



HOUSING AUTHORITY OF THE CITY OF REDDING
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR FISCAL YEAR ENDED
JUNE 30, 2015

Housing Authority of the City of Redding

*Basic Financial Statements
and Independent Auditors' Reports*

For the year ended June 30, 2015

Housing Authority of the City of Redding

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
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 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, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the 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, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 31 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

N.H. Scott & Company LLP

Redding, California
December 11, 2015

Housing Authority of the City of Redding

Management's Discussion and Analysis

For the year ended June 30, 2015

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 ended June 30, 2015. 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 position decreased by \$92,323.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$737,946 which is a decrease of \$117,639 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 \$8,333,801 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 Position: This statement presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, the change in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for

Housing Authority of the City of Redding
Management's Discussion and Analysis, continued
For the year ended June 30, 2015

some items that will result in cash flow in future fiscal periods (e.g., unavailable grant revenue, accrued compensated absences, accrued vacation leave, etc.).

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 Housing Choice Voucher (HCV) program only housing authority, providing rental assistance and home purchase assistance to qualified residents. Since the Authority does not own or operate rental property, the HCV program is reported as a special revenue fund.

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 21-29 of this report.

Housing Authority of the City of Redding
Management's Discussion and Analysis, continued
For the year ended June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position 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 position as of June 30, 2015 and 2014:

Condensed Statement of Net Position

	<u>2015</u>	<u>2014</u>
Current assets	\$ 1,070,446	\$ 1,102,882
Non-current capital assets	6,442	10,306
Other non-current assets	403	403
Total assets	<u>1,077,291</u>	<u>1,113,591</u>
Current liabilities	242,456	219,119
Non-current liabilities	101,934	69,248
Total liabilities	<u>344,390</u>	<u>288,367</u>
Net Position:		
Investment in capital assets	6,442	10,306
Restricted	(24,002)	52,980
Unrestricted	750,461	761,938
Total net position	<u>\$ 732,901</u>	<u>\$ 825,224</u>

The Authority's net position decreased to \$.73 million from \$.82 million, a decrease of 11%. The decrease is almost entirely in the HCV program. During 2011-12 the Department of Housing and Urban Development (HUD) began, at the direction of Congress, recapturing excess funds that were held by the Authority for payment of Housing Assistance Payments (HAP). At the beginning of the year the Authority had approximately \$0.12 million in HAP reserves. By June 30, 2015 this had been reduced to approximately \$0.04 million. Given that the Authority's assets have been effectively reduced through the recapturing process imposed by HUD in the previous fiscal years, staff anticipates the HCV Program funding will not be subject to further reductions. It is further anticipated that monthly funding from HUD will continue to be adjusted according to the approximate monthly HAP expenditures.

Housing Authority of the City of Redding
Management's Discussion and Analysis, continued
For the year ended June 30, 2015

The following schedule displays a comparison of 2014-15 and 2013-14 fiscal year revenues and expenses for the Authority:

Condensed Statement of Activities and Changes in Net Position

	<u>2015</u>	<u>2014</u>
Administrative	\$ 1,108,575	\$ 1,128,673
Rental assistance	7,230,473	8,143,123
Other expenses	-	-
Total expenses	<u>8,339,048</u>	<u>9,271,796</u>
Operating grants	8,178,876	8,614,888
Investment and Other	67,849	111,403
Total revenues	<u>8,246,725</u>	<u>8,726,291</u>
Change in net position	<u>(92,323)</u>	<u>(545,505)</u>
Beginning net position	825,224	1,370,729
Ending net position	<u>\$ 732,901</u>	<u>\$ 825,224</u>

Administrative expenses decreased in the fiscal year ending June 30, 2015. The reduction was partially attributed to the staffing reductions and workload adjustments. Conversely, a slight increase in operating revenues was realized during 2014-15 Fiscal Year as a modest increase to the published admin percentage reimbursement received per voucher was implemented by HUD. Further, the Housing Authority increased lease-up activity in order to maximize the number of HCV participants, while implementing policies to decrease per-unit costs to remain strategically within the budget authority established by HUD.

BUDGETARY HIGHLIGHTS

The Authority's budget is approved at the entity-wide level. Since the Authority is a component unit of the City, 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 HUD. Actual amounts received from HUD vary from initial projections. Once HUD grant amounts are available the Authority adjusts its budget. Actual expenditures for HAP are subject to actual lease-up. Nevertheless, the program was operated within the Budget Authority (BA) established by HUD for the Program year.

**Housing Authority of the City of Redding
Management's Discussion and Analysis, continued
For the year ended June 30, 2015**

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.

Section 8 Voucher – Special Revenue Fund: The HCV program's fund balance decreased from a beginning balance of \$93,647 to (\$12,515). The administrative portion of the fund decreased by \$16,123. The housing assistance (HAP) portion of the fund decreased by \$90,039.

FSS Program Fund: The FSS Program Fund is used to track FSS Coordinator grant funds. This grant reimburses expenditures related to the FSS Coordinator.

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 HCV program. However, it is anticipated that the budget authority allocations and the published admin percentage reimbursement received per voucher for the 2016 Fiscal Year will remain status quo. At June 30, 2015 the Authority has no locally held cash reserves for HAP expenses or HAP Administrative expenses. Due to the HUD recapturing of locally-held HAP reserves, all unspent prior-year BA funds are currently held by HUD and available upon request.

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 Position
June 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 812,416
Receivables:	
Interest	400
Damage claims and overpayments, net	74,585
Intergovernmental	68,925
Other receivables	364
Restricted assets:	
Cash and investments	113,729
Interest receivable	27
Total current assets	<u>1,070,446</u>
Noncurrent assets:	
FSS emergency loans receivable	403
Capital assets, net of depreciation	<u>6,442</u>
Total noncurrent assets	<u>6,845</u>
Total assets	<u><u>1,077,291</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	10,405
Intergovernmental payable	118,158
Accounts payable from restricted assets	164
Deposits payable from restricted assets	<u>113,729</u>
Total current liabilities	<u>242,456</u>
Noncurrent liabilities:	
Intergovernmental payable	<u>101,934</u>
Total noncurrent liabilities	<u>101,934</u>
Total liabilities	<u><u>344,390</u></u>
NET POSITION	
Net investment in capital assets	6,442
Restricted for:	
Housing	(24,002)
Unrestricted	<u>750,461</u>
Total net position	<u><u>\$ 732,901</u></u>

See accompanying Notes to the Basic Financial Statements.

Housing Authority of the City of Redding
Statement of Activities
For the year ended June 30, 2015

<u>Functions/Programs</u>	Expenses	Program Revenues				Net (Expenses) Revenue and Change in Net Position
		Charges for Services		Operating Grants & Contributions		
		FSS Forfeitures	Overpayments & Damage Claims	Grants	Restricted Interest	
Governmental activities:						
Rental assistance	\$ 7,230,473	\$ 15	\$ 34,563	\$ 7,117,429	\$ 189	\$ (78,277)
Administration	1,066,221	-	30,826	1,032,778	-	(2,617)
FSS Coordinator	28,669	-	-	28,669	-	-
Business activity	13,685	-	-	-	-	(13,685)
Total governmental activities:	\$ 8,339,048	\$ 15	\$ 65,389	\$ 8,178,876	\$ 189	\$ (94,579)

General revenues:

FSS emergency loan fees/copy fees/Port	48
Unrestricted investment earnings	2,208
Total general revenues and transfers	2,256
Change in net position	(92,323)
Net position - beginning of year	825,224
Net position - end of year	\$ 732,901

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, 2015

	General Fund	FSS Program Coordinator Special Revenue	Housing Choice Voucher Special Revenue	Total Governmental Funds
ASSETS				
Current assets:				
Cash and investments	\$ 739,080	\$ -	\$ 73,336	\$ 812,416
Receivables:				
Interest	386	-	14	400
Damage claims and overpayments, net	-	-	74,585	74,585
Intergovernmental	-	7,489	61,436	68,925
Due from other funds	10,995	-	-	10,995
Other receivables	-	-	364	364
Restricted assets:				
Cash and investments	-	-	113,729	113,729
Interest receivable	-	-	27	27
Non current assets:				
FSS emergency loans receivable	-	-	403	403
Total assets	\$ 750,461	\$ 7,489	\$ 323,894	\$ 1,081,844
LIABILITIES AND FUND BALANCES				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ 10,405	\$ 10,405
Intergovernmental payable	-	7,489	110,669	118,158
Due to other funds	-	-	10,995	10,995
Accounts payable from restricted assets	-	-	164	164
Deposits payable from restricted assets	-	-	113,729	113,729
Total liabilities	-	7,489	245,962	253,451
Deferred inflows of resources:				
Unavailable revenues	-	-	90,447	90,447
Fund balances:				
Restricted for:				
Housing	-	-	3,347	3,347
Unassigned	750,461	-	(15,862)	734,599
Total fund balances	750,461	-	(12,515)	737,946
Total liabilities and fund balances	\$ 750,461	\$ 7,489	\$ 323,894	\$ 1,081,844

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 Position
June 30, 2015

Total Fund Balances - Total Governmental Funds	\$ 737,946
Capital assets have not been included as financial resources in governmental fund activities.	6,442
Accrued vacation and other leave (compensated absences) for City of Redding employees is not included in intergovernmental payables as reported in governmental funds, but is recorded as expense in the Statement of Activities.	(101,934)
Unavailable revenues reported in the governmental funds was recorded as revenue in the Statement of Activities.	<u>90,447</u>
Net Position of Governmental Activities	<u><u>\$ 732,901</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, 2015

	General Fund	FSS Program Coordinator Special Revenue	Housing Choice Voucher Special Revenue	Total Governmental Funds
REVENUES:				
Intergovernmental revenues	\$ -	\$ 28,669	\$ 8,134,345	\$ 8,163,014
Interest revenue	2,208	-	189	2,397
Other revenue	-	-	50,751	50,751
Total revenues	2,208	28,669	8,185,285	8,216,162
EXPENDITURES:				
Administration	13,685	-	1,060,974	1,074,659
Rental assistance payments	-	-	7,230,473	7,230,473
FSS services coordinator	-	28,669	-	28,669
Total expenditures	13,685	28,669	8,291,447	8,333,801
REVENUES OVER (UNDER) EXPENDITURES	(11,477)	-	(106,162)	(117,639)
FUND BALANCES:				
Beginning of year	761,938	-	93,647	855,585
End of year	\$ 750,461	\$ -	\$ (12,515)	\$ 737,946

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
For the year ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ (117,639)
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position. It did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in governmental funds.	(3,864)
Damage claims and overpayments (fraud) receivable are not expected to provide current financial resources. Therefore, the net change in fraud receivables is a change in deferred revenue on the governmental funds, but on the Government-Wide Statement of Activities and Changes in Net Position the change is recorded as a revenue, reduction in revenue, or bad debt expense.	23,524
Unavailable revenue reported in the government funds was recorded as revenue in the statement of activities.	15,862
Compensated absences (for City of Redding employees who work for the Housing Authority) in the Statement of Activities is reported as an expense but is not reported in the governmental funds.	<u>(10,206)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (92,323)</u></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

For the year ended June 30, 2015

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 Housing Choice Vouchers (HCV) 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 an HCV 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 the Successor Housing Agency (SHA) (formerly the Housing elements of the City's redevelopment agencies -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 SHA and 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.

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 fund financial statements for the Authority are presented as General Fund and Special Revenue Fund, 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 it is 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
For the year ended June 30, 2015

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 HCV Special Revenue Fund is for all activity in the Housing Choice Voucher program.

The FSS Fund is for all activity related to the FSS Coordinator Grant.

C. Restricted Cash

Restricted cash is recorded for cash held in trust for FSS Escrow participants and for cash restricted for use on housing assistance payments.

D. Damage Claims and Overpayments Receivable

The Authority records an allowance for doubtful accounts on damage claims and overpayments receivable based on the experience method.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Housing Authority of the City of Redding
Notes to the Basic Financial Statements
For the year ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets, Continued

<u>Asset Types</u>	<u>Useful Life (in years)</u>
Public domain infrastructure	50
Utility plants	20-50
Buildings	10-30
Improvements other than buildings	5-40
Equipment, furnishings and vehicles	5-10
Assets under capital lease	4-30
System infrastructure	30

F. 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. The Authority has no unearned revenue as of June 30, 2015.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental fund balance sheet both include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has no items that qualify as Deferred Outflows.

In addition to liabilities, the statement of net position and the governmental fund balance sheet both include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future reporting periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item, unavailable revenues, that qualifies for reporting in this category, which is related to damage claims and overpayments due from Housing program participants.

In subsequent periods, when both revenue recognition criteria (“measureable” and “available”) are met, or when the Authority has a legal claim to the resources, the Deferred Inflow is removed from the balance sheet and revenue is recognized.

H. Net Position or Fund Balance

Net Position

For government-wide reporting as well as in proprietary funds, fund equity is called net position. Net position is comprised of three components: net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes and other debt that are attributed to the acquisition,

Housing Authority of the City of Redding
Notes to the Basic Financial Statements
For the year ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows or resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Equity

In the fund financial statements, governmental funds aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications; restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed ordinances of the City Council – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the City Council ‘s “intent” to be used for specific purposes, but are neither restricted nor committed. The City Council and City Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use externally restricted resources first, the unrestricted resources-committed, assigned, and unassigned-in order as needed.

Housing Authority of the City of Redding
Notes to the Basic Financial Statements
For the year ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

1. 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 separate bank account for Housing Assistance Payment (HAP) activity. Balances deemed not necessary for each month's HAP expenditures are kept in the Authority's Local Agency Investment Fund (LAIF) with the State Treasurer in order to maintain a higher return. Administrative costs are handled through the pooled cash of the City and reimbursements are made to the City monthly.

A. Cash Deposits

At June 30, 2015, the carrying amount of the Authority's deposits (unrestricted and restricted combined) was \$721,521. Bank balances before reconciling items were \$734,563 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 \$250,000 by the Federal Deposit Insurance Corporation. The Authority, however, has not waived the collateralization requirements.

B. Investments

The Authority reports its investments at fair value with realized and unrealized gains or losses reported in the Statement of Revenues, Expenditures and Changes in Fund Balances.

The Authority invests funds in the State Treasurer's Pooled Money Investment Account (PMIA) through 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.

Housing Authority of the City of Redding
Notes to the Basic Financial Statements
For the year ended June 30, 2015

3. CASH AND INVESTMENTS, Continued

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.

In accordance with authorized investment laws, LAIF may invest in various structured notes and mortgage-backed securities, such as collateralized mortgage obligations. As of June 30, 2015, 2.08% of LAIF's investment portfolio was invested in structured notes and other asset-backed securities. The City valued its investments in LAIF as of June 30, 2015, 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 1.000375979. No rating is available from a nationally recognized statistical rating organization for LAIF.

C. Summary of Cash and Investments

As of June 30, 2015, the Authority had the following cash and investments:

	Fair Value	Investment Maturity in Year Less Than One Year
	<u> </u>	<u> </u>
Cash and Investments:		
<i>Deposits:</i>		
Cash in bank	\$ 607,859	\$ 607,859
Total deposits	<u>607,859</u>	<u>607,859</u>
<i>Investments:</i>		
Local Agency Investment Funds	204,557	204,557
Total investments	<u>204,557</u>	<u>204,557</u>
Total Cash and Investments	<u>\$ 812,416</u>	<u>\$ 812,416</u>
Restricted Cash:		
<i>Deposits:</i>		
Cash in bank	\$ 113,729	\$ 113,729
Total Restricted Cash	<u>\$ 113,729</u>	<u>\$ 113,729</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 LAIF being available on demand.

Housing Authority of the City of Redding
Notes to the Basic Financial Statements
For the year ended June 30, 2015

3. CASH AND INVESTMENTS, Continued

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, and 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 25% 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. DAMAGE CLAIMS AND OVERPAYMENTS RECEIVABLE

Damage claims and overpayments, net, at June 30, 2015 consisted of \$268,745 of receivables and an allowance for doubtful accounts of \$194,160.

5. INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivable consists of a \$68,925 receivable from HUD.

Housing Authority of the City of Redding
Notes to the Basic Financial Statements
For the year ended June 30, 2015

6. CAPITAL ASSETS

Changes in capital assets consisted of the following:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Vehicles & Equipment	\$ 34,490	\$ -	\$ -	\$ 34,490
Total	<u>34,490</u>	<u>-</u>	<u>-</u>	<u>34,490</u>
Accumulated Depreciation	24,184	3,864	-	28,048
Total	<u>24,184</u>	<u>3,864</u>	<u>-</u>	<u>28,048</u>
Net Capital Assets	<u>\$ 10,306</u>	<u>\$ (3,864)</u>	<u>\$ -</u>	<u>\$ 6,442</u>

Depreciation Expense was \$3,864.

7. INTERGOVERNMENTAL PAYABLES

The Authority's personnel costs and other administrative costs are paid by the City of Redding. These costs are recorded as intergovernmental payables to the City of Redding. Payments are typically made on those payments the month following the expense. In the governmental fund financial statements, the intergovernmental payables at June 30, 2015 consisted of \$118,158 payable to the City of Redding.

8. DEFERRED INFLOWS OF RESOURCES

In the governmental fund financial statements the deferred inflows of resources balance at June 30, 2015 was \$90,447. The balance consisted of the following:

- ◆ \$74,585 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.
- ◆ \$15,862 for Admin True-up due from HUD not received within 60 days of year-end.

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.

Housing Authority of the City of Redding
Notes to the Basic Financial Statements
For the year ended June 30, 2015

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.

Housing Authority of the City of Redding
Notes to the Basic Financial Statements
For the year ended June 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION

Housing Authority of the City of Redding
Required Supplementary Information
For the year ended June 30, 2015

1. BUDGETARY PRINCIPLES

Budget Data

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

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 the fair market value adjustment required under GASB 31.
- 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, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 7,344,240	\$ 8,118,630	\$ 8,167,604	\$ 48,974
Interest revenue	3,500	3,500	1,052	(2,448)
Other	10,000	41,870	50,751	8,881
Total revenues	<u>7,357,740</u>	<u>8,164,000</u>	<u>8,219,407</u>	<u>55,407</u>
EXPENDITURES:				
Current:				
Community development	<u>7,654,570</u>	<u>8,510,830</u>	<u>8,303,949</u>	<u>206,881</u>
Total expenditures	<u>7,654,570</u>	<u>8,510,830</u>	<u>8,303,949</u>	<u>206,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(296,830)</u>	<u>(346,830)</u>	<u>(84,542)</u>	<u>262,288</u>
Net change in fund balance	<u>(296,830)</u>	<u>(346,830)</u>	<u>(84,542)</u>	<u>262,288</u>
Beginning fund balance	<u>855,585</u>	<u>855,585</u>	<u>855,585</u>	<u>-</u>
Budgetary fund balance (deficit), end of year	\$ <u>558,755</u>	\$ <u>508,755</u>	\$ <u>771,043</u>	\$ <u>262,288</u>

Explanation of differences between the end of year fund balance reported on the Statement of Revenues, Expenditures and Changes in Fund Balances and the Budgetary fund balance, end of year.

Fund balance as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance

	\$ 737,946
(1) Fair market value adjustments to investments are not recorded in budgetary accounts.	7
(2) Accounts payable accruals are reflected in GAAP based financial statements but are not included in budgetary expenditures.	1,236
(3) The Authority budgets for grants on a cash basis.	4,590
(4) End of year encumbrances are included in budgetary expenditures but are not included in the GAAP based Statement of Revenues, Expenditures, and Changes in Fund Balance.	(9,004)
(5) The Authority budgets for interest income on notes receivable on a cash basis.	(1,352)
(6) The Authority budgeted and prepaid rent in a prior year, but adjusts the prepayment for the current year portion.	37,620
Budgetary fund balance, end of year	<u>\$ 771,043</u>

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.



D. H. SCOTT & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A LIMITED LIABILITY PARTNERSHIP

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Ron Massey, CPA
Dennis Weibling, CPA

INDEPENDENT AUDITORS' 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

Board of Commissioners
Housing Authority of the City of Redding
Redding, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Housing Authority of the City of Redding (Authority), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 11, 2015.

Internal Control Over Financial Reporting

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

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

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

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 results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

D. H. Scott & Company LLP

Redding, California
December 11, 2015

SUPPLEMENTAL INFORMATION



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INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures described in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Redding (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 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 procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have 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 procedures will indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below:

Procedure	UFRS Rule Information	Hard Copy Documents	Agreed	Does not Agree
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	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 Statements and auditor reports (G3100-040)	Auditors' 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 Collection Form	X	
8	Federal Agencies required to receive reporting package (G4200-020 and G4000-030)	OMB Data Collection Form	X	
9	Basic Financial Statements and Auditor Reports required to be submitted electronically	Basic Financial Statements (inclusive auditor reports)	X	

We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, for the City of Redding, which the Authority is a component unit of, as of and for the year ended June 30, 2015, and have issued our report thereon dated December 11, 2015. 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 11, 2015, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package and the FDS, which includes the auditors' reports, is available in its entirety from the 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 Housing Authority of the City of Redding 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.

D. H. Scott & Company LLP

Redding, California
December 11, 2015

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	14,896 PIH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	1 Business Activities	Total
111 Cash - Unrestricted		\$73,336		\$73,336
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$97,284		\$97,284
114 Cash - Tenant Security Deposits				
115 Cash - Restricted for Payment of Current Liabilities		\$16,445		\$16,445
100 Total Cash	\$0	\$187,065	\$0	\$187,065
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$7,489	\$61,436		\$68,925
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants		\$364		\$364
126.1 Allowance for Doubtful Accounts - Tenants		\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery		\$268,745		\$268,745
128.1 Allowance for Doubtful Accounts - Fraud		-\$194,160		-\$194,160
129 Accrued Interest Receivable		\$41	\$386	\$427
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$7,489	\$136,426	\$386	\$144,301
131 Investments - Unrestricted			\$739,080	\$739,080
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets				
143 Inventories				

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	1 Business Activities	Total
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From			\$10,995	\$10,995
145 Assets Held for Sale				
150 Total Current Assets	\$7,489	\$323,491	\$750,461	\$1,081,441
161 Land				
162 Buildings				
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration				
165 Leasehold Improvements				
166 Accumulated Depreciation				
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current		\$403		\$403
172 Notes, Loans, & Mortgages Receivable - Non Current - Past				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$0	\$403	\$0	\$403
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$7,489	\$323,894	\$750,461	\$1,081,844

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	1 Business Activities	Total
311 Bank Overdraft				
312 Accounts Payable <= 90 Days		\$10,569		\$10,569
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable				
322 Accrued Compensated Absences - Current Portion				
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$7,489	\$110,669		\$118,158
341 Tenant Security Deposits				
342 Unearned Revenue				
343 Current Portion of Long-term Debt - Capital				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities		\$16,445		\$16,445
346 Accrued Liabilities - Other				
347 Inter Program - Due To		\$10,995		\$10,995
348 Loan Liability - Current				
310 Total Current Liabilities	\$7,489	\$148,678	\$0	\$156,167
351 Long-term Debt, Net of Current - Capital Projects/Mortgage				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other		\$97,284		\$97,284
354 Accrued Compensated Absences - Non Current				
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	1 Business Activities	Total
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$0	\$97,284	\$0	\$97,284
300 Total Liabilities	\$7,489	\$245,962	\$0	\$253,451
400 Deferred Inflow of Resources		\$90,447		\$90,447
508.3 Nonspendable Fund Balance				
509.3 Restricted Fund Balance	\$0	\$3,348	\$0	\$3,348
510.3 Committed Fund Balance				
511.3 Assigned Fund Balance				
512.3 Unassigned Fund Balance		-\$15,863	\$750,461	\$734,598
513 Total Equity - Net Assets / Position	\$0	-\$12,515	\$750,461	\$737,946
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$7,489	\$323,894	\$750,461	\$1,081,844

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	14,896 PIH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	1 Business Activities	Total
70300 Net Tenant Rental Revenue				
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$28,669	\$8,134,345		\$8,163,014
70610 Capital Grants				
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted			\$2,208	\$2,208
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery		\$41,865		\$41,865
71500 Other Revenue		\$8,886		\$8,886
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted		\$189		\$189
70000 Total Revenue	\$28,669	\$8,185,285	\$2,208	\$8,216,162
91100 Administrative Salaries				

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	1 Business Activities	Total
91200 Auditing Fees		\$12,880		\$12,880
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative				
91600 Office Expenses	\$105,254			\$105,254
91700 Legal Expense				
91800 Travel				
91810 Allocated Overhead		\$196,663		\$196,663
91900 Other		\$737,986	\$13,685	\$751,671
91000 Total Operating - Administrative	\$0	\$1,052,783	\$13,685	\$1,066,468
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$28,669			\$28,669
92500 Total Tenant Services	\$28,669	\$0	\$0	\$28,669
93100 Water				
93200 Electricity				
93300 Gas				
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	1 Business Activities	Total
93800 Other Utilities Expense				
93000 Total Utilities	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor				
94200 Ordinary Maintenance and Operations - Materials and				
94300 Ordinary Maintenance and Operations Contracts				
94500 Employee Benefit Contributions - Ordinary Maintenance				
94000 Total Maintenance	\$0	\$0	\$0	\$0
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance				
96120 Liability Insurance				
96130 Workmen's Compensation				
96140 All Other Insurance				
96100 Total insurance Premiums	\$0	\$0	\$0	\$0
96200 Other General Expenses				
96210 Compensated Absences				
96300 Payments in Lieu of Taxes				
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	14,896 PIH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	1 Business Activities	Total
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$0	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$28,669	\$1,052,783	\$13,685	\$1,095,137
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$7,132,502	-\$11,477	\$7,121,025
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments		\$7,230,473		\$7,230,473
97350 HAP Portability-In		\$8,191		\$8,191
97400 Depreciation Expense				
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds	\$0	\$0	\$0	\$0
97700 Debt Principal Payment - Governmental Funds	\$0	\$0	\$0	\$0
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$28,669	\$8,291,447	\$13,685	\$8,333,801
10010 Operating Transfer In				
10020 Operating transfer Out				

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Revenue and Expense Summary

Fiscal Year End: 06/30/2015

Submission Type: Audited/A-133

	14,896 PIH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	1 Business Activities	Total
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	-\$106,162	-\$11,477	-\$117,639
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$93,647	\$761,938	\$855,585
11040 Prior Period Adjustments, Equity Transfers and Correction				
11050 Changes in Compensated Absence Balance	\$0	\$0	\$0	\$0
11060 Changes in Contingent Liability Balance	\$0	\$0	\$0	\$0
11070 Changes in Unrecognized Pension Transition Liability	\$0	\$0	\$0	\$0
11080 Changes in Special Term/Severance Benefits Liability	\$0	\$0	\$0	\$0
11090 Changes in Allowance for Doubtful Accounts - Dwelling	\$0	\$0	\$0	\$0
11100 Changes in Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
11170 Administrative Fee Equity		-\$15,863		-\$15,863
11180 Housing Assistance Payments Equity		\$3,348		\$3,348

HOUSING AUTHORITY OF THE CITY OF REDDING (CA106)
Redding, CA

Program Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	14,896 PIH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	1 Business Activities	Total
11190 Unit Months Available		18816		18816
11210 Number of Unit Months Leased		17358		17358
11270 Excess Cash				
11610 Land Purchases				
11620 Building Purchases				
11630 Furniture & Equipment - Dwelling Purchases				
11640 Furniture & Equipment - Administrative Purchases				
11650 Leasehold Improvements Purchases				
11660 Infrastructure Purchases				
13510 CFFP Debt Service Payments				
13901 Replacement Housing Factor Funds				