

Housing Authority of the City of Redding

Redding, California

*Basic Financial Statements
and Independent Auditors' Reports*

For the year ended June 30, 2008

Housing Authority of the City of Redding

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INDEPENDENT AUDITORS' REPORT

To the Affordable Housing Commission
of the Housing Authority of the City of Redding
Redding, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Redding Housing Authority (Authority), a component unit of the City of Redding (City), as of and for the year ended June 30, 2008, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States 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 basic financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subsequent to the basic financial statement date of June 30, 2008 and the year then ended, the United States has entered into a Financial Credit Crisis. Although the United States Federal Government has taken actions which, at least in part, are intended to relieve and correct this Financial Credit Crisis, investments are subject to significant impairment and losses. To date, the Authority has not been informed and is not aware of any investment losses. Accordingly, such investment losses, if any, have not been reflected in the accompanying basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Authority as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with generally accepted accounting principles in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2008, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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To the Affordable Housing Commission
of the Housing Authority of the City of Redding
Redding, California
Page Two

The accompanying Required Supplementary Information, such as management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Capricci & Carson

Oakland, California
December 2, 2008

**Housing Authority of the City of Redding
Management's Discussion and Analysis
For the year ended June 30, 2008**

As management of the Housing Authority of the City of Redding (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ending June 30, 2008. The management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address future challenges), (d) identify any material deviations from the financial plan (approved budget), and (e) identify individual fund issues or concerns.

FINANCIAL HIGHLIGHTS

- The Authority's net assets increased by \$461,869.
- As of the close of the current fiscal year, the Authority's funds reported combined ending fund balances of \$2,454,346 which is an increase of \$494,767 in comparison with the prior year. All of the Authority's fund balance is required to be used for Housing activities.
- Total operating expenses of all of the Authority's programs were \$7,317,424 for the fiscal year.

USING THIS FINANCIAL REPORT/OVERVIEW OF REPORT

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The government-wide financial statements consist of the following parts:

Statement of Net Assets: This statement presents information on all of the Authority's assets and liabilities, with the difference between the two reported as **net assets**. Over time, the change in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Activities: This statement presents information showing how the government's net assets changed during the most recent fiscal 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. Thus, revenues and expenses are reported in this statement for some items that will result in cash flow in future fiscal periods (e.g., uncollected grants and earned but unused comp time

Housing Authority of the City of Redding
Management's Discussion and Analysis, continued
For the year ended June 30, 2008

and vacation leave).

The Authority adopts an annual appropriated budget at the entity-wide level. A budgetary comparison statement has been provided for the Authority to demonstrate compliance with this budget.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund Financial Statements

A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund financial statements to demonstrate compliance with finance-related legal requirements. All of the funds of the Authority are governmental funds.

Governmental Funds: These funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The Authority is a Section 8 only housing authority, providing rental assistance and home purchase assistance to qualified residents. Since the Authority does not own or operate rental property, the Mod-Rehab and Section 8 Voucher programs are each reported as special revenue funds.

The governmental fund financial statements can be found on pages 16-19 of this report.

Notes to the 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. The notes to the financial statements can be found on pages 21-27 of this report.

Housing Authority of the City of Redding
Management's Discussion and Analysis, continued
For the year ended June 30, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following schedule displays a summary breakdown of the Authority's net assets as of June 30, 2008 and 2007:

Condensed Statement of Net Assets

	2008	2007
Current assets	\$ 2,478,395	\$ 1,993,235
Non-current capital assets	49,918	45,192
Other non-current assets	231,934	260,159
Total assets	<u>2,760,247</u>	<u>2,298,586</u>
Current liabilities	205,115	201,542
Non-current liabilities	74,058	77,839
Total liabilities	<u>279,173</u>	<u>279,381</u>
Net Assets:		
Invested in capital assets, net of related debt	49,918	45,192
Restricted	2,438,225	1,981,679
Unrestricted	(7,069)	(7,666)
Total net assets	<u>\$ 2,481,074</u>	<u>\$ 2,019,205</u>

The Authority's net assets increased to \$2.48 million from \$2.02 million, an increase of 23%. The increase is primarily in the Section 8 program.

Housing Authority of the City of Redding
Management's Discussion and Analysis, continued
For the year ended June 30, 2008

The following schedule displays a comparison of 2007-08 and 2006-07 fiscal year revenues and expenses for the Authority:

Condensed Statement of Activities and Changes in Net Assets

	2008	2007
Administrative	\$ 994,959	\$ 1,071,949
Rental assistance	6,322,465	6,075,512
Total expenses	<u>7,317,424</u>	<u>7,147,461</u>
Operating grants	7,666,179	7,172,519
Investment and Other	113,114	259,572
Total revenues	<u>7,779,293</u>	<u>7,432,091</u>
Change in net assets	461,869	284,630
Beginning net assets, as restated	2,019,205	1,734,575
Ending net assets	<u>\$ 2,481,074</u>	<u>\$ 2,019,205</u>

Administrative expenses of \$1,071,949 in the fiscal year ended 2007 include \$98,153 of bad debt expense related to a write-down of damage claims and overpayments receivables. Other revenues for the 2006-07 fiscal year include \$134,592 of revenue recorded for damage claims and overpayments receivable additions. In 2008 the Housing Authority began an effort to increase its lease-up (the number of rental units receiving rental assistance) as a response to the changes in HUD funding over the past 2-3 years and the resulting increase in available funds.

BUDGETARY HIGHLIGHTS

The Authority's budget is approved at the entity-wide level. Since the Authority is a component unit of the City of Redding, it is budgeted as a special revenue fund of the City.

The Authority prepares a biennial budget prior to knowing its annual subsidy grant from H.U.D. Actual amounts received from H.U.D. vary from initial projections. Accordingly, the Authority increases its expenditure budget to allow for additional HAP payments. The expenditure budget increased from an original \$6.81 million to a final amended budget of \$7.29 million during the year.

**Housing Authority of the City of Redding
Management's Discussion and Analysis, continued
For the year ended June 30, 2008**

ANALYSIS OF GOVERNMENTAL FUNDS

The Authority reports each program as a fund in order to segregate and track restricted funds.

General Fund: The Authority's General Fund is used to track resources that do not belong to a HUD program, but that are a part of the City of Redding's Housing Authority Fund.

MOD 2 - Special Revenue Fund: The Mod Rehab 2 program ended in 2005-06. However, as of June 30, 2008 the Authority still had not received a settlement for the \$30,965 due from HUD at the close of the program. The fund is being held open through June 30, 2009. A settlement was received in July 2008. Accordingly, revenue of \$30,965 was recorded in the Mod Rehab 2 fund in accordance with the modified accrual measurement focus. Revenue had already been recognized on the Entity-Wide statements.

Section 8 Voucher - Special Revenue Fund: The Section 8 program's fund balance increased from a beginning balance of \$928,809 to \$1,348,163. The administrative portion of the fund decreased by \$36,711. The housing assistance portion of the fund increased by \$456,065.

CAPITAL ASSETS

The Authority purchased a new vehicle during 2007-2008. An old, fully depreciated, vehicle was sold for \$2,278.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The Authority is unable to predict, beyond a given Congressional budget cycle, what funds will be available to administer the Section 8 program. At June 30, 2008 the Authority has approximately 2.2 months HAP reserve and 1.5 months administrative reserve.
- With the problems in the housing market, locally and nationwide, the Authority expects that the demand for low-income housing will increase noticeably in the coming months. Since receiving its annual budget authority in July 2007, the Authority has been attempting to lease-up more units in order to better meet the local needs and to bring housing expenditures in line with the current monthly budget authority.

**Housing Authority of the City of Redding
Management's Discussion and Analysis, continued
For the year ended June 30, 2008**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. This report can be found on the City of Redding website, www.ci.redding.ca.us under City Departments, Finance. Questions concerning any information provided in this report or request for additional financial information should be directed to:

The City of Redding - Finance Department
777 Cypress Avenue
Redding, CA 96001

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

Housing Authority of the City of Redding
Statement of Net Assets
June 30, 2008

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 2,228,796
Receivables:	
Interest	16,278
Damage claims and overpayments	37,762
Intergovernmental receivable	112,988
Restricted assets:	
Cash	82,571
Total current assets	<u>2,478,395</u>
Noncurrent assets:	
Intergovernmental receivable	230,029
FSS emergency loans receivable	1,905
Capital assets, net of depreciation	49,918
Total noncurrent assets	<u>281,852</u>
Total assets	<u><u>2,760,247</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,851
Accrued liabilities	32,120
Intergovernmental payable	61,085
Deposits	82,571
Compensated absences	27,488
Total current liabilities	<u>205,115</u>
Noncurrent liabilities:	
Compensated absences	74,058
Total current liabilities	<u>74,058</u>
Total liabilities	<u><u>279,173</u></u>
NET ASSETS	
Invested in capital assets, net of related debt	49,918
Restricted for:	
Housing	2,438,225
Unrestricted (deficit)	(7,069)
Total net assets	<u><u>\$ 2,481,074</u></u>

See accompanying Notes to the Basic Financial Statements.

Housing Authority of the City of Redding
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2008

	<u>Governmental Activities</u>
Expenses:	
Housing:	
Administrative	\$ 994,959
Rental assistance	<u>6,322,465</u>
Total Program expenses	<u>7,317,424</u>
 Program Revenues:	
Operating grants and contributions	<u>7,666,179</u>
Net program income	<u>348,755</u>
 General revenues:	
Investment earnings	97,109
Gain on sale of asset	2,278
Other	<u>13,727</u>
Total general revenues	<u>113,114</u>
Change in net assets	461,869
Net assets - beginning of year	<u>2,019,205</u>
Net assets - end of year	<u><u>\$ 2,481,074</u></u>

See accompanying Notes to the Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

Housing Authority of the City of Redding
Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	MOD 2 Special Revenue	Section 8 Voucher Special Revenue	Total Governmental Funds
ASSETS				
Current assets:				
Cash and investments	\$ 839,086	\$ -	\$ 1,389,710	\$ 2,228,796
Receivables:				
Interest	6,103	-	10,175	16,278
Damage claims and overpayments	-	-	37,762	37,762
Intergovernmental	29,569	-	82,023	111,592
Restricted assets:				
Cash	-	-	82,571	82,571
Non current assets:				
Interfund receivable	38,034	-	-	38,034
Intergovernmental receivables	200,460	30,965	-	231,425
FSS emergency loans receivable	-	-	1,905	1,905
Total assets	\$ 1,113,252	\$ 30,965	\$ 1,604,146	\$ 2,748,363
LIABILITIES AND FUND BALANCES				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,851	\$ 1,851
Accrued liabilities	-	-	32,120	32,120
Intergovernmental payable	-	-	61,085	61,085
Deferred revenue	-	-	78,356	78,356
Deposits	-	-	82,571	82,571
Total current liabilities	-	-	255,983	255,983
Noncurrent liabilities:				
Interfund payable	-	38,034	-	38,034
Total noncurrent liabilities	-	38,034	-	38,034
Total liabilities	-	38,034	255,983	294,017
Fund Balances:				
Reserved for:				
Housing	1,113,252	-	1,348,163	2,461,415
Unreserved, undesignated reported in:				
Special revenue funds	-	(7,069)	-	(7,069)
Total fund balances	1,113,252	(7,069)	1,348,163	2,454,346
Total liabilities and fund balances	\$ 1,113,252	\$ 30,965	\$ 1,604,146	\$ 2,748,363

See accompanying Notes to the Basic Financial Statements.

Housing Authority of the City of Redding
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Assets
June 30, 2008

Total Fund Balances - Total Governmental Funds	\$ 2,454,346
Capital assets have not been included as financial resources in governmental fund activity.	49,918
Accrued vacation and other leave not reported in governmental funds, but recorded as expense in the statement of activities.	(101,546)
Revenue reported as deferred revenue in the governmental funds was recorded as revenue in the statement of activities.	<u>78,356</u>
Net Assets of Governmental Activities	<u><u>\$ 2,481,074</u></u>

Housing Authority of the City of Redding
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2008

	General Fund	MOD 2 Special Revenue	Section 8 Voucher Special Revenue	Total Governmental Funds
REVENUES:				
Intergovernmental revenues	\$ -	\$ 30,965	\$ 7,624,988	\$ 7,655,953
Interest revenue	44,448	-	52,661	97,109
Other revenue	-	-	32,670	32,670
Total revenues	44,448	30,965	7,710,319	7,785,732
EXPENDITURES:				
Current:				
Administrative	-	-	913,495	913,495
Professional services	-	-	309	309
Rental assistance payments	-	-	6,305,852	6,305,852
FSS service coordinator	-	-	58,419	58,419
Capital outlay	-	-	15,168	15,168
Total expenditures	-	-	7,293,243	7,293,243
REVENUES OVER (UNDER) EXPENDITURES	44,448	30,965	417,076	492,489
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	2,278	2,278
Total other financing sources (uses)	-	-	2,278	2,278
Net change in fund balances	44,448	30,965	419,354	494,767
FUND BALANCES:				
Beginning of year	1,068,804	(38,034)	928,809	1,959,579
End of year	\$ 1,113,252	\$ (7,069)	\$ 1,348,163	\$ 2,454,346

See accompanying Notes to the Basic Financial Statements.

Housing Authority of the City of Redding
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes
in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets
For the year ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds	\$ 494,767
Governmental funds reported acquisition of capital assets as part of capital expenditures. However in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period	15,168
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in governmental funds.	(10,442)
Intergovernmental revenue is reported in the period earned on the Government-Wide Statement of Activities and Changes in Net Assets, but is not reported until considered available to provide current financial resources in the governmental funds.	10,226
Damage claims and overpayments (fraud) receivables are not expected to provide current financial resources. Therefore, when new fraud receivables are recorded in governmental funds, deferred revenue is recorded, but on the Government-Wide Statement of Activities and Changes in Net Assets revenue is recorded.	(18,943)
Damage claims and overpayments (fraud) receivables are not expected to provide current financial resources. Therefore, when a bad debt allowance for new fraud receivables is recorded in governmental funds, deferred revenue is reduced, but on the Government-Wide Statement of Activities and Changes in Net Assets bad debt expense is recorded.	(33,228)
Compensated absences in the statement of activities is reported as an expense but is not reported in the governmental funds.	<u>4,321</u>
Change in Net Assets of Governmental Activities	<u>\$ 461,869</u>

See accompanying Notes to the Basic Financial Statements.

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Housing Authority of the City of Redding

Notes to the Basic Financial Statements, Continued

For the years ended June 30, 2008

1. REPORTING ENTITY

The Housing Authority of the City of Redding (Authority), a component unit of the City of Redding, California (City), was established pursuant to the laws of the State of California to provide housing, transact business and to have those powers as defined by law. The Authority has entered into an annual contribution contract with the U.S. Department of Housing and Urban Development (HUD) pertaining to its Conventional Low Rent Owned Housing Program.

The Authority is an integral part of the City, and the accompanying financial statements are being presented as governmental funds as a means of disclosing what has been presented to HUD in the required annual compliance reports, submitted on HUD's Real Estate Assessment Center (REAC) system. REAC collects and reviews data from housing authorities to assure the accuracy, timeliness and reliability of the information used by HUD to assess the condition of HUD's portfolio as well as to provide information to help ensure safe, decent and affordable housing and to restore the public trust by identifying fraud, abuse and waste of HUD resources.

The Authority is a Section 8 only housing authority that does not own its own rental property. Therefore the Authority has opted to maintain its records as a governmental fund and is accounted for as a special revenue fund. It is included on the City's financial statements as part of the Housing Special Revenue Fund along with components of the Redding Redevelopment Agency (RRA). As such, the accompanying financial statements will not agree to what is included in the City's financial statements due to the consolidation of RRA activities and assets in the Housing Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Authority, all of which conform to generally accepted accounting principles as applicable to governmental units. The Authority has elected to follow Governmental Accounting Standards Board (GASB) pronouncements, and not Financial Accounting Standards Board (FASB) pronouncements after 1989, as presented by GASB Statement Number 20.

A. Basis of Accounting and Measurement Focus

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The financial statements for the Authority are presented as General Fund and Special Revenue Funds, which are governmental funds. Governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenue to be available if they are collectible within sixty days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred.

Housing Authority of the City of Redding
Notes to the Basic Financial Statements, Continued
For the years ended June 30, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation

Major Funds

The Authority reports all of its funds as major funds:

The General Fund is the fund the Authority uses for resources within the fund that are not HUD resources. These funds must be used for housing purposes, but are not restricted by HUD.

The MOD 2 Special Revenue Fund is for all activity in the Mod Rehab II program.

The Section 8 Voucher Special Revenue Fund is for all activity in the Section 8 Voucher program.

C. Restricted Cash

Restricted cash is recorded for all cash advances received as deposits for housing activities.

D. Deferred/Unearned Revenue

Unearned revenue in the governmental-wide financial statement is recognized for transactions for which revenues have not yet been earned. Typical transactions recorded as unearned revenues are unspent grant funds.

In the governmental fund financial statements, deferred revenue arises when potential revenues do not meet both "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the Authority before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

E. Net Assets

Net Assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This amount is capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets (Deficit) - This amount is all net assets that do not meet the definition of "restricted net assets."

Housing Authority of the City of Redding
Notes to the Basic Financial Statements, Continued
For the years ended June 30, 2008

F. Use of Estimates

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

3. CASH AND INVESTMENTS

The Authority maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the Authority invests to enhance interest earnings. The pooled interest earned is allocated to the funds annually, based on an analysis of cash activity and fund balances.

A. Cash Deposits

At June 30, 2008, the carrying amount of the Authority's deposits (unrestricted and restricted combined) was \$609,798. Bank balances before reconciling items were \$617,268 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the Authority's name as discussed below.

The California Government Code (Code) requires California banks and savings and loan associations to secure the Authority's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Authority's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the Authority's cash deposits. California law also allows institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the Authority's total cash deposits. The Authority may waive collateral requirements for cash deposits, which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation. The Authority, however, has not waived the collateralization requirements.

B. Investments

The Authority reports its investments in accordance with Governmental Accounting Standards Board (GASB) Statement Number 31. This standard requires that the Authority's investments be reported at fair value with realized and unrealized gains or losses reported in the statement of revenues, expenditures and changes in fund balance

The Authority invests funds in the State Treasurer's Pooled Money Investment Account (PMIA) through the Local Agency Investment Fund (LAIF), a voluntary program created by statute in 1977. The PMIA has regulatory oversight from the Pooled Money Investment Board and an in-house Investment Committee.

LAIF has oversight by the Local Agency Investment Advisory Board. The fair value of the Authority's position in the pool is materially equivalent to the value of pool shares.

Housing Authority of the City of Redding
Notes to the Basic Financial Statements, Continued
For the years ended June 30, 2008

3. CASH AND INVESTMENTS, Continued

B. Investments, Continued

In accordance with authorized investment laws, LAIF invests in various structured notes and mortgage-backed securities, such as collateralized mortgage obligations. As of June 30, 2008, 14.72% of LAIF's investment portfolio was invested in structured notes and other asset-backed securities as compared to 3.466% in the prior year. The City valued its investments in LAIF as of June 30, 2008, by multiplying its account balance with LAIF by a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate fair value by total aggregate amortized cost resulting in a factor of .999950219. No rating is available from a nationally recognized statistical rating organization for LAIF.

C. Summary of Cash and Investments

As of June 30, 2008, the Authority had the following cash and investments:

	Fair Value	Investment Maturity in Year Less Than One Year
Cash and Investments:		
<i>Deposits:</i>		
Cash in bank	\$ 527,227	\$ 527,227
Total deposits	<u>527,227</u>	<u>527,227</u>
<i>Investments:</i>		
Local Agency Investment Funds	1,701,569	1,701,569
Total investments	<u>1,701,569</u>	<u>1,701,569</u>
Total Cash and Investments	<u><u>\$ 2,228,796</u></u>	<u><u>\$ 2,228,796</u></u>
 Restricted Cash:		
<i>Deposits:</i>		
Cash in bank	\$ 82,571	\$ 82,571
Total Restricted Cash and Investments	<u><u>\$ 82,571</u></u>	<u><u>\$ 82,571</u></u>

D. Risk Disclosures

Interest Rate Risk - In accordance with its investment policy, the Authority manages its exposure to declines in fair values by limiting the average maturity of its investment portfolio to less than one year, with 100% of investments (Local Agency Investment Fund) being available on demand.

Credit Risk - The California Government Code and the investment policy of the Authority authorize the Authority to invest in obligations, participations, or other instruments of the U.S. Government or its agencies, state and municipal bonds, commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Standard & Poor's Corporation or Moody's Investor Service, Inc., bankers' acceptances, repurchase agreements, medium-term notes of maximum five-year maturity with a rating category of A or its equivalent or better by a nationally recognized rating agency,

Housing Authority of the City of Redding
Notes to the Basic Financial Statements, Continued
For the years ended June 30, 2008

3. CASH AND INVESTMENTS, Continued

D. Risk Disclosures, Continued

and the State Treasurer's Investment Pool (LAIF). Reverse repurchase agreements may be made only when prior approval of the Board of Directors has been given.

Concentration of Credit Risk - The Authority has 73.6% of its cash invested with the LAIF. In addition to the safety provided by investing in high quality securities, LAIF's policies limit concentration risk by spreading investments over different investment types to minimize the impact of any one industry/investment class and by spreading investments over multiple credits/issuers within an investment type to minimize the credit exposure of the portfolio to any single firm or institution.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

Restricted Cash - Certain deposits are received by the Authority which are not part of pooled cash and investments, but are recorded and tracked separately as restricted assets until refunded or applied.

4. INTERFUND ACTIVITIES

At June 30, 2008 interfund activities were as follows:

Interfund Payable	Interfund Receivable
MOD 2 Special Revenue Fund	General Fund
38,034	38,034
Total	\$ 38,034

Housing Authority of the City of Redding
Notes to the Basic Financial Statements, Continued
For the years ended June 30, 2008

5. CAPITAL ASSETS

Changes in capital assets consisted of the following:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Vehicles & Equipment	\$ 48,420	\$ 15,168	\$ -	\$ 63,588
Total	<u>48,420</u>	<u>15,168</u>	<u>-</u>	<u>63,588</u>
Accumulated depreciation	3,228	10,442	-	13,670
Total	<u>3,228</u>	<u>10,442</u>	<u>-</u>	<u>13,670</u>
Net Capital Assets	<u>\$ 45,192</u>	<u>\$ 4,726</u>	<u>\$ -</u>	<u>\$ 49,918</u>

6. DEFERRED REVENUES

In the governmental fund financial statements the deferred revenue balance at June 30, 2008 was \$78,356. The balance consisted of the following:

- ♦ \$40,594 due from the Department of Housing and Urban Development for the March thru June 2008 Housing administration which was determined by the Authority not to be readily available to be recognized as revenue.
- ♦ \$37,762 for damage claims and overpayments due from Housing program participants were considered by the Authority not to have met the conditions and criteria to be recognized as revenue.

In the government-wide financial statements the Authority recognized the \$40,594 due from the Department of Housing and Urban Development for Housing administration, as revenue. Also, amounts due from program participants for damage claims and overpayments were recognized as revenue, along with an associated bad debt expense, in the year that the receivable was recorded. As a result, the \$78,356 is not deferred revenue on the government-wide financial statements.

Housing Authority of the City of Redding
Notes to the Basic Financial Statements, Continued
For the years ended June 30, 2008

7. COMPENSATED ABSENCES

The Authority's changes in compensated absences for the year ended June 30, 2008 were as follows:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008	Due within One Year
Compensated Absences	\$ 105,867	\$ 46,213	\$ 50,534	\$ 101,546	\$ 27,488

8. INDIVIDUAL FUND DISCLOSURES

MOD 2 Special Revenue Fund - The deficit of \$7,069 in this fund arose from prior year allocations of administrative expenditures (generally allocated based upon lease-up) that were in excess of the amount of administrative grant provided by HUD.

9. CONTINGENCIES

Grants have been received by the Authority for specific purposes that are subject to review and additional audit by HUD. Such audits could lead to a request for reimbursement for expenditures disallowed under the terms of the grant. The amount, if any, of expenditures that may be disallowed by HUD cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

10. ECONOMIC DEPENDENCE

The Authority is dependent upon grant funding from HUD for a significant portion of the Authority's operations. Grant receipts from HUD are subject to audits to determine if the monies were expended in accordance with appropriate statutes, grant terms and regulations.

REQUIRED SUPPLEMENTARY INFORMATION

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Housing Authority of the City of Redding
Required Supplementary Information
For the year ended June 30, 2008

1. BUDGETARY PRINCIPLES

Budget Data

The operating budget of the Authority is adopted by the Housing Board prior to July 1 each year primarily on a cash basis. The City Manager, of the City of Redding is authorized to transfer budget amounts between divisions of a department within any fund; however, any revisions that alter the total expenditures of any fund require a Housing Board resolution.

Budget information is adopted and presented for the Authority as a whole. The presentations represent original appropriations adjusted for supplemental appropriations, if any, made during the year.

Portions of fund equity are recorded as reserves when segregation for future use is necessary and the funds are, therefore, not available for future apportionment or expenditures.

Summary of Differences between Budgetary Basis and Generally Accepted Accounting Principles (GAAP)

The following are the differences between the Authority's budgetary basis and GAAP:

- A. The Authority does not budget for GASB 31 interest income.
- B. The Authority does not budget for accounts payable or intergovernmental payables.
- C. The Authority does not budget for benefit accruals.
- D. The Authority budgets for certain receivables and payables on a cash basis.
- E. Encumbrances are not included in the Statement of Revenue, Expenditures and Changes in Fund Balance

Housing Authority of the City of Redding
Required Supplementary Information
For the year ended June 30, 2008

	Budgeted Amounts		Amounts Budgetary Basis	Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 6,746,570	\$ 7,174,040	\$ 8,047,806	\$ 873,766
Interest revenue	40,000	40,000	87,741	47,741
Other	-	-	25	25
Total revenues	<u>6,786,570</u>	<u>7,214,040</u>	<u>8,135,572</u>	<u>921,532</u>
EXPENDITURES:				
Current:				
Community development	6,807,620	7,290,560	7,257,963	32,597
Total expenditures	<u>6,807,620</u>	<u>7,290,560</u>	<u>7,257,963</u>	<u>32,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,050)</u>	<u>(76,520)</u>	<u>877,609</u>	<u>954,129</u>
Other financing sources (uses):				
Transfers in				-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(21,050)</u>	<u>(76,520)</u>	<u>877,609</u>	<u>954,129</u>
Beginning fund balance	<u>1,959,579</u>	<u>1,959,579</u>	<u>1,959,579</u>	<u>-</u>
Budgetary fund balances (deficit), end of year	\$ <u>1,938,529</u>	\$ <u>1,883,059</u>	\$ <u>2,837,188</u>	\$ <u>954,129</u>

Explanation of differences from the Statement of Revenues, Expenditures and
Changes in Fund Balance to Actual Amounts Budgetary Basis
Fund Balance from the Statement of Revenues, Expenditures and
Changes in Fund Balance

	\$ 2,454,346
(1) GASB 31 investment FMV adjustment - not budgeted.	(239)
(2) The Authority does not budget for accounts payable adjustments.	(737)
(3) The Authority budgets for and records loans made in the expenditure accounts, but adjusts the actual disbursement to loans receivable.	(500)
(4) The Authority budgets for and records loan payments received in the revenue accounts, but adjusts the actual payment to loans receivable.	181
(5) The Authority does not budget for rolling stock.	(2,357)
(6) The Authority budgets for grants on a cash basis.	359,028
(7) End of year encumbrances are included in actual expenditures budgetary basis, but are not included in the Statement of Revenues, Expenditures, and Fund Balance.	(1,103)
(8) The Authority did not adjust the budget for the 2004 true-up.	-
(9) The Authority budgets for interest income on notes receivable on a cash basis.	(9,051)
(10) The Authority budgeted and prepaid rent in a prior year, but adjusts the prepayment for the current year portion	37,620

Budgetary fund balance \$ 2,837,188

The Authority's budget is approved at the entity-wide level, as it is a component unit of the City of Redding and is budgeted as a single fund within the City.

All activity for 2007-08 was in the Section 8 Voucher Special Revenue Fund, with the exception of \$44,448 of interest in the General Fund and the recognition of \$30,965 of revenue in the MOD 2 Special Revenue Fund. The interest is included in budgeted revenue, the revenue recognition is part of reconciliation item #6.

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

The Affordable Housing Commission
of the Housing Authority of the City of Redding
Redding, California

We have audited the financial statements of the Housing Authority of the City of Redding (Authority), a component unit of the City of Redding (City), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 2, 2008. We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

The Affordable Housing Commission
of the Housing Authority of the City of Redding
Redding, California
Page 2

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Housing Commission, others within the entity, and The State Controller and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Capricci & Carlson

Oakland, California
December 2, 2008

SUPPLEMENTARY INFORMATION

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
 of the City of Redding Housing Authority
 Redding, California

We have performed the procedure described in the second paragraph of this report, which was agreed to by the City of Redding Housing Authority (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Circular A-133 reporting package. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

Procedures	UFRS Rule Information	Hard Copy Documents	Agreed	Does Not Agree
1	Balance Sheet and Revenue and Expense (data line items 111 to 11210)	Financial Data Schedule, all CFDA's	X	
2	Footnotes (G5000-010)	Footnotes to Audited Basic Financial Statements	X	
3	Type of opinion on the Financial Statement and auditor reports (G5100-010)	Auditor's Reports on the Financial Statements, Compliance and Internal Control	X	
4	Audit finding narrative (G5200-010)	Schedule of Findings and Questioned Costs	X	
5	General information (G2000, G2100, G2200, G9000, and G9100 series of accounts)	OMB Data Collection Form	X	
6	Financial Statement Report Information (G3000-005 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
7	Federal Program Report Information (G4000-010 to G4100-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data	X	
8	Federal Agencies required to receive reporting package (G4000-050)	OMB Data Collection Form	X	
9	Basic Financial Statements and Auditor Reports required to be submitted electronically	Basic Financial Statements (inclusive auditor reports)	X	

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Sacramento
 777 Campus Commons Rd., Suite 200
 Sacramento, California 95825

San Diego
 4858 Mercury, Suite 106
 San Diego, California 92111

To the Board of Directors
of the City of Redding Housing Authority
Redding, California

We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, City of Redding Housing Authority, HUD Project No. 106 as of and for the year ended June 30, 2008, and have issued our report thereon December 2, 2008. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplemental information dated December 2, 2008 was expressed in relation to the basic financial statements of City of Redding Housing Authority, HUD Project No. 106 taken as a whole.

A copy of the reporting package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from the City of Redding Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the City of Redding Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.



Oakland, California
June 2, 2009

Line Item No.	Row Number	Description	Total Programs	1	14.871	14.856
				Business Activities	Housing Choice Vouchers	Mod Rehab 2
Balance Sheet						
111	7	Cash-unrestricted	\$ 997,820	\$839,086	\$158,734	
112	8	Cash-restricted-modernization and development	\$ -			
113	9	Cash-other restricted	\$ 1,313,547		\$1,313,547	
114	10	Cash-tenant security deposits	\$ -			
115	11	Cash - Restricted for payment of current liability	\$ -			
100	12	Total Cash	\$ 2,311,367	\$ 839,086	\$ 1,472,281	\$ -
121	14	Accounts receivable - PHA projects	\$ -			
122-010	15	Accounts receivable - HUD other projects - Operating Subsidy	\$ -			
122-020	16	Accounts receivable - HUD other projects - Capital fund	\$ -			
122-030	17	Accounts receivable - HUD other projects - Other	\$ -			
122	18	Accounts receivable - HUD other projects	\$ 112,988		\$82,023	\$30,965
124	19	Account receivable - other government	\$ -			
125	26	Account receivable - miscellaneous	\$ -	\$ -		
126	27	Accounts receivable - tenants	\$ -			
126.1	28	Allowance for doubtful accounts - tenants	\$ -			
126.2	29	Allowance for doubtful accounts - other	\$ -			
127	30	Notes, Loans, & Mortgages Receivable - Current	\$ -			
128	31	Fraud recovery	\$ 75,524		\$75,524	
128.1	32	Allowance for doubtful accounts - fraud	\$ (37,762)		-\$37,762	
129	33	Accrued interest receivable	\$ 16,278	\$6,103	\$10,175	
120	34	Total receivables, net of allowance for doubtful accounts	\$ 167,028	\$ 6,103	\$ 129,960	\$ 30,965
131	36	Investments - unrestricted	\$ -			
132	37	Investments - restricted	\$ -			
135	38	Investments - Restricted for payment of current liability	\$ -			
142	39	Prepaid expenses and other assets	\$ -			
143	40	Inventories	\$ -			
143.1	41	Allowance for obsolete inventories	\$ -			
144	42	Inter program - due from	\$ 38,034	\$38,034		
145	43	Assets held for sale	\$ -			
150	44	Total Current Assets	\$ 2,516,429	\$ 883,223	\$ 1,602,241	\$ 30,965
161	46	Land	\$ -			
162	47	Buildings	\$ -			
163	48	Furniture, equipment and machinery - dwellings	\$ -			
164	49	Furniture, equipment and machinery - administration	\$ 63,588		\$63,588	
165	50	Leasehold improvements	\$ -			
166	51	Accumulated depreciation	\$ (13,670)		-\$13,670	
167	52	Construction in progress	\$ -			
168	53	Infrastructure	\$ -			
160	54	Total capital assets, net of accumulated depreciation	\$ 49,918	\$ -	\$ 49,918	\$ -
171	62	Notes, Loans, & mortgages receivable - Non-current	\$ 1,905	\$ -	\$1,905	
173	70	Grants receivable - Non-current	\$ -			
174-010	71	Other assets - Not For Profit	\$ -			
174-020	72	Other assets - Partnership	\$ -			
174-030	73	Other assets - Joint Venture	\$ -			
174-040	74	Other assets - Tax Credit	\$ -			
174-050	75	Other assets - Other	\$ 230,029	\$230,029		
174-060		Other - Comment		Prepaid Rent -		
174	77	Other assets	\$ 230,029	\$ 230,029		
176	84	Investment in joint venture	\$ -	\$ -		
180	85	Total Non-current Assets	\$ 281,852	\$ 230,029	\$ 51,823	\$ -
190	87	Total Assets	\$ 2,798,281	\$ 1,113,252	\$ 1,654,064	\$ 30,965

Line Item No.	Row Number	Description	Total Programs	1	14.871	14.856
				Business Activities	Housing Choice Vouchers	Mod Rehab 2
Balance Sheet						
311	89	Bank overdraft	\$ -			
312	90	Accounts payable <= 90 days	\$ 1,851		\$1,851	
313	91	Accounts payable > 90 days past due	\$ -			
321	92	Accrued wage/payroll taxes payable	\$ 32,120		\$32,120	
322	93	Accrued compensated absences - current portion	\$ 27,488		\$27,488	
324	94	Accrued contingency liability	\$ -			
325	95	Accrued interest payable	\$ -			
331-010	96	Accounts payable - HUD PHA Programs - Operating Subsidy	\$ -			
331-020	97	Accounts payable - HUD PHA Programs - Capital fund	\$ -			
331-030	98	Accounts payable - HUD PHA Programs - Other	\$ -			
331	99	Accounts payable - HUD PHA Programs	\$ -			
332	100	Accounts payable - PHA Projects	\$ -			
333	101	Accounts payable - other government	\$ -			
341	102	Tenant security deposits	\$ -			
342-010	103	Deferred revenue - Operating Subsidy	\$ -			
342-020	104	Deferred revenue - Capital fund	\$ -			
342-030	105	Deferred revenue - Other	\$ -			
342	106	Deferred revenue	\$ -			
343-010	107	CFFP	\$ -			
343-020	108	Capital Projects/ Mortgage Revenue	\$ -			
343	109	Current portion of long-term debt - capital projects/mortgage revenue bonds	\$ -			
344	110	Current portion of long-term debt - operating borrowings	\$ -			
345	111	Other current liabilities	\$ 143,656		\$143,656	
346	112	Accrued liabilities - other	\$ -			
347	113	Inter program - due to	\$ 38,034			\$38,034
348-010	114	Loan liability - current - Not For Profit	\$ -			
348-020	115	Loan liability - current - Partnership	\$ -			
348-030	116	Loan liability - current - Joint Venture	\$ -			
348-040	117	Loan liability - current - Tax Credit	\$ -			
348-050	118	Loan liability - current - Other	\$ -			
348-060		Other - Comment	\$ -			
348	120	Loan liability - current	\$ -	\$ -		
310	121	Total Current Liabilities	\$ 243,149	\$ -	\$ 205,115	\$ 38,034
351-010	123	Long-term debt - CFFP	\$ -			
351-020	124	Long-term - Capital Projects/ Mortgage Revenue	\$ -			
351	125	Capital Projects/ Mortgage Revenue Bonds	\$ -			
352	126	Long-term debt, net of current - operating borrowings	\$ -			
353	127	Non-current liabilities - other	\$ -			
354	128	Accrued compensated absences- Non-current	\$ 74,058		\$74,058	
355-010	129	Loan liability - Non-current - Not For Profit	\$ -			
355-020	130	Loan liability - Non-current - Partnership	\$ -			
355-030	131	Loan liability - Non-current - Joint Venture	\$ -			
355-040	132	Loan liability - Non-current - Tax Credit	\$ -			
355-050	133	Loan liability - Non-current - Other	\$ -			
355-060		Other - Comment	\$ -			
355	135	Loan liability - Non-current	\$ -	\$ -		
356	136	FASB 5 Liabilities	\$ -			
357	137	Accrued Pension and OPEB Liability	\$ -			
350	138	Total Non-current liabilities	\$ 74,058	\$ -	\$ 74,058	\$ -
300	140	Total Liabilities	\$ 317,207	\$ -	\$ 279,173	\$ 38,034
508.1	142	Invested in capital assets, net of related debt	\$ 49,918		\$49,918	
511.1		Restricted Net Assets	\$ 1,258,599		\$1,258,599	
512.1		Unrestricted Net Assets	\$ 1,172,557	\$1,113,252	\$66,374	-\$7,069
513	145	Total Equity/Net Assets	\$ 2,481,074	\$ 1,113,252	\$ 1,374,891	\$ (7,069)
600	147	Total Liabilities and Equity/Net assets	\$ 2,798,281	\$ 1,113,252	\$ 1,654,064	\$ 30,965

Line Item No.	Row Number	Description	Total Programs	1	14.871	14.856
				Business Activities	Housing Choice Vouchers	Mod Rehab 2
Income Statement						
70300	152	Net tenant rental revenue	\$ -			
70400	153	Tenant revenue - other	\$ -			
70500	154	Total Tenant Revenue	\$ -	\$ -	\$ -	\$ -
70600-010	11	Housing assistance payments	\$ 6,694,480		\$6,694,480	
70600-020	12	Ongoing administrative fees earned	\$ 914,393		\$914,393	
70600-030	13	Hard to house fee revenue	\$ -			
70600-031	14	FSS Coordinator	\$ 56,709		\$56,709	
70600-040	15	Actual independent public accountant audit costs	\$ -			
70600-050	16	Total preliminary fees earned	\$ -			
70600-060	17	All other fees	\$ -			
70600-070	18	Admin fee calculation description				
70600	164	HUD PHA operating grants	\$ 7,665,582		\$ 7,665,582	
70800	175	Other government grants	\$ -			
71100-010	176	Housing Assistance Payment	\$ 44,263		\$44,263	
71100-020	177	Administrative Fee	\$ 8,398		\$8,398	
71100	178	Investment income - unrestricted	\$ 97,109	\$44,448	\$ 52,661	
71200	179	Mortgage interest income	\$ -			
71300	180	Proceeds from disposition of assets held for sale	\$ -			
71310	181	Cost of sale of assets	\$ -			
71400-010	182	Housing Assistance Payment	\$ -			
71400-020	183	Administrative Fee	\$ -			
71400	184	Fraud recovery	\$ -		\$ -	
71500	185	Other revenue	\$ 13,727		\$13,727	
71600	186	Gain or loss on sale of capital assets	\$ 2,278		\$2,278	
72000-010	187	Housing Assistance Payment	\$ -			
72000-020	188	Administrative Fee	\$ -			
72000	189	Investment income - restricted	\$ -		\$ -	
70000	190	Total Revenue	\$ 7,778,696	\$ 44,448	\$ 7,734,248	\$ -

Line Item No.	Row Number	Description	Total Programs	1	14,871	14,856
				Business Activities	Housing Choice Vouchers	Mod Rehab 2
Income Statement						
91100	192	Administrative salaries	\$ 340,382		\$340,382	
91200	193	Auditing fees	\$ 309		\$309	
91500	197	Employee benefit contributions - administrative	\$ 276,373		\$276,373	
91600	198	Office Expenses	\$ 246,207		\$246,207	
91000	203	Total Operating-Administrative	\$ 863,271	\$ -	\$ 863,271	\$ -
92100	207	Tenant services - salaries	\$ 36,661		\$36,661	
92200	208	Relocation Costs	\$ -			
92300	209	Employee benefit contributions - tenant services	\$ 21,758		\$21,758	
92400	210	Tenant services - other	\$ -			
92500	211	Total Tenant Services	\$ 58,419	\$ -	\$ 58,419	\$ -
96210	254	Compensated absences	\$ 46,213		\$46,213	
96000	260	Total Other General Expenses	\$ 46,213	\$ -	\$ 46,213	\$ -
96900	267	Total Operating Expenses	\$ 967,903	\$ -	\$ 967,903	\$ -
97000	269	Excess Revenue Over Operating Expenses	\$ 6,810,793	\$ 44,448	\$ 6,766,345	\$ -
97300-020	274	Home-Ownership	\$ 19,657		\$19,657	
97300-050	279	All Other	\$ 6,286,194		\$6,286,194	
97300	280	Housing assistance payments	\$ 6,305,851		\$ 6,305,851	
97350		HAP Portability-in	\$ -			
97400	282	Depreciation expense	\$ 10,442		\$10,442	
97500	283	Fraud losses	\$ 33,228		\$33,228	
97800	284	Dwelling units rent expense	\$ -			
90000	285	Total Expenses	\$ 7,317,424	\$ -	\$ 7,317,424	\$ -
11020	307	Required Annual Debt Principal Payments	\$ -			
11030	309	Beginning equity	\$ 2,019,205	\$1,068,804	\$958,067	-\$7,666
11040-010	311	Prior period adjustments and correction of errors - Editable	\$ 597			\$597
11040	322	Prior period adjustments, equity transfers, and correction of errors	\$ 597	\$ -	\$ -	\$ 597
11170-001	179	Administrative Fee Equity- Beginning Balance	\$ 129,448		\$129,448	
11170-010	180	Administrative Fee Revenue	\$ 914,393		\$ 914,393	
11170-020	181	Hard to House Fee Revenue	\$ -		\$ -	
11170-021		FSS Coordinator Grant	\$ 56,709		\$ 56,709	
11170-030	183	Audit Costs	\$ -		\$ -	
11170-040	184	Investment Income	\$ 8,398		\$ 8,398	
11170-045	185	Fraud Recovery Revenue	\$ -		\$ -	
11170-050	186	Other Revenue	\$ 2,303		\$2,303	
11170-051	187	Comment for Other Revenue				
11170-060	188	Total Admin Fee Revenues	\$ 981,803		\$ 981,803	
11170-080	189	Total Operating Expenses	\$ 967,903		\$ 967,903	
11170-090	190	Depreciation	\$ 10,442		\$ 10,442	
11170-095		Housing Assistance Portability In	\$ -		\$ -	
11170-100	192	Other Expenses	\$ 16,614		\$16,614	
11170-101	193	Comment for Other Expense				
11170-110	194	Total Expenses	\$ 994,959		\$ 994,959	
11170-002	195	Net Administrative Fee	\$ (13,156)		\$ (13,156)	
11170-003	196	Administrative Fee Equity- Ending Balance	\$ 116,292		\$ 116,292	
11170	342	Administrative Fee Equity	\$ 116,292		\$ 116,292	
11180-001	199	Housing Assistance Payments Equity - Begining Balance	\$ 828,619		\$828,619	
11180-010		Housing Assistance Payment Revenues	\$ 6,694,480		\$ 6,694,480	
11180-015		Fraud Recovery Revenue	\$ -		\$ -	
11180-020	204	Other Revenue	\$ 13,702		\$13,702	
11180-021		Comment for Other Revenue				
11180-025		Investment Income	\$ 44,263		\$ 44,263	
11180-030	207	Total HAP Revenues	\$ 6,752,445		\$ 6,752,445	
11180-080	208	Housing Assistance Payments	\$ 6,305,851		\$ 6,305,851	
11180-090	209	Other Expenses	\$ 16,614		\$16,614	
11180-091	210	Comments for Other Expenses				
11180-100	211	Total Housing Assistance Payments Expenses	\$ 6,322,465		\$ 6,322,465	
11180-002	210	Net Housing Assistance Payments	\$ 429,980		\$ 429,980	
11180-003	211	Housing Assistance Payments Equity-Ending Balance	\$ 1,258,599		\$ 1,258,599	
11180	357	Housing Assistance Payments Equity	\$ 1,258,599		\$ 1,258,599	