basis be financed or funded primarily through user charges. The cumulative effect of this change in accounting principle can be found on page 22 of this report.

- **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 its property rental 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 Assets. 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 Assets

	Business-Type Activities		Total	
	2012	(Restated) 2011	Dollar Change	% Change
Assets:				
Current and other assets	\$ 4,023,270	\$ 4,685,737	(\$ 662,467)	(14.14)
Capital assets	20,771,296	16,926,653	3,844,643	22.71
Total Assets	24,794,566	21,612,390	3,182,176	14.72
Liabilities:				
Current and other liabilities	1,235,105	3,385,969	(2,150,864)	(63.52)
Noncurrent liabilities	13,474,886	11,507,864	1,967,022	17.09
Total Liabilities	14,709,991	14,893,833	(183,842)	(1.23)
Net Assets:				
Invested in capital assets, net of related debt	7,722,475	5,436,594	2,285,881	42.05
Restricted	10,227	-	10,227	100.00
Unrestricted	2,351,873	1,281,963	1,069,910	83.46
Total Net Assets	\$10,084,575	\$ 6,718,557	\$ 3,366,018	50.10

Net assets represent the difference between the Housing Authority's resources and its obligations. At March 31, 2012, the largest portion of the Housing Authority's total net assets, 85 percent, reflect 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 assets may be used at the Housing Authority's discretion.

Statement of Changes in Net Assets

	Business-Type Activities		Total	
	2012	(Restated) 2011	Dollar Change	% Change
Revenues:				
Program Revenues:				
Charges for services	\$ 8,076,954	\$ 6,771,222	\$ 1,305,732	19.28
Operating grants and contributions	5,164,945	1,458,784	3,706,161	254.06
Capital grants and contributions	1,453,500	2,981,942	(1,528,442)	(51.26)
General Revenues:				
Interest and investment earnings	4,957	12,339	(7,382)	(59.83)
Miscellaneous	2,014,384	173,938	1,840,446	1058.10
Total Revenues	<u>16,714,740</u>	<u>11,398,225</u>	<u>5,316,515</u>	<u>46.64</u>
Expenses:				
Public Housing	1,399,792	1,780,418	(380,626)	(21.38)
Rural Development	2,631,474	1,339,280	1,292,194	96.48
Capital Fund Program	-	369,190	(369,190)	(100.00)
Capital Fund Program – ARRA	-	-	-	(10.37)
Business Activities	1,951,975	1,267,406	684,569	54.01
Housing Choice Vouchers	6,287,314	4,461,466	1,825,848	40.92
State/Local	659,396	1,012,959	(353,563)	(34.90)
Total Expenses	<u>12,929,951</u>	<u>10,230,719</u>	<u>2,699,232</u>	<u>26.38</u>
Excess Revenues Over (Under) Expenses Before Transfers and Special Items	3,784,789	1,167,506	2,617,283	224.18
Special Item – Loss on Disposal of Capital Assets	(418,771)	-	(418,771)	(100.00)
Change in Net Assets	<u>\$ 3,366,018</u>	<u>\$ 1,167,506</u>	<u>\$ 2,198,512</u>	<u>188.31</u>

Revenue

The Housing Authority's total revenue from business-type activities was \$16.7 million for the fiscal year ended March 31, 2012. Charges for services provided 48 percent of the total revenue received during the 2011/12 fiscal year. Intergovernmental operating revenues provided 31 percent of total revenues received during the fiscal year.

Expenses

Expenses of the Housing Authority for the year totaled \$12.9 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, 2012, was \$20,771,296 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, and equipment. Net additions to capital assets were \$3,298,185 and net additions to accumulated depreciation were (\$546,458). Therefore the Housing Authority's net investment in capital assets increased \$3,844,643 from March 31, 2011.

Long-term Debt

At the end of the current fiscal year, the Housing Authority had total long-term obligations outstanding of \$13,474,886, an increase of \$1,680,563 from March 31, 2011.

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	
	2012	2011
Revenue Bonds	\$ 3,387,228	\$ 3,454,098
Loans Payable	9,411,593	7,964,692
Notes Payable	-	71,269
Line of Credit	250,000	-
OPEB Liability	205,676	113,549
Compensated Absences	220,389	190,715
Total Long-Term Debt	\$ 13,474,886	\$ 11,794,323

ECONOMIC FACTORS

The Housing Authority is dependent for the funding of its operations through HUD, Rural Development, State and local governments and several Housing Authority owned properties, therefore, the Authority is affected by the federal budget as well as state and local economic conditions. However, because HUD Public Housing and Rural Development subsidies remain fairly consistent, the Housing Authority is currently not as affected by the economy as other state and local entities. The exception is the HUD

Housing Choice Voucher Program. Subsidy changes in this program affect the number of community households that can be assisted.

It is anticipated that funding for the HUD Public Housing program as well as Rural Development program will remain the same and/or marginally increase, whereas, the Housing Choice Voucher program is anticipated to remain the same or decrease. Due to the continually increasing need for affordable housing and maintenance of aging properties, it is anticipated that all funds received under these programs will be fully utilized.

At this time, the Housing Authority is reviewing options to refinance the current high interest bond for Kingwood Commons. If possible, additional bond funds may also be acquired to rehabilitate the unit interiors resulting in higher rents. To keep the project affordable, the Housing Authority is reviewing the feasibility of project basing 16 Housing Choice Vouchers to assist low-income families when renting a unit.

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.

Basic Financial Statements

- **Government-Wide Financial Statements**

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REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Statement of Net Assets

March 31, 2012

	Business-Type Activities
ASSETS	
Cash and investments	\$ 1,401,704
Cash with fiscal agent	96,670
Accounts receivable - tenants, net	64,706
Accounts receivable - operating reimbursement	1,199,046
Prepaid costs	1,297
Deposits	2,800
Restricted assets:	
Cash and investments	882,819
Cash with fiscal agent	374,228
Total restricted assets	<u>1,257,047</u>
Capital assets:	
Nondepreciable assets	5,111,965
Depreciable assets, net	15,659,331
Total capital assets	<u>20,771,296</u>
Total Assets	<u>24,794,566</u>
LIABILITIES	
Accounts payable	695,053
Accrued interest	74,250
Prepaid tenant rent	5,578
Accrued salaries and benefits	106,090
Security deposits payable	90,451
Escrow deposits payable	48,943
Unearned revenue	214,740
Long-term liabilities:	
Due within one year	462,694
Due in more than one year	<u>13,012,192</u>
Total Liabilities	<u>14,709,991</u>
NET ASSETS	
Invested in capital assets, net of related debt	7,722,475
Restricted for:	
Neighborhood stabilization program residual receipts	10,227
Unrestricted	<u>2,351,873</u>
Total Net Assets	<u><u>\$ 10,084,575</u></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, 2012

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Business-type activities				
Public Housing	\$ 1,399,792	\$ 603,866	\$ 514,679	\$ -
Rural Development	2,631,474	971,753	3,634,003	-
Capital Fund Program	-	-	491,717	-
Capital Fund Program - ARRA	-	-	-	-
Business Activities	1,951,975	587,757	41,191	1,453,500
Housing Choice Vouchers	6,287,314	5,800,091	-	-
State/Local	659,396	113,487	483,355	-
Total Business-Type Activities	\$ 12,929,951	\$ 8,076,954	\$ 5,164,945	\$ 1,453,500
General revenues:				
Interest and investment earnings				4,957
Miscellaneous				2,014,384
Special Item - Loss on disposal of capital assets				(418,771)
Total General Revenues and Special Items				1,600,570
Change in Net Assets				3,366,018
Net Assets - Beginning				6,718,557
Net Assets - Ending				\$ 10,084,575

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

Basic Financial Statements

- **Fund Financial Statements**

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REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Statement of Net Assets

Proprietary Funds

March 31, 2012

	<u>Public Housing</u>	<u>Rural Development</u>	<u>Capital Fund Program</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 1,258	\$ 892,976	\$ -
Cash with fiscal agent	-	-	-
Accounts receivable - tenants, net	14,826	10,792	-
Accounts receivable - operating reimbursement	-	-	-
Prepaid costs	-	1,297	-
Due from other funds	1,282,482	1,236,197	-
Deposits	-	-	-
Total Current Assets	<u>1,298,566</u>	<u>2,141,262</u>	<u>-</u>
Restricted Assets:			
Cash and investments	-	834,635	-
Cash with fiscal agent	-	-	-
Total Restricted Assets	<u>-</u>	<u>834,635</u>	<u>-</u>
Noncurrent Assets:			
Nondepreciable assets	372,874	2,168,941	-
Depreciable assets, net	2,297,900	7,963,435	-
Total Noncurrent Assets	<u>2,670,774</u>	<u>10,132,376</u>	<u>-</u>
Total Assets	<u>\$ 3,969,340</u>	<u>\$ 13,108,273</u>	<u>\$ -</u>

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

Capital Fund Program - ARRA	Business Activities	Housing Choice Vouchers	State/ Local	Totals
\$ -	\$ 1,915	\$ 476,190	\$ 29,365	\$ 1,401,704
-	96,670	-	-	96,670
-	20,499	13,889	4,700	64,706
-	873,337	147	325,562	1,199,046
-	-	-	-	1,297
-	990,121	74,057	96,440	3,679,297
-	2,800	-	-	2,800
-	1,985,342	564,283	456,067	6,445,520
-	-	48,184	-	882,819
-	374,228	-	-	374,228
-	374,228	48,184	-	1,257,047
-	2,216,000	-	354,150	5,111,965
-	4,229,588	10,174	1,158,234	15,659,331
-	6,445,588	10,174	1,512,384	20,771,296
\$ -	\$ 8,805,158	\$ 622,641	\$ 1,968,451	\$ 28,473,863

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Statement of Net Assets

Proprietary Funds

March 31, 2012

	Public Housing	Rural Development	Capital Fund Program
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 292,693	\$ 195,477	\$ -
Accrued interest	-	-	-
Prepaid tenant rent	2,441	1,058	-
Accrued salaries and benefits	22,069	30,988	-
Security deposits payable	37,715	26,537	-
Escrow deposits payable	-	-	-
Unearned revenue	-	214,740	-
Due to other funds	104,304	953,073	-
Compensated absences payable	4,167	9,211	-
Bonds payable	-	14,632	-
Loans payable	-	96,213	-
Line of credit	-	-	-
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Total Current Liabilities	463,389	1,541,929	-
	<hr/>	<hr/>	<hr/>
Noncurrent Liabilities:			
OPEB liability	45,756	56,088	-
Compensated absences - net of current portion	30,560	67,452	-
Bonds payable - net of current portion	-	642,776	-
Loans payable - net of current portion	-	7,576,413	-
	<hr/>	<hr/>	<hr/>
Total Noncurrent Liabilities	76,316	8,342,729	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	539,705	9,884,658	-
	<hr/>	<hr/>	<hr/>
NET ASSETS			
Invested in capital assets, net of related debt	2,670,774	1,802,342	-
Restricted	-	-	-
Unrestricted	758,861	1,421,273	-
	<hr/>	<hr/>	<hr/>
Total Net Assets	3,429,635	3,223,615	-
	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 3,969,340	\$ 13,108,273	\$ -
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The notes to the basic financial statements are an integral part of this statement.

Capital Fund Program - ARRA	Business Activities	Housing Choice Vouchers	State/ Local	Totals
\$ -	\$ 36,749	\$ 8,110	\$ 162,024	\$ 695,053
-	74,250	-	-	74,250
-	1,991	16	72	5,578
-	10,591	22,763	19,679	106,090
-	20,095	-	6,104	90,451
-	-	48,943	-	48,943
-	-	-	-	214,740
-	1,910,979	101,413	609,528	3,679,297
-	3,501	4,786	4,793	26,458
-	58,087	-	-	72,719
-	17,304	-	-	113,517
-	250,000	-	-	250,000
-	<u>2,383,547</u>	<u>186,031</u>	<u>802,200</u>	<u>5,377,096</u>
-	28,919	45,777	29,136	205,676
-	25,673	35,096	35,150	193,931
-	2,671,733	-	-	3,314,509
-	1,721,663	-	-	9,298,076
-	<u>4,447,988</u>	<u>80,873</u>	<u>64,286</u>	<u>13,012,192</u>
-	<u>6,831,535</u>	<u>266,904</u>	<u>866,486</u>	<u>18,389,288</u>
.	1,726,801	10,174	1,512,384	7,722,475
-	-	-	10,227	10,227
-	246,822	345,563	(420,646)	2,351,873
-	<u>1,973,623</u>	<u>355,737</u>	<u>1,101,965</u>	<u>10,084,575</u>
\$ -	<u>\$ 8,805,158</u>	<u>\$ 622,641</u>	<u>\$ 1,968,451</u>	<u>\$ 28,473,863</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended March 31, 2012

	Public Housing	Rural Development	Capital Fund Program
OPERATING REVENUES			
Dwelling rents	\$ 582,426	\$ 964,147	\$ -
Housing assistance payments revenue and fees	-	-	-
Other tenant revenue	21,440	7,606	-
Other revenue	24,862	37,893	-
Total Operating Revenues	628,728	1,009,646	-
OPERATING EXPENSES			
Administrative	439,526	641,468	-
Tenant services	10,383	552	-
Utilities	177,683	237,888	-
Maintenance	517,689	1,387,967	-
Protective services	15,257	16,951	-
Insurance premiums	20,762	25,183	-
Other general expenses	77,708	23,529	-
Housing assistance payments	-	-	-
Amortization	-	3,487	-
Depreciation	140,784	100,816	-
Total Operating Expenses	1,399,792	2,437,841	-
Operating Income (Loss)	(771,064)	(1,428,195)	-
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	514,679	3,634,003	491,717
Gain (Loss) on disposal of capital assets	(74,385)	-	-
Interest income	41	4,349	-
Interest expense	-	(193,633)	-
Total Non-operating Revenue (Expenses)	440,335	3,444,719	491,717
Income (Loss) Before Transfers and Capital Contributions	(330,729)	2,016,524	491,717
Capital contribution	-	-	-
Transfer in	1,934,290	6,276,647	-
Transfer out	(638,442)	(6,391,468)	(491,717)
Change in Net Assets	965,119	1,901,703	-
Total Net Assets - Beginning	553,420	609,121	-
Cumulative effect of a change in accounting principle	1,911,096	712,791	-
Total Net Assets - Beginning, Restated	2,464,516	1,321,912	-
Total Net Assets - Ending	\$ 3,429,635	\$ 3,223,615	\$ -

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

Capital Fund Program - ARRA	Business Activities	Housing Choice Vouchers	State/ Local	Totals
\$ -	\$ 544,323	\$ 325	\$ 112,631	\$ 2,203,852
-	-	5,799,766	-	5,799,766
-	43,434	-	856	73,336
-	1,369,264	561,181	21,184	2,014,384
-	1,957,021	6,361,272	134,671	10,091,338
-	1,048,281	782,095	393,733	3,305,103
-	24,860	-	18	35,813
-	78,862	3,624	81,469	579,526
-	222,834	10,972	120,907	2,260,369
-	12,124	-	-	44,332
-	60,621	5,446	3,635	115,647
-	43,840	92,984	18,996	257,057
-	-	5,391,628	-	5,391,628
-	11,913	-	-	15,400
-	177,933	565	40,638	460,736
-	1,681,268	6,287,314	659,396	12,465,611
-	275,753	73,958	(524,725)	(2,374,273)
-	41,191	-	483,355	5,164,945
-	(344,386)	-	-	(418,771)
-	381	160	26	4,957
-	(270,707)	-	-	(464,340)
-	(573,521)	160	483,381	4,286,791
-	(297,768)	74,118	(41,344)	1,912,518
-	1,453,500	-	-	1,453,500
-	410,505	130,011	4,850	8,756,303
(677,743)	(129,942)	(129,991)	(297,000)	(8,756,303)
(677,743)	1,436,295	74,138	(333,494)	3,366,018
-	537,328	321,815	(368,877)	1,652,807
677,743	-	(40,216)	1,804,336	5,065,750
677,743	537,328	281,599	1,435,459	6,718,557
\$ -	\$ 1,973,623	\$ 355,737	\$ 1,101,965	\$ 10,084,575

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Statement of Cash Flows

Proprietary Funds

For the Year Ended March 31, 2012

	Public Housing	Rural Development	Capital Fund Program
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 624,085	\$ 1,038,507	\$ -
Housing assistance payments on behalf of tenants	-	-	-
Payments to suppliers	(678,214)	(1,348,671)	-
Payments to employees	(608,299)	(811,550)	-
Net Cash Provided (Used) by Operating Activities	(662,428)	(1,121,714)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenues received	514,679	1,856,743	491,717
Transfers from other funds	654,184	4,905,356	-
Transfers to other funds	(162,467)	(4,905,356)	(491,717)
Interfund loans received	104,304	953,073	-
Interfund loans made	(1,282,482)	(1,236,197)	-
Interfund loans repaid	(131,209)	(1,277,662)	-
Interfund loan repayments received	662,837	1,560,787	-
Net Cash Provided (Used) by Noncapital Financing Activities	359,846	1,856,744	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(275,674)	(1,854,310)	-
Proceeds of debt	-	634,023	-
Principal paid on debt	-	(118,361)	-
Interest paid on debt	-	(193,633)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(275,674)	(1,532,281)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	41	4,349	-
Net Cash Provided (Used) by Investing Activities	41	4,349	-
Net Increase (Decrease) in Cash and Cash Equivalents	(578,215)	(792,902)	-
Balances - Beginning of the Year	579,473	2,520,513	-
Balances - End of the Year	\$ 1,258	\$ 1,727,611	\$ -

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

Capital Fund Program - ARRA	Business Activities	Housing Choice Vouchers	State/ Local	Totals
\$ -	\$ 1,389,869	\$ 588,856	\$ (125,132)	\$ 3,516,185
-	-	5,671,165	-	5,671,165
-	(1,066,946)	(5,678,054)	(230,849)	(9,002,734)
-	(464,006)	(558,719)	(406,971)	(2,849,545)
-	(141,083)	23,248	(762,952)	(2,664,929)
-	41,191	-	483,355	3,387,685
-	502,688	129,991	4,850	6,197,069
-	(507,538)	(129,991)	-	(6,197,069)
-	1,819,803	101,413	609,528	3,588,121
-	(992,024)	(74,056)	(67,450)	(3,652,209)
-	(842,092)	(102,720)	(412,248)	(2,765,931)
-	607,036	-	(641)	2,830,019
-	629,064	(75,363)	617,394	3,387,685
-	(1,140,664)	-	-	(3,270,648)
-	1,171,200	-	-	1,805,223
-	(143,502)	-	-	(261,863)
-	(262,457)	-	-	(456,090)
-	(375,423)	-	-	(2,183,378)
-	382	160	26	4,958
-	382	160	26	4,958
-	112,940	(51,955)	(145,532)	(1,455,664)
-	359,873	576,329	174,897	4,211,085
\$ -	\$ 472,813	\$ 524,374	\$ 29,365	\$ 2,755,421

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Statement of Cash Flows

Proprietary Funds

For the Year Ended March 31, 2012

	<u>Public Housing</u>	<u>Rural Development</u>	<u>Capital Fund Program</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (771,064)	\$ (1,428,195)	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	140,784	104,303	-
Decrease (increase) in:			
Accounts receivable - tenants, net	(4,317)	27,018	-
Accounts receivable - operating reimbursement	-	-	-
Prepaid costs	468	(742)	-
Increase (decrease) in:			
Accounts payable	(39,984)	125,036	-
Prepaid tenant rent	(519)	825	-
Accrued salaries and benefits	63	5,563	-
Security deposits payable	193	1,018	-
Escrow deposits payable	17,879	27,574	-
Unearned revenue	-	-	-
OPEB liability	-	-	-
Compensated absences payable	(5,931)	15,886	-
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (662,428)</u></u>	<u><u>\$ (1,121,714)</u></u>	<u><u>\$ -</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contribution of capital assets	\$ -	\$ -	\$ -
Transfer of capital assets between funds	804,131	-	-
Transfer of fund between programs	-	(114,821)	-

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

Capital Fund Program - ARRA	Business Activities	Housing Choice Vouchers	State/ Local	Totals
\$ -	\$ 275,753	\$ 73,958	\$ (524,725)	\$ (2,374,273)
-	189,846	565	40,638	476,136
-	14,077	6,413	878	44,069
-	(576,068)	(147)	(261,206)	(837,421)
-	72	356	-	154
-	(42,371)	7,830	(55,210)	(4,699)
-	(1,452)	(67)	3	(1,210)
-	(5,865)	7,087	12,755	19,603
-	26	-	522	1,759
-	(3,400)	21,151	-	63,204
-	-	(128,601)	-	(128,601)
-	11,476	18,345	16,856	46,677
-	(3,177)	16,358	6,537	29,673
<u>\$ -</u>	<u>\$ (141,083)</u>	<u>\$ 23,248</u>	<u>\$ (762,952)</u>	<u>\$ (2,664,929)</u>
\$ -	\$ 1,453,500	\$ -	\$ -	\$ 1,453,500
(677,743)	170,612	-	(297,000)	-
-	114,801	20	-	-

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Statement of Fiduciary Net Assets

Fiduciary Funds

March 31, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 168,350
Accounts receivable - tenants, net	12,161
	<hr/>
Total Assets	180,511
	<hr/>
LIABILITIES	
Accounts payable	2,408
Prepaid tenant rent	8
Security deposits payable	9,175
Agency obligations	168,920
	<hr/>
Total Liabilities	\$ 180,511
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The notes to the basic financial statements are an integral part of this statement.

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, 2012

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.

As required by GAAP, these financial statements present the Authority and its component units, entities for which the government is considered to be financially accountable.

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.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board Management has determined that there are no component units of the Authority.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information on all of the nonfiduciary activities of the Authority. 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.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenses. 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 seven major enterprise proprietary funds which account for HUD based projects. An emphasis is placed on major funds within the enterprise proprietary category. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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 Capital Fund Program fund is an enterprise fund used to account for the Capital Fund Program.
- The Capital Fund Program - ARRA fund is an enterprise fund used to account for activity related to ARRA Capital Fund Programs.
- The Business Activities fund is an enterprise fund used to account for activity related to apartment rental and administration of various projects.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- 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 types:

- Agency Funds account 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 grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Authority has elected not to follow subsequent private-sector guidance.

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 for all funds.

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, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash, Cash Equivalents, and Investments

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.

Except for investments in external investment pools, the Authority has stated required investments at fair values as required by GASB Statement No. 31. Fair value is based on published market prices and quotations from major investment brokers. Investments in external investment pools are stated at amortized cost, which approximates fair value.

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 \$763,136, Centennial Arms reserve account of \$71,499, Kingwood Commons debt service reserve account of \$374,228 and Housing Choice Voucher escrow account of \$48,184 as restricted cash and investments.

F. Receivables

Accounts Receivable - Tenants, Net

Accounts receivable from tenants consist of rental income due from tenants. Tenant receivables are recorded net of an allowance for doubtful accounts. Management has established the allowances based upon historical trends and period aging of tenant receivables.

Accounts Receivable - Operating Reimbursements

Operating reimbursements receivable consist of amounts due from other agencies. Management believes these receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

G. Other Assets

Inventory

Proprietary fund inventories are recorded as expenses at the time the inventory is purchased. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Costs

Payments made for services that will benefit periods beyond March 31, 2012, are recorded as prepaid costs.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Notes to Basic Financial Statements

For the Year Ended March 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets, which include property, plant and equipment, 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. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their estimated fair market value at the date of donation.

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 expenditures or 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 expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or 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

Unearned revenue is recorded for assets recognized in connection with a transaction before the earnings process is complete. Those assets are offset by a corresponding liability for unearned revenue.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which is paid at the date of termination from Authority employment. All compensated absences pay is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of this debt is estimated based on historical trends.

L. 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.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Assets

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 assets. During the current year adjustments to net assets were required to record the cumulative effect of change in accounting principle due to the conversion of all governmental funds to proprietary funds in order to more accurately reflect the activity in accordance with HUD reporting requirements and with the intent of the Authority that the costs and expenses including depreciation of providing services on a continuing basis be financed or funded primarily through user charges.

The impact of the restatements on the fund balance on the proprietary funds financial statements as previously reported is presented below:

	<u>Public Housing</u>	<u>Rural Development</u>	<u>Capital Fund Program- ARRA</u>	<u>Housing Choice Voucher</u>	<u>State/ Local</u>
Net Assets, March 31, 2011, as previously reported	\$ 553,420	\$ 609,121	\$ -	\$ 321,815	(\$ 368,877)
Adjustment associated with: Cumulative effect of a change in accounting principle:					
Capital assets	1,979,907	7,425,787	677,743	10,740	1,850,022
Long term debt	(68,810)	(6,712,996)	-	(50,956)	(45,686)
Total Adjustments	<u>1,911,097</u>	<u>712,791</u>	<u>677,743</u>	<u>(40,216)</u>	<u>1,804,336</u>
Net Assets, April 1, 2011, as restated	<u>\$ 2,464,517</u>	<u>\$ 1,321,912</u>	<u>\$ 677,743</u>	<u>\$ 281,599</u>	<u>\$1,435,459</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of March 31, 2012, the Authority's cash and investments consisted of the following:

Cash:

Imprest cash	\$ 191
Deposits (less outstanding warrants)	<u>2,451,929</u>
Total Cash in Authority Pool	2,452,120
Deposits with fiscal agents	<u>470,898</u>
Total Cash	<u>2,923,018</u>

Investments:

Local Agency Investment Fund	<u>753</u>
Total Investments	<u>753</u>
Total Cash and Investments	<u>\$ 2,923,771</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 \$2,451,929 and the bank balance was \$2,430,937. 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 \$191.

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's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits in excess of the Federal Deposit Insurance Corporation (FDIC) must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The Authority's non-interest bearing accounts and the first \$250,000 of the Authority's interest bearing deposits are insured by the FDIC. Interest bearing deposits in excess of the \$250,000 insured amount are collateralized. The Authority's investment policy does not further limit its deposits.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments

Under the provisions of the Authority's investment policy and the California Government Code, the Authority may invest or deposit in the following:

- Banker's Acceptances
- Commercial paper
- Local Agency Investment Fund
- Mutual funds
- Medium-term corporate notes
- Money market funds
- Negotiable certificates of deposit
- Repurchase agreements / Reverse repurchase agreements
- Securities of the Federal government or its agencies

As of March 31, 2012, the Authority had the following investments:

Investment Type	Interest Rates	Maturities			Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years			
Pooled Investments						
Local Agency Investment Fund (LAIF)	Variable	\$ 753	\$ -	\$ 753	-	
Total		\$ 753	\$ -	\$ 753	-	

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. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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. As of March 31, 2012, the Authority investments were all pooled with the State of California Local Agency Investment Fund. The rating for LAIF is not available.

Custodial Credit Risk for Investments - 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. To mitigate the custodial credit risk the Authority requires that all of its managed investments be held in the name of the Authority. At March 31, 2012, the Authority's investment pool had no securities exposed to custodial credit risk.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Notes to Basic Financial Statements

For the Year Ended March 31, 2012

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the Authority contain limitations on the amount that can be invested in any one issuer. As of March 31, 2011, the Authority investments were all pooled with the State of California Local Agency Investment Fund and the Authority was in compliance with concentration of credit risk laws.

D. Investment 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, 2012 the Authority's investment position in LAIF was \$753 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 \$64,445,390,144. Of that amount, 97.52% is invested in non-derivative financial products and 2.48% 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: CAPITAL ASSETS

Capital assets activity for the year ended March 31, 2012, was as follows:

	Balance April 1, 2011				Balance March 31, 2012
	As Restated	Additions	Retirements	Transfers	
Capital Assets, Not Being Depreciated:					
Land	\$ 1,597,127	\$1,635,920	(\$ 6,044)	\$ -	\$ 3,227,003
Construction in progress	<u>7,791,590</u>	<u>1,853,010</u>	<u>(388,053)</u>	<u>(7,371,585)</u>	<u>1,884,962</u>
Total Capital Assets, Not Being Depreciated	<u>9,388,717</u>	<u>3,488,930</u>	<u>(394,097)</u>	<u>(7,371,585)</u>	<u>5,111,965</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	22,430,947	1,115,090	(1,031,868)	7,388,335	29,902,504
Equipment	<u>1,428,163</u>	<u>120,130</u>	<u>-</u>	<u>(16,750)</u>	<u>1,531,543</u>
Total Capital Assets, Being Depreciated	<u>23,859,110</u>	<u>1,235,220</u>	<u>(1,031,868)</u>	<u>7,371,585</u>	<u>31,434,047</u>
Less Accumulated Depreciation For:					
Buildings and improvements	(15,477,716)	(411,302)	1,007,194	(526)	(14,882,350)
Equipment	<u>(843,458)</u>	<u>(49,434)</u>	<u>-</u>	<u>526</u>	<u>(892,366)</u>
Total Accumulated Depreciation	<u>(16,321,174)</u>	<u>(460,736)</u>	<u>1,007,194</u>	<u>-</u>	<u>(15,774,716)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,537,936</u>	<u>774,484</u>	<u>(24,674)</u>	<u>7,371,585</u>	<u>15,659,331</u>
Capital Assets, Net	<u>\$ 16,926,653</u>	<u>\$ 4,263,414</u>	<u>(\$ 418,771)</u>	<u>\$ -</u>	<u>\$ 20,771,296</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Notes to Basic Financial Statements

For the Year Ended March 31, 2012

NOTE 4: CAPITAL ASSETS (CONTINUED)

For the year ended March 31, 2012, the Authority had net loss on disposal of capital assets of \$418,771. That amount was shown as a special item on the government-wide financial statements because of the unusual nature of the disposal. The Authority received authorization from HUD to transfer land and construction in progress related to the Maple Park project to the Sutter Community Affordable Housing, a non-profit organization. Sutter Community Affordable Housing will take over the Maple Park Housing program and complete the project.

Depreciation

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

Public Housing	\$ 140,784
Rural Development	100,816
Business Activities	177,933
Housing Choice Vouchers	565
State/Local	<u>40,638</u>
Total Depreciation Expense	<u>\$ 460,736</u>

NOTE 5: 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, 2012:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Public Housing	\$ 1,282,482	\$ 104,304
Rural Development	1,236,197	953,073
Business Activities	990,121	1,910,979
Housing Choice Vouchers	74,057	101,413
State/Local	<u>96,440</u>	<u>609,528</u>
Total	<u>\$ 3,697,297</u>	<u>\$ 3,679,297</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Notes to Basic Financial Statements

For the Year Ended March 31, 2012

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, reimbursement of various Authority operations and re-allocations of special revenues. The following are the interfund transfer balances as of March 31, 2012:

	<u>Transfer In</u>	<u>Transfer Out</u>
Public Housing	\$ 1,934,290	\$ 638,442
Rural Development	6,276,647	6,391,468
Capital Fund Program	-	491,717
Capital Fund Program - ARRA	-	677,743
Business Activities	410,505	129,942
Housing Choice Vouchers	130,011	129,991
State/Local	<u>4,850</u>	<u>297,000</u>
Total	<u>\$ 8,756,303</u>	<u>\$ 8,756,303</u>

NOTE 6: UNEARNED REVENUE

At March 31, 2012, components of unearned revenue reported were as follows:

Rural Development	
Joe Serna grant monies received prior to completion of earnings requirements	\$ <u>214,740</u>
Total	<u>\$ 214,740</u>

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended March 31, 2012:

	<u>Balance April 1, 2011</u>	<u>Additions/ Adjustments</u>	<u>Retirements/ Adjustments</u>	<u>Balance March 31, 2012</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 3,770,025	\$ -	\$ 81,124	\$ 3,688,901	\$ 86,972
Less: Bond Discount	(186,855)	-	8,493	(178,362)	(8,493)
Bond Issue Cost	(129,072)	-	5,761	(123,311)	(5,760)
Revenue Bonds (Net)	<u>3,454,098</u>	<u>-</u>	<u>66,870</u>	<u>3,387,228</u>	<u>72,719</u>
Loans Payable	8,004,754	1,574,026	109,472	9,469,308	115,415
Less: Loan Fees	(40,062)	(18,800)	1,147	(57,715)	(1,898)
Loans Payable (Net)	<u>- 7,964,692</u>	<u>1,555,226</u>	<u>108,325</u>	<u>9,411,593</u>	<u>113,517</u>
Notes Payable	71,269		71,269	-	-
Line of Credit	-	250,000	-	250,000	250,000
OPEB Liability	113,549	103,135	11,008	205,676	-
Compensated Absences	<u>190,715</u>	<u>50,710</u>	<u>21,036</u>	<u>220,389</u>	<u>26,458</u>
Total Long-Term Liabilities	<u>\$ 11,794,323</u>	<u>\$ 1,959,071</u>	<u>\$ 278,508</u>	<u>\$ 13,474,886</u>	<u>\$ 462,694</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at March 31, 2012, are as follows:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Date of Issue</u>	<u>Original Issue Amount</u>	<u>Outstanding March 31, 2012</u>
Revenue Bonds:						
AHA Multi-Family Housing Pool						
Revenues Bonds Series 2003B						
These bonds were used to finance the acquisition of the Kingwood Commons Apartment complex. The loan agreement specifies that the Authority is required to maintain a coverage ratio of 1.00 to 1, however the Authority has not met this coverage ratio. This failure to meet the coverage ration does not constitute an event of default						
	2033	5.00 - 6.625%	\$25,000 - \$250,000		\$ 3,420,000	\$ 2,980,000
Butte View Estate Bonds						
These bonds were used to finance the acquisition of the Butte View Estates Apartment complex						
	2035	5.14%	\$11,702 - \$47,373		<u>810,000</u>	<u>708,901</u>
Total Revenue Bonds					<u>4,230,000</u>	<u>3,688,901</u>
Loans:						
Rural Development Agency Loan						
This loan was used to finance rural development activities of the authority.						
	2032	1.00%	\$656 - \$801		22,670	15,107
Rural Development Agency Loan						
This loan was used to finance rural development activities of the authority.						
	2032	1.00%	\$216 - \$264		7,466	4,975
Rural Development Agency Loan						
This loan was used to finance rural development activities of the authority.						
	2032	1.00%	\$1,372 - \$1,675		47,378	31,572
Rural Development Agency Loan						
This loan was used to finance rural development activities of the authority.						
	2032	1.00%	\$84 - \$103		2,902	1,934

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at March 31, 2012, are as follows: (Continued)

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Date of Issue</u>	<u>Original Issue Amount</u>	<u>Outstanding March 31, 2012</u>
Loans: (Continued)						
Rural Development Agency Loan This loan was used to finance rural development activities of the authority.	2032	1.00%	\$141 - \$172		\$ 4,875	\$ 3,249
Rural Development Agency Loan This loan was used to finance rural development activities of the authority.	2026	1.00%	\$8,910 - \$10,248		290,000	148,511
Rural Development Agency Loan This loan was used to finance rural development activities of the authority.	2032	1.00%	\$8,910 - \$10,248		1,412,827	943,082
Rural Development Agency Loan This loan was used to finance rural development activities of the authority.	2032	1.00%	\$4,042 - \$4,937		139,644	93,203
Rural Development Agency Loan This loan was used to finance rural development activities of the authority.	2040	1.00%	\$41,236- \$54,554		1,500,000	1,370,327
Rural Development Agency Loan This loan was used to finance rural development activities of the authority.	2042	1.00%	\$80,840 - \$109,109		3,000,000	2,932,378
Rural Development Agency Loan This loan was used to finance rural development activities of the authority.	2043	1.00%	\$2,381 - \$3,265		127,817	123,511
Rural Development Agency Loan This loan was used to finance the acquisition of the Centennial Arms apartment complex.	2033	4.00%	\$2,064 - \$10,903		311,897	309,554
Umpqua Bank Loan This loan was used to finance the acquisition of the Centennial Arms apartment complex	2040	5.75%	\$8,011 \$37,524		576,000	565,481
Rural Development Agency Loan This loan was used to finance the acquisition of the Butte View Estates apartment complex	2043	1.00%	\$2,444 - \$33,504		549,801	534,631

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at March 31, 2012, are as follows: (Continued)

Type of Indebtedness	Maturity	Interest Rates	Annual Principal Installments	Date of Issue	Original Issue Amount	Outstanding March 31, 2012
Loans: (Continued)						
Rural Development Agency Loan This loan was used to finance rehabilitation of the Centennial Arms apartment complex.	2040	1.00%	\$16,880 - \$28,161		\$ 634,023	\$ 634,023
Tri Counties Bank Loan This loan was used to finance acquisition of 1455 Butte House Road.	2036	5.75%	\$17,652 - \$67,751		940,000	932,770
City of Yuba City Loan This loan was used to finance the acquisition and rehabilitation of the Kingwood Commons apartment complete. Payments are deferred unless there are sufficient residual receipts.	-	1.00%	-		<u>825,000</u>	<u>825,000</u>
Total Loans					<u>10,392,300</u>	<u>9,469,308</u>
Line of Credit:						
Tri Counties Line of Credit This line of credit was used to cover a shortfall of revenue until reimbursement received from developer fund.	2013	5.75%	\$250,000		<u>250,000</u>	<u>250,000</u>
Total Notes					<u>250,000</u>	<u>250,000</u>
Total Long Term Liabilities					<u>\$14,872,300</u>	<u>\$13,408,209</u>

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

Year Ended March 31	Revenue Bonds		
	Principal	Interest	Total
2013	\$ 86,972	\$ 231,423	\$ 318,395
2014	92,866	226,679	319,545
2015	98,806	220,864	319,670
2016	104,796	214,674	319,470
2017	110,837	208,108	318,945
2017-2021	666,838	927,694	1,594,532
2022-2026	907,455	688,795	1,596,250
2027-2021	1,238,485	359,047	1,597,532
2032-2036	<u>381,846</u>	<u>26,086</u>	<u>407,932</u>
Total	<u>\$ 3,688,901</u>	<u>\$ 3,103,370</u>	<u>\$ 6,792,271</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Year Ended March 31	Loans Payable		
	Principal	Interest	Total
2013	\$ 118,919	\$ 200,372	\$ 319,291
2014	122,101	197,190	319,291
2015	125,091	194,200	319,291
2016	128,073	191,218	319,291
2017	131,456	187,835	319,291
2018-2022	711,222	885,226	1,596,448
2023-2027	817,658	778,790	1,596,448
2028-2032	951,842	644,606	1,596,448
2033-2037	1,067,748	474,724	1,542,472
2038-2042	773,803	335,533	1,109,336
2043-2047	603,774	266,737	870,511
2048-2052	662,129	199,757	861,886
2053-2057	597,702	123,621	721,323
2058-2062	407,020	84,406	491,426
2063-2067	374,855	62,151	437,006
2068-2072	394,066	42,940	437,006
2073-2077	372,739	23,021	395,760
2078-2082	284,056	7,282	291,338
2083-2087	54	-	54
Total	\$ 8,644,308	\$ 4,899,609	\$ 13,543,917

Year Ended March 31	Line of Credit		
	Principal	Interest	Total
2013	\$ 250,000	\$ 14,375	\$ 264,375
Total	\$ 250,000	\$ 14,375	\$ 264,375

NOTE 8: NET ASSETS

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 8: NET ASSETS (CONTINUED)

When both restricted and unrestricted net assets are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 9: EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The Authority contributes to the California Public Employees Retirement System (PERS), an agent 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.

B. Funding Policy

Miscellaneous plan members are required to contribute 7 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 actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2011/2012 was 12.894 percent for miscellaneous employees. 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 Authority is required to contribute the remaining amounts necessary to fund the benefits of its members using the actuarial basis adopted by the PERS Board of Administrators.

C. Annual Pension Cost

For fiscal year 2011/2012, the Authority's annual pension cost of \$225,086 for the miscellaneous plan, was equal to the Authority's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.55 percent to 14.45 percent for miscellaneous plan, depending on age, service, and type of employment, and (c) 3.25 percent per year cost of living adjustment. Both (a) and (b) included an inflation component of 3.00 percent. The actuarial value of PERS assets was determined using techniques that smooth the effect of short term volatility in the market value of investments over a fifteen year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed-20-year period. The following table presents three year trend information.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 9: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

C. Annual Pension Cost (Continued)

Miscellaneous:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
March 31, 2010	\$ 186,163	100%	-
March 31, 2011	182,234	100%	-
March 31, 2012	225,086	100%	-

D. Funded Status and Funding Progress

Since the Authority had less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool and does not present individual plan funded status.

NOTE 10: 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.

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.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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		\$	98,559
Contributions Made			<u>6,432</u>
Increase in Net OPEB Obligation			92,127
Net OPEB Obligation - Beginning of Year			<u>113,549</u>
Net OPEB Obligation - End of Year			<u>\$ 205,676</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 Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
March 31, 2010	\$ 31,704	15.9%	\$ 26,664
March 31, 2011	91,961	5.5%	113,549
March 31, 2012	98,559	6.5%	205,676

D. Funded Status and Funding Progress

As of March 31, 2012, the present value of the actuarial accrued liability for benefits was \$701,153, all of which was unfunded. The covered payroll (annual payroll of employees covered by the plan) was \$1,740,757 and the ratio to the unfunded liability to the covered payroll was 40.3 percent.

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.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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% @ 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 5.0% per year.

Health insurance premiums - 2010 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.

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 30, 2010 was twenty-nine 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.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Notes to Basic Financial Statements

For the Year Ended March 31, 2012

NOTE 11: 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 12: OTHER INFORMATION

A. Construction Commitments

The Authority has signed agreements to rehabilitate rural development housing subsequent to March 31, 2012. The balance owed on the commitments at March 31, 2012, was approximately \$323,896.

B. 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.

C. 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.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Notes to Basic Financial Statements
For the Year Ended March 31, 2012

NOTE 12: OTHER INFORMATION (CONTINUED)

D. Subsequent Events

Management has evaluated events subsequent to March 31, 2012 through August 15, 2012, the date on which the financial statements were available for issuance. Management has determined no other 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, 2012

SCHEDULE OF FUNDING PROGRESS - PENSION

The Authority participates in a risk pool and does not present individual plan funded status.

Funding information is available on a pooled-basis only and can be obtained upon request to the Authority or directly from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709.

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, 2010, 2011 and 2012 for the Authority Other Postemployment Benefit Plan.

Actuarial Valuation Date	Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Actuarial Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
March 31, 2010	\$ 0	\$ 162,641	\$ 162,641	0.0%	\$ 1,620,783	10.03%
March 31, 2011	0	629,838	629,838	0.0%	1,687,119	37.3%
March 31, 2012	0	701,153	701,153	0.0%	1,740,757	40.3%

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Supplementary Information

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Combining Fund Statements

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REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Net Assets
Public Housing
March 31, 2012

	Richland Housing	River City Manor	Senior Village
ASSETS			
Current Assets:			
Cash and investments	\$ 856	\$ 94	\$ 308
Accounts receivable - tenants, net	9,588	-	4,800
Due from other funds	1,154,971	127,511	-
Total Current Assets	1,165,415	127,605	5,108
Noncurrent Assets:			
Nondepreciable assets	115,017	137,570	88,286
Depreciable assets, net	1,859,001	200,740	238,159
Total Noncurrent Assets	1,974,018	338,310	326,445
Total Assets	\$ 3,139,433	\$ 465,915	\$ 331,553
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 205,134	\$ 33,665	\$ 39,601
Prepaid tenant rent	608	716	632
Accrued salaries and benefits	15,821	2,167	4,081
Security deposits payable	21,659	5,020	10,936
Due to other funds	-	-	34,578
Compensated absences payable	3,028	413	726
Total Current Liabilities	246,250	41,981	90,554
Noncurrent Liabilities:			
OPEB liability	31,941	4,440	9,375
Compensated absences - net of current portion	22,210	3,029	5,321
Total Noncurrent Liabilities	54,151	7,469	14,696
Total Liabilities	300,401	49,450	105,250
NET ASSETS			
Invested in capital assets, net of related debt	1,974,018	338,310	326,445
Unrestricted	865,014	78,155	(100,142)
Total Net Assets	2,839,032	416,465	226,303
Total Liabilities and Net Assets	\$ 3,139,433	\$ 465,915	\$ 331,553

<u>Maple Park</u>	<u>Capital Fund Program - Prior Year</u>	<u>Development Project - Maple Park #1</u>	<u>Development Project - Maple Park #2</u>	<u>Development Project - Richland Phase 1</u>	<u>Development Project - Richland Phase 3</u>	<u>Richland Housing Roof Replacement</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
438	-	-	-	-	-	-
-	-	-	-	-	-	-
438	-	-	-	-	-	-
-	-	-	15,460	16,541	-	-
-	-	-	-	-	-	-
-	-	-	15,460	16,541	-	-
\$ 438	\$ -	\$ -	\$ 15,460	\$ 16,541	\$ -	\$ -
\$ 14,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
485	-	-	-	-	-	-
-	-	-	-	-	-	-
100	-	-	-	-	-	-
14,326	-	-	20,514	34,766	-	-
-	-	-	-	-	-	-
29,324	-	-	20,514	34,766	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
29,324	-	-	20,514	34,766	-	-
-	-	-	15,460	16,541	-	-
(28,886)	-	-	(20,514)	(34,766)	-	-
(28,886)	-	-	(5,054)	(18,225)	-	-
\$ 438	\$ -	\$ -	\$ 15,460	\$ 16,541	\$ -	\$ -

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Net Assets
Public Housing
March 31, 2012

	City of Yuba City Surplus	Development Reimbursable	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ -	\$ 1,258
Accounts receivable - tenants, net	-	-	14,826
Due from other funds	-	-	1,282,482
Total Current Assets	-	-	1,298,566
Noncurrent Assets:			
Nondepreciable assets	-	-	372,874
Depreciable assets, net	-	-	2,297,900
Total Noncurrent Assets	-	-	2,670,774
Total Assets	\$ -	\$ -	\$ 3,969,340
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ -	\$ (120)	\$ 292,693
Prepaid tenant rent	-	-	2,441
Accrued salaries and benefits	-	-	22,069
Security deposits payable	-	-	37,715
Due to other funds	-	120	104,304
Compensated absences payable	-	-	4,167
Total Current Liabilities	-	-	463,389
Noncurrent Liabilities:			
OPEB liability	-	-	45,756
Compensated absences - net of current portion	-	-	30,560
Total Noncurrent Liabilities	-	-	76,316
Total Liabilities	-	-	539,705
NET ASSETS			
Invested in capital assets, net of related debt	-	-	2,670,774
Unrestricted	-	-	758,861
Total Net Assets	-	-	3,429,635
Total Liability and Net Assets	\$ -	\$ -	\$ 3,969,340

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REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Revenues, Expenses and Changes in Net Assets
Public Housing
For the Year Ended March 31, 2012

	Richland Housing	River City Manor	Senior Village
OPERATING REVENUES			
Dwelling rents	\$ 376,563	\$ 67,889	\$ 133,597
Other tenant revenue	13,680	1,698	5,988
Other revenue	24,112	227	350
Total Operating Revenues	<u>414,355</u>	<u>69,814</u>	<u>139,935</u>
OPERATING EXPENSES			
Administrative	262,319	47,422	88,437
Tenant services	1,805	1,531	5,837
Utilities	96,842	18,884	57,100
Maintenance	342,588	38,186	112,378
Protective services	9,323	1,484	2,811
Insurance premiums	8,567	1,724	5,556
Other general expenses	57,324	8,059	12,212
Depreciation	73,523	34,585	32,676
Total Operating Expenses	<u>852,291</u>	<u>151,875</u>	<u>317,007</u>
Operating Income (Loss)	<u>(437,936)</u>	<u>(82,061)</u>	<u>(177,072)</u>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	367,753	29,589	69,040
Gain (Loss) on disposal of capital assets	-	-	-
Interest income	22	4	9
Total Non-operating Revenue (Expenses)	<u>367,775</u>	<u>29,593</u>	<u>69,049</u>
Income (Loss) Before Transfers	<u>(70,161)</u>	<u>(52,468)</u>	<u>(108,023)</u>
Transfer in	1,681,496	126,238	126,556
Transfer out	-	-	(164,789)
Change in Net Assets	<u>1,611,335</u>	<u>73,770</u>	<u>(146,256)</u>
Total Net Assets - Beginning	733,695	56,518	(38,831)
Cumulative effect of a change in accounting principle	494,002	286,177	411,390
Total Net Assets - Beginning, Restated	<u>1,227,697</u>	<u>342,695</u>	<u>372,559</u>
Total Net Assets - Ending	<u>\$ 2,839,032</u>	<u>\$ 416,465</u>	<u>\$ 226,303</u>

Maple Park	Capital Fund Program - Prior Year	Development Project - Maple Park #1	Development Project - Maple Park #2	Development Project - Richland Phase 1	Development Project - Richland Phase 3	Richland Housing Roof Replacement
\$ 4,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
74	-	-	-	-	-	-
173	-	-	-	-	-	-
4,624	-	-	-	-	-	-
16,033	-	-	7,090	18,225	-	-
1,210	-	-	-	-	-	-
4,857	-	-	-	-	-	-
24,537	-	-	-	-	-	-
1,639	-	-	-	-	-	-
4,915	-	-	-	-	-	-
113	-	-	-	-	-	-
-	-	-	-	-	-	-
53,304	-	-	7,090	18,225	-	-
(48,680)	-	-	(7,090)	(18,225)	-	-
48,297	-	-	-	-	-	-
(74,385)	-	-	-	-	-	-
6	-	-	-	-	-	-
(26,082)	-	-	-	-	-	-
(74,762)	-	-	(7,090)	(18,225)	-	-
-	-	-	-	-	-	-
(87,074)	(162,467)	(170,612)	-	-	-	(53,500)
(161,836)	(162,467)	(170,612)	(7,090)	(18,225)	-	(53,500)
(51,214)	162,467	(173,496)	(13,424)	(16,541)	(4,811)	-
184,164	-	344,108	15,460	16,541	4,811	53,500
132,950	162,467	170,612	2,036	-	-	53,500
\$ (28,886)	\$ -	\$ -	\$ (5,054)	\$ (18,225)	\$ -	\$ -

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Revenues, Expenses and Changes in Net Assets
Public Housing
For the Year Ended March 31, 2012

	City of Yuba City Surplus	Development Reimbursable	Totals
OPERATING REVENUES			
Dwelling rents	\$ -	\$ -	\$ 582,426
Other tenant revenue	-	-	21,440
Other revenue	-	-	24,862
Total Operating Revenues	-	-	628,728
OPERATING EXPENSES			
Administrative	-	-	439,526
Tenant services	-	-	10,383
Utilities	-	-	177,683
Maintenance	-	-	517,689
Protective services	-	-	15,257
Insurance premiums	-	-	20,762
Other general expenses	-	-	77,708
Depreciation	-	-	140,784
Total Operating Expenses	-	-	1,399,792
Operating Income (Loss)	-	-	(771,064)
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	-	-	514,679
Gain (Loss) on disposal of capital assets	-	-	(74,385)
Interest income	-	-	41
Total Non-operating Revenue (Expenses)	-	-	440,335
Income (Loss) Before Transfers	-	-	(330,729)
Transfer in	-	-	1,934,290
Transfer out	-	-	(638,442)
Change in Net Assets	-	-	965,119
Total Net Assets - Beginning	(100,943)	-	553,420
Cumulative effect of a change in accounting principle	100,943	-	1,911,096
Total Net Assets - Beginning, Restated	-	-	2,464,516
Total Net Assets - Ending	\$ -	\$ -	\$ 3,429,635

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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, 2012

	Richland Housing	River City Manor	Senior Village
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 414,523	\$ 70,963	\$ 135,912
Payments to suppliers	(395,805)	(49,667)	(150,722)
Payments to employees	(402,454)	(62,364)	(123,878)
Net Cash Provided (Used) by Operating Activities	<u>(383,736)</u>	<u>(41,068)</u>	<u>(138,688)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenues received	367,753	29,589	69,040
Transfers from other funds	363,344	45,396	105,925
Transfers to other funds	-	-	-
Interfund loans received	-	-	34,578
Interfund loans made	(1,154,971)	(127,511)	-
Interfund loans repaid	-	-	(1,828)
Interfund loan repayments received	609,708	53,129	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>185,834</u>	<u>603</u>	<u>207,715</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(195,065)	(704)	(79,905)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(195,065)</u>	<u>(704)</u>	<u>(79,905)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	22	4	9
Net Cash Provided (Used) by Investing Activities	<u>22</u>	<u>4</u>	<u>9</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(392,945)	(41,165)	(10,869)
Balances - Beginning of the Year	393,801	41,259	11,177
Balances - End of the Year	<u>\$ 856</u>	<u>\$ 94</u>	<u>\$ 308</u>

Maple Park	Capital Fund Program - Prior Year	Development Project - Maple Park #1	Development Project - Maple Park #2	Development Project - Richland Phase 1	Development Project - Richland Phase 3	Richland Housing Roof Replacement
\$ 2,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(56,013)	-	-	(7,662)	(18,225)	-	-
(19,603)	-	-	-	-	-	-
(72,929)	-	-	(7,662)	(18,225)	-	-
48,297	-	-	-	-	-	-
33,765	-	-	-	-	4,811	-
-	(162,467)	-	-	-	-	-
14,326	-	-	20,514	34,766	-	-
-	-	-	-	-	-	-
(28,438)	-	-	-	-	-	-
-	-	-	-	-	-	-
67,950	(162,467)	-	20,514	34,766	4,811	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6	-	-	-	-	-	-
6	-	-	-	-	-	-
(4,973)	(162,467)	-	12,852	16,541	4,811	-
4,973	162,467	-	(12,852)	(16,541)	(4,811)	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
Public Housing
For the Year Ended March 31, 2012

	City of Yuba City Surplus	Development Reimbursable	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ -	\$ 624,085
Payments to suppliers	-	(120)	(678,214)
Payments to employees	-	-	(608,299)
Net Cash Provided (Used) by Operating Activities	-	(120)	(662,428)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenues received	-	-	514,679
Transfers from other funds	100,943	-	654,184
Transfers to other funds	-	-	(162,467)
Interfund loans received	-	120	104,304
Interfund loans made	-	-	(1,282,482)
Interfund loans repaid	(100,943)	-	(131,209)
Interfund loan repayments received	-	-	662,837
Net Cash Provided (Used) by Noncapital Financing Activities	-	120	359,846
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	-	(275,674)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(275,674)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	-	41
Net Cash Provided (Used) by Investing Activities	-	-	41
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(578,215)
Balances - Beginning of the Year	-	-	579,473
Balances - End of the Year	\$ -	\$ -	\$ 1,258

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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, 2012

	Richland Housing	River City Manor	Senior Village
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (437,936)	\$ (82,061)	\$ (177,072)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	73,523	34,585	32,676
Decrease (increase) in:			
Accounts receivable - tenants, net	(663)	314	(4,610)
Prepaid costs	267	40	88
Increase (decrease) in:			
Accounts payable	(39,164)	1,845	5,681
Prepaid tenant rent	(519)	544	(395)
Accrued salaries and benefits	2,546	664	524
Security deposits payable	1,350	291	982
OPEB liability	15,993	2,152	4,310
Compensated absences payable	867	558	(872)
Net Cash Provided (Used) by Operating Activities	\$ (383,736)	\$ (41,068)	\$ (138,688)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer of capital assets between funds	\$ 1,318,152	\$ 80,842	\$ (144,158)

<u>Maple Park</u>	<u>Capital Fund Program - Prior Year</u>	<u>Development Project - Maple Park #1</u>	<u>Development Project - Maple Park #2</u>	<u>Development Project - Richland Phase 1</u>	<u>Development Project - Richland Phase 3</u>	<u>Richland Housing Roof Replacement</u>
\$ (48,680)	\$ -	\$ -	\$ (7,090)	\$ (18,225)	\$ -	\$ -
-	-	-	-	-	-	-
642	-	-	-	-	-	-
73	-	-	-	-	-	-
(7,654)	-	-	(572)	-	-	-
(149)	-	-	-	-	-	-
(3,671)	-	-	-	-	-	-
(2,430)	-	-	-	-	-	-
(4,576)	-	-	-	-	-	-
(6,484)	-	-	-	-	-	-
<u>\$ (72,929)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,662)</u>	<u>\$ (18,225)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ (120,839)	\$ -	\$ (170,612)	\$ -	\$ -	\$ (4,811)	\$ (53,500)

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
Public Housing
For the Year Ended March 31, 2012

	City of Yuba City Surplus	Development Reimbursable	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ -	\$ -	\$ (771,064)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	-	-	140,784
Decrease (increase) in:			
Accounts receivable - tenants, net	-	-	(4,317)
Prepaid costs	-	-	468
Increase (decrease) in:			
Accounts payable	-	(120)	(39,984)
Prepaid tenant rent	-	-	(519)
Accrued salaries and benefits	-	-	63
Security deposits payable	-	-	193
OPEB liability	-	-	17,879
Compensated absences payable	-	-	(5,931)
	-	-	(5,931)
Net Cash Provided (Used) by Operating Activities	\$ -	\$ (120)	\$ (662,428)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer of capital assets between funds	\$ (100,943)	\$ -	\$ 804,131

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REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Net Assets
Rural Development
March 31, 2012

	<u>Rural Development</u>	<u>Rural Development Reserve</u>	<u>Joe Serna Grant</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 14,247	\$ -	\$ -
Accounts receivable - tenants, net	5,625	-	-
Prepaid costs	-	-	-
Due from other funds	283,124	83,862	-
Total Current Assets	<u>302,996</u>	<u>83,862</u>	<u>-</u>
Restricted Assets:			
Cash and investments	637,382	-	-
Total Restricted Assets	<u>637,382</u>	<u>-</u>	<u>-</u>
Noncurrent Assets:			
Nondepreciable assets	1,909,816	-	-
Depreciable assets, net	6,526,880	-	-
Total Noncurrent Assets	<u>8,436,696</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 9,377,074</u>	<u>\$ 83,862</u>	<u>\$ -</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 76,131	\$ 86,400	\$ -
Prepaid tenant rent	813	-	-
Accrued salaries and benefits	30,196	-	-
Security deposits payable	14,800	-	-
Unearned revenue	-	-	-
Due to other funds	951,378	-	-
Compensated absences payable	8,981	-	-
Bonds payable	-	-	-
Loans payable	70,979	-	-
Total Current Liabilities	<u>1,153,278</u>	<u>86,400</u>	<u>-</u>
Noncurrent Liabilities:			
OPEB liability	54,961	-	-
Compensated absences - net of current portion	65,859	-	-
Bonds payable - net of current portion	-	-	-
Loans payable - net of current portion	5,596,873	-	-
Total Noncurrent Liabilities	<u>5,717,693</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>6,870,971</u>	<u>86,400</u>	<u>-</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,768,844	-	-
Unrestricted	(262,741)	(2,538)	-
Total Net Assets	<u>2,506,103</u>	<u>(2,538)</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 9,377,074</u>	<u>\$ 83,862</u>	<u>\$ -</u>

Joe Serna Grant #2	Rural Development Loan \$1.5M	Rural Development Loan \$3M	Rural Development Loan #3	Centennial Arms	Butte View Estates	Totals
\$ -	\$ -	\$ -	\$ 59,486	\$ 605,293	\$ 213,950	\$ 892,976
-	-	-	-	5,167	-	10,792
-	-	-	-	1,297	-	1,297
232,783	-	-	636,428	-	-	1,236,197
232,783	-	-	695,914	611,757	213,950	2,141,262
-	-	-	125,754	71,499	-	834,635
-	-	-	125,754	71,499	-	834,635
-	-	-	-	37,245	221,880	2,168,941
-	-	-	-	740,946	695,609	7,963,435
-	-	-	-	778,191	917,489	10,132,376
<u>\$ 232,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 821,668</u>	<u>\$ 1,461,447</u>	<u>\$ 1,131,439</u>	<u>13,108,273</u>
\$ 1,885	\$ -	\$ -	\$ -	\$ 2,031	\$ 29,030	\$ 195,477
-	-	-	-	245	-	1,058
-	-	-	-	792	-	30,988
-	-	-	-	2,528	9,209	26,537
214,740	-	-	-	-	-	214,740
-	-	-	-	1,695	-	953,073
-	-	-	-	230	-	9,211
-	-	-	-	-	14,632	14,632
-	-	-	-	23,227	2,007	96,213
216,625	-	-	-	30,748	54,878	1,541,929
-	-	-	-	1,127	-	56,088
-	-	-	-	1,593	-	67,452
-	-	-	-	-	642,776	642,776
-	-	-	-	1,467,370	512,170	7,576,413
-	-	-	-	1,470,090	1,154,946	8,342,729
216,625	-	-	-	1,500,838	1,209,824	9,884,658
-	-	-	-	(712,406)	(254,096)	1,802,342
16,158	-	-	821,668	673,015	175,711	1,421,273
16,158	-	-	821,668	(39,391)	(78,385)	3,223,615
<u>\$ 232,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 821,668</u>	<u>\$ 1,461,447</u>	<u>\$ 1,131,439</u>	<u>\$ 13,108,273</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Revenues, Expenses and Changes in Net Assets
Rural Development
For the Year Ended March 31, 2012

	Rural Development	Rural Development Reserve	Joe Serna Grant
OPERATING REVENUES			
Dwelling rents	\$ 638,577	\$ -	\$ -
Other tenant revenue	8,006	-	-
Other revenue	138	-	-
Total Operating Revenues	646,721	-	-
OPERATING EXPENSES			
Administrative	501,632	1,394	-
Tenant services	452	-	-
Utilities	174,489	-	-
Maintenance	1,304,249	1,144	-
Protective services	16,951	-	-
Insurance premiums	18,015	-	-
Other general expenses	17,178	-	-
Amortization	-	-	-
Depreciation	39,650	-	-
Total Operating Expenses	2,072,616	2,538	-
Operating Income (Loss)	(1,425,895)	(2,538)	-
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	932,891	-	-
Interest income	830	-	-
Interest expense	(100,280)	-	-
Total Non-operating Revenue (Expenses)	833,441	-	-
Income (Loss) Before Transfers	(592,454)	(2,538)	-
Transfer in	6,276,647	-	-
Transfer out	-	(175,898)	(950,858)
Change in Net Assets	5,684,193	(178,436)	(950,858)
Total Net Assets - Beginning	1,820,439	(40,925)	(16,216)
Cumulative effect of a change in accounting principle	(4,998,529)	216,823	967,074
Total Net Assets - Beginning, Restated	(3,178,090)	175,898	950,858
Total Net Assets - Ending	\$ 2,506,103	\$ (2,538)	\$ -

Joe Serna Grant #2	Rural Development Loan \$1.5M	Rural Development Loan \$3M	Rural Development Loan #3	Centennial Arms	Butte View Estates	Totals
\$ -	\$ -	\$ -	\$ -	\$ 63,479	\$ 262,091	\$ 964,147
-	-	-	-	(1,845)	1,445	7,606
-	-	-	35,575	2,180	-	37,893
-	-	-	35,575	63,814	263,536	1,009,646
-	-	-	22,330	64,778	51,334	641,468
-	-	-	-	100	-	552
-	-	-	-	27,962	35,437	237,888
-	-	-	15,747	23,186	43,641	1,387,967
-	-	-	-	-	-	16,951
-	-	-	-	1,307	5,861	25,183
-	-	-	-	1,684	4,667	23,529
-	-	-	-	659	2,828	3,487
-	-	-	-	25,559	35,607	100,816
-	-	-	38,077	145,235	179,375	2,437,841
-	-	-	(2,502)	(81,421)	84,161	(1,428,195)
1,777,260	-	-	823,950	99,902	-	3,634,003
2,058	-	-	190	423	848	4,349
-	-	-	-	(44,780)	(48,573)	(193,633)
1,779,318	-	-	824,140	55,545	(47,725)	3,444,719
1,779,318	-	-	821,638	(25,876)	36,436	2,016,524
-	-	-	-	-	-	6,276,647
(1,777,260)	(364,061)	(3,008,570)	-	-	(114,821)	(6,391,468)
2,058	(364,061)	(3,008,570)	821,638	(25,876)	(78,385)	1,901,703
(5,407)	(1,166,335)	(28,653)	(3,470)	49,688	-	609,121
19,507	1,530,396	3,037,223	3,500	(63,203)	-	712,791
14,100	364,061	3,008,570	30	(13,515)	-	1,321,912
\$ 16,158	\$ -	\$ -	\$ 821,668	\$ (39,391)	\$ (78,385)	\$ 3,223,615

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
Rural Development
For the Year Ended March 31, 2012

	Rural Development	Rural Development Reserve	Joe Serna Grant
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 655,029	\$ -	\$ -
Payments to suppliers	(1,238,685)	83,862	-
Payments to employees	(713,416)	-	-
Net Cash Provided (Used) by Operating Activities	<u>(1,297,072)</u>	<u>83,862</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenues received	932,891	-	-
Transfers from other funds	1,777,260	40,925	16,216
Transfers to other funds	(3,128,096)	-	-
Interfund loans received	951,378	-	-
Interfund loans made	(283,124)	(83,862)	-
Interfund loans repaid	-	(21,606)	(22,839)
Interfund loan repayments received	1,203,911	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,454,220</u>	<u>(64,543)</u>	<u>(6,623)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(1,350)	-	-
Proceeds of debt	-	-	-
Principal paid on debt	(90,508)	-	-
Interest paid on debt	(100,280)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(192,138)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	831	-	-
Net Cash Provided (Used) by Investing Activities	<u>831</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(34,159)	19,319	(6,623)
Balances - Beginning of the Year	<u>685,788</u>	<u>(19,319)</u>	<u>6,623</u>
Balances - End of the Year	<u>\$ 651,629</u>	<u>\$ -</u>	<u>\$ -</u>

Joe Serna Grant #2	Rural Development Loan \$1.5M	Rural Development Loan \$3M	Rural Development Loan #3	Centennial Arms	Butte View Estates	Totals
\$ -	\$ -	\$ -	\$ 35,575	\$ 84,434	\$ 263,469	\$ 1,038,507
1,885	-	-	(29,636)	(78,078)	(88,019)	(1,348,671)
-	-	-	(8,441)	(45,752)	(43,941)	(811,550)
1,885	-	-	(2,502)	(39,396)	131,509	(1,121,714)
-	-	-	823,950	99,902	-	1,856,743
1,872,467	1,166,335	28,653	3,500	-	-	4,905,356
(1,777,260)	-	-	-	-	-	(4,905,356)
-	-	-	-	1,695	-	953,073
(232,783)	-	-	(636,428)	-	-	(1,236,197)
-	(1,105,400)	-	(127,817)	-	-	(1,277,662)
-	-	356,876	-	-	-	1,560,787
(137,576)	60,935	385,529	63,205	101,597	-	1,856,744
(1,852,960)	-	-	-	-	-	(1,854,310)
-	-	-	-	634,023	-	634,023
-	-	-	-	(9,430)	(18,423)	(118,361)
-	-	-	-	(44,780)	(48,573)	(193,633)
(1,852,960)	-	-	-	579,813	(66,996)	(1,532,281)
2,058	-	-	190	423	847	4,349
2,058	-	-	190	423	847	4,349
(1,986,593)	60,935	385,529	60,893	642,437	65,360	(792,902)
1,986,593	(60,935)	(385,529)	124,347	34,355	148,590	2,520,513
\$ -	\$ -	\$ -	\$ 185,240	\$ 676,792	\$ 213,950	\$ 1,727,611

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
Rural Development
For the Year Ended March 31, 2012

	Rural Development	Rural Development Reserve	Joe Serna Grant
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,425,895)	\$ (2,538)	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	39,650	-	-
Decrease (increase) in:			
Accounts receivable - tenants, net	6,368	-	-
Prepaid costs	555	-	-
Increase (decrease) in:			
Accounts payable	33,039	86,400	-
Prepaid tenant rent	580	-	-
Accrued salaries and benefits	5,153	-	-
Security deposits payable	1,360	-	-
OPEB liability	26,851	-	-
Compensated absences payable	15,267	-	-
	<u>\$ (1,297,072)</u>	<u>\$ 83,862</u>	<u>\$ -</u>
Net Cash Provided (Used) by Operating Activities			
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer of capital assets between funds	\$ 5,755,016	\$ (216,823)	\$ (967,074)
Transfer of fund between programs	-	-	-

<u>Joe Serna Grant #2</u>	<u>Rural Development Loan \$1.5M</u>	<u>Rural Development Loan \$3M</u>	<u>Rural Development Loan #3</u>	<u>Centennial Arms</u>	<u>Butte View Estates</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ (2,502)	\$ (81,421)	\$ 84,161	\$ (1,428,195)
-	-	-	-	26,218	38,435	104,303
-	-	-	-	20,650	-	27,018
-	-	-	-	(1,297)	-	(742)
1,885	-	-	-	(5,268)	8,980	125,036
-	-	-	-	245	-	825
-	-	-	-	410	-	5,563
-	-	-	-	(275)	(67)	1,018
-	-	-	-	723	-	27,574
-	-	-	-	619	-	15,886
<u>\$ 1,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,502)</u>	<u>\$ (39,396)</u>	<u>\$ 131,509</u>	<u>\$ (1,121,714)</u>
\$ -	\$ (1,530,396)	\$ (3,037,223)	\$ (3,500)	\$ -	\$ -	\$ -
-	-	-	-	-	(114,821)	(114,821)

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Net Assets
Capital Fund Program - ARRA
March 31, 2012

	ARRA #1	ARRA #2	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ -	\$ -
Total Current Assets	-	-	-
Total Assets	\$ -	\$ -	\$ -
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total Current Liabilities	-	-	-
Total Liabilities	-	-	-
NET ASSETS			
Unrestricted	-	-	-
Total Net Assets	-	-	-
	\$ -	\$ -	\$ -

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Revenues, Expenses and Changes in Net Assets
Capital Fund Program - ARRA
For the Year Ended March 31, 2012

	<u>ARRA #1</u>	<u>ARRA #2</u>	<u>Totals</u>
OPERATING REVENUES			
Dwelling rents	\$ -	\$ -	\$ -
Other tenant revenue	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	-	-	-
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Administrative	-	-	-
Tenant services	-	-	-
Utilities	-	-	-
Maintenance	-	-	-
Protective services	-	-	-
Insurance premiums	-	-	-
Other general expenses	-	-	-
Amortization	-	-	-
Depreciation	-	-	-
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	-	-	-
	<hr/>	<hr/>	<hr/>
Operating Income (Loss)	-	-	-
	<hr/>	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	-	-	-
Interest income	-	-	-
Interest expense	-	-	-
	<hr/>	<hr/>	<hr/>
Total Non-operating Revenue (Expenses)	-	-	-
	<hr/>	<hr/>	<hr/>
Income (Loss) Before Transfers	-	-	-
	<hr/>	<hr/>	<hr/>
Transfer in	-	-	-
Transfer out	(380,743)	(297,000)	(677,743)
	<hr/>	<hr/>	<hr/>
Change in Net Assets	(380,743)	(297,000)	(677,743)
	<hr/>	<hr/>	<hr/>
Total Net Assets - Beginning	-	-	-
Cumulative effect of a change in accounting principle	380,743	297,000	677,743
	<hr/>	<hr/>	<hr/>
Total Net Assets - Beginning, Restated	380,743	297,000	677,743
	<hr/>	<hr/>	<hr/>
Total Net Assets - Ending	\$ -	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
Capital Fund Program - ARRA
For the Year Ended March 31, 2012

	<u>ARRA #1</u>	<u>ARRA #2</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ -	\$ -
Payments to suppliers	-	-	-
Payments to employees	-	-	-
	<hr/>	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loans received	-	-	-
Interfund loans made	-	-	-
Interfund loan repayments	-	-	-
	<hr/>	<hr/>	<hr/>
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	-	-
Principal paid on debt	-	-	-
Interest paid on debt	-	-	-
	<hr/>	<hr/>	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	-	-
	<hr/>	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Balances - Beginning of the Year	-	-	-
	<hr/>	<hr/>	<hr/>
Balances - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ -	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	-	-	-
Decrease (increase) in:			
Accounts receivable - tenants, net	-	-	-
Increase (decrease) in:			
Accounts payable	-	-	-
	<hr/>	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer of capital assets between funds	\$ (380,743)	\$ (297,000)	\$ (677,743)

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REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Net Assets
Business Activities
March 31, 2012

	<u>Trailer Park</u>	<u>LC-35</u>	<u>Percy Avenue</u>
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ 448	\$ 1,354
Cash with fiscal agent	-	-	-
Accounts receivable - tenants, net	619	5,419	1,281
Accounts receivable - operating reimbursement	-	254,515	-
Due from other funds	19,785	587,491	122,865
Deposits	-	-	-
Total Current Assets	<u>20,404</u>	<u>847,873</u>	<u>125,500</u>
Restricted Assets:			
Cash with fiscal agent	-	-	-
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Assets:			
Nondepreciable assets	-	1,835,920	60,080
Depreciable assets, net	32,735	1,009,596	168,176
Total Noncurrent Assets	<u>32,735</u>	<u>2,845,516</u>	<u>228,256</u>
Total Assets	<u>\$ 53,139</u>	<u>\$ 3,693,389</u>	<u>\$ 353,756</u>

Percy Avenue Special Fund	Butte View Estates	Kingwood Commons	Kingwood Commons - Bond	Neighborhood Stabilization Admin	Home 2 Families Admin	Butte View Estates Admin	Nonprofit Admin
\$ -	\$ -	\$ 113	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	96,670	-	-	-	-	-
-	-	12,529	-	-	-	-	-
-	-	-	-	-	1,070	26,939	4,691
-	-	-	2	-	36,420	-	-
-	-	-	-	-	-	-	-
-	-	109,312	2	-	37,490	26,939	4,691
-	-	374,228	-	-	-	-	-
-	-	374,228	-	-	-	-	-
-	-	320,000	-	-	-	-	-
-	-	3,019,081	-	-	-	-	-
-	-	3,339,081	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,822,621</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 37,490</u>	<u>\$ 26,939</u>	<u>\$ 4,691</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Net Assets
Business Activities
March 31, 2012

	Feather Mills	Coldweather Shelter	Market Street
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-
Accounts receivable - tenants, net	-	-	-
Accounts receivable - operating reimbursement	-	-	-
Due from other funds	-	40,681	-
Deposits	-	-	-
Total Current Assets	-	40,681	-
Restricted Assets:			
Cash with fiscal agent	-	-	-
Total Restricted Assets	-	-	-
Noncurrent Assets:			
Nondepreciable assets	-	-	-
Depreciable assets, net	-	-	-
Total Noncurrent Assets	-	-	-
Total Assets	\$ -	\$ 40,681	\$ -

Transitional Trailer	Nevada County Voucher Program	Nevada County Section 8	Payroll Allocations	Development Projects	Planning	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,915
-	-	-	-	-	-	96,670
651	-	-	-	-	-	20,499
-	-	-	-	586,122	-	873,337
17,873	-	75,004	-	-	90,000	990,121
-	-	-	2,800	-	-	2,800
<u>18,524</u>	<u>-</u>	<u>75,004</u>	<u>2,800</u>	<u>586,122</u>	<u>90,000</u>	<u>1,985,342</u>
-	-	-	-	-	-	374,228
-	-	-	-	-	-	374,228
-	-	-	-	-	-	2,216,000
-	-	-	-	-	-	4,229,588
-	-	-	-	-	-	6,445,588
<u>\$ 18,524</u>	<u>\$ -</u>	<u>\$ 75,004</u>	<u>\$ 2,800</u>	<u>\$ 586,122</u>	<u>\$ 90,000</u>	<u>\$ 8,805,158</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Net Assets
Business Activities
March 31, 2012

	<u>Trailer Park</u>	<u>LC-35</u>	<u>Percy Avenue</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 656	\$ 69	\$ 2,111
Accrued interest	-	-	-
Prepaid tenant rent	296	118	230
Accrued salaries and benefits	907	-	1,077
Security deposits payable	-	750	1,475
Due to other funds	91,176	-	-
Compensated absences payable	233	-	265
Bonds payable	-	-	-
Loans payable	-	17,304	-
Line of credit	-	250,000	-
Total Current Liabilities	<u>93,268</u>	<u>268,241</u>	<u>5,158</u>
Noncurrent Liabilities:			
OPEB liability	1,452	-	1,599
Compensated absences - net of current portion	1,711	-	1,941
Bonds payable - net of current portion	-	-	-
Loans payable - net of current portion	-	896,663	-
Line of credit - net of current portion	-	-	-
Total Noncurrent Liabilities	<u>3,163</u>	<u>896,663</u>	<u>3,540</u>
Total Liabilities	<u>96,431</u>	<u>1,164,904</u>	<u>8,698</u>
NET ASSETS			
Invested in capital assets, net of related debt	32,735	1,681,549	228,256
Unrestricted	(76,027)	846,936	116,802
Total Net Assets	<u>(43,292)</u>	<u>2,528,485</u>	<u>345,058</u>
Total Liabilities and Net Assets	<u>\$ 53,139</u>	<u>\$ 3,693,389</u>	<u>\$ 353,756</u>

Percy Avenue Special Fund	Butte View Estates	Kingwood Commons	Kingwood Commons - Bond	Neighborhood Stabilization Admin	Home 2 Families Admin	Butte View Estates Admin	Nonprofit Admin
\$ -	\$ -	\$ 14,018	\$ -	\$ -	\$ 4	\$ 295	\$ -
-	-	74,250	-	-	-	-	-
-	-	1,347	-	-	-	-	-
-	-	2,895	-	1,335	935	915	1,930
-	-	17,570	-	-	-	-	-
-	-	1,098,266	-	5,594	-	39,174	3,652
-	-	936	-	501	304	283	737
-	-	58,087	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,267,369	-	7,430	1,243	40,667	6,319
-	-	13,260	-	4,208	1,717	1,917	4,069
-	-	6,866	-	3,674	2,231	2,075	5,403
-	-	2,671,733	-	-	-	-	-
-	-	825,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,516,859	-	7,882	3,948	3,992	9,472
-	-	4,784,228	-	15,312	5,191	44,659	15,791
-	-	(215,739)	-	-	-	-	-
-	-	(745,868)	2	(15,312)	32,299	(17,720)	(11,100)
-	-	(961,607)	2	(15,312)	32,299	(17,720)	(11,100)
\$ -	\$ -	\$ 3,822,621	\$ 2	\$ -	\$ 37,490	\$ 26,939	\$ 4,691

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Net Assets
Business Activities
March 31, 2012

	<u>Feather Mills</u>	<u>Coldweather Shelter</u>	<u>Market Street</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued interest	-	-	-
Prepaid tenant rent	-	-	-
Accrued salaries and benefits	-	-	-
Security deposits payable	-	-	-
Due to other funds	-	-	-
Compensated absences payable	-	-	-
Bonds payable	-	-	-
Loans payable	-	-	-
Line of credit	-	-	-
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
Noncurrent Liabilities:			
OPEB liability	-	-	-
Compensated absences - net of current portion	-	-	-
Bonds payable - net of current portion	-	-	-
Loans payable - net of current portion	-	-	-
Line of credit - net of current portion	-	-	-
	<hr/>	<hr/>	<hr/>
Total Noncurrent Liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
NET ASSETS			
Invested in capital assets, net of related debt	-	-	-
Unrestricted	-	40,681	-
	<hr/>	<hr/>	<hr/>
Total Net Assets	-	40,681	-
	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ -</u>	<u>\$ 40,681</u>	<u>\$ -</u>

Transitional Trailer	Nevada County Voucher Program	Nevada County Section 8	Payroll Allocations	Development Projects	Planning	Totals
\$ -	\$ -	\$ -	\$ 1,010	\$ 18,586	\$ -	\$ 36,749
-	-	-	-	-	-	74,250
-	-	-	-	-	-	1,991
-	-	-	-	597	-	10,591
300	-	-	-	-	-	20,095
-	-	1,584	1,494	670,039	-	1,910,979
-	-	-	-	242	-	3,501
-	-	-	-	-	-	58,087
-	-	-	-	-	-	17,304
-	-	-	-	-	-	250,000
300	-	1,584	2,504	689,464	-	2,383,547
-	-	-	-	697	-	28,919
-	-	-	-	1,772	-	25,673
-	-	-	-	-	-	2,671,733
-	-	-	-	-	-	1,721,663
-	-	-	-	-	-	-
-	-	-	-	2,469	-	4,447,988
300	-	1,584	2,504	691,933	-	6,831,535
-	-	-	-	-	-	1,726,801
18,224	-	73,420	296	(105,811)	90,000	246,822
18,224	-	73,420	296	(105,811)	90,000	1,973,623
\$ 18,524	\$ -	\$ 75,004	\$ 2,800	\$ 586,122	\$ 90,000	\$ 8,805,158

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Revenues, Expenses and Changes in Net Assets
Business Activities
For the Year Ended March 31, 2012

	Trailer Park	LC-35	Percy Avenue
OPERATING REVENUES			
Dwelling rents	\$ 43,956	\$ 50,986	\$ 47,846
Other tenant revenue	3,082	12,984	755
Other revenue	-	245,432	-
Total Operating Revenues	<u>47,038</u>	<u>309,402</u>	<u>48,601</u>
OPERATING EXPENSES			
Administrative	10,014	138,370	22,846
Tenant services	15	-	-
Utilities	2,424	3,652	5,919
Maintenance	14,602	4,699	9,548
Protective services	1,130	-	603
Insurance premiums	165	251	523
Other general expenses	-	1,696	414
Amortization	-	-	-
Depreciation	2,182	9,291	17,193
Total Operating Expenses	<u>30,532</u>	<u>157,959</u>	<u>57,046</u>
Operating Income (Loss)	<u>16,506</u>	<u>151,443</u>	<u>(8,445)</u>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	-	41,191	-
Gain (Loss) on disposal of capital assets	-	-	-
Interest income	-	332	1
Interest expense	-	(63,501)	-
Total Non-operating Revenue (Expenses)	<u>-</u>	<u>(21,978)</u>	<u>1</u>
Income (Loss) Before Transfers and Capital Contributions	<u>16,506</u>	<u>129,465</u>	<u>(8,444)</u>
Capital contribution	-	1,453,500	-
Transfer in	-	-	114,734
Transfer out	-	(78,602)	-
Change in Net Assets	<u>16,506</u>	<u>1,504,363</u>	<u>106,290</u>
Total Net Assets - Beginning	<u>(59,798)</u>	<u>1,024,122</u>	<u>238,768</u>
Total Net Assets - Ending	<u>\$ (43,292)</u>	<u>\$ 2,528,485</u>	<u>\$ 345,058</u>

Percy Avenue Special Fund	Butte View Estates	Kingwood Commons	Kingwood Commons - Bond	Neighborhood Stabilization Admin	Home 2 Families Admin	Butte View Estates Admin	Nonprofit Admin
\$ -	\$ -	\$ 390,135	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	26,205	-	-	-	-	-
-	-	720	-	4,750	68,228	29,584	49,558
-	-	417,060	-	4,750	68,228	29,584	49,558
-	-	118,291	-	(1,027)	23,599	9,913	38,720
-	-	1,604	-	-	-	43	3,698
-	-	65,652	-	-	54	-	-
-	-	131,441	-	2,846	25,666	21,896	12,136
-	-	3,586	-	-	4,433	2,372	-
-	-	6,488	-	-	-	1,914	-
-	-	37,755	-	-	-	-	-
-	-	11,913	-	-	-	-	-
-	-	149,267	-	-	-	-	-
-	-	525,997	-	1,819	53,752	36,138	54,554
-	-	(108,937)	-	2,931	14,476	(6,554)	(4,996)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	47	1	-	-	-	-
-	-	(207,206)	-	-	-	-	-
-	-	(207,159)	1	-	-	-	-
-	-	(316,096)	1	2,931	14,476	(6,554)	(4,996)
-	-	-	-	-	-	-	-
(43,465)	114,821	7,855	(7,855)	-	-	-	-
(43,465)	114,821	(308,241)	(7,854)	2,931	14,476	(6,554)	(4,996)
43,465	(114,821)	(653,366)	7,856	(18,243)	17,823	(11,166)	(6,104)
\$ -	\$ -	\$ (961,607)	\$ 2	\$ (15,312)	\$ 32,299	\$ (17,720)	\$ (11,100)

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Revenues, Expenses and Changes in Net Assets
Business Activities
For the Year Ended March 31, 2012

	Feather Mills	Coldweather Shelter	Market Street
OPERATING REVENUES			
Dwelling rents	\$ -	\$ -	\$ -
Other tenant revenue	-	-	-
Other revenue	-	-	-
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Administrative	-	-	-
Tenant services	-	-	-
Utilities	-	-	-
Maintenance	-	-	-
Protective services	-	-	-
Insurance premiums	-	-	-
Other general expenses	-	335	-
Amortization	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>-</u>	<u>335</u>	<u>-</u>
Operating Income (Loss)	<u>-</u>	<u>(335)</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	-	-	-
Gain (Loss) on disposal of capital assets	-	-	-
Interest income	-	-	-
Interest expense	-	-	-
Total Non-operating Revenue (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Transfers and Capital Contributions	<u>-</u>	<u>(335)</u>	<u>-</u>
Capital contribution	-	-	-
Transfer in	1,281	-	1,202
Transfer out	-	-	-
Change in Net Assets	<u>1,281</u>	<u>(335)</u>	<u>1,202</u>
Total Net Assets - Beginning	<u>(1,281)</u>	<u>41,016</u>	<u>(1,202)</u>
Total Net Assets - Ending	<u>\$ -</u>	<u>\$ 40,681</u>	<u>\$ -</u>

Transitional Trailer	Nevada County Voucher Program	Nevada County Section 8	Payroll Allocations	Development Projects	Planning	Totals
\$ 11,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 544,323
408	-	-	-	-	-	43,434
-	-	52,470	296	828,226	90,000	1,369,264
11,808	-	52,470	296	828,226	90,000	1,957,021
-	-	2,821	-	684,734	-	1,048,281
-	-	-	-	19,500	-	24,860
-	-	-	-	1,161	-	78,862
-	-	-	-	-	-	222,834
-	-	-	-	-	-	12,124
52	-	-	-	51,228	-	60,621
-	-	-	-	3,640	-	43,840
-	-	-	-	-	-	11,913
-	-	-	-	-	-	177,933
52	-	2,821	-	760,263	-	1,681,268
11,756	-	49,649	296	67,963	90,000	275,753
-	-	-	-	-	-	41,191
-	-	-	-	(344,386)	-	(344,386)
-	-	-	-	-	-	381
-	-	-	-	-	-	(270,707)
-	-	-	-	(344,386)	-	(573,521)
11,756	-	49,649	296	(276,423)	90,000	(297,768)
-	-	-	-	-	-	1,453,500
-	-	-	-	170,612	-	410,505
-	(20)	-	-	-	-	(129,942)
11,756	(20)	49,649	296	(105,811)	90,000	1,436,295
6,468	20	23,771	-	-	-	537,328
<u>\$ 18,224</u>	<u>\$ -</u>	<u>\$ 73,420</u>	<u>\$ 296</u>	<u>\$ (105,811)</u>	<u>\$ 90,000</u>	<u>\$ 1,973,623</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
Business Activities
For the Year Ended March 31, 2012

	Trailer Park	LC-35	Percy Avenue
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 47,142	\$ 259,516	\$ 47,463
Payments to suppliers	(7,120)	(149,096)	(17,040)
Payments to employees	(20,238)	-	(19,743)
Net Cash Provided (Used) by Operating Activities	19,784	110,420	10,680
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenues received	-	41,191	-
Transfers from other funds	-	-	69,365
Transfers to other funds	-	(78,602)	-
Interfund loans received	-	-	-
Interfund loans made	(19,784)	(587,491)	(124,769)
Interfund loans repaid	-	-	-
Interfund loan repayments received	-	466,055	114,091
Net Cash Provided (Used) by Noncapital Financing Activities	(19,784)	(158,847)	58,687
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(1,070,610)	-
Proceeds of debt	-	1,171,200	-
Principal paid on debt	-	(7,233)	(71,269)
Interest paid on debt	-	(63,501)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	29,856	(71,269)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	333	-
Net Cash Provided (Used) by Investing Activities	-	333	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	(18,238)	(1,902)
Balances - Beginning of the Year	-	18,686	3,256
Balances - End of the Year	\$ -	\$ 448	\$ 1,354

Percy Avenue Special Fund	Butte View Estates	Kingwood Commons	Kingwood Commons - Bond	Neighborhood Stabilization Admin	Home 2 Families Admin	Butte View Estates Admin	Nonprofit Admin
\$ -	\$ -	\$ 431,282	\$ -	\$ 5,175	\$ 65,392	\$ 11,363	\$ 59,141
-	-	(218,168)	365	-	(8,907)	(4,714)	(4,414)
-	-	(159,085)	-	(5,625)	(43,645)	(30,497)	(48,342)
-	-	54,029	365	(450)	12,840	(23,848)	6,385
-	-	-	-	-	-	-	-
1,904	-	7,855	421,081	-	-	-	-
-	-	(421,081)	(7,855)	-	-	-	-
-	-	1,098,266	-	5,594	-	39,174	3,652
-	-	-	(2)	-	(36,420)	-	-
-	-	(416,873)	(425,219)	-	-	-	-
-	-	-	-	-	-	-	-
1,904	-	268,167	(11,995)	5,594	(36,420)	39,174	3,652
-	-	(70,054)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(65,000)	-	-	-	-	-
-	-	(198,956)	-	-	-	-	-
-	-	(334,010)	-	-	-	-	-
-	-	47	2	-	-	-	-
-	-	47	2	-	-	-	-
1,904	-	(11,767)	(11,628)	5,144	(23,580)	15,326	10,037
(1,904)	-	482,778	11,628	(5,144)	23,580	(15,326)	(10,037)
\$ -	\$ -	\$ 471,011	\$ -	\$ -	\$ -	\$ -	\$ -

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
Business Activities
For the Year Ended March 31, 2012

	Feather Mills	Coldweather Shelter	Market Street
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ -	\$ -
Payments to suppliers	-	-	-
Payments to employees	-	-	-
Net Cash Provided (Used) by Operating Activities	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenues received	-	-	-
Transfers from other funds	1,281	-	1,202
Transfers to other funds	-	-	-
Interfund loans received	-	-	-
Interfund loans made	-	(40,681)	-
Interfund loans repaid	-	-	-
Interfund loan repayments received	-	20,513	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,281	(20,168)	1,202
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	-	-
Proceeds of debt	-	-	-
Principal paid on debt	-	-	-
Interest paid on debt	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	-	-
Net Cash Provided (Used) by Investing Activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,281	(20,168)	1,202
Balances - Beginning of the Year	(1,281)	20,168	(1,202)
Balances - End of the Year	\$ -	\$ -	\$ -

Transitional Trailer	Nevada County Voucher Program	Nevada County Section 8	Payroll Allocations	Development Projects	Planning	Totals
\$ 11,548	\$ -	\$ 88,609	\$ 31,134	\$ 242,104	\$ 90,000	\$ 1,389,869
(52)	-	(15,189)	(35)	(642,576)	-	(1,066,946)
-	-	-	-	(136,831)	-	(464,006)
11,496	-	73,420	31,099	(537,303)	90,000	(141,083)
-	-	-	-	-	-	41,191
-	-	-	-	-	-	502,688
-	-	-	-	-	-	(507,538)
-	-	1,584	1,494	670,039	-	1,819,803
(17,873)	-	(75,004)	-	-	(90,000)	(992,024)
-	-	-	-	-	-	(842,092)
6,377	-	-	-	-	-	607,036
(11,496)	-	(73,420)	1,494	670,039	(90,000)	629,064
-	-	-	-	-	-	(1,140,664)
-	-	-	-	-	-	1,171,200
-	-	-	-	-	-	(143,502)
-	-	-	-	-	-	(262,457)
-	-	-	-	-	-	(375,423)
-	-	-	-	-	-	382
-	-	-	-	-	-	382
-	-	-	32,593	132,736	-	112,940
-	-	-	(32,593)	(132,736)	-	359,873
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472,813

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
Business Activities
For the Year Ended March 31, 2012

	Trailer Park	LC-35	Percy Avenue
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 16,506	\$ 151,443	\$ (8,445)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	2,182	9,291	17,193
Decrease (increase) in:			
Accounts receivable - tenants, net	(98)	1,585	(1,219)
Accounts receivable - operating reimbursement	-	(49,609)	-
Prepaid costs	-	-	8
Increase (decrease) in:			
Accounts payable	(440)	(428)	100
Prepaid tenant rent	202	(1,808)	(44)
Accrued salaries and benefits	150	-	611
Security deposits payable	-	(54)	125
Unearned revenue	-	-	-
OPEB liability	759	-	939
Compensated absences payable	523	-	1,412
Net Cash Provided (Used) by Operating Activities	\$ 19,784	\$ 110,420	\$ 10,680
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contribution of capital assets	\$ -	\$ 1,453,500	\$ -
Transfer of capital assets between funds	-	-	45,369
Transfer of fund between programs	-	-	-

Percy Avenue Special Fund	Butte View Estates	Kingwood Commons	Kingwood Commons - Bond	Neighborhood Stabilization Admin	Home 2 Families Admin	Butte View Estates Admin	Nonprofit Admin
\$ -	\$ -	\$ (108,937)	\$ -	\$ 2,931	\$ 14,476	\$ (6,554)	\$ (4,996)
-	-	161,180	-	-	-	-	-
-	-	14,069	-	-	-	-	-
-	-	-	-	425	564	(18,221)	9,583
-	-	64	-	-	-	-	-
-	-	(7,593)	365	-	4	106	-
-	-	198	-	-	-	-	-
-	-	(4,818)	-	(988)	(145)	(474)	(705)
-	-	(45)	-	-	-	-	-
-	-	-	-	-	(3,400)	-	-
-	-	4,150	-	1,865	804	717	1,636
-	-	(4,239)	-	(4,683)	537	578	867
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,029</u>	<u>\$ 365</u>	<u>\$ (450)</u>	<u>\$ 12,840</u>	<u>\$ (23,848)</u>	<u>\$ 6,385</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(45,369)	-	421,081	(421,081)	-	-	-	-
-	114,821	-	-	-	-	-	-

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
Business Activities
For the Year Ended March 31, 2012

	Feather Mills	Coldweather Shelter	Market Street
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ -	\$ (335)	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	-	-	-
Decrease (increase) in:			
Accounts receivable - tenants, net	-	-	-
Accounts receivable - operating reimbursement	-	335	-
Prepaid costs	-	-	-
Increase (decrease) in:			
Accounts payable	-	-	-
Prepaid tenant rent	-	-	-
Accrued salaries and benefits	-	-	-
Security deposits payable	-	-	-
Unearned revenue	-	-	-
OPEB liability	-	-	-
Compensated absences payable	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ -	\$ -	\$ -
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contribution of capital assets	\$ -	\$ -	\$ -
Transfer of capital assets between funds	-	-	-
Transfer of fund between programs	-	-	-

<u>Transitional Trailer</u>	<u>Nevada County Voucher Program</u>	<u>Nevada County Section 8</u>	<u>Payroll Allocations</u>	<u>Development Projects</u>	<u>Planning</u>	<u>Totals</u>
\$ 11,756	\$ -	\$ 49,649	\$ 296	\$ 67,963	\$ 90,000	\$ 275,753
-	-	-	-	-	-	189,846
(260)	-	-	-	-	-	14,077
-	-	36,139	30,838	(586,122)	-	(576,068)
-	-	-	-	-	-	72
-	-	(12,368)	(35)	(22,082)	-	(42,371)
-	-	-	-	-	-	(1,452)
-	-	-	-	504	-	(5,865)
-	-	-	-	-	-	26
-	-	-	-	-	-	(3,400)
-	-	-	-	606	-	11,476
-	-	-	-	1,828	-	(3,177)
<u>\$ 11,496</u>	<u>\$ -</u>	<u>\$ 73,420</u>	<u>\$ 31,099</u>	<u>\$ (537,303)</u>	<u>\$ 90,000</u>	<u>\$ (141,083)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,453,500
-	-	-	-	170,612	-	170,612
-	(20)	-	-	-	-	114,801

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Net Assets
State/Local
March 31, 2012

	Migrant	Community Development	Mental Health Housing Services
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ -	\$ 1,302
Accounts receivable - tenants, net	2,109	-	913
Accounts receivable - operating reimbursement	256,975	57,717	-
Due from other funds	63,532	-	32,908
Total Current Assets	322,616	57,717	35,123
Noncurrent Assets:			
Nondepreciable assets	-	-	45,317
Depreciable assets, net	1,323	1,231	252,221
Total Noncurrent Assets	1,323	1,231	297,538
Total Assets	\$ 323,939	\$ 58,948	\$ 332,661
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 156,319	\$ 4,418	\$ 722
Prepaid tenant rent	-	-	51
Accrued salaries and benefits	6,686	11,233	441
Security deposits payable	-	-	1,104
Due to other funds	143,102	438,290	8,024
Compensated absences payable	2,288	2,088	141
Total Current Liabilities	308,395	456,029	10,483
Noncurrent Liabilities:			
OPEB liability	12,900	14,650	520
Compensated absences - net of current portion	16,776	15,315	1,034
Total Noncurrent Liabilities	29,676	29,965	1,554
Total Liabilities	338,071	485,994	12,037
NET ASSETS			
Invested in capital assets, net of related debt	1,323	1,231	297,538
Restricted	-	-	-
Unrestricted	(15,455)	(428,277)	23,086
Total Net Assets	(14,132)	(427,046)	320,624
Total Net Assets	\$ 323,939	\$ 58,948	\$ 332,661

ARRA City CFP Match	Neighborhood Stabilization Program	Totals
\$ -	\$ 28,063	\$ 29,365
-	1,678	4,700
-	10,870	325,562
-	-	96,440
-	40,611	456,067
-	308,833	354,150
-	903,459	1,158,234
-	1,212,292	1,512,384
<u>\$ -</u>	<u>\$ 1,252,903</u>	<u>1,968,451</u>
\$ -	\$ 565	\$ 162,024
-	21	72
-	1,319	19,679
-	5,000	6,104
-	20,112	609,528
-	276	4,793
-	27,293	802,200
-	1,066	29,136
-	2,025	35,150
-	3,091	64,286
-	30,384	866,486
-	1,212,292	1,512,384
-	10,227	10,227
-	-	(420,646)
-	1,222,519	1,101,965
<u>\$ -</u>	<u>\$ 1,252,903</u>	<u>\$ 1,968,451</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Revenues, Expenses and Changes in Net Assets
State/Local
For the Year Ended March 31, 2012

	Migrant	Community Development	Mental Health Housing Services
OPERATING REVENUES			
Dwelling rents	\$ -	\$ -	\$ 30,966
Other tenant revenue	-	-	233
Other revenue	-	5,411	4,830
Total Operating Revenues	-	5,411	36,029
OPERATING EXPENSES			
Administrative	97,947	229,347	9,615
Tenant services	18	-	-
Utilities	59,894	2,129	9,875
Maintenance	91,599	5,792	6,221
Insurance premiums	2,211	562	237
Other general expenses	15,470	-	1,976
Depreciation	73	68	9,343
Total Operating Expenses	267,212	237,898	37,267
Operating Income (Loss)	(267,212)	(232,487)	(1,238)
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	256,975	226,380	-
Interest income	-	-	11
Total Non-operating Revenue (Expenses)	256,975	226,380	11
Income (Loss) Before Transfers	(10,237)	(6,107)	(1,227)
Transfer in	-	-	-
Transfer out	-	-	-
Change in Net Assets	(10,237)	(6,107)	(1,227)
Total Net Assets - Beginning	23,417	(405,607)	15,317
Cumulative effect of a change in accounting principle	(27,312)	(15,332)	306,534
Total Net Assets - Beginning, Restated	(3,895)	(420,939)	321,851
Total Net Assets - Ending	\$ (14,132)	\$ (427,046)	\$ 320,624

ARRA City CFP Match	Neighborhood Stabilization Program	Totals
\$ -	\$ 81,665	\$ 112,631
-	623	856
-	10,943	21,184
-	93,231	134,671
-	56,824	393,733
-	-	18
-	9,571	81,469
-	17,295	120,907
-	625	3,635
-	1,550	18,996
-	31,154	40,638
-	117,019	659,396
-	(23,788)	(524,725)
-	-	483,355
-	15	26
-	15	483,381
-	(23,773)	(41,344)
-	4,850	4,850
(297,000)	-	(297,000)
(297,000)	(18,923)	(333,494)
-	(2,004)	(368,877)
297,000	1,243,446	1,804,336
297,000	1,241,442	1,435,459
\$ -	\$ 1,222,519	\$ 1,101,965

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
State/Local
For the Year Ended March 31, 2012

	Migrant	Community Development	Mental Health Housing Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ (194,069)	\$ (52,306)	\$ 37,040
Payments to suppliers	(3,284)	(25,323)	(21,566)
Payments to employees	(168,183)	(182,820)	(5,042)
Net Cash Provided (Used) by Operating Activities	(365,536)	(260,449)	10,432
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenues received	256,975	226,380	-
Transfers from other funds	-	-	-
Interfund loans received	143,102	438,290	8,024
Interfund loans made	(34,542)	-	(32,908)
Interfund loans repaid	-	(404,221)	(8,027)
Interfund loan repayments received	1	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	365,536	260,449	(32,911)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	-	11
Net Cash Provided (Used) by Investing Activities	-	-	11
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(22,468)
Balances - Beginning of the Year	-	-	23,770
Balances - End of the Year	\$ -	\$ -	\$ 1,302

ARRA City CFP Match	Neighborhood Stabilization Program	Totals
\$ -	\$ 84,203	\$ (125,132)
(146,627)	(34,049)	(230,849)
-	(50,926)	(406,971)
<u>(146,627)</u>	<u>(772)</u>	<u>(762,952)</u>
-	-	483,355
-	4,850	4,850
-	20,112	609,528
-	-	(67,450)
-	-	(412,248)
-	(642)	(641)
<u>-</u>	<u>24,320</u>	<u>617,394</u>
-	-	-
-	-	-
-	15	26
-	15	26
(146,627)	23,563	(145,532)
146,627	4,500	174,897
<u>\$ -</u>	<u>\$ 28,063</u>	<u>\$ 29,365</u>

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Cash Flows
State/Local
For the Year Ended March 31, 2012

	<u>Migrant</u>	<u>Community Development</u>	<u>Mental Health Housing Services</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (267,212)	\$ (232,487)	\$ (1,238)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	73	68	9,343
Decrease (increase) in:			
Accounts receivable - tenants, net	(1,449)	-	1,006
Accounts receivable - operating reimbursement	(192,619)	(57,717)	-
Increase (decrease) in:			
Accounts payable	91,723	3,851	(361)
Prepaid tenant rent	(1)	-	(17)
Accrued salaries and benefits	693	10,414	329
Security deposits payable	-	-	22
OPEB liability	5,452	9,897	441
Compensated absences payable	(2,196)	5,525	907
Net Cash Provided (Used) by Operating Activities	<u>\$ (365,536)</u>	<u>\$ (260,449)</u>	<u>\$ 10,432</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer of capital assets between funds	\$ -	\$ -	\$ -

ARRA City CFP Match	Neighborhood Stabilization Program	Totals
\$ -	\$ (23,788)	\$ (524,725)
-	31,154	40,638
-	1,321	878
-	(10,870)	(261,206)
(146,627)	(3,796)	(55,210)
-	21	3
-	1,319	12,755
-	500	522
-	1,066	16,856
-	2,301	6,537
<u>\$ (146,627)</u>	<u>\$ (772)</u>	<u>\$ (762,952)</u>
\$ (297,000)	\$ -	\$ (297,000)

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Assets and Liabilities
Agency Funds
March 31, 2012

	Home 2 Families Program	Total Agency Funds
ASSETS		
Cash and investments	\$ 168,350	\$ 168,350
Accounts receivable - tenants, net	12,161	12,161
Total Assets	180,511	168,350
LIABILITIES		
Accounts payable	2,408	2,408
Prepaid tenant rent	8	8
Security deposits payable	9,175	9,175
Agency obligations	168,920	168,920
Total Liabilities	\$ 180,511	\$ 180,511

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended March 31, 2012

	<u>Balance</u> <u>March 31, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2012</u>
HOME 2 FAMILIES PROGRAM				
ASSETS				
Cash and investments	\$ 100,693	\$ 170,805	\$ 103,148	\$ 168,350
Accounts receivable - tenants, net	6,681	12,161	6,681	12,161
Prepaid costs	3,400	-	3,400	-
	<u>3,400</u>	<u>-</u>	<u>3,400</u>	<u>-</u>
Total Assets	<u>\$ 110,774</u>	<u>\$ 182,966</u>	<u>\$ 113,229</u>	<u>\$ 180,511</u>
LIABILITIES				
Accounts payable	\$ 2,570	\$ 2,408	\$ 2,570	\$ 2,408
Prepaid tenant rent	1,387	8	1,387	8
Security deposits payable	7,300	9,175	7,300	9,175
Agency obligations	99,517	171,375	101,972	168,920
	<u>99,517</u>	<u>171,375</u>	<u>101,972</u>	<u>168,920</u>
Total Liabilities	<u>\$ 110,774</u>	<u>\$ 182,966</u>	<u>\$ 113,229</u>	<u>\$ 180,511</u>

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

**Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)**

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Regional Housing Authority of Sutter and Nevada Counties	CA30PO48501-11

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$	258,596.00
B. Funds Disbursed	\$	258,596.00
C. Funds Expended (Actual Modernization Cost)	\$	258,596.00
D. Amount to be Recaptured (A-C)	\$	0
E. Excess of Funds Disbursed (B-C)	\$	0

- That all modernization work in connection with the Modernization Grant has been completed;
- That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
- That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
- That the time in which such liens could be filed has expired.

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

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

Signature of Executive Director & Date:

x Linda J. Nichols

05/16/2012

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)	Date:
X	

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)	Date:
X	
Approved: (Director, Office of Public Housing / ONAP Administrator)	Date:
X	

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

**Actual Modernization
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

**Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)**

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HA Name: Regional Housing Authority of Sutter and Nevada Counties	Modernization Project Number: CA30PO48501-12
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The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$	233,121.00
B. Funds Disbursed	\$	233,121.00
C. Funds Expended (Actual Modernization Cost)	\$	233,121.00
D. Amount to be Recaptured (A-C)	\$	0
E. Excess of Funds Disbursed (B-C)	\$	0

- 2. That all modernization work in connection with the Modernization Grant has been completed;
- 3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
- 4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
- 5. That the time in which such liens could be filed has expired.

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

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

Signature of Executive Director & Date:

Lynia J. Nichols

05/16/2012

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

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