

**HOUSING AUTHORITY OF THE  
COUNTY OF STANISLAUS**

**FINANCIAL STATEMENTS  
SUPPLEMENTAL SCHEDULES AND  
INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2015**

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**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
MODESTO, CALIFORNIA  
SEPTEMBER 30, 2015**

**BOARD OF COMMISSIONERS**

| <u>Member</u>       | <u>Position</u> | <u>Term Expires</u> |
|---------------------|-----------------|---------------------|
| Carlos Estacio, III | Chair           | December 31, 2018   |
| A. Dirk Hoek        | Vice Chair      | December 31, 2018   |
| John Degele         | Member          | December 31, 2019   |
| Dorothy Griggs      | Member          | December 31, 2017   |
| Diane Haile         | Member          | December 31, 2017   |
| Frank William Ploof | Member          | December 31, 2018   |

**ADMINISTRATION**

|                   |   |
|-------------------|---|
| Barbara Kauss     | Executive Director                                  |
| Linh Luong        | Director of Finance                                 |
| Michele Gonzales  | Director of Regional Housing Choice Voucher         |
| Scott Fitzgerald  | Director of Asset Management                        |
| Kimberly Murdaugh | Director of Human Resources and Business Operations |

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**Independent Auditors' Report**

Board of Commissioners  
Housing Authority of the County of Stanislaus  
Modesto, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Housing Authority of the County of Stanislaus (the "Housing Authority"), which comprise the statement of financial position as of the years ended September 30, 2015 and 2014 and the related statements of activities and changes in net position and cash flows for the years ended, and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority, as of September 30, 2015 and 2014, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

*Management's Discussion and Analysis* on pages 4-11 are not a required part of the basic financial statements but are 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 supplementary information. However, we did not audit the information, and accordingly, express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards required by the *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, the financial data schedule required by the Department of Housing and Urban Development listed in the table of contents and the *Management's Discussion and Analysis* are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2016 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.



Reseda, California

May 17, 2016

## **Management's Discussion and Analysis**

This discussion and analysis of the Housing Authority of the County of Stanislaus (Housing Authority) financial performance provides an overview of the Housing Authority's financial activity for the fiscal year ended September 30, 2015. Readers are encouraged to consider the information presented here in conjunction with the accompanying basic financial statements included in this report.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### **Financial Highlights**

- Total spending for all Housing Authority programs was approximately \$45 million for the year. Approximately \$7.3 million of rental and investment income was generated to cover part of total expenses, and government grants and subsidies covered the balance. Approximately 67 and 66 percent of our fiscal years 2015 and 2014, respectively, spending was for housing assistance payments.
- The assets of the Housing Authority exceeded its liabilities at the close of fiscal years 2015 and 2014 by approximately \$69.0 and \$71.7 million, respectively. Of that amount, approximately \$20.9 and \$21.1 million, respectively, was considered unrestricted net position.
- The assets and deferred outflow of resources for the Housing Authority exceeded its liabilities and deferred inflow of resources at the close of the fiscal year 2015 by \$69,007,364 (net position). Of this amount there is a \$2,855,530 deficit unrestricted net position due to recording of unfunded pension liabilities under GASB 68 as a prior period adjustment. Please see Note 7.
- The Housing Authority's current assets decreased by approximately \$6.2 million as a result of the fiscal year 2015 operations.
- The Housing Authority's total net position decreased by approximately \$2.7 million as a result of fiscal year 2015 operations, as well as the \$2,855,530 GASB 68 prior period adjustment discussed above, representing a change in accounting principle.
- Operating Revenue of the Housing Authority decreased by approximately \$345 thousand from prior year results.

## Management's Discussion and Analysis (continued)

### Overview of the Financial Statements

The Housing Authority's financial statements consist of two parts – Management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include the Authority-wide financial statements and notes to the financial statements.

- The Authority-wide financial statements provide information about the Housing Authority's overall financial position and results of operations. These financial statements, which are presented on the accrual basis, consist of the Statement of Financial Position, the Statement of Activities and changes in Fund Net Position and the Statement of Cash Flows.
- The basic financial statements also includes a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the Authority-wide statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of these statements.

The *statement of net position* presents information on the Housing Authority's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how the Housing Authority'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 some items that will result in cash flows in future fiscal periods.

The *statement of cash flows* presents the change in the Housing Authority's cash and cash equivalents during the most recent fiscal year.

The *notes to basic financial statements* provide additional information that is essential to a full understanding of the data provided in the fund financial statements.



## Management's Discussion and Analysis (continued)

### Financial Analysis

As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. The following analysis focuses on the net position (Table 1) and the changes in net position (Table 2) of the Housing Authority as a whole. The largest portion of the Housing Authority's net position (69 percent) reflects its investment in capital assets (e.g., land, development costs, and construction in progress, structures, equipment and vehicles) net of related debt. The Housing Authority uses these capital assets to provide services to program participants; consequently these assets are not available for future spending.

Table 1  
Statement of Position

|  | 2015               | 2014               |
|--|--------------------|--------------------|
| Current Assets   | \$ 28,113,272      | \$ 34,319,955      |
| Non-Current Assets                                       |                    |                    |
| Capital Assets, Net of Depreciation                      | 72,915,251         | 74,805,104         |
| Other Assets   | 2,689,389          | 2,689,389          |
| <br>Total Assets   | <br>\$ 103,717,912 | <br>\$ 111,814,448 |
| <br>Deferred Outflow of Resources                        | <br>\$ 15,553      | <br>\$ -           |
| Total Assets and Deferred<br>Outflow of Resources        | <br>\$ 103,733,465 | <br>\$ 111,814,448 |
| <br>Current Liabilities                                  | <br>\$ 9,003,932   | <br>\$ 14,534,797  |
| Non-Current Liabilities                                  | 25,501,258         | 25,531,963         |
| <br>Total Liabilities                                    | <br>\$ 34,505,190  | <br>\$ 40,066,760  |
| <br>Deferred Inflow of Resources                         | <br>\$ 220,911     | <br>\$ -           |
| Total Liabilities and<br>Deferred Inflow of<br>Resources | <br>\$ 34,726,101  | <br>\$ -           |
| Net Position   |                    |                    |
| Invested in Capital Assets,<br>Net of Related Debt       | \$ 47,288,642      | \$ 49,258,766      |
| Restricted Net Position                                  | 808,911            | 1,404,128          |
| Unrestricted Net Position                                | 20,909,811         | 21,084,794         |
| <br>Total Net Position                                   | <br>\$ 69,007,364  | <br>\$ 71,747,688  |

### **Management's Discussion and Analysis (continued)**

The following is an explanation of the changes between fiscal years as shown in the table above:

- Current Assets decreased by approximately \$6.2 million. The decrease in current assets was due primarily to a substantial decrease in assets held for sale, representing NSP grant funds used to facilitate single family home sales, which are being administered by the Housing Authority, and being sold off during the current year and a substantial decrease in accounts receivable – other government, representing grant funds received, which are attributable to the State of California Office of Migrant Services (OMS) administered by the California Department of Housing and Community Development. These grant proceeds were received in early 2015 the funds were utilized to fund OMS operations as necessary.
- Total Deferred Outflow of Resources increased by \$15,553 representing future contributions to be made to the Housing Authority's pension plan. The Deferred Outflow is being reported as a result of implementing GASB 68 during the current year.
- Total Liabilities decreased by approximately \$5.6 million from the prior fiscal year. The decrease in total liabilities was primarily the debt principal payments in accordance with related agreements as to the accounts payable – other government, resulting in a decrease of approximately \$5,654,000, within these repayments a significant portion is attributable to the return of NSP program income to the County of Stanislaus.
- Total Deferred Inflow of Resources increased by \$220,911 representing future projected investment gains of \$73,766, and actuarial assumptions changes of \$147,145, both of which are forecasted to impact the Housing Authority's pension plan in future years. The Deferred Inflow is being reported as a result of implementing GASB 68 during the current year.
- Net Position for Invested in Capital Assets, Net of Related Debt decreased by approximately \$2 million. The decrease was due to the completion of construction of approximately \$600 thousand located at 416 Downey Avenue, which was financed by an increase in the related note payable, and the ongoing activities and completion of rehabilitation work on the Conventional Housing units of approximately \$349 thousand, and lastly, an increase in accumulated depreciation of approximately \$3.1 million.

### **Management's Discussion and Analysis (continued)**

- Unrestricted net position, the part of net position that can be used to finance day-to-day operations, decreased by approximately \$175 thousand from the prior fiscal year. The overall decrease is attributable to the surplus (deficit) generated from operations as to the following programs: 1). Rural Development Farm Labor approximately \$176,000 2). Conventional Low Rent approximately \$117,000. Housing Choice Voucher approximately \$(556,000) 4). Central Office Cost Center approximately \$453,000 5). Local programs approximately \$(124,000). Also, included in this decrease was the overall impact to net position as a result of implementing GASB 68 effective for the year ended September 30, 2015.
- Restricted net position decreased by approximately \$595 thousand from the prior fiscal year. The decrease was due to a release from restrictions of Net Restricted Assets Funds as to the Housing Choice Vouchers Program that was permissible and ultimately approved by HUD.

# **Management's Discussion and Analysis (continued)**

**Table 2**  
**Statement of Revenue, Expenses and Changes in Net Position**

|  | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|
| <b>Operating Revenue</b>                   |                      |                      |
| Rental Income                              | \$ 7,263,994         | \$ 6,669,221         |
| Grants and Subsidy                         | 37,504,059           | 38,059,012           |
| Investment Income                          | 69,187               | 76,009               |
| Other Revenue                              | <u>621,877</u>       | <u>999,503</u>       |
| Total Operating Revenue                    | 45,459,117           | 45,803,745           |
| <b>Operating Expenses</b>                  |                      |                      |
| Administrative Services                    | 5,087,079            | 5,145,193            |
| Tenant Services                            | 291,879              | 246,945              |
| Utilities                                  | 1,439,787            | 1,458,845            |
| Maintenance and Extraordinary Maint        | 3,836,847            | 3,841,595            |
| Protective Services                        | 13,253               | 12,095               |
| Insurance                                  | 481,618              | 425,699              |
| General                                    | 347,658              | 400,717              |
| Housing Assistance Payments                | 30,250,127           | 29,617,239           |
| Housing Assistance Payments-Port-in        | -                    | 317,602              |
| Interest                                   | 445,395              | 505,300              |
| Depreciation and Amort. Expense            | <u>3,150,268</u>     | <u>2,985,545</u>     |
| Total Operating Expense                    | 45,343,911           | 44,956,775           |
| <b>Increase (Decrease) in Net Position</b> | \$ 115,206           | \$ 846,970           |
| Prior Period Adjustment                    | (2,855,530)          | -                    |
| Net Position at Beginning of Year          | <u>71,747,688</u>    | <u>70,900,718</u>    |
| Total Net Position at End of Year          | \$ <u>69,007,364</u> | \$ <u>71,747,688</u> |

### **Management's Discussion and Analysis (continued)**

The following is an explanation of the changes between fiscal years as shown in Table 2.

- Total Revenue decrease of approximately \$345 thousand was due to a decrease in Capital Funds of approximately \$330 thousand, generated during the current period as opposed to the prior year's Capital Funds advanced.
- Total Operating Expense increased by approximately \$387 thousand was due to a increase in Housing Assistance Payments of approximately \$315 thousand and an overall increase in operating expenses of approximately \$72 thousand.
- Net Position decreased approximately \$2.7 million or 3.9% during the 2015 fiscal year. The Net Position for fiscal year 2014 increased by 1.2%.

#### **Capital Assets**

The Housing Authority's investment in non-current capital assets as of September 30, 2015 and 2014 amounts to \$72,915,251 and \$74,805,104 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, equipment and vehicles and construction in progress. The net change in the Housing Authority's investment in capital assets for the years ending September 30, 2015 and 2014 was approximately \$1.9 million (decrease) and \$2.1 million (increase), respectively.

The Capital Assets events during the current fiscal year included the following: 1.) Capital Fund Grant receipts from HUD for the Rehabilitation of Conventional Housing; and 2.) construction activities related to the Downey Avenue and Meadow Glen Projects located in Modesto.

#### **Debt**

Liabilities include security deposits, employee benefits, loans and notes payable. More detail about liabilities is presented in the notes to basic financial statements.

## **Management's Discussion and Analysis (continued)**

### **Economic Factors**

The Housing Authority is primarily dependent upon the Department of Housing and Urban Development (HUD) for the funding of its major housing programs. The Housing Authority budgets are approved by the Board of Commissioners and budgets for HUD-funded programs are also submitted to HUD. Other economic factors are (a) Local inflationary, recessionary and employment trends which can affect resident incomes and therefore the amount of rental income and (b) Inflationary pressure on utility rates, supplies, and other costs.

### **Requests for Information**

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Housing Authority's Finance Department at the Housing Authority of the County of Stanislaus, P.O. Box 581918, Modesto, CA 95358.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF NET POSITION**  
**SEPTEMBER 30, 2015 AND 2014**

**ASSETS**

| <b>CURRENT ASSETS</b>                                   | <u>2015</u>                 | <u>2014</u>                 |
|---|-----------------------------|-----------------------------|
| <b><u>Cash</u></b>                                      |                             |                             |
| Cash - unrestricted                                     | \$ 5,204,481                | \$ 8,295,466                |
| Cash - restricted                                       | 111,963                     | 126,950                     |
| Cash - restricted for payment of current liabilities    | 44,232                      | 1,375                       |
| Cash - tenant security                                  | 538,221                     | 512,569                     |
| Total cash  | <u>5,898,897</u>            | <u>8,936,360</u>            |
| <b><u>Receivables</u></b>                               |                             |                             |
| Accounts receivable - PHA projects                      | 46,443                      | 43,082                      |
| Accounts receivable - HUD other projects                | 278,922                     | 125,416                     |
| Accounts receivable - other government                  | 485,816                     | 1,776,926                   |
| Accounts receivable - miscellaneous                     | 623,772                     | 577,463                     |
| Accounts receivable - tenant dwelling rents             | 93,660                      | 67,590                      |
| Allowance for doubtful accounts - tenant dwelling rents | (31,456)                    | (28,783)                    |
| Allowance for doubtful accounts - other                 | (740)                       | (740)                       |
| Accrued interest receivable                             | 15,036                      | 17,957                      |
| Total receivables                                       | <u>1,511,453</u>            | <u>2,578,911</u>            |
| <b><u>Other current assets</u></b>                      |                             |                             |
| Investments - Unrestricted                              | 18,469,545                  | 17,453,102                  |
| Investments - Restricted                                | 808,911                     | 1,404,128                   |
| Prepaid Expenses and Other Assets                       | 747,916                     | 681,524                     |
| Inventories   | 44,351                      | 40,435                      |
| Assets held for sale                                    | 632,199                     | 3,225,495                   |
| Total other current assets                              | <u>20,702,922</u>           | <u>22,804,684</u>           |
| <b>TOTAL CURRENT ASSETS</b>                             | <b>\$ <u>28,113,272</u></b> | <b>\$ <u>34,319,955</u></b> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF NET POSITION (CONTINUED)**  
**SEPTEMBER 30, 2015 AND 2014**

**ASSETS (CONTINUED)**

| <b>NONCURRENT ASSETS</b>                                       | <u>2015</u>           | <u>2014</u>           |
|--|-----------------------|-----------------------|
| <b><u>Fixed assets</u></b>                                     |                       |                       |
| Land   | \$ 8,961,584          | \$ 8,890,983          |
| Buildings  | 116,754,996           | 113,521,961           |
| Furniture, equipment and machinery dwellings                   | 69,620                | 69,621                |
| Furniture, equipment and machinery administration              | 2,151,985             | 2,164,468             |
| Accumulated depreciation                                       | (56,431,355)          | (53,442,676)          |
| Construction in progress                                       | 1,408,421             | 3,600,747             |
| Net fixed assets   | <u>72,915,251</u>     | <u>74,805,104</u>     |
| <b><u>Other noncurrent assets</u></b>                          |                       |                       |
| Notes, loans and mortgages receivable                          | <u>2,689,389</u>      | <u>2,689,389</u>      |
| Total other noncurrent assets                                  | <u>2,689,389</u>      | <u>2,689,389</u>      |
| <b>TOTAL NONCURRENT ASSETS</b>                                 | <u>75,604,640</u>     | <u>77,494,493</u>     |
| <b>TOTAL ASSETS</b>  | <u>\$ 103,717,912</u> | <u>\$ 111,814,448</u> |
| <br><b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                       |                       |
| Deferred outflow of resources related to pension contributions | \$ 15,553             | \$ -                  |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                    | <u>\$ 15,553</u>      | <u>\$ -</u>           |
| <b>TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES</b>          | <u>\$ 103,733,465</u> | <u>\$ 111,814,448</u> |

The accompanying notes are an integral part of the financial statements.



**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF NET POSITION (CONTINUED)**  
**SEPTEMBER 30, 2015 AND 2014**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

| <b>LIABILITIES</b>   | <b>2015</b>           | <b>2014</b>           |
|--|-----------------------|-----------------------|
| <b><u>Current liabilities</u></b>  |                       |                       |
| Accounts payable, < 90 days  | \$ 782,151            | \$ 890,688            |
| Accrued wages payable  | 152,988               | 160,893               |
| Accrued compensated absences - current portion                                   | 391,291               | 365,517               |
| Accrued interest payable   | 945,980               | 869,480               |
| Accounts payable - HUD PHA programs  | -                     | 1,375                 |
| Accounts payable - other government  | 3,540,152             | 9,194,763             |
| Tenant security deposits payable   | 538,221               | 512,569               |
| Deferred revenue   | 2,073,506             | 1,891,833             |
| Current portion of long-term debt - capital projects/mortgage revenue bonds      | 335,134               | 429,272               |
| Other current liabilities  | 244,509               | 176,387               |
| Accrued liabilities - other  | -                     | 42,020                |
| Total current liabilities  | <u>9,003,932</u>      | <u>14,534,797</u>     |
| <b><u>Noncurrent liabilities</u></b>   |                       |                       |
| Long-term debt, net of current portion - capital projects/mortgage revenue bonds | 25,291,474            | 25,284,917            |
| Noncurrent liabilities - other   | 111,963               | 98,183                |
| Net pension liability  | -                     | -                     |
| Accrued compensated absences - noncurrent  | 97,821                | 148,863               |
| Total noncurrent liabilities   | <u>25,501,258</u>     | <u>25,531,963</u>     |
| <b>TOTAL LIABILITIES</b>   | <b>\$ 34,505,190</b>  | <b>\$ 40,066,760</b>  |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>   |                       |                       |
| Investment gains related to the pension  | \$ 73,766             | \$ -                  |
| Assumption change related to the pension   | <u>147,145</u>        | <u>-</u>              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                       | <b>\$ 220,911</b>     | <b>\$ -</b>           |
| <br><b>NET POSITION</b>  |                       |                       |
| Invested in capital assets, net of related debt                                  | \$ 47,288,642         | \$ 49,258,766         |
| Restricted net position  | 808,911               | 1,404,128             |
| Unrestricted net position  | <u>20,909,811</u>     | <u>21,084,794</u>     |
| <b>TOTAL NET POSITION</b>  | <b>69,007,364</b>     | <b>71,747,688</b>     |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>         | <b>\$ 103,733,465</b> | <b>\$ 111,814,448</b> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

|   | <u>2015</u>          | <u>2014</u>          |
|---|----------------------|----------------------|
| <b><u>Operating Revenues</u></b>                                |                      |                      |
| Operating subsidy - HUD provided                                | \$ 35,269,764        | \$ 33,812,988        |
| Operating subsidy - non-HUD provided                            | 1,835,183            | 2,010,736            |
| Rental income, net of bad debts                                 | 7,105,856            | 6,510,454            |
| Miscellaneous income  | 747,098              | 1,119,318            |
| Total operating revenues  | <u>44,957,901</u>    | <u>43,453,496</u>    |
| <b><u>Operating Expenses</u></b>                                |                      |                      |
| Administrative services   | 5,087,079            | 5,145,193            |
| Tenant services   | 291,879              | 246,945              |
| Utilities   | 1,439,787            | 1,458,845            |
| Maintenance and operations                                      | 3,836,847            | 3,841,595            |
| Protective services   | 13,253               | 12,095               |
| Insurance expenses  | 481,618              | 425,699              |
| General expenses  | 314,741              | 361,765              |
| Housing assistance payments                                     | 30,250,127           | 29,617,239           |
| Housing assistance payments - portability-in                    | -                    | 317,602              |
| Depreciation  | 3,150,268            | 2,783,125            |
| Total operating expenses  | <u>44,865,599</u>    | <u>44,210,103</u>    |
| Net operating income (loss)                                     | 92,302               | (756,607)            |
| <b><u>Non-operating Revenues (Expenses)</u></b>                 |                      |                      |
| Investment income   | 69,187               | 76,009               |
| Bond (expense) income   | -                    | (202,420)            |
| Interest expenses   | (445,395)            | (505,300)            |
| Total net non-operating revenues (expenses)                     | <u>(376,208)</u>     | <u>(631,711)</u>     |
| Net (loss) income before contributions and transfers            | <u>(283,906)</u>     | <u>(1,388,318)</u>   |
| <b><u>Contributions and transfers</u></b>                       |                      |                      |
| Capital contributions - capital fund grants                     | 349,112              | 678,890              |
| Capital contributions - other non-HUD government grants         | 50,000               | 1,556,398            |
| Net income from contributions and transfers                     | <u>399,112</u>       | <u>2,235,288</u>     |
| <b>CHANGES IN NET POSITION</b>                                  | 115,206              | 846,970              |
| <b>NET POSITION AT BEGINNING OF YEAR</b>                        | 71,747,688           | 70,900,718           |
| <b>PRIOR PERIOD ADJUSTMENT - CHANGE IN ACCOUNTING PRINCIPLE</b> | (2,855,530)          | -                    |
| <b>NET POSITION AT END OF YEAR</b>                              | <u>\$ 69,007,364</u> | <u>\$ 71,747,688</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

|  | <u>2015</u>                  | <u>2014</u>                |
|--|------------------------------|----------------------------|
| <b><u>Cash flows from operating activities</u></b>                                 |                              |                            |
| Tenant revenues  | \$ 8,173,314                 | \$ 5,731,823               |
| Non-tenant revenues  | 38,320,344                   | 39,254,339                 |
| Operating and maintenance expenses   | (47,923,488)                 | (41,732,982)               |
| Net cash provided by operating activities  | <u>(1,429,830)</u>           | <u>3,253,180</u>           |
| <b><u>Cash flows from investing activities</u></b>                                 |                              |                            |
| Purchase of property and equipment   | (3,291,152)                  | (13,930,198)               |
| Construction in progress   | 2,192,326                    | 9,165,173                  |
| Net activity of investments  | (421,226)                    | 1,599,547                  |
| Net cash used in investing activities  | <u>(1,520,052)</u>           | <u>(3,165,478)</u>         |
| <b><u>Cash flows from capital and related financing activities</u></b>             |                              |                            |
| Proceeds from notes payable  | (87,581)                     | 1,299,109                  |
| Net cash provided by capital and related financing activities                      | <u>(87,581)</u>              | <u>1,299,109</u>           |
| Net (decrease) increase in cash and cash equivalents                               | (3,037,463)                  | 1,386,811                  |
| Cash and cash equivalents at the beginning of the period                           | <u>8,936,360</u>             | <u>7,549,549</u>           |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                                  | <u><u>\$ 5,898,897</u></u>   | <u><u>\$ 8,936,360</u></u> |
| <b><u>Cash flows from operating activities</u></b>                                 |                              |                            |
| Change in net position   | \$ 115,206                   | \$ 846,970                 |
| Adjustment to reconcile net position to net cash provided by operating activities: |                              |                            |
| Depreciation and amortization  | 2,988,679                    | 2,672,086                  |
| Prior period adjustment - change in accounting method                              | (2,855,530)                  | -                          |
| Decrease (increase) in operating assets and deferred outflows of resources:        |                              |                            |
| Accounts receivables   | 1,067,458                    | (778,631)                  |
| Inventories  | (3,916)                      | 3,351                      |
| Prepaid expenses and deferred charges  | (66,392)                     | 8,632                      |
| Assets held for sale   | 2,593,296                    | (37,030)                   |
| Other assets   | -                            | 540,337                    |
| Deferred outflow of resources related to pension                                   | (15,553)                     | -                          |
| Increase (decrease) in operating liabilities and deferred inflows of resources:    |                              |                            |
| Accounts payable and other accrued expenses  | (5,499,641)                  | (24,554)                   |
| Deferred inflow of resources related to pension                                    | 220,911                      | -                          |
| Net pension liability  | -                            | -                          |
| Tenant security deposits payables  | 25,652                       | 22,019                     |
| Net cash provided by operating activities  | <u><u>\$ (1,429,830)</u></u> | <u><u>\$ 3,253,180</u></u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**1. Organization and Summary of Significant Accounting Policies**

**Organization and Purpose**

The Housing Authority of the County of Stanislaus (the "Authority") is a municipal corporation located in Modesto, California and was established under Section 3420 of the California Health and Safety Code as a local agency within the Ralph M. Brown Act of 1937. Public Housing Authorities were authorized by the Federal Housing Act of 1937. Under that authority, the Housing Authority of the County of Stanislaus was incorporated in 1949 to provide and promote safe and sanitary housing for low-income persons residing in Stanislaus County, California. The Authority is governed by a citizen's commission appointed by the county Board of Supervisors.

The Authority's financial statements include the accounts of all the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of Government Accounting Standards Board (GASB) Codification of Government Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Authority holds the corporate powers of the organization
- The Authority appoints a voting majority of the organization's board
- The Authority is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Authority
- There is a fiscal dependency by the organization on the Authority

Based on the foregoing criteria, no entities were identified as component units of the Authority.

**Basis of Accounting**

The Authority's financial statements are presented on the full accrual basis in accordance with accounting principles general accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) of the Committee on Accounting Procedure issues on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

1. **Organization and Summary of Significant Accounting Policies** (continued)

**Programs Administered by the Authority**

The Authority administers annual contribution contracts to provide low-income housing with primary financial support from the U.S. Department of Housing and Urban Development ("HUD"). Contracts administered by the Authority are as follows:

| <u>Program Name</u>                 | <u>Contract Number</u> | <u>Number of Units</u> |
|-------------------------------------|------------------------|------------------------|
| Housing Choice Voucher              | SF-470V                | 4,751                  |
| Conventional Housing                | SF-212                 | 647                    |
| Farm Labor - USDA Rural Development |                        | 356                    |
| Migrant Programs                    |                        | 213                    |
| Shelter Plus Care Program           |                        | 105                    |
| Conant Place                        |                        | 81                     |
| Valley Manor                        | SF-81-421              | 48                     |
| Palm Valley                         |                        | 40                     |
| Pine Meadows                        |                        | 36                     |
| Meadow Glen                         |                        | 34                     |
| NSP                                 |                        | 34                     |
| Randazzo                            |                        | 24                     |
| Village One                         |                        | 20                     |
| Miller Point                        |                        | 16                     |
| Paramont                            |                        | 12                     |
| Brighton Place                      |                        | 11                     |
| Porsche Strasse                     |                        | 3                      |
| Home Owner Program                  |                        | 1                      |

**Classification and Reporting of Funds**

All activities of the Authority are accounted for within proprietary (enterprise) funds. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

1. **Organization and Summary of Significant Accounting Policies** (continued)

**Classification and Reporting of Funds** (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are rents collected from tenants and subsidies provided by federal agencies. The Authority also recognized as operating revenue and expenses the portion of interest on bonds and notes related to housing developments of the Authority and its partnerships. Operating expenses for proprietary funds include the cost of sales and services, administrated expenses, depreciation on capital assets and amortization of bond discounts. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statement of financial position. Net position (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt, restricted and unrestricted components. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to /deductions from the fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Payments made after the measurement date are reported as deferred outflows of resources - deferred contribution pension in the accompanying statements of net position - see below. Investments are reported at fair value.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

1. **Organization and Summary of Significant Accounting Policies** (continued)

**Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period. The Housing Authority reports deferred contributions as to its pension plans as a deferred outflow of resources in its accompanying statements of financial position. Deferred contributions for the pension plan were made during the fiscal year but are after the measurement date of the actuarial report. These amounts will be recognized as expenses during the next measurement period, which will be reported in the September 30, 2016 financial statements.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (as revenue) until that period. The Housing Authority reports actuarially projected earnings as to its pension plan investments, and any changes in its pension plan assumptions, as deferred inflows of resources in its accompanying statements of financial position. Differences between projected and actual earnings on pension plan investments are deferred and amortized over five years. Changes in pension plan assumptions are deferred and amortized over the expected remaining service lives of employees.

**Uses and Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reporting amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from such estimates.

**Cash and Cash Equivalents and Investments**

Cash consists of amounts deposited in checking accounts. For purposes of the statements of cash flows, the Authority considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

1. **Organization and Summary of Significant Accounting Policies** (continued)

**Cash and Cash Equivalents and Investments** (continued)

Investments are carried at cost, which approximates fair market value.

The Authority maintains a cash pool that is available for use by all funds.  
Cash deposits are comprised of the following:

|                                       | 2015                | 2014                |
|---------------------------------------|---------------------|---------------------|
| Checking - Farmers and Merchants Bank | \$ 5,897,897        | \$ 8,935,360        |
| Cash on Hand                          | 1,000               | 1,000               |
|                                       | <u>\$ 5,898,897</u> | <u>\$ 8,936,360</u> |

Investments are comprised of the following:

|   |                      |                      |
|---|----------------------|----------------------|
| Investment - Local Agency Investment Fund | \$ 19,278,456        | \$ 18,857,230        |
|   | <u>\$ 19,278,456</u> | <u>\$ 18,857,230</u> |

The Authority's deposits are categorized to give an indication of the level of risk assumed by the Authority at year-end. Category 1 includes insured deposits that are insured or collateralized with securities held by the Authority or its agent in the Authority's name. Category 2 includes uninsured deposits collateralized by securities held by the pledging financial institution's trust department or agent in the authority's name. Category 3 include uninsured and uncollateralized deposits including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not the Authority's name. Uninsured and collateralized deposits are classified into these three categories depending on who holds the collateral security and how they are held.

At September 30, 2015 and 2014, the Authority's deposits with various financial institutions have a carrying amount and bank value of \$5,898,897 and \$8,935,360, respectively. Of the Authority's total bank balance, \$5,898,897 and \$8,935,360, respectively, was covered by Federal Depository Insurance and classified as Category 1.

The Authority's cash management practices are governed by HUD requirements and State of California statutes. These requirements authorize the Authority to invest in banker's acceptances, time certificates of deposit, repurchase agreements, certain commercial paper, obligations of the United States and its agencies and instrumentalities allowed for the California State Treasurer's Local Investment Pool.



**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

1. **Organization and Summary of Significant Accounting Policies** (continued)

**Cash and Cash Equivalents and Investments**

Regulations require that amounts on deposit with financial institutions be collateralized at a rate 100% of amounts in excess of deposit insurance coverage.

The Authority maintains cash balances in excess of the federally insured amount of \$250,000 at various financial institutions. These balances are fully collateralized, with securities pledged and held by the bank, as required by the U.S. Department of Housing and Urban Development.

Balances are presented on the Statements of Financial Position as follows:

|                            | <u>2015</u>          | <u>2014</u>          |
|----------------------------|----------------------|----------------------|
| Cash                       | \$ 5,898,897         | \$ 8,936,360         |
| Investments – Unrestricted | 18,469,545           | 17,453,102           |
| Investments – Restricted   | <u>808,911</u>       | <u>1,404,128</u>     |
| Total Cash                 | \$ <u>25,177,353</u> | \$ <u>27,793,590</u> |

**Income Tax Status**

The Authority is exempt from federal income taxes by the Internal Revenue Service and from the California Franchise Taxes by the California Franchise Tax Board.

**Land, Structures and Equipment**

Land, structures and equipment are recorded at cost. Non-expendable assets are capitalized and depreciated from the respective place-in-service date. Depreciation is computed on the straight-line method based on the estimated useful lives of the individual assets: 15-40 years for buildings and improvements and 5-10 years for equipment. Maintenance and repairs are charged to expense when incurred.

Depreciation expense for the years ended September 30, 2015 and 2014 amounted to \$3,150,268 and \$2,783,125, respectively.

**Subsequent Events**

Management has evaluated subsequent events through May 17, 2016, the date on which the financial statements were available to be issued and there were no subsequent events requiring disclosure.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**2. Land, Structures and Equipment**

Land, structures and equipment consist of the following at September 30, 2015 and 2014:

|                             | September<br>30, 2014 | Additions          | Retirements           | September<br>30, 2015 |
|-----------------------------|-----------------------|--------------------|-----------------------|-----------------------|
| Land                        | \$ 8,890,984          | \$ 70,600          | \$ -                  | \$ 8,961,584          |
| Buildings                   | 113,521,961           | 3,479,908          | (246,873)             | 116,754,996           |
| Equipment –<br>Dwelling     | 69,620                | -                  | -                     | 69,620                |
| Equipment –<br>Admin        | 2,164,468             | -                  | (12,483)              | 2,151,985             |
| Construction in<br>Progress | 3,600,747             | -                  | (2,192,326)           | 1,408,421             |
| Subtotal                    | <u>128,247,780</u>    | <u>3,550,508</u>   | <u>(2,451,682)</u>    | <u>129,346,606</u>    |
| Less:                       |                       |                    |                       |                       |
| Accumulated<br>Depreciation | <u>(53,442,676)</u>   | <u>(3,011,260)</u> | <u>22,581</u>         | <u>(56,431,355)</u>   |
| Net                         | \$ <u>74,805,104</u>  | \$ <u>539,248</u>  | \$ <u>(2,429,101)</u> | \$ <u>72,915,251</u>  |

  

|                             | September<br>30, 2013 | Additions           | Retirements         | September<br>30, 2014 |
|-----------------------------|-----------------------|---------------------|---------------------|-----------------------|
| Land                        | \$ 8,890,984          | \$ -                | \$ -                | \$ 8,890,984          |
| Buildings                   | 99,520,266            | 14,404,837          | (403,142)           | 113,521,961           |
| Equipment –<br>Dwelling     | 69,620                | -                   | -                   | 69,620                |
| Equipment –<br>Admin        | 2,235,965             | 103,467             | (174,964)           | 2,164,468             |
| Construction in<br>Progress | 12,765,920            | 2,445,746           | (11,610,919)        | 3,600,747             |
| Subtotal                    | <u>123,482,755</u>    | <u>16,954,050</u>   | <u>(12,189,025)</u> | <u>128,247,780</u>    |
| Less:                       |                       |                     |                     |                       |
| Accumulated<br>Depreciation | <u>(50,770,590)</u>   | <u>(14,861,111)</u> | <u>12,189,025</u>   | <u>(53,442,676)</u>   |
| Net                         | \$ <u>72,712,165</u>  | \$ <u>2,092,939</u> | \$ <u>-</u>         | \$ <u>74,805,104</u>  |

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

3. Long Term Debt

The notes payable consist of the following at September 30, 2015 and 2014.

|   | 2015       | 2014       |
|---|------------|------------|
| <u>Brighton Village</u>   |            |            |
| 3% note payable to the City of Modesto. Principal and accrued interest deferred until July 31 <sup>st</sup> , 2028. The Project is used for collateral.                   | \$ 225,000 | \$ 225,000 |
| <u>Randazzo Place</u>   |            |            |
| Four (4) 3% notes payable to the City of Modesto. Principal and accrued interest deferred until March 31, 2050. The Project is used for collateral.                       | 311,640    | 311,640    |
| Two (2) 3% notes payable to the City of Modesto. Principal and accrued interest deferred until July 25, 2050. The Project is used for collateral.                         | 76,208     | 76,208     |
| Two (2) 3% notes payable to the City of Modesto. Principal and accrued interest deferred until January 21, 2051. The Project is used for collateral.                      | 140,273    | 140,273    |
| Two (2) 3% notes payable to the City of Modesto. Principal and accrued interest deferred until April 9, 2051. The Project is used for collateral.                         | 171,855    | 171,855    |
| Two (2) zero interest notes payable to the City of Modesto. Payments at \$672 commencing August 1, 2011 through July 1, 2021. The Project is used for collateral.         | 92,755     | 108,887    |
| <u>Pine Meadows Apartments</u>  |            |            |
| 3% note payable to the City of Modesto. Monthly payments of \$3,294 including interest commencing July 31, 2011 through June 1, 2031. The Project is used for collateral. | \$ 493,660 | \$ 517,985 |

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

3. **Long Term Debt** (continued)

|   | <u>2015</u>  | <u>2014</u>  |
|---|--------------|--------------|
| <b><u>Conant Place</u></b>  |              |              |
| 6.8% note payable to the California Housing Finance Agency. Monthly payments of \$6,674 including interest through January 31, 2025. The Project is used for collateral.  | \$ 556,957   | \$ 598,808   |
| 3% note payable to City of Modesto. Principal and accrued interest is deferred until July 2044. The Project is used for collateral.   | 600,000      | 600,000      |
| <b><u>Village One</u></b>   |              |              |
| 3% note payable to the City of Modesto. Loan proceeds received on a cost-reimbursement basis up to a maximum \$245,000. Principle and accrued interest deferred until December 1, 2052. The Project is used for collateral.   | 245,000      | 245,000      |
| 5.25% note payable to the City of Modesto. Principal and accrued interest is deferred until September, 2037. Then annual payments in 5 equal installments of principal and interest are on unpaid principal. The Project is used for collateral.  | 450,000      | 450,000      |
| 4.36% note payable to Farmers & Merchants Bank. Monthly payments of \$7,355 for the ten year initial period. Payments and interest rate to be reset at the close of the initial period and again ten years thereafter based on an index rate defined in the bond indenture. The Project is used for collateral. | 1,270,632    | 1,301,960    |
| Three (3) 3% notes payables to the City of Modesto. Principal and accrued interest deferred until 2038. The Project is used for collateral.   | \$ 2,749,698 | \$ 2,749,698 |

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

3. Long Term Debt (continued)

|  | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|
| <u>Miller Point Apartments</u>   |             |             |
| 3% note payable to the City of Modesto. Principal and accrued interest deferred until December 1, 2052. The Project is used for collateral.  | \$ 650,000  | \$ 650,000  |
| 5.3% note payable to the Farmers & Merchants Bank. Monthly payments of \$3,126 for the ten year initial period. Payments and interest rate to be reset at the close of the initial period and again ten years thereafter based on an index rate defined in the bond indenture. The Project is used for collateral. | \$ 445,694  | \$ 458,858  |

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

3. **Long Term Debt** (continued)

|   | <u>2015</u>  | <u>2014</u>  |
|---|--------------|--------------|
| <b><u>Valley Manor Apartments</u></b> (continued)   |              |              |
| The Series 2014A Bond was issued on December 31, 2014, the proceeds of which were used by the Authority to prepay in full the Series 2004A Bonds, as well as partially funding the costs of issuance and funding necessary capital improvements to the Project, as defined in the respective agreements. The pertinent information and terms of the Series 2014A Bond is as follows: the issuer is the Housing Authority of the County of Stanislaus, involving Farmers/Merchants Corp. acting as the trustee; they were underwritten involving a reset date provision as follows: 1). the initial period as defined, from December 31, 2014 to, but not including December 1, 2023, shall bear interest at a rate of three and seventy-five one-hundredths percent (3.75%) per annum, and be subject to required monthly debt service payments of \$7,395.05; 2). on December 1, 2023 and December 1, 2033 (the "Reset Dates") the interest rate borne by the Outstanding Balance of this Bond shall be adjusted to the then prevailing 10-Year Treasury Note yield (the "Index"), plus sixty (60) basis points, as determined by Farmers & Merchants Bank of Central California (the "Beneficiary"); provided further, that the interest rate determined on each of the respective Reset Dates shall never be less than 3.75% (the "Floor Rate"), and be subject to required monthly debt service payments due and payable subsequent to each Reset Date as adjusted, so as to re-amortize the then-current Outstanding Balance, thereof, at the interest rate to become effective on such Reset Date, with substantially level payments from the remaining period of the outstanding obligation; and lastly, they are secured by a Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents. | \$ 1,531,230 | \$ 1,561,122 |

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**3. Long Term Debt (continued)**

|  | <u>2015</u>   | <u>2014</u> |
|--|---------------|-------------|
| <u>Valley Manor Apartments (continued)</u>   |               |             |
| 3.0% note payable to the City of Newman, payments 50% of annual Net Cash Flows, term is 55 years. The Project is used for collateral.  | \$ 975,000 \$ | 975,000     |
| <u>Paramont</u>  |               |             |
| 5.63% note payable to Farmers & Merchants Bank. Original monthly payments of \$4,603 for the ten year initial period. In May 2011, a principal pay down of \$150,000, effectively reduced the monthly payments to an amount of \$3,679. Payments and interest rate to be reset at the close of the initial period and again ten years thereafter based on an index rate defined in the bond indenture. The Project is used for collateral. | 538,293       | 551,356     |
| 1% note payable to the City of Modesto. Principal and accrued interest deferred until July 1, 2016. Interest is adjusted to 3% on July 1, 2036 until the fully paid. The Project is used for Collateral  | 750,000       | 750,000     |
| <u>Farm Labor</u>  |               |             |
| 1% notes payable to the United States Department of Agriculture. Monthly payments of \$26,432 including interest to service 12 notes maturing from July 1, 2014 through July 1, 2033. The Project is used for collateral.  | 2,055,685     | 2,259,814   |
| Interest free note payable to the City of Patterson. Principal due January 28, 2028. The Project is used for collateral  | 170,000       | 170,000     |
| Interest free note payable to the City of Patterson. Principal due November 19, 2028. The Project is used for collateral.  | \$ 120,000 \$ | 120,000     |

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

3. **Long Term Debt** (continued)

|  | <u>2015</u>  | <u>2014</u>  |
|--|--------------|--------------|
| <b><u>Palm Valley</u></b>  |              |              |
| 3% note payable to the City of Modesto. Principal and accrued interest deferred for the "initial term" of 30 years. After initial period of 30 years the principal and all accrued interest shall be amortized over the "extended term" of 25 years. The Project is used for collateral.   | \$ 1,000,000 | \$ 1,000,000 |
| 4.67% note payable to Farmers & Merchants bank. Original monthly payments of \$11,659 for the ten year initial period. In May 2011, a principal pay down of \$560,000, effectively reduced the monthly payments to an amount of \$8,673. Payments and interest rate to be reset at the close of the initial period and again ten years thereafter based on an index rate defined in the bond indenture. The Project is used as collateral. | 1,453,744    | 1,487,789    |
| 3% note payable to the City of Modesto. Principal and accrued interest deferred until June 24, 2038. The Project is used for collateral.   | 825,000      | 825,000      |
| <b><u>605 E. Coolidge Avenue</u></b>   |              |              |
| Zero percent, interest free note payable to the City of Modesto under its Home Investment Partnership Program (HOME). Principal is due in full in February of 2067. The Project will be used for collateral.   | \$ 713,162   | \$ 713,162   |



HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

3. Long Term Debt (continued)

|   | 2015         | 2014         |
|---|--------------|--------------|
| <u>505-507 and 605 E. Coolidge Avenue</u>   |              |              |
| Two separate zero percent interest free notes payable to the City of Modesto under its Neighborhood Stabilization Program 2 (NSP 2) differentiated as to 505-507 and 605 activities, respectively. As of September 30, 2015 and 2014 \$5,029,683 and \$4,740,595 was advanced, as to the 505-507 and 605 activities, respectively. The Project will be used for collateral. Principal is due in full in February of 2067, or can be forgiven partially, or in full, by the City of Modesto exercising its forgiveness of debt option terms subject to compliance as detailed below for the 55 year Affordable Covenant Period. The Projects, when completed, will consist of two (2) and thirty two (32) units in total. The Housing Authority has covenanted and agreed own, operate and maintain two (2) and thirty one (31) NSP 2 assisted units exclusively for rent to persons with special needs defined as persons age 18 through 28 who qualify as very low income and who are (1) emancipated foster care or (2) homeless. | \$ 5,029,683 | \$ 4,740,595 |

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

3. Long Term Debt (continued)

416 Downey Avenue

Zero percent interest free note payable to the City of Modesto under its Neighborhood Stabilization Program 2 (NSP 2) for construction activities incurred as to an eleven (11) unit affordable housing rental property (the "Project"). The NSP 2 Loan allows for a maximum principal advance of \$2,000,000. However, the loan proceeds are further limited to \$125,000 as to each multi-family NSP 2 Assisted Unit and \$165,000 as to each single-family NSP 2 Assisted Unit, respectively. As of September 30, 2015 and 2014 \$1,954,179 and \$199,330 of NSP 2 Loan proceeds were advanced, as to the 412 and 416 construction activities, respectively. The Project will be used for collateral. Principal is due in full in September of 2068, or can be forgiven partially, or in full, by the City of Modesto exercising its forgiveness of debt option terms subject to compliance as detailed below for the 55 year Affordable Covenant Period. The Project, when completed, will consist of eleven (11) units in total. The Housing Authority has covenanted and agreed own, operate and maintain no less than eleven (11) NSP 2 assisted units exclusively for rent to senior persons who qualify as very low income or low income individuals.

Total

|  | <u>2015</u>   | <u>2014</u>   |
|--|---------------|---------------|
|  | \$ 1,985,439  | \$ 1,954,179  |
|  | \$ 25,626,608 | \$ 25,714,189 |

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

3. **Long Term Debt** (continued)

Estimated future principal maturities are as follows:

| Fiscal Year Ended September 30 | Amount               |
|--------------------------------|----------------------|
| 2016                           | \$ 335,134           |
| 2017                           | 352,834              |
| 2018                           | 364,438              |
| 2019                           | 361,648              |
| 2020                           | 374,281              |
| Thereafter                     | <u>23,838,273</u>    |
|                                | <u>\$ 25,626,608</u> |

4. **Employees' Retirement System**

**Summary of Significant Accounting Policies**

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of California Public Employees' Retirement System ("CalPERS") have been determined on the same basis as they are reported by CalPERS. The financial statements were prepared using the accrual basis of accounting. Member and employee contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing CalPERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Housing Authority's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. Please note CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions* requires that pension reported results must pertain to liability and asset information within certain defined timeframes. The pension plan actuarial report as provided by CalPERS utilizes the following timeframes:

- Valuation Date (VD)                      June 30, 2014
- Measurement Date (MD)                  June 30, 2015
- Measurement Period (MP)                July 1, 2014 to June 30, 2015

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
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4. **Employees' Retirement System** (continued)

**Plan Description and Provisions**

The Housing Authority of the County of Stanislaus contributes to the California Public Employee's Retirement System ("CalPERS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities with the State of California.

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Authority is part of a "cost sharing" pool with CalPERS. Benefit provisions and all other requirements are established by the State of California statute and District resolution. Copies of CalPERS' annual financial report may be obtained from their Executive Office at 400 "P" Street Sacramento, CA 95814. A separate report for the Authority's Plan within CalPERS is not available.

The following terms will apply to all full-time employees participating in the CalPERS retirement system prior to January 1, 2013, with the exception if they were a previous participant in the CalPERS retirement system (as these prior participating individuals will be grandfathered as to these terms as well). Employees are eligible for retirement at the age of 60 and are entitled to monthly benefit of 2 percent of final compensation for each year of service credit. Retirement compensation is reduced if the plan is coordinated with Social Security. Retirement may begin at age 50 with a reduced benefit rate or after age 60 to 63 with an increased rate. Retirement benefits fully vest after 5 years of credited service. Upon separation from the fund, members' accumulated contributions are refundable with interest credited through the date of separation.

**Mandatory Modifications to the Employee's Retirement System**

Effective as of January 1, 2013, the Authority was legislatively bound to the change in terms impacting its CalPERS retirement system. The passage of Assembly Bill (AB) 340 Pension Reform had a direct impact on employee and employer contribution rates to CalPERS. AB 340 created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and a final compensation period concept, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of a new member as per PEPRA. The Pension Reform Section of the CalPERS website contains additional information on pension reform, including information regarding when an employee will be considered a new member under PEPRA. The Benefit Formula was modified to be equal to miscellaneous 2% at age 62. The final compensation period remained the same at the average for the three final compensation years. The contribution rate is 6.25% effective through June 30, 2015; this rate will not be revised until the June 30, 2014 actuarial valuation of the Miscellaneous 2 percent at age 62 risk pool is completed in the fall of 2015.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

4. **Employees' Retirement System** (continued)

**Funding Status and Progress**

The Authority contributes 5% of total covered payroll to the retirement plan while the employees contribute 2% of their respective salaries. The Authority is required to contribute at an actuarially determined rate of 6.709% and 6.652% of covered payroll for plan years ended June 30, 2015 and 2014, respectively. The contribution requirements of plan members and the Authority are established and may be amended by CalPERS. The 2015 contribution of \$491,194 consisted of \$436,456 by the Authority and \$54,738 by employees. The 2014 contribution of \$519,281 consisted of \$479,705 by the Authority and \$39,576 by employees.

**Annual Pension Cost**

For the fiscal years ending September 30, 2015, the Authority's annual pension cost for CalPERS was equal to the Authority's required and actual contributions, which were determined as part of the June 30, 2015 actuarial valuations.

**Contribution Description**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2015 (the measurement date) the active employee contribution rate was 5.960 percent of annual pay, and the average employer's contribution rate was 11.239 percent of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

4. **Employees' Retirement System** (continued)

**Schedule of Employer Contributions**

|  | Fiscal Year<br>2014-2015 |
|--|--------------------------|
| Actuarially Determined Contribution <sup>1</sup>                       | \$457,574                |
| Contributions in Relation to the Actuarially Determined Contribution   | (-)                      |
| Contribution Deficiency (Excess)                                       | <u>\$457,574</u>         |
| Covered-Employee Payroll <sup>2,3</sup>                                | \$4,071,306              |
| Contributions as a Percentage of Covered-Employee Payroll <sup>2</sup> | 11.239%                  |

**Schedule of Employer Contributions – Table Assumptions**

<sup>1</sup> Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

<sup>2</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

<sup>3</sup> Payroll from prior year (\$3,952,724) was assumed to increase by the 3.00 percent payroll growth assumption.

**Schedule of Employer Contributions – Notes to the Table**

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. None of these liabilities have been reported by the Housing Authority in their financial statements as of September 30, 2015.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

4. **Employees' Retirement System** (continued)

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

Change in Assumptions:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50% (net of administrative expense in 2014) to 7.65% as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

For the measurement period ending June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. Both the June 30, 2014 total pension liability and the June 30, 2015 total pension liability were based on the following actuarial methods and assumptions:

|                                   |  |
|-----------------------------------|--|
| Actuarial Cost Method             | Entry Age Normal in accordance with the requirements of GASB Statement No. 68  |
| Actuarial Assumptions             |  |
| Discount Rate                     | 7.65%  |
| Inflation                         | 2.75%  |
| Salary Increases                  | Varies by entry age and service employment   |
| Mortality Rate Table <sup>1</sup> | Derived using CalPERS Membership Data for all Funds  |
| Post Retirement Benefit Increase  | Contact COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter |

<sup>1</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

Since the Authority's Plan had less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
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4. **Employees' Retirement System** (continued)

**Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.



HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
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4. **Employees' Retirement System** (continued)

**Expected Rate of Return** (Continued)

| Asset Class                   | New Strategic Allocation | Real Return Years 1-10 <sup>(1)</sup> | Real Return Years 11+ <sup>(2)</sup> |
|-------------------------------|--------------------------|---------------------------------------|--------------------------------------|
| Global Equity                 | 47.0%                    | 5.25%                                 | 5.71%                                |
| Global Fixed Income           | 19.0                     | 0.99                                  | 2.43                                 |
| Inflation Sensitive           | 6.0                      | 0.45                                  | 3.36                                 |
| Private Equity                | 12.0                     | 6.83                                  | 6.95                                 |
| Real Estate                   | 11.0                     | 4.50                                  | 5.13                                 |
| Infrastructure and Forestland | 3.0                      | 4.50                                  | 5.09                                 |
| Liquidity                     | 2.0                      | (0.55)                                | (1.05)                               |

<sup>(1)</sup> An expected inflation of 2.5% used for this period

<sup>(2)</sup> An expected inflation of 3.0% used for this period

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
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4. **Employees' Retirement System** (continued)

Initial plan unfunded liabilities are amortized over a closed period equal to the average amortization period at the plan's date of entry into CalPERS Risk Pool. Subsequent plan amendments are amortized as a level of percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the risk pool are amortized over a rolling 30 year period. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period.

The Schedule of Funding Progress below shows the recent history of the Risk Pool's actuarial value of assets, accrued liability, their relationship, and the relationship of the unfunded liability (UL) to payroll.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2015, the Housing Authority recorded a liability of zero for our proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of September 30, 2014 and determined by an actuarial valuation as of that date. The Housing Authority's proportionate share of the total net pension liability was based on the ratio of our actual contributions of \$2,650,171 paid to CalPERS for the year ended September 30, 2015 relative to the actual contribution of \$476,042,168 from all participating employers. At September 30, 2014, the Housing Authority's proportionate share was 0.082497%.

For the year ended September 30, 2015, the Housing Authority recognized a pension expense of \$3,058,167, our proportionate share of the total pension expense.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
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4. Employees' Retirement System (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

At September 30, 2015, we reported deferred outflows of resources and deferred inflows of resources from the following sources related to CalPERS pension benefits:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|---|---|--|
| Balance of Deferred Outflows and Inflows Due to:  |   |  |
| Differences between expected and actual Experience  | \$ -                                      | \$ -                                     |
| Changes of assumptions  | -   | (147,145)                                |
| Net difference between projected and actual earnings on pension plan investments                              | -   | (73,766)                                 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | -   | -  |
| Employer contributions subsequent to the measurement date   | <u>15,553</u>                             | <u>-</u>                                 |
| Total   | \$ <u>15,553</u>                          | \$ <u>(220,911)</u>                      |

\$15,553 reported as deferred outflows of resources reported as deferred contribution pension resulting from contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2016. Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized as a reduction to pension expense are as follows by year ending:

|                           |             |
|---------------------------|-------------|
| Year Ending September 30: |             |
| 2016                      | \$(103,016) |
| 2017                      | (103,016)   |
| 2018                      | (93,616)    |
| 2019                      | 94,290      |
| 2020                      | -           |
| Thereafter                | <u>\$ -</u> |

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

4. **Employees' Retirement System** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**

|   | <u>6/30/2015<sup>1</sup></u> |
|---|------------------------------|
| Plan's Proportion of the Net Pension Liability (Asset)  | 0.1770%                      |
| Plan's Proportionate Share of the Net Pension Liability (Asset)   | \$23,257,851                 |
| Plan's Covered-Employee Payroll <sup>2</sup>  | \$4,071,306                  |
| Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 104.29%                      |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability  | 0.2253%                      |
| Plan's Proportionate Share of Aggregate Employer Contributions <sup>3,4</sup>                                   | \$242,666                    |

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

<sup>3</sup> The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

<sup>4</sup> This data is not required to be displayed by GASB 68 for employers participating in cost-sharing plans, but it is being shown here because it is used in the calculation of the Plan's pension expense.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

4. **Employees' Retirement System** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**Discount Rate Sensitivity**

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

|                              | Discount<br>Rate -1%<br>(6.65%) | Current<br>Discount<br>Rate<br>(7.65%) | Discount<br>Rate +1%<br>(8.65%) |
|------------------------------|---------------------------------|--|---------------------------------|
| Plan's Net Pension Liability | \$8,143,745                     | \$4,855,937                            | \$2,141,469                     |

5. **Postemployment Benefits Other Than Pension Benefits**

**Plan Description**

The Stanislaus County Housing Authority provides postretirement healthcare benefits to eligible employees who retire directly from the Authority. The Authority pays single premium coverage (capped at the Blue Shield premium for employees hired after January 3, 2003) for eligible retirees.

**Funding Policy**

An actuarial report was prepared during the previous year to estimate the annual required contribution (ARC) for the funding and accrual of postemployment benefits under GASB 43 and 45.

The specific calculation of the ARC and annual OPEB expense for an employer depends on how the employer elects to fund these benefits. Contributing and among greater than or equal to the ARC each year is referred to as "prefunding". Prefunding generally allows the employer to have the liability calculated using a higher discount rate, which in turn lowers the liability. In addition, following a prefunded policy does not build up a net OPEB obligation because the contribution equals or exceeds the annual OPEB cost each year.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

5. **Postemployment Benefits Other Than Pension Benefits** (continued)

**Annual OPEB Cost and Net OPEB Obligation**

The annual OPEB cost (AOC) equals the ARC, except when the Authority has a net OPEB asset (NOA) at the beginning of the year. In that case, the AOC will equal the ARC adjusted for expected interest on the NOA and reduced by an amortization of the NOA. For the year ending September 30, 2015, the total contribution made was zero.

**Actuarial Methods and Assumptions**

The actuarial cost method used for this valuation is the Entry Age Normal (EAN) cost method. Under the EAN cost method, the Normal Cost for each participant is determined as a level percent of payroll throughout the participant's working lifetime. (The EAN cost method is required by CalPERS for agencies funding with the CERBT.)

The Plan is assumed to be ongoing for cost purposes. This does not imply that an obligation to continue the Plan exists.

Actuarial assumptions are as follows:

|                             |  |
|-----------------------------|--|
| Discount rate               | 7.61%, representing the long-term rate of return on the trust. |
| Aggregate payroll increases | 3.25% per year   |
| Healthcare Cost increases   | Ultimate rate 7.5% to 4.5% in 2019                             |

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
NOTES TO THE FINANCIAL STATEMENTS  
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6. **Commitments and Contingencies**

In connection with various Federal and State grant programs, the Authority is obligated to administer the programs in accordance with regulatory restrictions, and is subject to audit by grantor agencies. In cases of noncompliance, the agencies involved may require the Authority to refund program monies. The amount of expenditures which may be disallowed, if any, by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

The Authority is contingently liable in connection with claims and contracts arising in the normal course of its activities. The Authority management is of the opinion that the outcome of such matters will not have a material effect on the basic financial statements.

The possibility exists that HUD contributions may decrease in the future. In the event that such contributions were significantly decreased, the Authority would need to seek other funding sources to maintain operations at current level.

7. **Change in Accounting Principles and Prior Period Adjustment**

Financial reporting information pertaining to the Housing Authority's participation in the California Public Employees' Retirement System ("CalPERS") is effectively as of June 30, 2015 being prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of these GASB statements is to improve accounting and financial reporting by state and local governments for pensions. As a result of implementing GASB No. 68 and No. 71 there was a direct decrease to net position of \$2,855,530.

Net position as of June 30, 2015, has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71.

|  |                      |
|--|----------------------|
| Net Position as previously reported at September 30, 2014    | \$ 71,747,688        |
| Prior period adjustment:                                     |                      |
| Net Pension Liability (measurement date as of June 30, 2013) | (2,855,530)          |
| Net Position as adjusted, October 1, 2014                    | \$ <u>68,892,158</u> |

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA**  
**SEPTEMBER 30, 2015**

**ASSETS**

| Line Item #   | Low Rent            | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local      | Continuum of Care Program |
|---|---------------------|---|--|-------------------------|-------------------------------------|----------------------|---------------------------|
| <b>CURRENT ASSETS</b>   |                     |   |  |                         |                                     |                      |                           |
| <b>Cash</b>   |                     |   |  |                         |                                     |                      |                           |
| 111 Cash - unrestricted                                       | \$ 527,755          | \$ 57,476                                 | \$ -   | \$ 458,460              | \$ 314,819                          | \$ 3,300,146         | \$ -                      |
| 113 Cash - restricted   | 5,257               | -   | -  | 106,706                 | -                                   | -                    | -                         |
| 114 Cash - tenant security                                    | 318,029             | 11,219                                    | -  | -                       | 36,085                              | 172,888              | -                         |
| 115 Cash - restricted for current liabilities                 | 3,546               | -   | -  | 40,686                  | -                                   | -                    | -                         |
| 100 Total cash  | 854,587             | 48,695                                    | -  | 605,852                 | 350,904                             | 3,473,034            | -                         |
| <b>Receivables</b>  |                     |   |  |                         |                                     |                      |                           |
| 121 Accounts receivable - PHA projects                        | -                   | -   | -  | -                       | -                                   | 33,518               | -                         |
| 122 Accounts receivable - HUD other projects                  | 28,665              | -   | 554  | 157,361                 | -                                   | -                    | 57,477                    |
| 124 Accounts receivable - other government                    | -                   | -   | -  | -                       | 27,308                              | 458,508              | -                         |
| 125 Accounts receivable - miscellaneous                       | -                   | -   | -  | 12,726                  | 2,846                               | 608,200              | -                         |
| 126 Accounts receivable - tenant dwelling rents               | 35,090              | 8,310                                     | -  | 8,544                   | 6,119                               | 35,597               | -                         |
| 126.1 Allowance for doubtful accounts - tenant dwelling rents | (15,166)            | (4,986)                                   | -  | -                       | (3,819)                             | (7,485)              | -                         |
| 126.2 Allowance for doubtful accounts - other                 | -                   | -   | -  | (740)                   | -                                   | -                    | -                         |
| 129 Accrued interest receivable                               | 7,444               | 175                                       | -  | 462                     | 1,201                               | 4,218                | -                         |
| 120 Total receivables   | 56,033              | 3,499                                     | 554  | 178,353                 | 33,655                              | 1,132,556            | 57,477                    |
| <b>Other current assets</b>                                   |                     |   |  |                         |                                     |                      |                           |
| 131 Investments - Unrestricted                                | 8,081,248           | 181,656                                   | -  | 573,308                 | 1,492,360                           | 5,876,419            | -                         |
| 132 Investments - Restricted                                  | 808,911             | -   | -  | -                       | -                                   | -                    | -                         |
| 142 Prepaid Expenses and Other Assets                         | 6,797               | 232                                       | -  | 1,721                   | 1,713                               | 719,723              | -                         |
| 143 Inventories   | 44,351              | -   | -  | -                       | -                                   | -                    | -                         |
| 144 Inter-program - due from                                  | -                   | -   | -  | -                       | -                                   | 573,913              | -                         |
| 145 Assets held for sale                                      | -                   | -   | -  | -                       | -                                   | 632,199              | -                         |
| Total other current assets                                    | 8,941,307           | 181,888                                   | -  | 575,029                 | 1,494,073                           | 7,802,254            | -                         |
| <b>150 TOTAL CURRENT ASSETS</b>                               | <b>\$ 9,851,927</b> | <b>\$ 234,082</b>                         | <b>\$ 554</b>                                | <b>\$ 1,359,234</b>     | <b>\$ 1,878,632</b>                 | <b>\$ 12,407,844</b> | <b>\$ 57,477</b>          |

The accompanying notes are an integral part of the financial statements.



**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2015**

**ASSETS**

| Line Item #   | Disaster Housing Assistance Grant | COCC      | Shelter Plus Care | PIH Family Self Sufficiency Program | Combined Total | Eliminations | Consolidated Total |
|---|-----------------------------------|-----------|-------------------|-------------------------------------|----------------|--------------|--------------------|
| <b>Cash</b>   | \$                                | \$        |                   |                                     | \$             |              | \$                 |
| 111 Cash - unrestricted                                       | 11,887                            | 553,938   | -                 | -                                   | 5,204,481      | -            | 5,204,481          |
| 113 Cash - restricted   | -                                 | -         | -                 | -                                   | 111,963        | -            | 111,963            |
| 114 Cash - tenant security                                    | -                                 | -         | -                 | -                                   | 538,221        | -            | 538,221            |
| 115 Cash - restricted for current liabilities                 | -                                 | -         | -                 | -                                   | 44,232         | -            | 44,232             |
| 100 Total cash  | 11,887                            | 553,938   | -                 | -                                   | 5,898,897      | -            | 5,898,897          |
| <b>Receivables</b>  |                                   |           |                   |                                     |                |              |                    |
| 121 Accounts receivable - PHA projects                        | -                                 | 12,925    | -                 | -                                   | 46,443         | -            | 46,443             |
| 122 Accounts receivable - HUD other projects                  | -                                 | -         | 5,321             | 29,544                              | 278,922        | -            | 278,922            |
| 124 Accounts receivable - other government                    | -                                 | -         | -                 | -                                   | 485,816        | -            | 485,816            |
| 125 Accounts receivable - miscellaneous                       | -                                 | -         | -                 | -                                   | 623,772        | -            | 623,772            |
| 126 Accounts receivable - tenant dwelling rents               | -                                 | -         | -                 | -                                   | 93,660         | -            | 93,660             |
| 126.1 Allowance for doubtful accounts - tenant dwelling rents | -                                 | -         | -                 | -                                   | (31,456)       | -            | (31,456)           |
| 126.2 Allowance for doubtful accounts - other                 | -                                 | -         | -                 | -                                   | (740)          | -            | (740)              |
| 129 Accrued interest receivable                               | -                                 | 1,536     | -                 | -                                   | 15,036         | -            | 15,036             |
| 120 Total receivables   | -                                 | 14,461    | 5,321             | 29,544                              | 1,511,453      | -            | 1,511,453          |
| <b>Other current assets</b>                                   |                                   |           |                   |                                     |                |              |                    |
| 131 Investments - Unrestricted                                | -                                 | 2,264,554 | -                 | -                                   | 18,469,545     | -            | 18,469,545         |
| 132 Investments - Restricted                                  | -                                 | -         | -                 | -                                   | 808,911        | -            | 808,911            |
| 142 Prepaid Expenses and Other Assets                         | -                                 | 17,730    | -                 | -                                   | 747,916        | -            | 747,916            |
| 143 Inventories   | -                                 | -         | -                 | -                                   | 44,351         | -            | 44,351             |
| 144 Inter-program - due from                                  | -                                 | -         | -                 | -                                   | 573,913        | (573,913)    | -                  |
| 145 Assets held for sale                                      | -                                 | -         | -                 | -                                   | 632,199        | -            | 632,199            |
| Total other current assets                                    | -                                 | 2,282,284 | -                 | -                                   | 21,276,835     | (573,913)    | 20,702,922         |
| 150 TOTAL CURRENT ASSETS                                      | \$                                | \$        | \$                | \$                                  | \$             | \$           | \$                 |
|   | 11,887                            | 2,850,683 | 5,321             | 29,544                              | 28,687,185     | (573,913)    | 28,113,272         |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2015**

**ASSETS**

| Line Item #   | Low Rent      | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |
|---|---------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|
| <b>NONCURRENT ASSETS</b>                                  |               |   |  |                         |                                     |                 |                           |
| <b>Fixed assets</b>                                       |               |   |  |                         |                                     |                 |                           |
| 161 Land  | \$ 3,007,397  | \$ 410,882                                | \$ -   | \$ -                    | \$ 540,892                          | \$ 5,002,413    | \$ -                      |
| 162 Buildings   | 49,958,281    | 3,096,456                                 | -  | -                       | 30,411,156                          | 33,289,103      | -                         |
| 163 Furniture, equipment and machinery dwellings          | 24,352        | -   | -  | -                       | 32,268                              | 13,000          | -                         |
| 164 Furniture, equipment and machinery administration     | 1,491,951     | -   | -  | 233,499                 | 15,312                              | 150,009         | -                         |
| 166 Accumulated depreciation                              | (35,622,037)  | (717,264)                                 | -  | (206,653)               | (12,264,077)                        | (7,390,446)     | -                         |
| 167 Construction in progress                              | 66,414        | -   | -  | -                       | -                                   | 1,342,007       | -                         |
| 160 Net fixed assets                                      | 18,926,358    | 2,790,074                                 | -  | 26,846                  | 18,735,551                          | 32,406,086      | -                         |
| <b>Other noncurrent assets</b>                            |               |   |  |                         |                                     |                 |                           |
| 171 Notes, loans and mortgages receivable                 | -             | -   | -  | -                       | -                                   | 2,689,389       | -                         |
| Total other noncurrent assets                             | -             | -   | -  | -                       | -                                   | 2,689,389       | -                         |
| 180 <b>TOTAL NONCURRENT ASSETS</b>                        | 18,926,358    | 2,790,074                                 | -  | 26,846                  | 18,735,551                          | 35,095,475      | -                         |
| 190 <b>TOTAL ASSETS</b>                                   | 28,778,285    | 3,024,156                                 | 554  | 1,386,080               | 20,614,183                          | 47,503,319      | 57,477                    |
| 200 Deferred outflow of resources                         | 2,963         | -   | -  | 5,437                   | 2,216                               | 2,343           | -                         |
| 290 <b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b> | \$ 28,781,248 | \$ 3,024,156                              | \$ 554                                       | \$ 1,391,517            | \$ 20,616,399                       | \$ 47,505,662   | \$ 57,477                 |

The accompanying notes are an integral part of the financial statements

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2015**

**ASSETS**

| Line<br>Item<br>#  | NONCURRENT ASSETS | Disaster<br>Housing<br>Assistance<br>Grant | COCC         | Shelter<br>Plus<br>Care | PHI Family<br>Self-Sufficiency<br>Program | Combined<br>Total | Eliminations | Consolidated<br>Total |
|--|-------------------|--|--------------|-------------------------|---|-------------------|--------------|-----------------------|
| <b>Fixed assets</b>                                      |                   |  |              |                         |   |                   |              |                       |
| 161 Land   |                   | \$ -                                       | \$ -         | -                       | -   | \$ 8,961,584      | \$ -         | \$ 8,961,584          |
| 162 Buildings  |                   | -  | -            | -                       | -   | 116,754,996       | -            | 116,754,996           |
| 163 Furniture, equipment and machinery<br>dwellings      |                   | -  | -            | -                       | -   | 69,620            | -            | 69,620                |
| 164 Furniture, equipment and machinery<br>administration |                   | -  | 261,214      | -                       | -   | 2,151,985         | -            | 2,151,985             |
| 166 Accumulated depreciation                             |                   | -  | (230,878)    | -                       | -   | (56,431,355)      | -            | (56,431,355)          |
| 167 Construction in progress                             |                   | -  | -            | -                       | -   | 1,408,421         | -            | 1,408,421             |
| 160 Net fixed assets                                     |                   | -  | 30,336       | -                       | -   | 72,915,251        | -            | 72,915,251            |
| <b>Other noncurrent assets</b>                           |                   |  |              |                         |   |                   |              |                       |
| 171 Notes, loans and mortgages receivable                |                   | -  | -            | -                       | -   | 2,689,389         | -            | 2,689,389             |
| Total other noncurrent assets                            |                   | -  | -            | -                       | -   | 2,689,389         | -            | 2,689,389             |
| 180 TOTAL NONCURRENT ASSETS                              |                   | -  | 30,336       | -                       | -   | 75,604,640        | -            | 75,604,640            |
| 190 TOTAL ASSETS   |                   | 11,887                                     | 2,881,019    | 5,321                   | 29,544                                    | 104,291,825       | (573,913)    | 103,717,912           |
| 200 Deferred outflow of resources                        |                   | -  | 2,594        | -                       | -   | 15,553            | -            | 15,553                |
| 290 TOTAL ASSETS AND DEFERRED<br>OUTFLOW OF RESOURCES    |                   | \$ 11,887                                  | \$ 2,883,613 | \$ 5,321                | \$ 29,544                                 | \$ 104,307,378    | \$ (573,913) | \$ 103,733,465        |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
FINANCIAL DATA  
SEPTEMBER 30, 2014**

**ASSETS**

| Line Item #   | Low Rent     | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |
|---|--------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|
| <b>CURRENT ASSETS</b>   |              |   |  |                         |                                     |                 |                           |
| <u>Cash</u>   | \$           | \$  | \$   | \$                      | \$                                  | \$              | \$                        |
| 111 Cash - unrestricted                                       | 964,205      | 116,939                                   | -  | 293,298                 | 1,598,457                           | 5,055,820       | -                         |
| 113 Cash - restricted   | 10,211       | -   | -  | 116,739                 | -                                   | -               | -                         |
| 114 Cash - tenant security                                    | 316,294      | 11,955                                    | -  | -                       | 34,930                              | 149,390         | -                         |
| 115 Cash - restricted for current liabilities                 | -            | -   | -  | 1,375                   | -                                   | -               | -                         |
| 100 Total cash  | 1,290,710    | 128,894                                   | -  | 411,412                 | 1,633,387                           | 5,205,210       | -                         |
| <b>Receivables</b>  |              |   |  |                         |                                     |                 |                           |
| 121 Accounts receivable - PHA projects                        | -            | -   | -  | 9,400                   | -                                   | 33,682          | -                         |
| 122 Accounts receivable - HUD other projects                  | 31,494       | -   | 313  | 74,116                  | -                                   | -               | 9,351                     |
| 124 Accounts receivable - other government                    | -            | -   | -  | -                       | 21,890                              | 1,755,036       | -                         |
| 125 Accounts receivable - miscellaneous                       | -            | -   | -  | 15,424                  | 3,503                               | 558,536         | -                         |
| 126 Accounts receivable - tenant dwelling rents               | 32,147       | 4,130                                     | -  | -                       | 7,195                               | 24,118          | -                         |
| 126.1 Allowance for doubtful accounts - tenant dwelling rents | (14,443)     | (2,437)                                   | -  | -                       | (3,914)                             | (7,989)         | -                         |
| 126.2 Allowance for doubtful accounts - other                 | -            | -   | -  | (740)                   | -                                   | -               | -                         |
| 129 Accrued interest receivable                               | 8,184        | 176                                       | -  | 2,263                   | 1,064                               | 4,917           | -                         |
| 120 Total receivables   | 57,382       | 1,869                                     | 313  | 100,463                 | 29,738                              | 2,368,300       | 9,351                     |
| <b>Other current assets</b>                                   |              |   |  |                         |                                     |                 |                           |
| 131 Investments - Unrestricted                                | 7,080,557    | 273,452                                   | -  | 1,676,161               | -                                   | 5,869,193       | -                         |
| 132 Investments - Restricted                                  | 806,819      | -   | -  | 597,309                 | -                                   | -               | -                         |
| 142 Prepaid Expenses and Other Assets                         | 7,380        | 232                                       | -  | 19,232                  | 1,713                               | 652,748         | -                         |
| 143 Inventories   | 40,435       | -   | -  | -                       | -                                   | -               | -                         |
| 144 Inter-program - due from                                  | -            | -   | -  | -                       | -                                   | 501,352         | -                         |
| 145 Assets held for sale                                      | -            | -   | -  | -                       | -                                   | 3,225,495       | -                         |
| Total other current assets                                    | 7,935,191    | 273,684                                   | -  | 2,292,702               | 1,713                               | 10,248,788      | -                         |
| 150 TOTAL CURRENT ASSETS                                      | \$ 9,283,283 | \$ 404,447                                | \$ 313                                       | \$ 2,804,577            | \$ 1,664,838                        | \$ 17,822,298   | \$ 9,351                  |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2014**

**ASSETS**

| Line Item #   | Disaster Housing Assistance Grant | COCC         | Shelter Plus Care | Supportive Housing Program | Combined Total | Eliminations | Consolidated Total |
|---|-----------------------------------|--------------|-------------------|----------------------------|----------------|--------------|--------------------|
| <b>CURRENT ASSETS</b>   |                                   |              |                   |                            |                |              |                    |
| <b>Cash</b>   | \$ 11,887                         | \$ 254,860   | \$ -              | \$ -                       | \$ 8,295,466   | \$ -         | \$ 8,295,466       |
| 111 Cash - unrestricted                                       | -                                 | -            | -                 | -                          | 126,950        | -            | 126,950            |
| 113 Cash - restricted   | -                                 | -            | -                 | -                          | 512,569        | -            | 512,569            |
| 114 Cash - tenant security                                    | -                                 | -            | -                 | -                          | 1,375          | -            | 1,375              |
| 115 Cash - restricted for current liabilities                 | -                                 | -            | -                 | -                          | -              | -            | -                  |
| 100 Total cash  | 11,887                            | 254,860      | -                 | -                          | 8,936,360      | -            | 8,936,360          |
| <b>Receivables</b>  |                                   |              |                   |                            |                |              |                    |
| 121 Accounts receivable - PHA projects                        | -                                 | -            | -                 | -                          | 43,082         | -            | 43,082             |
| 122 Accounts receivable - HUD other projects                  | -                                 | -            | 5,332             | 4,810                      | 125,416        | -            | 125,416            |
| 124 Accounts receivable - other government                    | -                                 | -            | -                 | -                          | 1,776,926      | -            | 1,776,926          |
| 125 Accounts receivable - miscellaneous                       | -                                 | -            | -                 | -                          | 577,463        | -            | 577,463            |
| 126 Accounts receivable - tenant dwelling rents               | -                                 | -            | -                 | -                          | 67,590         | -            | 67,590             |
| 126.1 Allowance for doubtful accounts - tenant dwelling rents | -                                 | -            | -                 | -                          | (28,783)       | -            | (28,783)           |
| 126.2 Allowance for doubtful accounts - other                 | -                                 | -            | -                 | -                          | (740)          | -            | (740)              |
| 129 Accrued interest receivable                               | -                                 | 1,353        | -                 | -                          | 17,957         | -            | 17,957             |
| 120 Total receivables   | -                                 | 1,353        | 5,332             | 4,810                      | 2,578,911      | -            | 2,578,911          |
| <b>Other current assets</b>                                   |                                   |              |                   |                            |                |              |                    |
| 131 Investments - Unrestricted                                | -                                 | 2,553,739    | -                 | -                          | 17,453,102     | -            | 17,453,102         |
| 132 Investments - Restricted                                  | -                                 | -            | -                 | -                          | 1,404,128      | -            | 1,404,128          |
| 142 Prepaid Expenses and Other Assets                         | -                                 | 219          | -                 | -                          | 681,524        | -            | 681,524            |
| 143 Inventories   | -                                 | -            | -                 | -                          | 40,435         | -            | 40,435             |
| 144 Inter-program - due from                                  | -                                 | -            | -                 | -                          | 501,352        | (501,352)    | -                  |
| 145 Assets held for sale                                      | -                                 | -            | -                 | -                          | 3,225,495      | -            | 3,225,495          |
| Total other current assets                                    | -                                 | 2,553,958    | -                 | -                          | 23,306,036     | (501,352)    | 22,804,684         |
| <b>TOTAL CURRENT ASSETS</b>                                   | \$ 11,887                         | \$ 2,810,171 | \$ 5,332          | \$ 4,810                   | \$ 34,821,307  | \$ (501,352) | \$ 34,319,955      |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2014**

**ASSETS**

| Line Item #   | Low Rent      | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |
|---|---------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|
| <b>NONCURRENT ASSETS</b>                              |               |   |  |                         |                                     |                 |                           |
| <b>Fixed assets</b>                                   |               |   |  |                         |                                     |                 |                           |
| 161 Land  | \$ 3,007,397  | \$ 410,882                                | \$ -   | \$ -                    | \$ 540,892                          | \$ 4,931,812    | \$ -                      |
| 162 Buildings   | 49,465,597    | 2,792,635                                 | -  | -                       | 30,411,156                          | 30,852,573      | -                         |
| 163 Furniture, equipment and machinery dwellings      | 24,352        | -   | -  | -                       | 32,269                              | 13,000          | -                         |
| 164 Furniture, equipment and machinery administration | 1,491,951     | -   | -  | 233,499                 | 15,311                              | 150,009         | -                         |
| 166 Accumulated depreciation                          | (34,253,493)  | (628,590)                                 | -  | (178,510)               | (11,592,067)                        | (6,584,456)     | -                         |
| 167 Construction in progress                          | 209,986       | -   | -  | -                       | -                                   | 3,390,761       | -                         |
| 160 Net fixed assets                                  | 19,945,790    | 2,574,927                                 | -  | 54,989                  | 19,407,561                          | 32,753,699      | -                         |
| <b>Other noncurrent assets</b>                        |               |   |  |                         |                                     |                 |                           |
| 171 Notes, loans and mortgages receivable             | -             | -   | -  | -                       | -                                   | 2,689,389       | -                         |
| Total other noncurrent assets                         | -             | -   | -  | -                       | -                                   | 2,689,389       | -                         |
| <b>TOTAL NONCURRENT ASSETS</b>                        | 19,945,790    | 2,574,927                                 | -  | 54,989                  | 19,407,561                          | 35,443,088      | -                         |
| <b>TOTAL ASSETS</b>                                   | \$ 29,229,073 | \$ 2,979,374                              | \$ 313                                       | \$ 2,859,566            | \$ 21,072,399                       | \$ 53,265,386   | \$ 9,351                  |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2014**

**ASSETS**

| Line<br>Item<br>#  | Disaster<br>Housing<br>Assistance<br>Grant | COCC         | Shelter<br>Plus<br>Care | Supportive<br>Housing<br>Program | Combined<br>Total | Eliminations | Consolidated<br>Total |
|--|--|--------------|-------------------------|----------------------------------|-------------------|--------------|-----------------------|
| <b>NONCURRENT ASSETS</b>                                 |  |              |                         |                                  |                   |              |                       |
| <b>Fixed assets</b>                                      |  |              |                         |                                  |                   |              |                       |
| 161 Land   | \$ -                                       | \$ -         | \$ -                    | \$ -                             | 8,890,983         | \$ -         | 8,890,983             |
| 162 Buildings  | -  | -            | -                       | -                                | 113,521,961       | -            | 113,521,961           |
| 163 Furniture, equipment and machinery<br>dwellings      | -  | -            | -                       | -                                | 69,621            | -            | 69,621                |
| 164 Furniture, equipment and machinery<br>administration | -  | 273,698      | -                       | -                                | 2,164,468         | -            | 2,164,468             |
| 166 Accumulated depreciation                             | -  | (205,560)    | -                       | -                                | (53,442,676)      | -            | (53,442,676)          |
| 167 Construction in progress                             | -  | -            | -                       | -                                | 3,600,747         | -            | 3,600,747             |
| 160 Net fixed assets                                     | -  | 68,138       | -                       | -                                | 74,805,104        | -            | 74,805,104            |
| <b>Other noncurrent assets</b>                           |  |              |                         |                                  |                   |              |                       |
| 171 Notes, loans and mortgages receivable                | -  | -            | -                       | -                                | 2,689,389         | -            | 2,689,389             |
| Total other noncurrent assets                            | -  | -            | -                       | -                                | 2,689,389         | -            | 2,689,389             |
| 180 <b>TOTAL NONCURRENT ASSETS</b>                       | -  | 68,138       | -                       | -                                | 77,494,493        | -            | 77,494,493            |
| 190 <b>TOTAL ASSETS</b>                                  | \$ 11,887                                  | \$ 2,878,309 | \$ 5,332                | \$ 4,810                         | \$ 112,315,800    | \$ (501,352) | \$ 111,814,448        |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA**  
**SEPTEMBER 30, 2015**

**LIABILITIES AND NET POSITION (DEFICIT)**

| Line Item #  | Low Rent      | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |
|--|---------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|
| <b>LIABILITIES</b>   |               |   |  |                         |                                     |                 |                           |
| <b>Current Liabilities</b>   |               |   |  |                         |                                     |                 |                           |
| 312 Accounts payable, < 90 days  | \$ 144,628    | \$ 8,273                                  | \$ -   | \$ 96,124               | \$ 39,650                           | \$ 480,235      | \$ 882                    |
| 321 Accrued wages payable  | -             | -   | -  | -                       | -                                   | 152,988         | -                         |
| 322 Accrued compensated absences - current portion                                   | 60,276        | -   | -  | 85,809                  | 61,714                              | 72,518          | -                         |
| 325 Accrued interest payable   | -             | 285,187                                   | -  | -                       | -                                   | 660,793         | -                         |
| 333 Accounts payable - other government  | -             | -   | -  | 7,552                   | -                                   | 3,532,600       | -                         |
| 341 Tenant security deposits payable   | 318,029       | 11,219                                    | -  | -                       | 36,085                              | 172,888         | -                         |
| 342 Deferred revenue   | 22,869        | 1,874                                     | -  | -                       | 23,249                              | 2,025,514       | -                         |
| 343 Current portion of long-term debt - capital projects/mortgage revenue bonds      | -             | 24,053                                    | -  | -                       | 125,829                             | 185,252         | -                         |
| 345 Other current liabilities  | 203,823       | -   | -  | 40,686                  | -                                   | -               | -                         |
| 347 Inter-program - due to   | -             | 481,899                                   | 554  | -                       | -                                   | -               | 56,595                    |
| 310 Total current liabilities  | 749,625       | 812,505                                   | 554  | 230,171                 | 286,527                             | 7,282,788       | 57,477                    |
| <b>Noncurrent Liabilities</b>  |               |   |  |                         |                                     |                 |                           |
| 351 Long-term debt, net of current portion - capital projects/mortgage revenue bonds | -             | 2,482,176                                 | -  | -                       | 2,219,856                           | 20,589,442      | -                         |
| 353 Noncurrent liabilities - other   | 5,257         | -   | -  | 106,706                 | -                                   | -               | -                         |
| 354 Accrued compensated absences - noncurrent  | 15,069        | -   | -  | 21,452                  | 15,428                              | 18,129          | -                         |
| 350 Total noncurrent liabilities   | 20,326        | 2,482,176                                 | -  | 128,158                 | 2,235,284                           | 20,607,571      | -                         |
| 300 TOTAL LIABILITIES  | 769,951       | 3,294,681                                 | 554  | 358,329                 | 2,521,811                           | 27,890,359      | 57,477                    |
| 400 Deferred inflow of resources   | 42,084        | -   | -  | 77,230                  | 31,480                              | 33,269          | -                         |
| <b>NET POSITION</b>  |               |   |  |                         |                                     |                 |                           |
| 508.1 Invested in capital assets, net of related debt                                | 18,926,358    | 283,845                                   | -  | 26,846                  | 16,389,866                          | 11,631,391      | -                         |
| 511.1 Restricted net position  | 808,911       | -   | -  | -                       | -                                   | -               | -                         |
| 512.1 Unrestricted net position  | 8,233,944     | (554,370)                                 | -  | 929,112                 | 1,675,242                           | 7,950,643       | -                         |
| 513 TOTAL NET POSITION   | 27,969,213    | (270,525)                                 | -  | 955,958                 | 18,063,108                          | 19,582,034      | -                         |
| 600 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION                | \$ 28,781,248 | \$ 3,024,156                              | \$ 554                                       | \$ 1,391,517            | \$ 20,616,399                       | \$ 47,505,662   | \$ 57,477                 |

The accompanying notes are an integral part of the financial statements.



**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2015**

**LIABILITIES AND NET POSITION (DEFICIT)**

| Line Item #  | Disaster Housing Assistance Grant | COC          | Shelter Plus Care | PIH Family Self-Sufficiency Program | Combined Total | Eliminations | Consolidated Total |
|--|-----------------------------------|--------------|-------------------|-------------------------------------|----------------|--------------|--------------------|
| <b>LIABILITIES</b>   |                                   |              |                   |                                     |                |              |                    |
| <b>Current liabilities</b>   |                                   |              |                   |                                     |                |              |                    |
| 312 Accounts payable, < 90 days  | \$ -                              | 12,359       | \$ -              | \$ -                                | 782,151        | \$ -         | 782,151            |
| 321 Accrued wages payable  | -                                 | -            | -                 | -                                   | 152,988        | -            | 152,988            |
| 322 Accrued compensated absences - current portion                                   | -                                 | 110,974      | -                 | -                                   | 391,291        | -            | 391,291            |
| 325 Accrued interest payable   | -                                 | -            | -                 | -                                   | 945,980        | -            | 945,980            |
| 333 Accounts payable - other government  | -                                 | -            | -                 | -                                   | 3,540,152      | -            | 3,540,152          |
| 341 Tenant security deposits payable   | -                                 | -            | -                 | -                                   | 538,221        | -            | 538,221            |
| 342 Deferred revenue   | -                                 | -            | -                 | -                                   | 2,073,506      | -            | 2,073,506          |
| 343 Current portion of long-term debt - capital projects/mortgage revenue bonds      | -                                 | -            | -                 | -                                   | 335,134        | -            | 335,134            |
| 345 Other current liabilities  | -                                 | -            | -                 | -                                   | 244,509        | -            | 244,509            |
| 347 Inter-program - due to   | -                                 | -            | 5,321             | 29,544                              | 573,913        | (573,913)    | -                  |
| 310 Total current liabilities  | -                                 | 123,333      | 5,321             | 29,544                              | 9,577,845      | (573,913)    | 9,003,932          |
| <b>Noncurrent liabilities</b>  |                                   |              |                   |                                     |                |              |                    |
| 351 Long-term debt, net of current portion - capital projects/mortgage revenue bonds | -                                 | -            | -                 | -                                   | 25,291,474     | -            | 25,291,474         |
| 353 Noncurrent liabilities - other   | -                                 | -            | -                 | -                                   | 111,963        | -            | 111,963            |
| 354 Accrued compensated absences - noncurrent  | -                                 | 27,743       | -                 | -                                   | 97,821         | -            | 97,821             |
| 350 Total noncurrent liabilities   | -                                 | 27,743       | -                 | -                                   | 25,501,258     | -            | 25,501,258         |
| 300 <b>TOTAL LIABILITIES</b>   | -                                 | 151,076      | 5,321             | 29,544                              | 35,079,103     | (573,913)    | 34,505,190         |
| 400 Deferred inflow of resources   | -                                 | 36,848       | -                 | -                                   | 220,911        | -            | 220,911            |
| <b>NET POSITION</b>  |                                   |              |                   |                                     |                |              |                    |
| 508.1 Invested in capital assets, net of related debt                                | -                                 | 30,336       | -                 | -                                   | 47,288,642     | -            | 47,288,642         |
| 511.1 Restricted net position  | -                                 | -            | -                 | -                                   | 808,911        | -            | 808,911            |
| 512.1 Unrestricted net position  | 11,887                            | 2,665,353    | -                 | -                                   | 20,909,811     | -            | 20,909,811         |
| 513 <b>TOTAL NET POSITION</b>  | 11,887                            | 2,695,689    | -                 | -                                   | 69,007,364     | -            | 69,007,364         |
| 600 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>         | \$ 11,887                         | \$ 2,883,613 | \$ 5,321          | \$ 29,544                           | \$ 104,307,378 | \$ (573,913) | \$ 103,733,465     |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA**  
**SEPTEMBER 30, 2014**

**LIABILITIES AND NET POSITION (DEFICIT)**

| Line Item #  | Low Rent      | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |
|--|---------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|
| <b>LIABILITIES</b>   |               |   |  |                         |                                     |                 |                           |
| <b>Current liabilities</b>   |               |   |  |                         |                                     |                 |                           |
| 312 Accounts payable, < 90 days  | \$ 213,815    | \$ 9,047                                  | -  | \$ 113,215              | \$ 86,430                           | \$ 462,439      | \$ 57                     |
| 321 Accrued wages payable  | -             | -   | -  | -                       | -                                   | 160,893         | -                         |
| 322 Accrued compensated absences - current portion                                   | 61,295        | -   | -  | 88,102                  | 15,329                              | 77,341          | -                         |
| 325 Accrued interest payable   | -             | 255,937                                   | -  | -                       | -                                   | 613,543         | -                         |
| 331 Accounts payable - HUD PHA programs  | -             | -   | -  | 1,375                   | -                                   | -               | -                         |
| 333 Accounts payable - other government  | -             | -   | -  | 7,552                   | -                                   | 9,187,211       | -                         |
| 341 Tenant security deposits payable   | 316,294       | 11,955                                    | -  | -                       | 34,930                              | 149,390         | -                         |
| 342 Deferred revenue   | 26,607        | 3,316                                     | -  | -                       | 31,283                              | 1,830,627       | -                         |
| 343 Current portion of long-term debt - capital projects/mortgage revenue bonds      | -             | 23,169                                    | -  | -                       | 229,171                             | 176,932         | -                         |
| 345 Other current liabilities  | 149,537       | -   | -  | 26,850                  | -                                   | -               | -                         |
| 346 Accrued liabilities - other  | 42,020        | -   | -  | -                       | -                                   | -               | -                         |
| 347 Inter-program - due to   | -             | 481,899                                   | 313  | -                       | -                                   | -               | 9,294                     |
| 310 Total current liabilities  | 809,568       | 785,523                                   | 313  | 237,094                 | 397,143                             | 12,658,376      | 9,351                     |
| <b>Noncurrent liabilities</b>  |               |   |  |                         |                                     |                 |                           |
| 351 Long-term debt, net of current portion - capital projects/mortgage revenue bonds | -             | 2,512,953                                 | -  | -                       | 2,320,642                           | 20,451,322      | -                         |
| 353 Noncurrent liabilities - other   | 8,294         | -   | -  | 89,889                  | -                                   | -               | -                         |
| 354 Accrued compensated absences - noncurrent  | 15,323        | -   | -  | 22,025                  | 61,318                              | 19,335          | -                         |
| 350 Total noncurrent liabilities   | 23,617        | 2,512,953                                 | -  | 111,914                 | 2,381,960                           | 20,470,657      | -                         |
| 300 TOTAL LIABILITIES  | 833,185       | 3,298,276                                 | 313  | 349,008                 | 2,779,103                           | 33,129,033      | 9,351                     |
| <b>NET POSITION</b>  |               |   |  |                         |                                     |                 |                           |
| 508.1 Invested in capital assets, net of related debt                                | 19,945,790    | 38,804                                    | -  | 54,989                  | 17,025,601                          | 12,125,444      | -                         |
| 511.1 Restricted net position  | 806,819       | -   | -  | 597,309                 | -                                   | -               | -                         |
| 512.1 Unrestricted net position  | 7,643,279     | (357,706)                                 | -  | 1,858,260               | 1,267,695                           | 8,010,909       | -                         |
| 513 TOTAL NET POSITION   | 28,395,888    | (318,902)                                 | -  | 2,510,558               | 18,293,296                          | 20,136,353      | -                         |
| 600 TOTAL LIABILITIES AND NET POSITION (DEFICIT)                                     | \$ 29,229,073 | \$ 2,979,374                              | \$ 313                                       | \$ 2,859,566            | \$ 21,072,399                       | \$ 53,265,386   | \$ 9,351                  |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2014**

**LIABILITIES AND NET POSITION (DEFICIT)**

| Line Item #  | Disaster Housing Assistance Grant | COCC         | Shelter Plus Care | Supportive Housing Program | Combined Total | Eliminations | Consolidated Total |
|--|-----------------------------------|--------------|-------------------|----------------------------|----------------|--------------|--------------------|
| <b>LIABILITIES</b>   |                                   |              |                   |                            |                |              |                    |
| <b>Current liabilities</b>   |                                   |              |                   |                            |                |              |                    |
| 312 Accounts payable, < 90 days  | \$ -                              | \$ 5,389     | \$ -              | \$ 296                     | \$ 890,688     | \$ -         | \$ 890,688         |
| 321 Accrued wages payable  | -                                 | -            | -                 | -                          | 160,893        | -            | 160,893            |
| 322 Accrued compensated absences - current portion                                   | -                                 | 123,450      | -                 | -                          | 365,517        | -            | 365,517            |
| 325 Accrued interest payable   | -                                 | -            | -                 | -                          | 869,480        | -            | 869,480            |
| 331 Accounts payable - HUD PHA programs  | -                                 | -            | -                 | -                          | 1,375          | -            | 1,375              |
| 333 Accounts payable - other government  | -                                 | -            | -                 | -                          | 9,194,763      | -            | 9,194,763          |
| 341 Tenant security deposits payable   | -                                 | -            | -                 | -                          | 512,569        | -            | 512,569            |
| 342 Deferred revenue   | -                                 | -            | -                 | -                          | 1,891,833      | -            | 1,891,833          |
| 343 Current portion of long-term debt - capital projects/mortgage revenue bonds      | -                                 | -            | -                 | -                          | 429,272        | -            | 429,272            |
| 345 Other current liabilities  | -                                 | -            | -                 | -                          | 176,387        | -            | 176,387            |
| 346 Accrued liabilities - other  | -                                 | -            | -                 | -                          | 42,020         | -            | 42,020             |
| 347 Inter-program - due to   | -                                 | -            | 5,332             | 4,514                      | 501,352        | (501,352)    | -                  |
| 310 Total current liabilities  | -                                 | 128,839      | 5,332             | 4,810                      | 15,036,149     | (501,352)    | 14,534,797         |
| <b>Noncurrent liabilities</b>  |                                   |              |                   |                            |                |              |                    |
| 351 Long-term debt, net of current portion - capital projects/mortgage revenue bonds | -                                 | -            | -                 | -                          | 25,284,917     | -            | 25,284,917         |
| 353 Noncurrent liabilities - other   | -                                 | -            | -                 | -                          | 98,183         | -            | 98,183             |
| 354 Accrued compensated absences - noncurrent  | -                                 | 30,862       | -                 | -                          | 148,863        | -            | 148,863            |
| 350 Total noncurrent liabilities   | -                                 | 30,862       | -                 | -                          | 25,531,963     | -            | 25,531,963         |
| 300 <b>TOTAL LIABILITIES</b>   | -                                 | 159,701      | 5,332             | 4,810                      | 40,568,112     | (501,352)    | 40,066,760         |
| <b>NET POSITION</b>  |                                   |              |                   |                            |                |              |                    |
| 508.1 Invested in capital assets, net of related debt                                | -                                 | 68,138       | -                 | -                          | 49,258,766     | -            | 49,258,766         |
| 511.1 Restricted net position  | -                                 | -            | -                 | -                          | 1,404,128      | -            | 1,404,128          |
| 512.1 Unrestricted net position  | 11,887                            | 2,650,470    | -                 | -                          | 21,084,794     | -            | 21,084,794         |
| 513 <b>TOTAL NET POSITION</b>  | 11,887                            | 2,718,608    | -                 | -                          | 71,747,688     | -            | 71,747,688         |
| 600 <b>TOTAL LIABILITIES AND NET POSITION (DEFICIT)</b>                              | \$ 11,887                         | \$ 2,878,309 | \$ 5,332          | \$ 4,810                   | \$ 112,315,800 | \$ (501,352) | \$ 111,814,448     |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA**  
**SEPTEMBER 30, 2015**

| Line Item #                            | Low Rent     | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |
|--|--------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|
| <b>REVENUES</b>                        |              |   |  |                         |                                     |                 |                           |
| 70300 Net tenant rental revenue        | \$ 2,893,708 | \$ 371,447                                | \$ -   | \$ -                    | \$ 1,818,354                        | \$ 2,055,174    | \$ -                      |
| 70400 Tenant revenue - other           | 71,061       | 9,630                                     | -  | -                       | 15,224                              | 29,306          | -                         |
| 70500 Total tenant revenue             | 2,964,859    | 381,077                                   | -  | -                       | 1,833,578                           | 2,084,480       | -                         |
| 70600 HUD PHA operating grants         | 2,059,168    | 248,203                                   | 14,010                                       | 32,103,668              | -                                   | -               | 688,302                   |
| 70610 Capital grants                   | 349,112      | -   | -  | -                       | -                                   | -               | -                         |
| 70710 Management fee                   | -            | -   | -  | -                       | -                                   | -               | -                         |
| 70720 Asset management fee             | -            | -   | -  | -                       | -                                   | -               | -                         |
| 70730 Bookkeeping fee                  | -            | -   | -  | -                       | -                                   | -               | -                         |
| 70740 Front line service fee           | -            | -   | -  | -                       | -                                   | -               | -                         |
| 70800 Other government grants          | -            | 50,000                                    | -  | 4,093                   | 495,492                             | 1,339,691       | -                         |
| 71100 Investment income - unrestricted | 23,949       | 501                                       | -  | 55,440                  | 5,123                               | 27,526          | -                         |
| 71400 Fraud recovery                   | 118,887      | 2,583                                     | -  | 59,195                  | 142,659                             | 188,305         | -                         |
| 71500 Other revenue                    | 1,970        | -   | -  | -                       | -                                   | -               | -                         |
| 72000 Investment income - restricted   | -            | -   | 14,010                                       | -                       | -                                   | -               | -                         |
| 70000 Total revenues                   | 5,517,945    | 682,364                                   | 14,010                                       | 32,222,396              | 2,476,852                           | 3,640,002       | 688,302                   |

|  |         |        |       |           |         |         |        |
|--|---------|--------|-------|-----------|---------|---------|--------|
| <b>EXPENSES</b>  |         |        |       |           |         |         |        |
| <b>Operating expenses</b>                              |         |        |       |           |         |         |        |
| 91100 Administrative:                                  | 431,627 | 11,280 | 9,493 | 1,145,226 | 284,468 | 347,706 | 16,047 |
| 91200 Administrative salaries                          | 2,353   | 98     | -     | 2,447     | 1,033   | 5,368   | -      |
| 91300 Auditing fees                                    | 607,458 | 33,120 | -     | 661,376   | -       | -       | -      |
| 91310 Management fees                                  | 57,450  | -      | -     | 411,412   | -       | -       | -      |
| 91310 Bookkeeping fees                                 | 1,855   | 177    | -     | 3,245     | 1,080   | 2,648   | -      |
| 91400 Advertising and marketing                        | 183,803 | 1,122  | 4,238 | 491,211   | 134,585 | 146,078 | 4,687  |
| 91500 Employee benefit contributions - administrative  | 62,901  | 6,980  | -     | 229,958   | 43,732  | 70,443  | -      |
| 91600 Office expenses                                  | 6,748   | 2,938  | -     | 5,310     | 10,352  | 24,763  | -      |
| 91700 Legal expenses                                   | 4,031   | -      | -     | 2,691     | 2,325   | 3,200   | -      |
| 91800 Travel   | 141,501 | 9,453  | -     | -         | -       | 9,206   | 36,682 |
| 91900 Other administrative expenses                    | 77,640  | -      | -     | -         | -       | -       | -      |
| 92000 Asset management fee                             | -       | -      | -     | -         | -       | -       | -      |
| <b>Tenant services:</b>                                |         |        |       |           |         |         |        |
| 92100 Tenant services - salaries                       | -       | -      | -     | 139,871   | 5,717   | -       | -      |
| 92300 Employee benefit contributions - tenant services | -       | -      | -     | 60,945    | 2,351   | -       | -      |
| <b>Utilities:</b>                                      |         |        |       |           |         |         |        |
| 93100 Water  | 264,754 | 4,890  | -     | -         | 160,798 | 125,819 | -      |
| 93200 Electricity                                      | 56,952  | 8,513  | -     | -         | 43,814  | 135,492 | -      |
| 93300 Gas  | 6,859   | 1,423  | -     | -         | 1,874   | 34,185  | -      |
| 93600 Sewer  | 250,128 | 19,342 | -     | -         | 144,884 | 176,666 | -      |
| 93800 Other utilities expenses                         | -       | -      | -     | -         | -       | -       | -      |
|  | \$ -    | \$ -   | \$ -  | \$ -      | \$ -    | \$ -    | \$ -   |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2015**

| Line Item #                            | Disaster Housing Assistance Grant | COCC      | Shelter Plus Care | Supportive Housing Program | PIH Family Self Sufficiency Program | Combined Total | Eliminations | Consolidated Total |
|--|-----------------------------------|-----------|-------------------|----------------------------|-------------------------------------|----------------|--------------|--------------------|
| <b>REVENUES</b>                        |                                   |           |                   |                            |                                     |                |              |                    |
| <b>Revenues</b>                        | \$                                | - \$      | - \$              | - \$                       | - \$                                | 7,138,773 \$   | - \$         | 7,138,773          |
| 70300 Net tenant rental revenue        | -                                 | -         | -                 | -                          | -                                   | 125,221        | -            | 125,221            |
| 70400 Tenant revenue - other           | -                                 | -         | -                 | -                          | -                                   | 7,263,994      | -            | 7,263,994          |
| 70500 Total tenant revenue             | -                                 | -         | -                 | -                          | -                                   | -              | -            | -                  |
| 70600 HUD PHA operating grants         | -                                 | -         | 23,427            | 48,412                     | 84,574                              | 35,269,764     | -            | 35,269,764         |
| 70610 Capital grants                   | -                                 | -         | -                 | -                          | -                                   | 349,112        | -            | 349,112            |
| 70710 Management fee                   | -                                 | 1,301,954 | -                 | -                          | -                                   | 1,301,954      | (1,301,954)  | -                  |
| 70720 Asset management fee             | -                                 | 77,640    | -                 | -                          | -                                   | 77,640         | (77,640)     | -                  |
| 70730 Bookkeeping fee                  | -                                 | 468,862   | -                 | -                          | -                                   | 468,862        | (468,862)    | -                  |
| 70740 Front line service fee           | -                                 | 238,138   | -                 | -                          | -                                   | 238,138        | (238,138)    | -                  |
| 70800 Other government grants          | -                                 | -         | -                 | -                          | -                                   | 1,885,183      | -            | 1,885,183          |
| 71100 Investment income - unrestricted | -                                 | 6,025     | -                 | -                          | -                                   | 67,217         | -            | 67,217             |
| 71400 Fraud recovery                   | -                                 | -         | -                 | -                          | -                                   | 55,440         | -            | 55,440             |
| 71500 Other revenue                    | -                                 | 54,808    | -                 | -                          | -                                   | 566,437        | -            | 566,437            |
| 72000 Investment income - restricted   | -                                 | -         | -                 | -                          | -                                   | 1,970          | -            | 1,970              |
| 70000 Total revenues                   | -                                 | 2,147,427 | 23,427            | 48,412                     | 84,574                              | 47,545,711     | (2,086,594)  | 45,459,117         |

|  |    |         |       |        |        |           |             |           |
|--|----|---------|-------|--------|--------|-----------|-------------|-----------|
| <b>EXPENSES</b>  |    |         |       |        |        |           |             |           |
| <b>Operating expenses</b>                              |    |         |       |        |        |           |             |           |
| Administrative:  |    |         |       |        |        |           |             |           |
| 91100 Administrative salaries                          | -  | 756,145 | 2,051 | 26,384 | -      | 3,030,427 | -           | 3,030,427 |
| 91200 Auditing fees                                    | -  | 271     | -     | -      | -      | 11,570    | -           | 11,570    |
| 91300 Management fees                                  | -  | -       | -     | -      | -      | 1,301,954 | (1,301,954) | -         |
| 91310 Bookkeeping fees                                 | -  | -       | -     | -      | -      | 468,862   | (468,862)   | -         |
| 91400 Advertising and marketing                        | -  | 2,166   | -     | -      | -      | 11,171    | -           | 11,171    |
| 91500 Employee benefit contributions - administrative  | -  | 253,626 | -     | 9,494  | -      | 1,228,844 | -           | 1,228,844 |
| 91600 Office expenses                                  | -  | 51,422  | -     | -      | -      | 465,436   | -           | 465,436   |
| 91700 Legal expenses                                   | -  | 41,619  | -     | -      | -      | 91,710    | -           | 91,710    |
| 91800 Travel   | -  | 24,044  | -     | -      | -      | 36,291    | -           | 36,291    |
| 91900 Other administrative expenses                    | -  | 3,087   | -     | 11,701 | -      | 211,630   | -           | 211,630   |
| 92000 Asset management fee                             | -  | -       | -     | -      | -      | 77,640    | (77,640)    | -         |
| Tenant services:                                       |    |         |       |        |        |           |             |           |
| 92100 Tenant services - salaries                       | -  | -       | -     | -      | 59,160 | 204,748   | -           | 204,748   |
| 92300 Employee benefit contributions - tenant services | -  | -       | -     | -      | 23,835 | 87,131    | -           | 87,131    |
| Utilities:   |    |         |       |        |        |           |             |           |
| 93100 Water  | -  | 292     | -     | -      | -      | 556,553   | -           | 556,553   |
| 93200 Electricity                                      | -  | 2,774   | -     | -      | -      | 247,545   | -           | 247,545   |
| 93300 Gas  | -  | 201     | -     | -      | -      | 44,542    | -           | 44,542    |
| 93600 Sewer  | -  | 127     | -     | -      | -      | 591,147   | -           | 591,147   |
| 93800 Other utilities expenses                         | \$ | - \$    | - \$  | - \$   | - \$   | - \$      | - \$        | - \$      |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2015**

| Line Item #   | Low Rent   | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |
|---|------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|
| <b>EXPENSES (CONTINUED)</b>   |            |   |  |                         |                                     |                 |                           |
| <b>Operating expenses (continued).</b>                                      |            |   |  |                         |                                     |                 |                           |
| Ordinary maintenance and operations:  |            |   |  |                         |                                     |                 |                           |
| 94100 Ordinary maintenance and operations - labor                           | \$ 301,076 | \$ 13,048                                 | \$ -   | \$ -                    | \$ 264,253                          | \$ 252,893      | \$ -                      |
| 94200 Ordinary maintenance and operations - materials and other             | 303,556    | 29,080                                    | -  | 10,836                  | 89,978                              | 105,420         | -                         |
| 94300 Ordinary maintenance and operations - contract costs                  | 756,545    | 56,406                                    | -  | 176,579                 | 208,344                             | 748,986         | -                         |
| 94500 Employee benefit contributions - ordinary maintenance and operations  | 134,304    | -   | -  | -                       | 98,661                              | 105,382         | -                         |
| 95200 Protective services - other contract costs                            | 7,959      | -   | -  | -                       | -                                   | 5,294           | -                         |
| 95300 Protective services - other   | -          | -   | -  | -                       | -                                   | -               | -                         |
| General expenses:   |            |   |  |                         |                                     |                 |                           |
| 96110 Property insurance  | 68,365     | 4,123                                     | -  | -                       | 33,187                              | 57,820          | -                         |
| 96120 Liability insurance   | 16,643     | 757                                       | -  | 14,004                  | 10,483                              | 23,129          | -                         |
| 96130 Workers compensation insurance  | 62,905     | 535                                       | 279  | 35,125                  | 51,130                              | 37,030          | 546                       |
| 96140 All other insurance   | -          | -   | -  | 12,981                  | -                                   | 38,926          | -                         |
| 96200 Other general expenses  | -          | -   | -  | (2,866)                 | 5,767                               | 11,321          | -                         |
| 96210 Compensated absences  | 3,985      | -   | -  | -                       | -                                   | -               | -                         |
| 96300 Payment in lieu of taxes  | 201,046    | -   | -  | -                       | 6,702                               | 835             | -                         |
| 96400 Bad debts - tenants rent  | 19,653     | 5,727                                     | -  | -                       | 22,598                              | 334,699         | -                         |
| 96700 Interest expense  | -          | 88,098                                    | -  | -                       | -                                   | -               | -                         |
| 96730 Amortization expense  | -          | -   | -  | -                       | -                                   | -               | -                         |
| 96900 Total operating expenses  | 4,032,097  | 297,110                                   | 14,010                                       | 3,400,351               | 1,628,116                           | 2,803,289       | 57,962                    |
| 97000 <b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>               | 1,485,848  | 385,254                                   | -  | 28,822,045              | 848,756                             | 836,713         | 630,340                   |
| Other expenses:   |            |   |  |                         |                                     |                 |                           |
| 97100 Extraordinary maintenance   | -          | -   | -  | -                       | -                                   | -               | -                         |
| 97300 Housing assistance payments   | -          | 248,203                                   | -  | 29,350,208              | -                                   | -               | 630,340                   |
| 97350 HAP portability-in  | -          | -   | -  | -                       | -                                   | -               | -                         |
| 97400 Depreciation expense  | 1,368,544  | 88,674                                    | -  | 28,144                  | 672,010                             | 960,990         | -                         |
| 99000 Total expenses  | 5,400,641  | 633,987                                   | 14,010                                       | 32,778,703              | 2,300,126                           | 3,764,279       | 688,302                   |
| 10000 <b>EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES</b> | \$ 117,304 | \$ 48,377                                 | \$ -   | \$ (556,307)            | \$ 176,726                          | \$ (124,277)    | \$ -                      |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2015**

| Line Item #   | Disaster Housing Assistance Grant | COCC      | Shelter Plus Care | Supportive Housing Program | PIH Family Self Sufficiency Program | Combined Total | Eliminations | Consolidated Total |
|---|-----------------------------------|-----------|-------------------|----------------------------|-------------------------------------|----------------|--------------|--------------------|
| <b>EXPENSES (CONTINUED)</b>   |                                   |           |                   |                            |                                     |                |              |                    |
| <b>Operating expenses (continued)</b>                                 |                                   |           |                   |                            |                                     |                |              |                    |
| Ordinary maintenance and operations:                                  |                                   |           |                   |                            |                                     |                |              |                    |
| Ordinary maintenance and operations - labor                           | \$ -                              | 256,096   | \$ -              | \$ -                       | \$ -                                | 1,087,366      | \$ -         | 1,087,366          |
| Ordinary maintenance and operations - materials and other             | -                                 | 13,114    | -                 | -                          | -                                   | 551,984        | -            | 551,984            |
| Ordinary maintenance and operations - contract costs                  | -                                 | 80,036    | -                 | -                          | -                                   | 2,026,896      | (238,138)    | 1,788,758          |
| Employee benefit contributions - ordinary maintenance and operations  | -                                 | 70,392    | -                 | -                          | -                                   | 408,739        | -            | 408,739            |
| Protective services - other contract costs                            | -                                 | -         | -                 | -                          | -                                   | 13,253         | -            | 13,253             |
| Protective services - other   | -                                 | -         | -                 | -                          | -                                   | -              | -            | -                  |
| <b>General expenses:</b>  |                                   |           |                   |                            |                                     |                |              |                    |
| Property insurance  | -                                 | -         | -                 | -                          | -                                   | 163,495        | -            | 163,495            |
| Liability insurance   | -                                 | 6,751     | -                 | -                          | -                                   | 71,767         | -            | 71,767             |
| Workers compensation insurance  | -                                 | 56,394    | -                 | 833                        | 1,579                               | 246,356        | -            | 246,356            |
| All other insurance   | -                                 | -         | -                 | -                          | -                                   | -              | -            | -                  |
| Other general expenses  | -                                 | 3,424     | -                 | -                          | -                                   | 55,331         | -            | 55,331             |
| Compensated absences  | -                                 | 40,157    | -                 | -                          | -                                   | 58,364         | -            | 58,364             |
| Payment in lieu of taxes  | -                                 | -         | -                 | -                          | -                                   | 201,046        | -            | 201,046            |
| Bad debts - tenants rent  | -                                 | -         | -                 | -                          | -                                   | 32,917         | -            | 32,917             |
| Interest expense  | -                                 | -         | -                 | -                          | -                                   | 445,395        | -            | 445,395            |
| Amortization expense  | -                                 | -         | -                 | -                          | -                                   | -              | -            | -                  |
| Total operating expenses  | -                                 | 1,662,138 | 2,051             | 48,412                     | 84,574                              | 14,030,110     | (2,086,594)  | 11,943,516         |
| <b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>               | -                                 | 485,289   | 21,376            | -                          | -                                   | 33,515,601     | -            | 33,515,601         |
| <b>Other expenses:</b>  |                                   |           |                   |                            |                                     |                |              |                    |
| Extraordinary maintenance   | -                                 | -         | -                 | -                          | -                                   | -              | -            | -                  |
| Housing assistance payments   | -                                 | -         | 21,376            | -                          | -                                   | 30,250,127     | -            | 30,250,127         |
| HAP portability-in  | -                                 | -         | -                 | -                          | -                                   | -              | -            | -                  |
| Depreciation expense  | -                                 | 31,906    | -                 | -                          | -                                   | 3,150,268      | -            | 3,150,268          |
| Total expenses  | -                                 | 1,694,044 | 23,427            | 48,412                     | 84,574                              | 47,430,505     | (2,086,594)  | 45,343,911         |
| <b>EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES</b> | \$ -                              | 453,383   | \$ -              | \$ -                       | \$ -                                | 115,206        | \$ -         | 115,206            |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA**  
**SEPTEMBER 30, 2014**

| Line Item #                            | Low Rent     | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |
|--|--------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|
| <b>REVENUES</b>                        |              |   |  |                         |                                     |                 |                           |
| <b>Revenues</b>                        |              |   |  |                         |                                     |                 |                           |
| 70300 Net tenant rental revenue        | \$ 2,750,822 | \$ 363,256                                | \$ -   | \$ -                    | \$ 1,718,024                        | \$ 1,717,304    | \$ -                      |
| 70400 Tenant revenue - other           | 57,573       | 15,157                                    | -  | -                       | 15,741                              | 31,344          | -                         |
| 70500 Total tenant revenue             | 2,808,395    | 378,413                                   | -  | -                       | 1,733,765                           | 1,748,648       | -                         |
| 70600 HUD PHA operating grants         | 1,696,314    | 239,615                                   | 15,959                                       | 31,186,965              | -                                   | -               | 634,931                   |
| 70610 Capital grants                   | 678,890      | -   | -  | -                       | -                                   | -               | -                         |
| 70800 Other government grants          | -            | 50,000                                    | -  | -                       | 510,664                             | 3,006,470       | -                         |
| 71100 Investment income - unrestricted | 24,704       | 578                                       | -  | 6,328                   | 4,524                               | 33,250          | -                         |
| 71400 Fraud recovery                   | -            | -   | -  | 59,364                  | -                                   | -               | -                         |
| 71500 Other revenue                    | 130,378      | 2,912                                     | -  | 387,931                 | 99,407                              | 213,433         | -                         |
| 72000 Investment income - restricted   | 2,200        | -   | -  | -                       | -                                   | -               | -                         |
| 70000 Total revenues                   | 5,340,881    | 671,518                                   | 15,959                                       | 31,640,588              | 2,348,360                           | 5,001,801       | 634,931                   |

|  |         |        |        |           |         |         |        |
|--|---------|--------|--------|-----------|---------|---------|--------|
| <b>EXPENSES</b>  |         |        |        |           |         |         |        |
| <b>Operating expenses</b>                              |         |        |        |           |         |         |        |
| <b>Administrative:</b>                                 |         |        |        |           |         |         |        |
| 91100 Administrative salaries                          | 456,633 | 15,055 | 13,766 | 1,106,809 | 301,313 | 415,520 | 16,386 |
| 91200 Auditing fees                                    | 4,509   | 187    | -      | 4,687     | 1,980   | 5,536   | -      |
| 91300 Management fees                                  | 606,627 | 32,340 | -      | 640,937   | -       | -       | -      |
| 91310 Bookkeeping fees                                 | 57,224  | -      | -      | 395,663   | -       | -       | -      |
| 91400 Advertising and marketing                        | 342     | 103    | -      | 1,359     | 188     | 447     | -      |
| 91500 Employee benefit contributions - administrative  | 204,195 | 1,432  | 2,093  | 524,420   | 141,693 | 154,342 | 4,778  |
| 91600 Office expenses                                  | 44,441  | 6,432  | -      | 215,947   | 42,918  | 64,906  | -      |
| 91700 Legal expenses                                   | 7,406   | 593    | -      | 2,973     | 6,575   | 44,806  | -      |
| 91800 Travel   | 2,180   | -      | -      | 2,979     | 1,151   | 1,796   | -      |
| 91900 Other administrative expenses                    | 216,637 | 11,202 | -      | -         | -       | 8,628   | 41,120 |
| <b>Tenant services:</b>                                |         |        |        |           |         |         |        |
| 92100 Tenant services - salaries                       | -       | -      | -      | 170,978   | 6,684   | -       | -      |
| 92300 Employee benefit contributions - tenant services | -       | -      | -      | 66,576    | 2,707   | -       | -      |
| <b>Utilities:</b>                                      |         |        |        |           |         |         |        |
| 93100 Water  | 286,542 | -      | -      | -         | 164,583 | 129,467 | -      |
| 93200 Electricity                                      | 58,008  | 5,873  | -      | -         | 53,488  | 135,236 | -      |
| 93300 Gas  | 6,617   | 8,695  | -      | -         | 3,528   | 31,520  | -      |
| 93600 Sewer  | 236,587 | 19,342 | -      | -         | 141,277 | 173,042 | -      |
| 93800 Other utilities expenses                         | -       | 1,377  | \$ -   | \$ -      | -       | -       | \$ -   |

The accompanying notes are an integral part of the financial statements.



**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2014**

| Line Item #  | Disaster Housing Assistance Grant | COCC      | Shelter Plus Care | Supportive Housing Program | Combined Total | Eliminations | Consolidated Total |
|--|-----------------------------------|-----------|-------------------|----------------------------|----------------|--------------|--------------------|
| <b>REVENUES</b>  |                                   |           |                   |                            |                |              |                    |
| <b>Revenues</b>  |                                   |           |                   |                            |                |              |                    |
| 70300 Net tenant rental revenue                        | - \$                              | - \$      | - \$              | - \$                       | 6,549,406 \$   | - \$         | 6,549,406          |
| 70400 Tenant revenue - other                           | -                                 | -         | -                 | -                          | 119,815        | -            | 119,815            |
| 70500 Total tenant revenue                             | -                                 | -         | -                 | -                          | 6,669,221      | -            | 6,669,221          |
| 70600 HUD PHA operating grants                         | -                                 | -         | 21,397            | 17,807                     | 33,812,988     | -            | 33,812,988         |
| 70610 Capital grants                                   | -                                 | -         | -                 | -                          | 678,890        | -            | 678,890            |
| 70800 Other government grants                          | -                                 | -         | -                 | -                          | 3,567,134      | -            | 3,567,134          |
| 71100 Investment income - unrestricted                 | -                                 | 4,425     | -                 | -                          | 73,809         | -            | 73,809             |
| 71400 Fraud recovery                                   | -                                 | -         | -                 | -                          | 59,364         | -            | 59,364             |
| 71500 Other revenue                                    | -                                 | 2,093,175 | -                 | -                          | 2,927,236      | (1,987,097)  | 940,139            |
| 72000 Investment income - restricted                   | -                                 | -         | -                 | -                          | 2,200          | -            | 2,200              |
| 70000 Total revenues                                   | -                                 | 2,097,600 | 21,397            | 17,807                     | 47,790,842     | (1,987,097)  | 45,803,745         |
| <b>EXPENSES</b>  |                                   |           |                   |                            |                |              |                    |
| <b>Operating expenses</b>                              |                                   |           |                   |                            |                |              |                    |
| Administrative:  |                                   |           |                   |                            |                |              |                    |
| 91100 Administrative salaries                          | -                                 | 753,402   | -                 | 3,298                      | 3,082,182      | -            | 3,082,182          |
| 91200 Auditing fees                                    | -                                 | 287       | -                 | -                          | 17,186         | -            | 17,186             |
| 91300 Management fees                                  | -                                 | -         | -                 | -                          | 1,279,904      | (1,279,904)  | -                  |
| 91310 Bookkeeping fees                                 | -                                 | -         | -                 | -                          | 452,887        | (452,887)    | -                  |
| 91400 Advertising and marketing                        | -                                 | 1,703     | -                 | -                          | 4,142          | -            | 4,142              |
| 91500 Employee benefit contributions - administrative  | -                                 | 271,795   | -                 | 1,127                      | 1,305,875      | -            | 1,305,875          |
| 91600 Office expenses                                  | -                                 | 41,815    | -                 | -                          | 416,459        | -            | 416,459            |
| 91700 Legal expenses                                   | -                                 | 16,821    | -                 | -                          | 79,174         | -            | 79,174             |
| 91800 Travel   | -                                 | 14,464    | -                 | -                          | 22,570         | -            | 22,570             |
| 91900 Other administrative expenses                    | -                                 | 4,365     | -                 | 13,293                     | 295,245        | (77,640)     | 217,605            |
| Tenant services:                                       |                                   |           |                   |                            |                |              |                    |
| 92100 Tenant services - salaries                       | -                                 | -         | -                 | -                          | 177,662        | -            | 177,662            |
| 92300 Employee benefit contributions - tenant services | -                                 | -         | -                 | -                          | 69,283         | -            | 69,283             |
| Utilities:   |                                   |           |                   |                            |                |              |                    |
| 93100 Water  | -                                 | 326       | -                 | -                          | 580,918        | -            | 580,918            |
| 93200 Electricity                                      | -                                 | 3,004     | -                 | -                          | 255,609        | -            | 255,609            |
| 93300 Gas  | -                                 | 212       | -                 | -                          | 50,572         | -            | 50,572             |
| 93600 Sewer  | -                                 | 121       | -                 | -                          | 570,369        | -            | 570,369            |
| 93800 Other utilities expenses                         | - \$                              | - \$      | - \$              | - \$                       | 1,377 \$       | - \$         | 1,377              |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2014**

| Line Item #  | Low Rent     | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |
|--|--------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|
| <b>EXPENSES (CONTINUED)</b>  |              |   |  |                         |                                     |                 |                           |
| <b>Operating expenses (continued)</b>                                      |              |   |  |                         |                                     |                 |                           |
| Ordinary maintenance and operations:                                       |              |   |  |                         |                                     |                 |                           |
| 94100 Ordinary maintenance and operations - labor                          | \$ 306,251   | \$ 12,133                                 | \$ -   | \$ -                    | \$ 270,038                          | \$ 307,788      | \$ -                      |
| 94200 Ordinary maintenance and operations - materials and other            | 338,896      | 31,680                                    | -  | 10,503                  | 109,980                             | 102,813         | -                         |
| 94300 Ordinary maintenance and operations - contract costs                 | 756,273      | 36,834                                    | -  | 137,302                 | 209,622                             | 645,129         | -                         |
| 94500 Employee benefit contributions - ordinary maintenance and operations | 139,996      | -   | -  | -                       | 101,429                             | 133,216         | -                         |
| 95200 Protective services - other contract costs                           | 10,095       | -   | -  | -                       | 20                                  | 1,980           | -                         |
| 95300 Protective services - other  | -            | -   | -  | -                       | -                                   | -               | -                         |
| General expenses:  |              |   |  |                         |                                     |                 |                           |
| 96110 Property insurance   | 63,203       | 3,812                                     | -  | -                       | 34,798                              | 54,691          | -                         |
| 96120 Liability insurance  | 19,224       | 793                                       | -  | 16,726                  | 7,972                               | 24,289          | -                         |
| 96130 Workers compensation insurance                                       | 46,746       | 520                                       | 100  | 27,046                  | 40,507                              | 33,707          | 309                       |
| 96140 All other insurance  | -            | -   | -  | 34,109                  | -                                   | 88,345          | -                         |
| 96200 Other general expenses   | 13,442       | -   | -  | 19,640                  | -                                   | -               | -                         |
| 96210 Compensated absences   | 1,708        | -   | -  | -                       | -                                   | -               | -                         |
| 96300 Payment in lieu of taxes   | 189,640      | -   | -  | -                       | -                                   | -               | -                         |
| 96400 Bad debts - tenants rent   | 18,160       | 4,184                                     | -  | -                       | 6,612                               | 9,996           | -                         |
| 96700 Interest expense   | -            | 108,402                                   | -  | -                       | 24,883                              | 372,015         | -                         |
| 96730 Amortization expense   | -            | 202,420                                   | -  | -                       | -                                   | -               | -                         |
| 96900 Total operating expenses   | 4,091,582    | 503,409                                   | 15,959                                       | 3,378,654               | 1,673,946                           | 2,939,215       | 62,593                    |
| 97000 EXCESS OPERATING REVENUE OVER OPERATING EXPENSES                     | 1,249,299    | 168,109                                   | -  | 28,261,934              | 674,414                             | 2,062,586       | 572,338                   |
| Other expenses:  |              |   |  |                         |                                     |                 |                           |
| 97100 Extraordinary maintenance  | -            | -   | -  | -                       | -                                   | -               | -                         |
| 97300 Housing assistance payments  | -            | 239,326                                   | -  | 28,784,178              | -                                   | -               | 572,338                   |
| 97350 HAP portability-in   | -            | -   | -  | 317,602                 | -                                   | -               | -                         |
| 97400 Depreciation expense   | 1,380,553    | 67,700                                    | -  | 34,566                  | 666,376                             | 592,873         | -                         |
| 90000 Total expenses   | 5,472,135    | 810,435                                   | 15,959                                       | 32,515,000              | 2,340,322                           | 3,532,088       | 634,931                   |
| 10000 EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES       | \$ (131,254) | \$ (138,917)                              | \$ -   | \$ (874,412)            | \$ 8,038                            | \$ 1,469,713    | \$ -                      |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2014**

| Line Item #   | Disaster Housing Assistance Grant | COCC       | Shelter Plus Care | Supportive Housing Program | Combined Total | Eliminations | Consolidated Total |
|---|-----------------------------------|------------|-------------------|----------------------------|----------------|--------------|--------------------|
| <b>EXPENSES (CONTINUED)</b>   |                                   |            |                   |                            |                |              |                    |
| <b>Operating expenses (continued)</b>                                 |                                   |            |                   |                            |                |              |                    |
| Ordinary maintenance and operations:                                  |                                   |            |                   |                            |                |              |                    |
| Ordinary maintenance and operations - labor                           | \$ -                              | 218,817    | \$ -              | \$ -                       | 1,115,027      | \$ -         | 1,115,027          |
| Ordinary maintenance and operations - materials and other             | -                                 | 17,323     | -                 | -                          | 611,195        | -            | 611,195            |
| Ordinary maintenance and operations - contract costs                  | -                                 | 62,187     | -                 | -                          | 1,847,347      | (176,666)    | 1,670,681          |
| Employee benefit contributions - ordinary maintenance and operations  | -                                 | 70,051     | -                 | -                          | 444,692        | -            | 444,692            |
| Protective services - other contract costs                            | -                                 | -          | -                 | -                          | 12,095         | -            | 12,095             |
| Protective services - other   | -                                 | -          | -                 | -                          | -              | -            | -                  |
| <b>General expenses:</b>  |                                   |            |                   |                            |                |              |                    |
| Property insurance  | -                                 | -          | -                 | -                          | 156,504        | -            | 156,504            |
| Liability insurance   | -                                 | 8,840      | -                 | -                          | 77,844         | -            | 77,844             |
| Workers compensation insurance  | -                                 | 42,327     | -                 | 89                         | 191,351        | -            | 191,351            |
| All other insurance   | -                                 | -          | -                 | -                          | -              | -            | -                  |
| Other general expenses  | -                                 | -          | -                 | -                          | 135,896        | -            | 135,896            |
| Compensated absences  | -                                 | 14,881     | -                 | -                          | 36,229         | -            | 36,229             |
| Payment in lieu of taxes  | -                                 | -          | -                 | -                          | 189,640        | -            | 189,640            |
| Bad debts - tenants rent  | -                                 | -          | -                 | -                          | 38,952         | -            | 38,952             |
| Interest expense  | -                                 | -          | -                 | -                          | 505,300        | -            | 505,300            |
| Amortization expense  | -                                 | -          | -                 | -                          | 202,420        | -            | 202,420            |
| Total operating expenses  | -                                 | 1,542,741  | -                 | 17,807                     | 14,225,906     | (1,987,097)  | 12,238,809         |
| <b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>               | -                                 | 554,859    | 21,397            | -                          | 33,564,936     | -            | 33,564,936         |
| <b>Other expenses:</b>  |                                   |            |                   |                            |                |              |                    |
| Extraordinary maintenance   | -                                 | -          | -                 | -                          | -              | -            | -                  |
| Housing assistance payments   | -                                 | -          | 21,397            | -                          | 29,617,239     | -            | 29,617,239         |
| HAP portability-in  | -                                 | -          | -                 | -                          | 317,602        | -            | 317,602            |
| Depreciation expense  | -                                 | 41,057     | -                 | -                          | 2,783,125      | -            | 2,783,125          |
| Total expenses  | -                                 | 1,583,798  | 21,397            | 17,807                     | 46,943,872     | (1,987,097)  | 44,956,775         |
| <b>EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES</b> | \$ -                              | \$ 513,802 | \$ -              | \$ -                       | \$ 846,970     | \$ -         | \$ 846,970         |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA**  
**SEPTEMBER 30, 2015**

| Line<br>Item<br>#  | MEMO ACCOUNT INFORMATION |  |   |                               |   |                    |                                 |  |  |  |
|--|--------------------------|--|---|-------------------------------|---|--------------------|---------------------------------|--|--|--|
|  | Low<br>Rent              | Section 8<br>Asst. Pay<br>Programs<br>Spec. Alloc. | Resident<br>Opportunity<br>and Supportive<br>Services | Housing<br>Choice<br>Vouchers | Farm Labor<br>Housing Loans<br>and Grants | State and<br>Local | Continuum of<br>Care<br>Program |  |  |  |
| 11020 Debt principal payment enterprise funds                                | \$ - \$                  | 29,893 \$  | - \$  | - \$                          | 204,128 \$                                | 177,301 \$         | -                               |  |  |  |
| 11030 Beginning equity   | 28,395,888               | (318,902)  | -   | 2,510,558                     | 18,293,296                                | 20,136,353         | -                               |  |  |  |
| 11040 Prior period adjustments, equity transfers and<br>correction of errors | (543,979)                | -  | -   | (998,293)                     | (406,914)                                 | (430,042)          | -                               |  |  |  |
| 11170 Administrative fee equity  | -                        | -  | -   | 955,958                       | -   | -                  | -                               |  |  |  |
| 11180 Housing assistance payments equity                                     | -                        | -  | -   | -                             | -   | -                  | -                               |  |  |  |
| 11190 Unit months available  | 7,764                    | 576  | -   | 56,592                        | 4,272                                     | 3,842              | 1,248                           |  |  |  |
| 11210 Number of unit months leased   | 7,660                    | 555  | -   | 55,120                        | 4,137                                     | 3,570              | 1,181                           |  |  |  |
| 11270 Excess cash  | \$ 7,914,802 \$          | - \$   | - \$  | - \$                          | - \$                                      | - \$               | -                               |  |  |  |
| 11620 Building purchases   | \$ 349,112 \$            | - \$   | - \$  | - \$                          | - \$                                      | - \$               | -                               |  |  |  |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2015**

| Line<br>Item<br># | MEMO ACCOUNT INFORMATION   | Disaster<br>Housing<br>Assistance<br>Grant | COCC      | Shelter<br>Plus<br>Care | Supportive<br>Housing<br>Program | PIH Family<br>Self Sufficiency<br>Program | Total       |
|-------------------|--|--|-----------|-------------------------|----------------------------------|---|-------------|
|                   |  |  |           |                         |                                  |   |             |
| 11020             | Debt principal payment enterprise funds                                | \$ - \$                                    | - \$      | - \$                    | - \$                             | - \$                                      | 411,322     |
| 11030             | Beginning equity   | 11,887                                     | 2,718,608 | -                       | -                                | -   | 71,747,688  |
| 11040             | Prior period adjustments, equity transfers and<br>correction of errors | -  | (476,302) | -                       | -                                | -   | (2,855,530) |
| 11170             | Administrative fee equity  | -  | -         | -                       | -                                | -   | 955,958     |
| 11180             | Housing assistance payments equity                                     | - \$                                       | - \$      | - \$                    | - \$                             | - \$                                      | -           |
| 11190             | Unit months available  | -  | -         | 72                      | -                                | -   | 74,366      |
| 11210             | Number of unit months leased   | -  | -         | 48                      | -                                | -   | 72,271      |
| 11270             | Excess cash  | - \$                                       | - \$      | - \$                    | - \$                             | - \$                                      | 7,914,802   |
| 11620             | Building purchases   | - \$                                       | - \$      | - \$                    | - \$                             | - \$                                      | 349,112     |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA**  
**SEPTEMBER 30, 2014**

| Line Item #   | MEMO ACCOUNT INFORMATION |   |  |                         |                                     |                 |                           |  |  |  |
|---|--------------------------|---|--|-------------------------|-------------------------------------|-----------------|---------------------------|--|--|--|
|   | Low Rent                 | Section 8 Asst. Pay Programs Spec. Alloc. | Resident Opportunity and Supportive Services | Housing Choice Vouchers | Farm Labor Housing Loans and Grants | State and Local | Continuum of Care Program |  |  |  |
| 11020 Debt principal payment enterprise funds                             | \$ - \$                  | 68,878 \$                                 | - \$   | - \$                    | 228,518 \$                          | 166,127 \$      | -                         |  |  |  |
| 11030 Beginning equity  | 28,527,142               | (179,985)                                 | -  | 3,384,970               | 18,285,258                          | 18,666,640      | -                         |  |  |  |
| 11040 Prior period adjustments, equity transfers and correction of errors | -                        | -   | -  | -                       | -                                   | -               | -                         |  |  |  |
| 11170 Administrative fee equity   | -                        | -   | -  | 1,913,249               | -                                   | -               | -                         |  |  |  |
| 11180 Housing assistance payments equity                                  | -                        | -   | -  | 597,309 \$              | -                                   | -               | -                         |  |  |  |
| 11190 Unit months available   | 7,764                    | 575                                       | -  | 56,160                  | 4,272                               | 3,467           | 1,116                     |  |  |  |
| 11210 Number of unit months leased  | 7,630                    | 552                                       | -  | 53,454                  | 3,982                               | 2,870           | 1,061                     |  |  |  |
| 11270 Excess cash   | \$ 7,309,769 \$          | - \$                                      | - \$   | - \$                    | - \$                                | - \$            | -                         |  |  |  |
| 11620 Building purchases  | \$ 678,890 \$            | - \$                                      | - \$   | - \$                    | - \$                                | - \$            | -                         |  |  |  |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**FINANCIAL DATA (CONTINUED)**  
**SEPTEMBER 30, 2014**

| Line<br>Item<br># | MEMO ACCOUNT INFORMATION   | MEMO ACCOUNT INFORMATION                   |           |                         |                                  | Total      |
|-------------------|--|--|-----------|-------------------------|----------------------------------|------------|
|                   |  | Disaster<br>Housing<br>Assistance<br>Grant | COCC      | Shelter<br>Plus<br>Care | Supportive<br>Housing<br>Program |            |
| 11020             | Debt principal payment enterprise funds                                | \$ -                                       | - \$      | - \$                    | - \$                             | 463,523    |
| 11030             | Beginning equity   | 11,887                                     | 2,204,806 | -                       | -                                | 70,900,718 |
| 11040             | Prior period adjustments, equity transfers and<br>correction of errors | -  | -         | -                       | -                                | -          |
| 11170             | Administrative fee equity  | -  | -         | -                       | -                                | 1,913,249  |
| 11180             | Housing assistance payments equity                                     | - \$                                       | - \$      | - \$                    | - \$                             | 597,309    |
| 11190             | Unit months available  | -  | -         | 72                      | -                                | 73,426     |
| 11210             | Number of unit months leased   | -  | -         | 48                      | -                                | 69,597     |
| 11270             | Excess cash  | \$ -                                       | - \$      | - \$                    | - \$                             | 7,309,769  |
| 11620             | Building purchases   | \$ -                                       | - \$      | - \$                    | - \$                             | 678,890    |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

|  | <b>Project<br/>CA39-P026-501-11</b> |
|--|-------------------------------------|
| <b><u>The actual costs are as follows:</u></b> |                                     |
| Funds approved                                 | \$ 1,055,488.00                     |
| Funds expended                                 | (1,055,488.00)                      |
| Excess of funds approved                       | \$ <u>-</u>                         |
| <br>Funds advanced                             | <br>\$ 1,055,488.00                 |
| Funds expended                                 |                                     |
| Management improvement                         | (186,693.00)                        |
| Administration                                 | (105,548.00)                        |
| Fees and costs                                 | (45,902.00)                         |
| Site improvement                               | (276,540.20)                        |
| Dwelling structures                            | (115,993.70)                        |
| Dwelling equipment                             | (324,811.10)                        |
| Excess of funds advanced                       | \$ <u>-</u>                         |

The distribution of costs as shown on the Final Statement of Capital Fund Program Costs accompanying the Actual Capital Fund Program Cost Certification submitted to HUD for approval is in agreement with the PHA's records

All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.



**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF FINANCIAL POSITION**  
**VALLEY MANOR APARTMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**ASSETS**

| <b>CURRENT ASSETS</b>                                   | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Cash</u></b>                                      |                     |                     |
| Cash - unrestricted                                     | \$ 31,772           | \$ 236,417          |
| Cash - residual receipts                                | 5,704               | 5,680               |
| Cash - tenant security                                  | 11,219              | 11,955              |
| Total cash  | <u>48,695</u>       | <u>254,052</u>      |
| <b><u>Receivables</u></b>                               |                     |                     |
| Accounts receivable - tenant dwelling rents             | 8,310               | 4,131               |
| Allowance for doubtful accounts - tenant dwelling rents | (4,986)             | (2,437)             |
| Accrued interest receivable                             | 175                 | 176                 |
| Total receivables                                       | <u>3,499</u>        | <u>1,870</u>        |
| <b><u>Other current assets</u></b>                      |                     |                     |
| Investments - unrestricted                              | 217,117             | 183,754             |
| Prepaid expenses and other assets                       | 232                 | 232                 |
| Total other current assets                              | <u>217,349</u>      | <u>183,986</u>      |
| <b>TOTAL CURRENT ASSETS</b>                             | <u>269,543</u>      | <u>439,908</u>      |
| <b>NONCURRENT ASSETS</b>                                |                     |                     |
| <b><u>Fixed assets</u></b>                              |                     |                     |
| Land  | 410,882             | 410,882             |
| Buildings   | 2,554,467           | 2,554,467           |
| Building improvements                                   | 541,989             | 238,168             |
| Accumulated depreciation                                | (717,265)           | (628,590)           |
| Net fixed assets  | <u>2,790,073</u>    | <u>2,574,927</u>    |
| <b>TOTAL NONCURRENT ASSETS</b>                          | <u>2,790,073</u>    | <u>2,574,927</u>    |
| <b>TOTAL ASSETS</b>                                     | <u>\$ 3,059,616</u> | <u>\$ 3,014,835</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF FINANCIAL POSITION  
VALLEY MANOR APARTMENTS  
SEPTEMBER 30, 2015 AND 2014**

**LIABILITIES AND NET POSITION (DEFICIT)**

| <b>LIABILITIES</b>  | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Current liabilities</u></b>   |                     |                     |
| Accounts payable, < 90 days   | \$ 8,273            | \$ 9,047            |
| Accrued interest payable  | 285,188             | 255,938             |
| Tenant security deposits payable  | 11,219              | 11,955              |
| Deferred revenue  | 1,874               | 3,316               |
| Other current liabilities   | 35,460              | 35,460              |
| Total current liabilities   | <u>342,014</u>      | <u>315,716</u>      |
| <b><u>Noncurrent liabilities</u></b>  |                     |                     |
| Long-term debt, net of current portion -<br>capital projects/mortgage revenue bonds | <u>2,988,129</u>    | <u>3,018,021</u>    |
| Total noncurrent liabilities  | 2,988,129           | 3,018,021           |
| <b>TOTAL LIABILITIES</b>  | <u>3,330,143</u>    | <u>3,333,737</u>    |
| <b>NET POSITION (DEFICIT)</b>   |                     |                     |
| Unrestricted net position (deficit)   | <u>(270,527)</u>    | <u>(318,902)</u>    |
| <b>TOTAL NET POSITION (DEFICIT)</b>   | <u>(270,527)</u>    | <u>(318,902)</u>    |
| <b>TOTAL LIABILITIES AND NET POSITION<br/>(DEFICIT)</b>                             | <u>\$ 3,059,616</u> | <u>\$ 3,014,835</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF ACTIVITIES  
VALLEY MANOR APARTMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

|                                    | <u>2015</u>             | <u>2014</u>                |
|------------------------------------|-------------------------|----------------------------|
| <b><u>REVENUES</u></b>             |                         |                            |
| Operating subsidy                  | \$ 298,203              | \$ 289,615                 |
| Rental income, net of bad debts    | 365,897                 | 364,885                    |
| Investment income                  | 501                     | 578                        |
| Miscellaneous income               | 2,583                   | 2,912                      |
| Total revenues                     | <u>667,184</u>          | <u>657,990</u>             |
| <b><u>EXPENSES</u></b>             |                         |                            |
| Administrative                     |                         |                            |
| Office expenses                    | 40,833                  | 36,933                     |
| Rental space                       | 223                     | 202                        |
| Telephone                          | 2,260                   | 2,520                      |
| Total administrative               | <u>43,316</u>           | <u>39,655</u>              |
| Payroll and related costs          |                         |                            |
| Salaries                           | 24,328                  | 27,188                     |
| Payroll taxes                      | 1,122                   | 1,432                      |
| Total payroll and related costs    | <u>25,450</u>           | <u>28,620</u>              |
| Utilities                          |                         |                            |
| Electricity and gas                | 9,936                   | 10,072                     |
| Water and sewer                    | 24,232                  | 25,215                     |
| Garbage                            | 10,360                  | 10,340                     |
| Total utilities                    | <u>44,528</u>           | <u>45,627</u>              |
| Operating and maintenance          |                         |                            |
| Contract costs                     | 41,009                  | 25,645                     |
| Supplies and maintenance           | 29,079                  | 31,680                     |
| Carpet                             | 5,037                   | 849                        |
| Total operating and maintenance    | <u>75,125</u>           | <u>58,174</u>              |
| Housing assistance payments        | 248,203                 | 239,326                    |
| Insurance                          | 5,415                   | 5,125                      |
| Other expenses                     |                         |                            |
| Interest                           | 88,098                  | 108,402                    |
| Bond fees                          | -                       | 204,277                    |
| Depreciation                       | 88,674                  | 67,700                     |
| Total other expenses               | <u>176,772</u>          | <u>380,379</u>             |
| Total expenses                     | <u>618,809</u>          | <u>796,906</u>             |
| <b>REVENUES (DEFICIT EXPENSES)</b> | <b>\$ <u>48,375</u></b> | <b>\$ <u>(138,916)</u></b> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF FINANCIAL POSITION  
GRANGER APARTMENTS  
SEPTEMBER 30, 2015 AND 2014**

**ASSETS**

| <b>CURRENT ASSETS</b>                                   | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Cash</u></b>                                      |                     |                     |
| Cash - unrestricted                                     | \$ 94,719           | \$ 70,434           |
| Cash - tenant security                                  | 15,890              | 12,006              |
| Total cash  | <u>110,609</u>      | <u>82,440</u>       |
| <b><u>Receivables</u></b>                               |                     |                     |
| Accounts receivable - tenant dwelling rents             | 4,162               | 1,389               |
| Allowance for doubtful accounts - tenant dwelling rents | (874)               | (292)               |
| Accrued interest receivable                             | 446                 | 463                 |
| Total receivables                                       | <u>3,734</u>        | <u>1,560</u>        |
| <b><u>Other current assets</u></b>                      |                     |                     |
| Investments - unrestricted                              | 553,581             | 482,221             |
| Prepaid expenses and other assets                       | 174                 | 174                 |
| Total other current assets                              | <u>553,755</u>      | <u>482,395</u>      |
| <b>TOTAL CURRENT ASSETS</b>                             | <u>668,098</u>      | <u>566,395</u>      |
| <b>NONCURRENT ASSETS</b>                                |                     |                     |
| <b><u>Fixed assets</u></b>                              |                     |                     |
| Land  | 320,000             | 320,000             |
| Buildings   | 1,623,770           | 1,623,770           |
| Accumulated depreciation                                | (584,575)           | (543,981)           |
| Net fixed assets  | <u>1,359,195</u>    | <u>1,399,789</u>    |
| <b>TOTAL NONCURRENT ASSETS</b>                          | <u>1,359,195</u>    | <u>1,399,789</u>    |
| <b>TOTAL ASSETS</b>                                     | <u>\$ 2,027,293</u> | <u>\$ 1,966,184</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF FINANCIAL POSITION**  
**GRANGER APARTMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**LIABILITIES AND NET POSITION**

| <b>LIABILITIES</b>  | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Current liabilities</u></b>   |                     |                     |
| Accounts payable, < 90 days   | \$ 9,399            | \$ 5,123            |
| Tenant security deposits payable  | 15,890              | 12,006              |
| Deferred revenue  | 8,741               | 2,453               |
| Total current liabilities   | <u>34,030</u>       | <u>19,582</u>       |
| <b><u>Noncurrent liabilities</u></b>  |                     |                     |
| Long-term debt, net of current portion -<br>capital projects/mortgage revenue bonds | <u>493,660</u>      | <u>517,985</u>      |
| Total noncurrent liabilities  | 493,660             | 517,985             |
| <b>TOTAL LIABILITIES</b>  | <u>527,690</u>      | <u>537,567</u>      |
| <b>NET POSITION</b>   |                     |                     |
| Unrestricted net position   | <u>1,499,603</u>    | <u>1,428,617</u>    |
| <b>TOTAL NET POSITION</b>   | 1,499,603           | 1,428,617           |
| <b>TOTAL LIABILITIES AND NET POSITION</b>   | <u>\$ 2,027,293</u> | <u>\$ 1,966,184</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF ACTIVITIES  
GRANGER APARTMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

|                                 | <u>2015</u>      | <u>2014</u>      |
|---------------------------------|------------------|------------------|
| <b><u>REVENUES</u></b>          |                  |                  |
| Rental income, net of bad debts | \$ 251,415       | \$ 210,685       |
| Investment income               | 1,642            | 1,589            |
| Miscellaneous income            | 109              | 809              |
| Total revenues                  | <u>253,166</u>   | <u>213,083</u>   |
| <b><u>EXPENSES</u></b>          |                  |                  |
| Administrative                  |                  |                  |
| Office expenses                 | 37,346           | 34,266           |
| Rental space                    | 166              | 151              |
| Telephone                       | 543              | 492              |
| Total administrative            | <u>38,055</u>    | <u>34,909</u>    |
| Payroll and related costs       |                  |                  |
| Salaries                        | 9,591            | 10,959           |
| Payroll taxes                   | 784              | 903              |
| Employee benefits               | 3,129            | 3,387            |
| Total payroll and related costs | <u>13,504</u>    | <u>15,249</u>    |
| Utilities                       |                  |                  |
| Electricity and gas             | 4,874            | 6,991            |
| Water and sewer                 | 14,987           | 15,185           |
| Garbage                         | 7,841            | 6,862            |
| Total utilities                 | <u>27,702</u>    | <u>29,038</u>    |
| Operating and maintenance       |                  |                  |
| Contract costs                  | 33,418           | 22,767           |
| Supplies and maintenance        | 4,751            | 2,655            |
| Carpet                          | 5,307            | 2,064            |
| Total operating and maintenance | <u>43,476</u>    | <u>27,486</u>    |
| Insurance                       | 3,642            | 3,403            |
| Other expenses                  |                  |                  |
| Interest                        | 15,207           | 15,925           |
| Depreciation                    | 40,594           | 40,594           |
| Total other expenses            | <u>55,801</u>    | <u>56,519</u>    |
| <b>Total expenses</b>           | <u>182,180</u>   | <u>166,604</u>   |
| <b>REVENUES</b>                 | <u>\$ 70,986</u> | <u>\$ 46,479</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF FINANCIAL POSITION**  
**MILLER POINTE APARTMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**ASSETS**

| <b>CURRENT ASSETS</b>                                   | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Cash</u></b>                                      |                     |                     |
| Cash - unrestricted                                     | \$ 24,582           | \$ 11,751           |
| Cash - tenant security                                  | <u>9,678</u>        | <u>9,683</u>        |
| Total cash  | 34,260              | 21,434              |
| <b><u>Receivables</u></b>                               |                     |                     |
| Accounts receivable - tenant dwelling rents             | 1,160               | 719                 |
| Allowance for doubtful accounts - tenant dwelling rents | (232)               | (155)               |
| Accrued interest receivable                             | <u>169</u>          | <u>201</u>          |
| Total receivables                                       | 1,097               | 765                 |
| <b><u>Other current assets</u></b>                      |                     |                     |
| Investments - unrestricted                              | 209,791             | 209,248             |
| Prepaid expenses and other assets                       | <u>77</u>           | <u>77</u>           |
| Total other current assets                              | 209,868             | 209,325             |
| <b>TOTAL CURRENT ASSETS</b>                             | <u>245,225</u>      | <u>231,524</u>      |
| <b>NONCURRENT ASSETS</b>                                |                     |                     |
| <b><u>Fixed assets</u></b>                              |                     |                     |
| Land  | 252,000             | 252,000             |
| Buildings   | 2,219,856           | 2,219,856           |
| Accumulated depreciation                                | <u>(610,460)</u>    | <u>(554,964)</u>    |
| Net fixed assets  | 1,861,396           | 1,916,892           |
| <b>TOTAL NONCURRENT ASSETS</b>                          | <u>1,861,396</u>    | <u>1,916,892</u>    |
| <b>TOTAL ASSETS</b>                                     | <u>\$ 2,106,621</u> | <u>\$ 2,148,416</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF FINANCIAL POSITION  
MILLER POINTE APARTMENTS  
SEPTEMBER 30, 2015 AND 2014**

**LIABILITIES AND NET POSITION**

| <b>LIABILITIES</b>  | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Current liabilities</u></b>   |                     |                     |
| Accounts payable, < 90 days   | \$ 4,604            | \$ 2,475            |
| Accrued interest payable  | 227,500             | 208,000             |
| Tenant security deposits payable  | 9,678               | 9,683               |
| Deferred revenue  | 170                 | 880                 |
| Total current liabilities   | <u>241,952</u>      | <u>221,038</u>      |
| <b><u>Noncurrent liabilities</u></b>  |                     |                     |
| Long-term debt, net of current portion -<br>capital projects/mortgage revenue bonds | <u>1,955,913</u>    | <u>1,969,077</u>    |
| Total noncurrent liabilities  | <u>1,955,913</u>    | <u>1,969,077</u>    |
| <b>TOTAL LIABILITIES</b>  | <u>2,197,865</u>    | <u>2,190,115</u>    |
| <b>NET POSITION</b>   |                     |                     |
| Unrestricted net position   | <u>(91,244)</u>     | <u>(41,699)</u>     |
| <b>TOTAL NET POSITION</b>   | <u>(91,244)</u>     | <u>(41,699)</u>     |
| <b>TOTAL LIABILITIES AND NET POSITION</b>   | <u>\$ 2,106,621</u> | <u>\$ 2,148,416</u> |

The accompanying notes are an integral part of the financial statements.



**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF ACTIVITIES  
MILLER POINTE APARTMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

|                                       | <u>2015</u>        | <u>2014</u>        |
|---------------------------------------|--------------------|--------------------|
| <b><u>REVENUES</u></b>                |                    |                    |
| Rental income, net of bad debts       | \$ 118,984         | \$ 115,811         |
| Investment income                     | 640                | 705                |
| Miscellaneous income                  | 311                | 349                |
| Total revenues                        | <u>119,935</u>     | <u>116,865</u>     |
| <b><u>EXPENSES</u></b>                |                    |                    |
| Administrative                        |                    |                    |
| Office expenses                       | 14,826             | 14,900             |
| Rental space                          | 75                 | 67                 |
| Telephone                             | 754                | 626                |
| Total administrative                  | <u>15,655</u>      | <u>15,593</u>      |
| Payroll and related costs             |                    |                    |
| Salaries                              | 13,356             | 12,696             |
| Payroll taxes                         | 1,049              | 1,179              |
| Employee benefits                     | 1,266              | 1,382              |
| Total payroll and related costs       | <u>15,671</u>      | <u>15,257</u>      |
| Utilities                             |                    |                    |
| Electricity and gas                   | 2,826              | 2,758              |
| Water and sewer                       | 9,244              | 8,663              |
| Garbage                               | 3,485              | 3,050              |
| Total utilities                       | <u>15,555</u>      | <u>14,471</u>      |
| Operating and maintenance             |                    |                    |
| Contract costs                        | 19,180             | 28,516             |
| Supplies and maintenance              | 1,098              | 5,995              |
| Total operating and maintenance       | <u>20,278</u>      | <u>34,511</u>      |
| Insurance                             | 2,982              | 2,856              |
| Other expenses                        |                    |                    |
| Interest                              | 43,843             | 44,527             |
| Depreciation                          | 55,496             | 55,496             |
| Total other expenses                  | <u>99,339</u>      | <u>100,023</u>     |
| <b>Total expenses</b>                 | <u>169,480</u>     | <u>182,711</u>     |
| <b>DEFICIT EXPENSES OVER REVENUES</b> | <u>\$ (49,545)</u> | <u>\$ (65,846)</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF FINANCIAL POSITION  
PARAMONT APARTMENTS  
SEPTEMBER 30, 2015 AND 2014**

**ASSETS**

| <b>CURRENT ASSETS</b>                                   | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Cash</u></b>                                      |                     |                     |
| Cash - unrestricted                                     | \$ 46,603           | \$ 29,413           |
| Cash - tenant security                                  | <u>8,133</u>        | <u>7,593</u>        |
| Total cash  | 54,736              | 37,006              |
| <b><u>Receivables</u></b>                               |                     |                     |
| Accounts receivable - tenant dwelling rents             | 724                 | 292                 |
| Allowance for doubtful accounts - tenant dwelling rents | <u>(72)</u>         | <u>(31)</u>         |
| Total receivables                                       | 652                 | 261                 |
| <b>TOTAL CURRENT ASSETS</b>                             | <u>55,388</u>       | <u>37,267</u>       |
| <b>NONCURRENT ASSETS</b>                                |                     |                     |
| <b><u>Fixed assets</u></b>                              |                     |                     |
| Land  | 375,000             | 375,000             |
| Buildings   | 1,226,179           | 1,226,179           |
| Accumulated depreciation                                | <u>(286,108)</u>    | <u>(255,454)</u>    |
| Net fixed assets  | 1,315,071           | 1,345,725           |
| <b>TOTAL NONCURRENT ASSETS</b>                          | <u>1,315,071</u>    | <u>1,345,725</u>    |
| <b>TOTAL ASSETS</b>                                     | <u>\$ 1,370,459</u> | <u>\$ 1,382,992</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF FINANCIAL POSITION  
PARAMONT APARTMENTS  
SEPTEMBER 30, 2015 AND 2014**

**LIABILITIES AND NET POSITION (DEFICIT)**

| <b>LIABILITIES</b>  | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Current liabilities</u></b>   |                     |                     |
| Accounts payable, < 90 days   | \$ 1,436            | \$ 1,702            |
| Tenant security deposits payable  | 8,133               | 7,593               |
| Deferred revenue  | 521                 | 399                 |
| Other current liabilities   | 53,063              | 53,063              |
| Total current liabilities   | <u>63,153</u>       | <u>62,757</u>       |
| <b><u>Noncurrent liabilities</u></b>  |                     |                     |
| Long-term debt, net of current portion -<br>capital projects/mortgage revenue bonds | <u>1,340,132</u>    | <u>1,353,195</u>    |
| Total noncurrent liabilities  | <u>1,340,132</u>    | <u>1,353,195</u>    |
| <b>TOTAL LIABILITIES</b>  | <u>1,403,285</u>    | <u>1,415,952</u>    |
| <b>NET POSITION (DEFICIT)</b>   |                     |                     |
| Unrestricted net position (deficit)   | <u>(32,826)</u>     | <u>(32,960)</u>     |
| <b>TOTAL NET POSTION (DEFICIT)</b>  | <u>(32,826)</u>     | <u>(32,960)</u>     |
| <b>TOTAL LIABILITIES AND NET ASSETS POSTION</b>                                     | <u>\$ 1,370,459</u> | <u>\$ 1,382,992</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF ACTIVITIES**  
**PARAMONT APARTMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

|                                    | <u>2015</u>          | <u>2014</u>              |
|------------------------------------|----------------------|--------------------------|
| <b><u>REVENUES</u></b>             |                      |                          |
| Rental income, net of bad debts    | \$ 92,940            | \$ 87,642                |
| Investment income                  | 183                  | 170                      |
| Miscellaneous income               | 1                    | 394                      |
| Total revenues                     | <u>93,124</u>        | <u>88,206</u>            |
| <b><u>EXPENSES</u></b>             |                      |                          |
| Administrative                     |                      |                          |
| Office expenses                    | <u>9,404</u>         | <u>8,713</u>             |
| Total administrative               | 9,404                | 8,713                    |
| Utilities                          |                      |                          |
| Electricity and gas                | 1,533                | 1,957                    |
| Water and sewer                    | 5,648                | 5,907                    |
| Garbage                            | <u>3,485</u>         | <u>3,050</u>             |
| Total utilities                    | 10,666               | 10,914                   |
| Operating and maintenance          |                      |                          |
| Contract costs                     | 5,830                | 7,192                    |
| Supplies and maintenance           | 318                  | 79                       |
| Carpet                             | <u>1,197</u>         | <u>-</u>                 |
| Total operating and maintenance    | 7,345                | 7,271                    |
| Insurance                          | 1,602                | 1,469                    |
| Other expenses                     |                      |                          |
| Interest                           | 31,086               | 31,804                   |
| Special assessments                | 2,233                | 3,553                    |
| Depreciation                       | <u>30,654</u>        | <u>30,654</u>            |
| Total other expenses               | 63,973               | 66,011                   |
| <b>Total expenses</b>              | <u>92,990</u>        | <u>94,378</u>            |
| <b>REVENUES (DEFICIT EXPENSES)</b> | <b>\$ <u>134</u></b> | <b>\$ <u>(6,172)</u></b> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF FINANCIAL POSITION**  
**PALM VALLEY**  
**SEPTEMBER 30, 2015 AND 2014**

**ASSETS**

| <b>CURRENT ASSETS</b>                                   | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Cash</u></b>                                      |                     |                     |
| Cash - unrestricted                                     | \$ 2,177            | \$ 10,833           |
| Cash - tenant security                                  | 21,132              | 18,763              |
| Total cash  | <u>23,309</u>       | <u>29,596</u>       |
| <b><u>Receivables</u></b>                               |                     |                     |
| Accounts receivable - tenant dwelling rents             | 10,038              | 5,951               |
| Allowance for doubtful accounts - tenant dwelling rents | (2,811)             | (2,351)             |
| Accrued interest receivable                             | 11                  | -                   |
| Total receivables                                       | <u>7,238</u>        | <u>3,600</u>        |
| <b>TOTAL CURRENT ASSETS</b>                             | <u>30,547</u>       | <u>33,196</u>       |
| <b>NONCURRENT ASSETS</b>                                |                     |                     |
| <b><u>Fixed assets</u></b>                              |                     |                     |
| Land  | 554,924             | 554,924             |
| Buildings   | 3,499,607           | 3,499,607           |
| Accumulated depreciation                                | (650,212)           | (557,825)           |
| Net fixed assets  | <u>3,404,319</u>    | <u>3,496,706</u>    |
| <b>TOTAL NONCURRENT ASSETS</b>                          | <u>3,404,319</u>    | <u>3,496,706</u>    |
| <b>TOTAL ASSETS</b>                                     | <u>\$ 3,434,866</u> | <u>\$ 3,529,902</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF FINANCIAL POSITION  
PALM VALLEY  
SEPTEMBER 30, 2015 AND 2014**

**LIABILITIES AND NET POSITION**

| <b>LIABILITIES</b>  | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Current liabilities</u></b>   |                     |                     |
| Accounts payable, < 90 days   | \$ 5,881            | \$ 6,039            |
| Tenant security deposits payable  | 21,132              | 18,763              |
| Deferred revenue  | 2,202               | 2,784               |
| Other current liabilities   | 112,277             | 91,277              |
| Total current liabilities   | <u>141,492</u>      | <u>118,863</u>      |
| <b><u>Noncurrent liabilities</u></b>  |                     |                     |
| Long-term debt, net of current portion -<br>capital projects/mortgage revenue bonds | <u>3,278,744</u>    | <u>3,312,789</u>    |
| Total noncurrent liabilities  | <u>3,278,744</u>    | <u>3,312,789</u>    |
| <b>TOTAL LIABILITIES</b>  | <u>3,420,236</u>    | <u>3,431,652</u>    |
| <b>NET POSITION</b>   |                     |                     |
| Unrestricted net position   | <u>14,630</u>       | <u>98,250</u>       |
| <b>TOTAL NET POSITION</b>   | <u>14,630</u>       | <u>98,250</u>       |
| <b>TOTAL LIABILITIES AND NET POSITION</b>   | <u>\$ 3,434,866</u> | <u>\$ 3,529,902</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF ACTIVITIES**  
**PALM VALLEY**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

|                                       | <u>2015</u>               | <u>2014</u>               |
|---------------------------------------|---------------------------|---------------------------|
| <b><u>REVENUES</u></b>                |                           |                           |
| Rental income, net of bad debts       | \$ 217,446                | \$ 208,495                |
| Investment income                     | 439                       | 208                       |
| Miscellaneous income                  | 167                       | 305                       |
| Total revenues                        | <u>218,052</u>            | <u>209,008</u>            |
| <b><u>EXPENSES</u></b>                |                           |                           |
| Administrative                        |                           |                           |
| Office expenses                       | 24,915                    | 23,752                    |
| Telephone                             | 1,741                     | 1,701                     |
| Total administrative                  | <u>26,656</u>             | <u>25,453</u>             |
| Payroll and related costs             |                           |                           |
| Salaries                              | 9,756                     | 11,046                    |
| Payroll taxes                         | -                         | 1,132                     |
| Total payroll and related costs       | <u>9,756</u>              | <u>12,178</u>             |
| Utilities                             |                           |                           |
| Electricity and gas                   | 7,606                     | 8,036                     |
| Water and sewer                       | 21,189                    | 19,019                    |
| Garbage                               | 5,227                     | 4,575                     |
| Total utilities                       | <u>34,022</u>             | <u>31,630</u>             |
| Operating and maintenance             |                           |                           |
| Contract costs                        | 46,002                    | 32,562                    |
| Supplies and maintenance              | 8,389                     | 3,874                     |
| Carpet                                | 10,996                    | 7,574                     |
| Total operating and maintenance       | <u>65,387</u>             | <u>44,010</u>             |
| Insurance                             | 3,438                     | 3,543                     |
| Other expenses                        |                           |                           |
| Interest                              | 70,025                    | 71,596                    |
| Depreciation                          | 92,388                    | 92,388                    |
| Total other expenses                  | <u>162,413</u>            | <u>163,984</u>            |
| <b>Total expenses</b>                 | <u>301,672</u>            | <u>280,798</u>            |
| <b>DEFICIT EXPENSES OVER REVENUES</b> | <b>\$ <u>(83,620)</u></b> | <b>\$ <u>(71,790)</u></b> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF FINANCIAL POSITION**  
**VILLAGE ONE**  
**SEPTEMBER 30, 2015 AND 2014**

**ASSETS**

| <b>CURRENT ASSETS</b>                                   | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Cash</u></b>                                      |                     |                     |
| Cash - unrestricted                                     | \$ 11,262           | \$ 5,676            |
| Cash - tenant security                                  | <u>14,511</u>       | <u>13,035</u>       |
| Total cash  | 25,773              | 18,711              |
| <b><u>Receivables</u></b>                               |                     |                     |
| Accounts receivable - tenant dwelling rents             | 3,055               | 2,389               |
| Accrued interest receivable                             | 29                  | 34                  |
| Allowance for doubtful accounts - tenant dwelling rents | <u>(550)</u>        | <u>(984)</u>        |
| Total receivables                                       | 2,534               | 1,439               |
| <b><u>Other current assets</u></b>                      |                     |                     |
| Investments - unrestricted                              | <u>35,404</u>       | <u>35,312</u>       |
| Total other current assets                              | 35,404              | 35,312              |
| <b>TOTAL CURRENT ASSETS</b>                             | <u>63,711</u>       | <u>55,462</u>       |
| <b>NONCURRENT ASSETS</b>                                |                     |                     |
| <b><u>Fixed assets</u></b>                              |                     |                     |
| Land  | 495,000             | 495,000             |
| Buildings   | 6,281,420           | 6,281,420           |
| Accumulated depreciation                                | <u>(1,148,873)</u>  | <u>(991,838)</u>    |
| Net fixed assets  | 5,627,547           | 5,784,582           |
| <b>TOTAL NONCURRENT ASSETS</b>                          | <u>5,627,547</u>    | <u>5,784,582</u>    |
| <b>TOTAL ASSETS</b>                                     | <u>\$ 5,691,258</u> | <u>\$ 5,840,044</u> |

The accompanying notes are an integral part of the financial statements.



**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
STATEMENTS OF FINANCIAL POSITION  
VILLAGE ONE  
SEPTEMBER 30, 2015 AND 2014**

**LIABILITIES AND NET POSITION (DEFICIT)**

| <b>LIABILITIES</b>  | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b><u>Current liabilities</u></b>   |                     |                     |
| Accounts payable, < 90 days   | \$ 3,575            | \$ 3,751            |
| Accrued interest payable  | 4,226               | 4,226               |
| Tenant security deposits payable  | 14,511              | 13,035              |
| Deferred revenue  | 3,552               | 1,513               |
| Total current liabilities   | <u>25,864</u>       | <u>22,525</u>       |
| <b><u>Noncurrent liabilities</u></b>  |                     |                     |
| Long-term debt, net of current portion -<br>capital projects/mortgage revenue bonds | <u>6,582,052</u>    | <u>6,613,380</u>    |
| Total noncurrent liabilities  | <u>6,582,052</u>    | <u>6,613,380</u>    |
| <b>TOTAL LIABILITIES</b>  | <u>6,607,916</u>    | <u>6,635,905</u>    |
| <b>NET POSITION</b>   |                     |                     |
| Unrestricted net position   | <u>(916,658)</u>    | <u>(795,861)</u>    |
| <b>TOTAL NET POSITION</b>   | <u>(916,658)</u>    | <u>(795,861)</u>    |
| <b>TOTAL LIABILITIES AND NET POSITION<br/>(DEFICIT)</b>                             | <u>\$ 5,691,258</u> | <u>\$ 5,840,044</u> |

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS**  
**STATEMENTS OF ACTIVITIES**  
**VILLAGE ONE**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

|                                       | <u>2015</u>                | <u>2014</u>                |
|---------------------------------------|----------------------------|----------------------------|
| <b><u>REVENUES</u></b>                |                            |                            |
| Rental income, net of bad debts       | \$ 164,635                 | \$ 147,531                 |
| Investment income                     | 193                        | 227                        |
| Miscellaneous income                  | 62                         | 230                        |
| Total revenues                        | <u>164,890</u>             | <u>147,988</u>             |
| <b><u>EXPENSES</u></b>                |                            |                            |
| Administrative                        |                            |                            |
| Office expenses                       | 13,261                     | 12,366                     |
| Telephone                             | 206                        | 196                        |
| Total administrative                  | <u>13,467</u>              | <u>12,562</u>              |
| Payroll and related costs             |                            |                            |
| Salaries                              | 2,844                      | -                          |
| Payroll taxes                         | 323                        | -                          |
| Total payroll and related costs       | <u>3,167</u>               | <u>-</u>                   |
| Utilities                             |                            |                            |
| Electricity and gas                   | 2,617                      | 2,944                      |
| Water and sewer                       | 18,327                     | 19,756                     |
| Garbage                               | 3,485                      | 3,050                      |
| Total utilities                       | <u>24,429</u>              | <u>25,750</u>              |
| Operating and maintenance             |                            |                            |
| Contract costs                        | 21,489                     | 24,106                     |
| Supplies and maintenance              | 2,294                      | 594                        |
| Carpet                                | 630                        | 910                        |
| Total operating and maintenance       | <u>24,413</u>              | <u>25,610</u>              |
| Insurance                             | 4,377                      | 4,012                      |
| Other expenses                        |                            |                            |
| Interest                              | 56,937                     | 58,283                     |
| Special assessments                   | 1,861                      | 2,961                      |
| Depreciation                          | 157,036                    | 157,036                    |
| Total other expenses                  | <u>215,834</u>             | <u>218,280</u>             |
| <b>Total expenses</b>                 | <u>285,687</u>             | <u>286,214</u>             |
| <b>DEFICIT EXPENSES OVER REVENUES</b> | <b>\$ <u>(120,797)</u></b> | <b>\$ <u>(138,226)</u></b> |

The accompanying notes are an integral part of the financial statements.



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

To the Board of Commissioners  
Housing Authority of the County of Stanislaus  
Modesto, 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 accompanying statements of financial position of the Housing Authority of the County of Stanislaus (the "Housing Authority") as of September 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 17, 2016.

*Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the Housing 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 Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing 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.

**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 (CONTINUED)**

Our consideration of internal control 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 weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Housing 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 Housing Authority'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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Reseda, California

May 17, 2016



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Commissioners  
Housing Authority of the County of Stanislaus  
Modesto, California

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

We have audited the Housing Authority of the County of Stanislaus' (the "Housing Authority") compliance with the types of compliance requirements described in the *OMBudget Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (CONTINUED)**

Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

*Internal Control Over Compliance*

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

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (CONTINUED)**

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

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



Reseda, California  
May 17, 2016

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

| Federal Grantor/<br>Pass Through Grantor/<br>Program Title  | Federal<br>CFDA<br>Number | Federal<br>Expenditures<br>2015 | Federal<br>Expenditures<br>2014 |
|---|---------------------------|---------------------------------|---------------------------------|
| <u>U.S. Department of Housing and Urban<br/>Development</u> |                           |                                 |                                 |
| Direct Programs:  |                           |                                 |                                 |
| Section 8 Assistance Payments Special                       |                           |                                 |                                 |
| Allocation Program  | 14.195                    | \$ 248,203                      | \$ 239,615                      |
| Supportive Housing Program                                  | 14.235                    | 48,412                          | 17,807                          |
| Shelter Plus Care Program                                   | 14.238                    | 23,427                          | 21,397                          |
| Continuum of Care Program                                   | 14.267                    | 688,302                         | 634,931                         |
| Low Rent Public Housing                                     | 14.850                    | 1,539,234                       | 1,483,254                       |
| Resident Opportunity and Supportive Services                | 14.870                    | 14,010                          | 15,959                          |
| Housing Choice Vouchers Program                             | 14.871                    | 32,103,668                      | 31,186,965                      |
| Public Housing Capital Fund Program                         | 14.872                    | 869,046                         | 891,950                         |
| PIH Family Self-Sufficiency Program                         | 14.896                    | 84,574                          | -                               |
| Total HUD   |                           | \$ 35,618,876                   | \$ 34,491,878                   |
| <u>U.S. Department of Agriculture</u>                       |                           |                                 |                                 |
| Direct Programs:  |                           |                                 |                                 |
| Farm Labor Housing Loans and Grants                         | 10.405                    | \$ 906,984                      | \$ 966,879                      |
| Total Agriculture   |                           | \$ 906,984                      | \$ 966,879                      |
| <u>HOME Grant</u>   |                           |                                 |                                 |
| Pass through:   |                           |                                 |                                 |
| County and City   | 14.239                    | \$ -                            | \$ 141,823                      |
| Total HOME Grant  |                           | \$ -                            | \$ 141,823                      |
| <u>CDBG - State Program</u>                                 |                           |                                 |                                 |
| Pass through:   |                           |                                 |                                 |
| County  | 14.228                    | \$ -                            | \$ 2,676                        |
| Total CDBG  |                           | \$ -                            | \$ 2,676                        |
| <u>Neighborhood Stabilization Program</u>                   |                           |                                 |                                 |
| Pass through:   |                           |                                 |                                 |
| County  | 14.256                    | \$ -                            | \$ 955,055                      |
| Total Neighborhood Stabilization Program                    |                           | \$ -                            | \$ 955,055                      |



**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

There were no prior year findings to report the status of.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Housing Authority of the County of Stanislaus.
2. No instances of significant deficiencies were disclosed during the audit of the financial statements reported in the *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*.
3. No instances of noncompliance material to the financial statements of the Housing Authority of the County of Stanislaus were disclosed during the audit.
4. No instances of significant deficiencies in internal control over major federal award programs were disclosed during the audit reported in the *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*.
5. The auditor's report on compliance for the major federal awards programs for the Housing Authority of the County of Stanislaus expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:

| <u>CDFA Number</u> | <u>Name of Federal Program</u>      |
|--------------------|-------------------------------------|
| 14.267             | Continuum of Care Program           |
| 14.850             | Low Rent Public Housing             |
| 14.871             | Housing Choice Vouchers             |
| 14.872             | Public Housing Capital Fund Program |
| 10.405             | Farm Labor Housing Loans and Grants |

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Housing Authority of the County of Stanislaus was determined to be a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs to be reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs to be reported.