

Streamlined Annual PHA Plan <i>(High Performer PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.																															
A.1	<p>PHA Name: <u>Housing Authority County of Stanislaus</u> PHA Code: <u>CA026</u></p> <p>PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performer</p> <p>PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>10/1/18</u></p> <p>PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)</p> <p>Number of Public Housing (PH) Units <u>647</u> Number of Housing Choice Vouchers (HCVs) <u>4796</u></p> <p>Total Combined <u>5443</u></p> <p>PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission</p> <p>Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 20%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 20%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th style="width: 10%;">PH</th> <th style="width: 10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>						Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																	
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B.	Annual Plan Elements
B.1	<p>Revision of PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last Annual PHA Plan submission?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Significant Amendment/Modification - Attached as Exhibit B.1 – HQS Biennial Inspections for HCV Programs</p> <p>(b) The PHA must submit its Deconcentration Policy for Field Office Review. (Attached as Admissions and Occupancy Policies – Chapter 4)</p> <p>(c) If the PHA answered yes for any element, describe the revisions for each element below:</p>
B.2	<p>New Activities.</p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA’s current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Demolition and/or Disposition.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant Based Assistance.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Project-Based Assistance under RAD.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Project Based Vouchers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p>
B.3	<p>Progress Report.</p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in the PHA 5-Year Plan.</p> <p>Please see attached information under this heading</p>

B.4.	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
	Other Document and/or Certification Requirements.
C.1	<p>Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan</p> <p>Form 50077-ST-HCV-HP, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.2	<p>Civil Rights Certification.</p> <p>Form 50077-ST-HCV-HP, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.3	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan? Pending completion of the RAB meetings</p> <p>Y N <input type="checkbox"/> X <input type="checkbox"/> The RAB meetings were held on 7/7/18 and 7/14/18. While there were no written comments, the committee response was positive regarding the transition to Housing Choice Voucher Bi-Annual inspections.</p> <p>If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
C.4	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
D	Statement of Capital Improvements. Required in all years for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).
D.1	Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.

Instructions for Preparation of Form HUD-50075-HP

Annual Plan for High Performing PHAs

A. PHA Information. All PHAs must complete this section.

- A.1** Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **PHA Inventory**, **Number of Public Housing Units and or Housing Choice Vouchers (HCVs)**, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. ([24 CFR §903.23\(4\)\(e\)](#))

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. ([24 CFR §943.128\(a\)](#))

B. Annual Plan.

B.1 Revision of PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.”

☐ **Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA’s strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income), (ii) elderly families and families with disabilities, and (iii) households of various races and ethnic groups residing in the jurisdiction or on the waiting list based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. For years in which the PHA’s 5-Year PHA Plan is also due, this information must be included only to the extent it pertains to the housing needs of families that are on the PHA’s public housing and Section 8 tenant-based assistance waiting lists. ([24 CFR §903.7\(a\)\(1\)](#)) and 24 CFR §903.12(b). Provide a description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. For years in which the PHA’s 5-Year PHA Plan is also due, this information must be included only to the extent it pertains to the housing needs of families that are on the PHA’s public housing and Section 8 tenant-based assistance waiting lists. ([24 CFR §903.7\(a\)\(2\)\(ii\)](#)) and 24 CFR §903.12(b).

☐ **Deconcentration and Other Policies that Govern Eligibility, Selection and Admissions.** Describe the PHA’s admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA’s policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR §903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements. ([24 CFR §903.7\(b\)](#)) Describe the PHA’s procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists. ([24 CFR §903.7\(b\)](#)) A statement of the PHA’s policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV. ([24 CFR §903.7\(b\)](#)) Describe the unit assignment policies for public housing. ([24 CFR §903.7\(b\)](#))

☐ **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA’s anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. ([24 CFR §903.7\(c\)](#))

☐ **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. ([24 CFR §903.7\(d\)](#))

☐ **Homeownership Programs.** A description of any homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. For years in which the PHA’s 5-Year PHA Plan is also due, this information must be included only to the extent that the PHA participates in homeownership programs under section 8(y) of the 1937 Act. ([24 CFR §903.7\(k\)](#)) and 24 CFR §903.12(b).

☐ **Safety and Crime Prevention (VAWA).** A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and **3)** Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families. ([24 CFR §903.7\(m\)\(5\)](#))

☐ **Pet Policy.** Describe the PHA’s policies and requirements pertaining to the ownership of pets in public housing. ([24 CFR §903.7\(n\)](#))

☐ **Substantial Deviation.** PHA must provide its criteria for determining a “substantial deviation” to its 5-Year Plan. ([24 CFR §903.7\(r\)\(2\)\(i\)](#))

☐ **Significant Amendment/Modification.** PHA must provide its criteria for determining a “Significant Amendment or Modification” to its 5-Year and Annual Plan. Should the PHA fail to define ‘significant amendment/modification’, HUD will consider the following to be ‘significant amendments or modifications’: a) changes to rent or admissions policies or organization of the waiting list; b) additions of non-emergency public housing CFP work items (items not included in the current CFP Annual Statement or CFP 5-Year Action Plan); or c) any change with regard to demolition or disposition, designation, homeownership programs or conversion activities. See guidance on HUD’s website at: [Notice PIH 1999-51](#). ([24 CFR §903.7\(r\)\(2\)\(ii\)](#))

If any boxes are marked “yes”, describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see [24 CFR 903.2](#). ([24 CFR §903.23\(b\)](#))

B.2 New Activities. If the PHA intends to undertake any new activities related to these elements or discretionary policies in the current Fiscal Year, mark “yes” for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark “no.”

☐ **Hope VI.** 1) A description of any housing (including project name, number (if known) and unit count) for which the PHA will apply for HOPE VI; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI is a separate process. See guidance on HUD’s website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>. (Notice PIH 2010-30)

☐ **Mixed Finance Modernization or Development.** 1) A description of any housing (including name, project number (if known) and unit count) for which the PHA will apply for Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Mixed Finance Modernization or Development is a separate process. See guidance on HUD’s website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>. (Notice PIH 2010-30)

☐ **Demolition and/or Disposition.** Describe any public housing projects owned by the PHA and subject to ACCs (including name, project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD’s website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm. (24 CFR §903.7(h))

☒ **Conversion of Public Housing.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD’s website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>. (24 CFR §903.7(j))

☐ **Project-Based Vouchers.** Describe any plans to use HCVs for new project-based vouchers. (24 CFR §983.57(b)(1)) If using project-based vouchers, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan.

☒ **Other Capital Grant Programs** (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

B.3 Progress Report. For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.7(r)(1))

B.4 Most Recent Fiscal Year Audit. If the results of the most recent fiscal year audit for the PHA included any findings, mark “yes” and describe those findings in the space provided. (24 CFR §903.7(p))

C. Other Document and/or Certification Requirements

C.1 Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 SM-HP.

C.2 Civil Rights Certification. Form HUD-50077 SM-HP, *PHA Certifications of Compliance with the PHA Plans and Related Regulation*, must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction’s initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o))

C.3 Resident Advisory Board (RAB) comments. If the RAB provided comments to the annual plan, mark “yes,” submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA’s decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)

C.4 Certification by State or Local Officials. Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15)

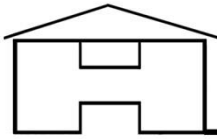
D. Statement of Capital Improvements. PHAs that receive funding from the Capital Fund Program (CFP) must complete this section. (24 CFR 903.7 (g))

D.1 Capital Improvements. In order to comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan. PHAs can reference the form by including the following language in Section C. 8.0 of the PHA Plan Template: “See HUD Form 50075.2 approved by HUD on 08/21/2017.

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA’s operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA’s mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 16.64 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.



Housing Authority of the County of Stanislaus

...also serving Alpine ▪ Amador ▪ Calaveras ▪ Inyo ▪ Mariposa ▪ Mono ▪ Tuolumne Counties.

TO: Housing Authority County of Stanislaus Resident Advisory Board

FROM: Michele Gonzales, Director, Regional Housing Programs Administration

DATE: May 25, 2018

SUBJECT: Proposed Revisions to the Housing Choice Voucher Administration Plan – Significant Modification

The following changes are being proposed to the Housing Authority County of Stanislaus Administration Plan effective 10/1/18.

Housing Choice Voucher Program Administrative Plan- Chapter 8

Housing Quality Standards Inspections of rental units receiving Housing Choice Voucher subsidy through a Housing Assistance Payments Contract:

Current Policy

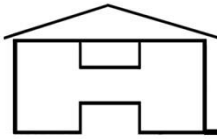
8-II.C. ANNUAL/BIENNIAL HQS INSPECTIONS [24 CFR 982.405 and 982.406; Notice PIH 2016-05]

Each unit under HAP contract must be inspected within 12 months of the last full HQS inspection. The PHA will not rely on alternative inspection standards.

Scheduling the Inspection

PHA Policy

If an adult family member cannot be present on the scheduled date, the family should request that the PHA reschedule the inspection. The PHA and family will agree on a new inspection date that generally should take place within 15 business days of the originally-scheduled date. If the family misses the first scheduled appointment without requesting a new inspection date, the PHA will automatically schedule a second inspection. If the family misses two scheduled inspections without PHA approval, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.



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8-II.C. ANNUAL/BIENNIAL HQS INSPECTIONS [24 CFR 982.405 and 982.406; Notice PIH 2016-05]

Proposed PHA Policy Revisions

BIENNIAL HQS INSPECTIONS (24 CFR §982.405(a)) The PHA inspects each assisted unit biennially at least 24 months after the last inspection as required by SEMAP, except where an additional room has been granted as a reasonable accommodation. If an additional room has been granted as a reasonable accommodation for an individual with disabilities, the HACS will verify that the additional bedroom is being used as intended at least annually. If the additional bedroom is verified as not being used as intended, the voucher size may be reduced.

Scheduling the Inspection

PHA Policy

If an adult family member cannot be present on the scheduled date, the family should request that the PHA reschedule the inspection. The PHA and family will agree on a new inspection date that generally should take place within 15 business days of the originally-scheduled date. If the family misses the first scheduled appointment without PHA approval, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

2018 Annual Plan – Exhibit B.1(b) – Deconcentration Policy (Section 4-19-4-21)

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to reside in public housing, the family must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires the PHA to place all eligible families that apply for public housing on a waiting list. When a unit becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in its Admissions and Continued Occupancy Policy (ACOP) and its annual plan.

The PHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA to receive preferential treatment.

HUD regulations require that the PHA comply with all equal opportunity requirements and it must affirmatively further fair housing goals in the administration of the program [24 CFR 960.103, PH Occ GB p. 13]. Adherence to the selection policies described in this chapter ensures that the PHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and PHA policies for accepting applications, managing the waiting list and selecting families from the waiting list. The PHA's policies for assigning unit size and making unit offers are contained in Chapter 5. Together, Chapters 4 and 5 of the ACOP comprise the PHA's Tenant Selection and Assignment Plan (TSAP).

The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the PHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for public housing. It also discusses the process the PHA will use to keep the waiting list current.

Part III: Tenant Selection. This part describes the policies that guide the PHA in selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that the PHA has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide the PHA's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the PHA's obligation to ensure the accessibility of the application process.

4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the PHA to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. However, the PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application [Notice PIH 2009-36].

HACS Policy

Depending upon the length of time between the date of application and the availability of housing, the PHA may use a one- or two-step application process.

A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and the amount of rent the family will pay.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list.

Families may obtain application forms from the PHA's office during normal business hours. Families may also request – by telephone or by mail – that an application form be sent to the family via first class mail.

Completed applications must be returned to the PHA by mail or submitted electronically via the website. Applications must be filled out completely in order to be accepted by the PHA for processing. If an application is incomplete, the PHA will notify the family of the additional information required.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

The PHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the standard PHA application process.

Disabled Populations [24 CFR 8; PH Occ GB, p. 68]

The PHA must provide reasonable accommodation as needed for persons with disabilities to make the application process fully accessible. The facility where applications are accepted and the application process must be fully accessible, or the PHA must provide an alternate approach that provides equal access to the program. Chapter 2 provides a full discussion of the PHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

PHAs are required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the PHA's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

The PHA must review each completed application received and make a preliminary assessment of the family's eligibility. Applicants for whom the waiting list is open must be placed on the waiting list unless the PHA determines the family to be ineligible. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41].

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

Ineligible for Placement on the Waiting List

HACS Policy

If the PHA determines from the information provided that a family is ineligible, the family will not be placed on the waiting list. When a family is determined to be ineligible, the PHA will send written notification of the ineligibility determination within 15 business days of receipt of the completed application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14).

Eligible for Placement on the Waiting List

HACS Policy

The PHA will send written notification of the preliminary eligibility determination within 10 business days of receiving a completed application. If applicable, the notice will also indicate the waiting list preference(s) for which the family appears to qualify.

Applicants will be placed on the waiting list according to PHA preference(s) and the date and time their complete application is received by the PHA.

The PHA will assign families on the waiting list according to the bedroom size for which a family qualifies as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to PHA standards and local codes). However, in these cases, the family must agree not to request a transfer for two years after admission, unless they have a change in family size or composition.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. When the family is selected from the waiting list, the PHA will verify any preference(s) claimed and determine eligibility and suitability for admission to the program.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The PHA must have policies regarding the type of waiting list it will utilize as well as how the waiting list will be organized and managed. This includes policies on notifying the public on the opening and closing of the waiting list to new applicants, updating family information, purging the list of families that are no longer interested in or eligible for public housing, and conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how the PHA may structure its waiting list and how families must be treated if they apply for public housing at a PHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST

The PHA's public housing waiting list must be organized in such a manner to allow the PHA to accurately identify and select families in the proper order, according to the admissions policies described in this ACOP.

HACS Policy

The waiting list will contain the following information for each applicant listed:

- Name and social security number of head of household

- Unit size required (number of family members)

- Amount and source of annual income

- Accessibility requirement, if any

- Date and time of application or application number

- Household type (family, elderly, disabled)

- Admission preference, if any

- Race and ethnicity of the head of household

- The specific site(s) selected (only if PHA offers site-based waiting lists)

The PHA may adopt one community-wide waiting list or site-based waiting lists. The PHA must obtain approval from HUD through submission of its Annual Plan before it may offer site-based waiting lists. Site-based waiting lists allow families to select the development where they wish to reside and must be consistent with all applicable civil rights and fair housing laws and regulations [24 CFR 903.7(b)(2)].

HACS Policy

The PHA will maintain site-based waiting lists for its developments. Within the lists, the PHA will designate subparts to easily identify who should be offered the next available unit (i.e. mixed populations, general occupancy, unit size, and accessible units).

HUD requires that public housing applicants must be offered the opportunity to be placed on the waiting list for any tenant-based or project-based voucher or moderate rehabilitation program that the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs [24 CFR 982.205(a)(2)(i)].

HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs [24 CFR 982.205(a)(1)].

HACS Policy

The PHA will not merge the public housing waiting list with the waiting list for any other program the PHA operates.

4-II.C. OPENING AND CLOSING THE WAITING LIST

Closing the Waiting List

The PHA is permitted to close the waiting list, in whole or in part, if it has an adequate pool of families to fully lease units in all of its developments. The PHA may close the waiting list completely, or restrict intake by preference, type of project, or by size and type of dwelling unit. [PH Occ GB, p. 31].

HACS Policy

The PHA will close the waiting list when the estimated waiting period for housing applicants on the list reaches 24 months for the most current applicants. Where the PHA has particular preferences or other criteria that require a specific category of family, the PHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

Reopening the Waiting List

If the waiting list has been closed, it may be reopened at any time. The PHA should publish a notice announcing the opening of the waiting list in local newspapers of general circulation, minority media, and other suitable media outlets. Such notice must comply with HUD fair housing requirements. The PHA should specify who may apply, and where and when applications will be received.

HACS Policy

The PHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. The notice will specify where, when, and how applications are to be received.

The PHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

Modesto Bee, Modesto, California

4-II.D. FAMILY OUTREACH [24 CFR 903.2(d); 24 CFR 903.7(a) and (b)]

The PHA should conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to fill anticipated vacancies and to assure that the PHA is affirmatively furthering fair housing and complying with the Fair Housing Act.

Because HUD requires the PHA to admit a specified percentage of extremely low-income families, the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for public housing.

PHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

PHA outreach efforts must be designed to inform qualified families about the availability of units under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

HACS Policy

The PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

HACS Policy

While the family is on the waiting list, the family must inform the PHA, within 30 business days, of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size or entitlement to a preference. When an applicant reports a change that affects their placement on the waiting list, the waiting list will be updated accordingly.

4-II.F. UPDATING THE WAITING LIST

HUD requires the PHA to establish policies that describe the circumstances under which applicants will be removed from the waiting list [24 CFR 960.202(a)(2)(iv)].

Purging the Waiting List

The decision to remove an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to the PHA's request for information or updates because of the family member's disability, the PHA must, upon the family's request, reinstate the applicant family to their former position on the waiting list as a reasonable accommodation [24 CFR 8.4(a), 24 CFR 100.204(a), and PH Occ GB, p. 39 and 40]. See Chapter 2 for further information regarding reasonable accommodations.

HACS Policy

The waiting list will be updated as needed to ensure that all applicant information is current and timely.

To update the waiting list, the PHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the PHA not later than 15 business days from the date of the PHA letter.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent. If the family fails to respond within this time frame, the family will be removed from the waiting list without further notice.

When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failures to act on the part of the applicant prevent the PHA from making an eligibility determination; therefore no informal hearing is required.

If a family is removed from the waiting list for failure to respond, the PHA may reinstate the family if the lack of response was due to PHA error, or to circumstances beyond the family's control.

Removal from the Waiting List

HACS Policy

The PHA will remove an applicant from the waiting list upon request by the applicant family. In such cases no informal hearing is required.

If the PHA determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list the family will be removed from the waiting list.

If a family is removed from the waiting list because the PHA has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the PHA's decision (see Chapter 14) [24 CFR 960.208(a)].

PART III: TENANT SELECTION

4-III.A. OVERVIEW

The PHA must establish tenant selection policies for families being admitted to public housing [24 CFR 960.201(a)]. The PHA must not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. The PHA must not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].

The order in which families will be selected from the waiting list depends on the selection method chosen by the PHA and is impacted in part by any selection preferences that the family qualifies for. The availability of units also may affect the order in which families are selected from the waiting list.

The PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 960.206(e)(2)]. The PHA's policies must be posted any place where the PHA receives applications. The PHA must provide a copy of its tenant selection policies upon request to any applicant or tenant. The PHA may charge the family for providing a copy of its tenant selection policies [24 CFR 960.202(c)(2)].

HACS Policy

When an applicant or resident family requests a copy of the PHA's tenant selection policies, the PHA will provide copies to them free of charge.

4-III.B. SELECTION METHOD

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use.

Local Preferences [24 CFR 960.206]

PHAs are permitted to establish local preferences and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].

HACS Policy

Involuntary Displacement through Housing Authority Action

The HACS will give first priority on the wait list valuation to eligible families currently residing in Authority units that are being or may be involuntarily displaced by needed actions of the HACS.

Involuntary displaced for the purposes of the ACOP are targeted to involuntary displacement through no fault or actions of the current tenant. The tenant must be an applicant on the waiting list and meet the eligibility of the program in which they may be considered for this local preference. This local preference does not apply to rent increases or income changes. Example of involuntary displacement includes households who are either over or under housed in the existing program in violation of program requirements and there are no other suitable units within that program available to house the participant or the participant must vacate due to a HACS administrative error related to ineligible admission to the program for which the tenant must now vacate the program.

Military Service Preference

Pursuant to the requirements of the California Health and Safety Code, Section 34322.2, the PHA gives a preference to veterans and current servicepersons, defined as follows:

- A current serviceperson is defined as an individual who is an active member of a branch of the United States military, including the reserves or National Guard, and has served for at least 180 days.
- A veteran is defined as an individual who has been honorably discharged from a branch of the United States military, including the reserves or National Guard. An honorable discharge must be evidenced by submission of a Department of Defense Form 214 (DD-214). Surviving spouses of an honorably discharged veteran are also eligible for the military service preference.

Such persons will be placed within order of preferences (i.e, the applicants who qualify for Involuntary Displacement will receive first priority. If there are any persons qualifying for Involuntary Displacement who are veterans, they will receive priority over other persons who are Involuntarily Displaced). If there is more than one applicant who

qualifies for such a preference, they will be offered public housing units based on the date of their application.

Such preference is in effect only to the extent that it is required by the above referenced Code.

Income Targeting Requirement [24 CFR 960.202(b)]

HUD requires that extremely low-income (ELI) families make up at least 40 percent of the families admitted to public housing during the PHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher [*Federal Register* notice 6/25/14]. To ensure this requirement is met, the PHA may skip non-ELI families on the waiting list in order to select an ELI family.

If a PHA also operates a housing choice voucher (HCV) program, admissions of extremely low-income families to the PHA's HCV program during a PHA fiscal year that exceed the 75 percent minimum target requirement for the voucher program, shall be credited against the PHA's basic targeting requirement in the public housing program for the same fiscal year. However, under these circumstances the fiscal year credit to the public housing program must not exceed the lower of: (1) ten percent of public housing waiting list admissions during the PHA fiscal year; (2) ten percent of waiting list admissions to the PHA's housing choice voucher program during the PHA fiscal year; or (3) the number of qualifying low-income families who commence occupancy during the fiscal year of PHA public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

HACS Policy

The PHA will monitor progress in meeting the ELI requirement throughout the fiscal year. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met.

Mixed Population Developments [24 CFR 960.407]

A mixed population development is a public housing development or portion of a development that was reserved for elderly families and disabled families at its inception (and has retained that character) or the PHA at some point after its inception obtained HUD approval to give preference in tenant selection for all units in the development (or portion of a development) to elderly and disabled families [24 CFR 960.102]. Elderly family means a family whose head, spouse, cohead, or sole member is a person who is at least 62 years of age. Disabled family means a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403]. The PHA must give elderly and disabled families equal preference in selecting these families for admission to mixed population developments. The PHA may not establish a limit on the number of elderly or disabled families that may occupy a mixed population development. In selecting elderly and disabled families to fill these units, the PHA must first offer the units that have accessibility features for families that include a person with a disability and require the accessibility features of such units. The PHA may not discriminate against elderly or disabled families that include children (Fair Housing Amendments Act of 1988).

Units Designated for Elderly or Disabled Families [24 CFR 945]

The PHA may designate projects or portions of a public housing project specifically for elderly or disabled families. The PHA must have a HUD-approved allocation plan before the designation may take place.

Among the designated developments, the PHA must also apply any preferences that it has established. If there are not enough elderly families to occupy the units in a designated elderly development, the PHA may allow near-elderly families to occupy the units [24 CFR 945.303(c)(1)]. Near-elderly family means a family whose head, spouse, or cohead is at least 50 years old, but is less than 62 [24 CFR 5.403].

If there are an insufficient number of elderly families and near-elderly families for the units in a development designated for elderly families, the PHA must make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days [24 CFR 945.303(c)(2)].

The decision of any disabled family or elderly family not to occupy or accept occupancy in designated housing shall not have an adverse affect on their admission or continued occupancy in public housing or their position on or placement on the waiting list. However, this protection does not apply to any family who refuses to occupy or accept occupancy in designated housing because of the race, color, religion, sex, disability, familial status, or national origin of the occupants of the designated housing or the surrounding area [24 CFR 945.303(d)(1) and (2)].

This protection does apply to an elderly family or disabled family that declines to accept occupancy, respectively, in a designated project for elderly families or for disabled families, and requests occupancy in a general occupancy project or in a mixed population project [24 CFR 945.303(d)(3)].

HACS Policy

The PHA does not have designated elderly or designated disabled housing at this time.

Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]

The PHA's admission policy must be designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the PHA's deconcentration policies must be included in its annual plan [24 CFR 903.7(b)].

The PHA's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].

Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements: developments operated by a PHA with fewer than 100 public housing units; mixed population or developments designated specifically for elderly or disabled families; developments operated by a PHA with only one general occupancy development; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

Steps for Implementation [24 CFR 903.2(c)(1)]

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, the PHA must comply with the following steps:

Step 1. The PHA must determine the average income of all families residing in all the PHA's covered developments. The PHA may use the median income, instead of average income, provided that the PHA includes a written explanation in its annual plan justifying the use of median income.

HACS Policy

The PHA will determine the average income of all families in all covered developments on an annual basis.

Step 2. The PHA must determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, the PHA has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

HACS Policy

The PHA will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.

Step 3. The PHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low-income family (federal poverty level or 30 percent of median income, whichever number is higher).

Step 4. The PHA with covered developments having average incomes outside the EIR must then determine whether or not these developments are consistent with its local goals and annual plan.

Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, the PHA must include in its admission policy its specific policy to provide for deconcentration of poverty and income mixing.

Depending on local circumstances the PHA's deconcentration policy may include, but is not limited to the following:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- Establishing a preference for admission of working families in developments below the EIR
- Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration
- Providing other strategies permitted by statute and determined by the PHA in consultation with the residents and the community through the annual plan process to be responsive to local needs and PHA strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the PHA's deconcentration policy. The PHA must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the PHA's deconcentration policy [24 CFR 903.2(c)(4)].

If, at annual review, the average incomes at all general occupancy developments are within the EIR, the PHA will be considered to be in compliance with the deconcentration requirement and no further action is required.

HACS Policy

For developments outside the EIR the PHA will take the following actions to provide for deconcentration of poverty and income mixing:

DECONCENTRATION POLICY

HACS will achieve deconcentration of poverty and income-mixing in CA026-3, Modesto (the only "affected complex") by either bringing higher or lower income families into the complex whenever the average rent for CA026-3 deviates 15% or more from the current average rent determined for all other HACS complexes. The designation of "Lower Income" will apply when the average rent for this complex falls below 85% of the average rent for all other Housing Authority complexes. The designation of "Higher Income" will occur when the average rent exceeds 115% of the average rent for all other HACS complexes.

HACS, in implementing its deconcentration efforts, will not impose or require any specific income or racial quota for any of its complexes. To implement the Deconcentration Policy HACS may, at some point in time, skip families on the waiting list to reach other families with an applicable lower or higher income. The skipping of families will be accomplished in a uniform and non-discriminating manner.

DECONCENTRATION INCENTIVES

The Housing Authority will offer the following incentives to families, either higher or lower income to encourage them to accept housing in the development when it has been designated either “Higher or Lower Income” and only when the family’s income would help meet deconcentration or income targeting requirements for the development. Various incentives may be used at different times, or under different conditions, but will always be provided in a consistent and nondiscriminatory manner. Incentives include, but are not limited to:

- The offer of a larger sized unit than the family would normally qualify for (maximum of one additional bedroom).
- The reduction of the “one year residency requirement” in the PHA’s transfer policy to a six-month period.
- Preference under any Transfer Policy categories that the family may later qualify for.
- The option to credit two hours weekly to meeting community service requirements for lawn maintenance performed by the family that is required in their own yard areas.
- Preference in any PHA-sponsored Family Self-Sufficiency Program that the family may qualify for, including IDA and home-ownerships opportunities.

The Incentives referred to above will be made available by HACS only in a manner that allows for each eligible family to have the sole discretion in determining whether to accept the incentive. HACS shall not take any adverse action toward any eligible family for choosing not to accept an incentive and occupancy of an offered complex. The skipping of a family on a waiting list to reach another family to implement the policy under this section shall not be considered an adverse action and shall not be contestable.

Order of Selection [24 CFR 960.206(e)]

The PHA system of preferences may select families either according to the date and time of application or by a random selection process.

HACS Policy

Families will be selected from the waiting list based on preference. Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA.

When selecting applicants from the waiting list, the PHA will match the characteristics of the available unit (unit size, accessibility features, unit type) to the applicants on the waiting lists. The PHA will offer the unit to the highest-ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.

By matching unit and family characteristics, it is possible that families who are lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application or higher preference status.

Factors such as deconcentration or income mixing and income targeting will also be considered in accordance with HUD requirements and PHA policy.

4-III.C. NOTIFICATION OF SELECTION

When the family has been selected from the waiting list, the PHA must notify the family [24 CFR 960.208].

HACS Policy

The PHA will notify the family by first class mail when it is selected from the waiting list.

The notice will inform the family of the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

- Who is required to attend the interview

- Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation

- Documents that must be provided at the interview to document eligibility for a preference, if applicable

- Other documents and information that should be brought to the interview

- LEP request process

If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list. A notice of denial will be sent to the family's address of record. Such failure to act on the part of the applicant prevents the PHA from making an eligibility determination; therefore, no informal hearing will be offered.

4-III.D. THE APPLICATION INTERVIEW

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

HACS Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the PHA.

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for 180 days. If not all household members have disclosed their SSNs at the next time a unit becomes available, the PHA will offer a unit to the next eligible applicant family on the waiting list.

If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the PHA will proceed with the interview. If the PHA determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the PHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the PHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without PHA approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the PHA from making an eligibility determination, therefore the PHA will not offer an informal hearing.

4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]

The PHA must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including PHA suitability standards, the PHA must make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].

HACS Policy

The PHA will notify a family in writing of their eligibility within 15 business days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined.

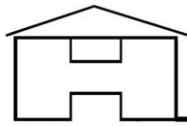
The PHA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

HACS Policy

If the PHA determines that the family is ineligible, the PHA will send written notification of the ineligibility determination within 15 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing (see Chapter 14).

If the PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. See Section 3-III.G for the PHA's policy regarding such circumstances.

Upon making an eligibility determination, the PHA must provide the family a notice of VAWA rights as well as the HUD VAWA self-certification form (form HUD-5382) in accordance with the Violence against Women Act of 2013, and as outlined in 16-VII.C. The notice and self-certification form must accompany the written notification of eligibility determination. This notice must be provided in both of the following instances: (1) when a family is notified of its eligibility; or (2) when a family is notified of its ineligibility.

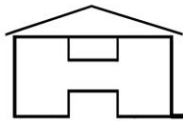


Housing Authority of the County of Stanislaus

Regional Authority Serving

Alpine ▪ Amador ▪ Calaveras ▪ Inyo ▪ Mariposa ▪ Mono ▪ Stanislaus ▪ Tuolumne Counties.

The Housing Authority of the County of Stanislaus will be applying for a RAD application.



Housing Authority of the County of Stanislaus

Regional Authority Serving

Alpine ▪ Amador ▪ Calaveras ▪ Inyo ▪ Mariposa ▪ Mono ▪ Stanislaus ▪ Tuolumne Counties.

The Housing Authority of Stanislaus applied for Emergency Safety and Security Grants Annual Funding to address safety and security needs that threaten the health and safety of the public housing residents. Documentation from Stanislaus County Sheriff's office noted a rise in crime near PHA properties by 5% and 7%, respectively. This constitutes an increase of crime of 837 and 990 incidents in their perspective locations.

If grant is awarded, the Housing Authority of Stanislaus will utilize the funds in the most appropriate manner in accordance to the Emergency Safety and Security Grant.

Goal Updates 2018

The Authority's Plan established strategic five-year goals and related objectives which the Authority plans to achieve during the five-year time frame. In the following material, we have listed those goals and objectives and commented on the Authority's efforts and progress to achieve them. This report is intended to provide an update on the Authority's five-year activity plan for the preceding four-year period.

PHA Goal: Depending on the availability of federal and state funding, increase the inventory of affordable rental housing in Stanislaus County and expand home ownership opportunities for first time home buyers.

Comments: The Housing Authority is currently working on partnerships to provide affordable housing for disabled veterans and is continuing to provide first-time home ownership opportunities through partnerships with the County of Stanislaus and several cities in the county through Neighborhood Stabilization Program funding.

Objectives:

- HCV Program – Apply for additional rental vouchers: If federal funding becomes available, expand the inventory of rental housing vouchers by 10% over the next 5 years.

Comments: The Housing Authority applied for and received an additional 33 HUD Veteran's Affairs Supportive Housing Vouchers. Through the collaborative efforts of the HACS and the local VAMC's, the VASH program has expanded to the counties of Amador, and Mariposa in 2017. The Housing Authority has increased the voucher program size from 4680 to 4779 since 2014, which represents a 2% increase.

- Public Housing Program – Reduce public housing vacancies: Achieve and maintain an average 99% lease-up rate in the Public Housing Program over the following five-year period.

Comments: To date the average lease-up rate in the Public Housing program is at 99%. The Authority continues to work towards reducing the vacancy days between residents to ensure the best possible utilization of this affordable housing resource.

- Development – Leverage private or other public funds to create additional housing opportunities.

Comments: Staff is continuing work on several projects that will utilize funding resources available through the various cities and agency funds to develop new affordable housing opportunities. These projects include a variety of affordable rental housing for homeless veterans and special needs populations four cities in Stanislaus County. In addition, the NSP programs have provided opportunities for the leveraging of funds for the creation of additional home ownership possibilities throughout the county.

- Development – Subject to the availability of funding, develop or acquire 200 affordable rental housing units over the next five years.

Comments: Twenty-one units were added to the inventory since the beginning of this plan. Staff is continually working on partnerships and searching for funding opportunities to achieve this goal. Current efforts are being applied towards the development of several affordable housing developments in Modesto, Oakdale,

Waterford and Westley. Plans for these properties are anticipated to add approximately 127 additional units of affordable housing over the next few years.

Other:

1. Public Housing – Implement a Lease to Purchase Homeownership Program.
Comments: Staff will be working towards the achievement of this goal during the 5-year plan period.
2. HCV Program – Achieve and sustain a Section 8 program utilization rate of 99%. In order to achieve this goal, the Authority will pursue marketing, project-basing vouchers, landlord outreach, and monitoring subsidy levels and utilization rates.

Comments: The Housing Choice Voucher (HCV) program is currently exceeding this goal with a 100% utilization of annual budget authority.

3. HCV/Conventional Housing Program - The PHA is working with local banking institutions to identify potential applicants for the FHLBSF's IDEA Program. Farmers & Merchants Bank, who administers the IDEA Program for first time homebuyers, providing a 3 to 1 match to an FSS Program Participants Escrow Account (up to \$15,000 match) for down payment assistance for first time homebuyers.
4. HCV/Conventional Housing Program - The FSS Program provides a comprehensive first-time homebuyers workshop presented by PMZ Realtors.

PHA Goal: Conserve and upgrade the Affordable Housing Inventory in Stanislaus County.

Comments: The Authority has made improvements to its inventory of affordable housing which has substantially furthered this important agency goal.

- Public Housing Program – Improve public housing management: (PHAS score) Maintain High Performer status in the Public Housing Program. Increase UPCS inspection scores to an average of 90.

Comments: The Authority's Public Housing Program is currently designated High Performer and the average UPCS score for our five AMPs is 90.

- HCV Program – Improve voucher management: (SEMAP score) Achieve and maintain High Performer status.

Comments: The Authority's HCV Program is currently designated High Performer. This program has been designated as a High Performing Program since 2008.

- Increase customer satisfaction.

1. Public Housing / HCV Programs – Improve communications with Residents and program participants through the use of newsletters and resident meetings.

Comments: An annual report was created which includes information on the Authority and the programs offered. It also included information on services

available to program participants and residents through partnership agencies in the community. This report was made available on the Authority's website.

Housing Programs staff are currently researching the types of services and activities desired by residents to develop programming and partnerships which meet the needs of the communities served. This research will help comprise the content of upcoming newsletters and resident meetings.

The FSS Program publishes a quarterly FSS Newsletter for current program participants

The ROSS Coordinator is working with local residents to identify services and programs at each of the PHA's X community center sites

The PHA is undergoing a complete restructuring of the Agencies website for improved access to information and documents, which will include the ability to complete applications for housing online.

2. Public Housing – Comment cards soliciting feedback on customer service satisfaction will be distributed to both new and existing residents as part of the move-in process and following up on maintenance service calls.
3. All Departments – Continue to provide staff training opportunities which support improvements in the quality of the Authority's housing programs.
Comments: Training is budgeted on an annual basis which addresses staff development and ensures quality operations of the Authority's programs and service to clients.

➤ HCV Program – Concentrate on efforts to improve specific management functions.

1. HCV Program – Conduct annual Housing Choice Voucher program inspections within 365 days of the last inspection.
Comments: This goal is currently being met. The HA is proposing to amend the existing policies to allow for biennial HQS Inspections upon approval from the HAC's Board of Commissioners.
2. HCV Program – Conduct quality control audits of annual eligibility determinations for not less than 2% of Housing Choice Voucher and Public Housing program files.
Comments: 100% of files are reviewed for each new entry level person and 10% of each regular staff person's caseload is reviewed annually for quality control.
3. HCV Program – Conduct initial unit inspections for the Housing Choice Voucher program within a 7 – 10-day time period.
Comments: Inspections for new units are being conducted within 3 business days of receipt of Request for Tenancy Approval. Initial landlord checks are sent out within 3 weeks from the date the unit passes inspection.
4. HCV Program – Reestablish a landlord "hotline" to improve response time to inquiries.
Comments: One staff person has been designated to address landlord concerns/issues on an "as needed" basis and a dedicated e-mail address has been created to receive inquiries and requests from landlords.
5. Public Housing – Capital Improvements: Renovate or modernize public housing units. Complete Public Housing Modernization Activities in a timely manner.
Comments: Modernization activities are on-going at the Public Housing

developments. Planned projects are detailed in the CFP statements attached. All of these activities were or are being completed within HUD established time frames for the Capital Fund program.

Other

1. Administration – Partner with county and/or city in efforts to improve housing stock and create stable, viable neighborhoods.

Comments: The Housing Authority continues its partnership efforts with State, City and County governments. The Housing Authority currently has partnerships with most, if not all, cities and county housing agencies and has developed extensive partnerships with State housing agencies. These partnerships have proven invaluable to the Authority's modernization and development efforts.

2. Administration – Plan and coordinate Authority's housing stock modernization efforts with county and/or city infrastructure improvement efforts.

Comments: The Housing Authority has excellent partnerships with most, if not all, cities and county agencies and has developed working relationships with all these agencies. These partnerships continue to provide the basis of our coordination efforts. The Authority continues to work with the cities and county to coordinate infrastructure improvements into its site improvement projects.

3. Public Housing – The Authority shall reduce the level of crime in its high vacancy complexes.

Comments: The Authority works with local law enforcement Crime Free programs in the communities to work towards this goal. Many of the Authority's developments have received Crime Free status awards through these programs. The Authority will work with local law enforcement agencies to help expand the Neighborhood Watch in and around our properties.

4. Development/Capital Fund Grant – The Authority shall improve the curb appeal of its complexes through completion of modernization activities.

Comments: In 2014 the Authority completed the modernization of a six-unit apartment complex in its Ceres development. Major focus was placed on curb appeal and along with updates to the exterior of the building, the landscaping, fencing and lighting were all replaced to elevate the appearance of the property. Other plans in the upcoming years include replacement of siding, doors and windows at several of the Modesto scattered sites developments.

PHA Goal: Increase assisted housing choices.

- HCV Program – Provide voucher mobility counseling at initial family briefings and during annual reexaminations.

Comments: HCV program participants who are in the process of moving are provided with mobility counseling and countywide maps which identify non-poverty concentrated neighborhoods.

- HCV Program – Continue to maintain the 2-tiered Benefit Payment Standard (BPS) to ensure families have the ability to locate affordable housing in less poverty concentrated neighborhoods.
Comments: The Housing Authority continues to maintain a 2-tiered BPS to allow mobility within the County and opportunities for program participants to relocate to non-poverty dense neighborhoods. In January, 2017, the HACS increased the BPS to 110% of the Fair Market Rents in order to address the increasing rents, which has created obstacles for program participants to locate housing in Stanislaus County

HCV Program – The HCV Administrative plan was revised to allow increased housing choices - The PHA will approve HAP Contracts in Shared Housing, Congregate Housing, and SRO Units
- HCV Program - Continue to seek funding for the Individual Development & Empowerment Accounts (IDEA) and Workforce Initiative Subsidy for Homeownership (WISH) programs for graduating Family Self-Sufficiency (FSS) Program Participants.

Comments: The PHA partners with Farmers & Merchants Bank to provide funds for first-time homebuyers through the IDEA Program.
- Public Housing – Implement public housing or other home ownership program by October 1, 2015.
Comments: Due to other agency activities, the goal date has been extended.
- Public Housing – Maintain the additional public housing site-based waiting lists established to improve marketability.
Comments: Implementation of the site-based waiting lists began in 2014 and data is currently being tracked to determine the effects on leasing activities.
- Public Housing – Implement public housing security improvements.
Comments: Modernization improvements are incorporating needed security improvements. Staff is tracking reported crime in the Authority's developments and are working closely with both the Sheriff and City police departments regarding crime issues. The Authority has also submitted an application for the Emergency Safety and Security Grants Annual Funding to address safety and security needs that threaten the health and safety of the public housing residents.



Other:

1. HCV Program – Maintain the number of Section 8 FSS program participants at 80-100% of mandatory FSS slots.
Comments: As of April, 2018, the Family Self-Sufficiency (FSS) program is providing services to 136 program participants, or approximately 136% percent of the mandatory FSS slots pledged for the program.
2. Public Housing – Maintain 25 families in a Self-Sufficiency program in the Public Housing Program.
Comments: The PHA is actively recruiting for Community Service and CSSR briefings and anticipates filling the positions by the end of the Calendar Year.
3. Public Housing – Expand and enter into partnerships which will provide Self-Sufficiency Services in the Authority's Community Centers.
Comments: The FSS Coordinators are currently working with the ROSS Coordinator in the development of service programs within all of the agency's community centers.
4. Public Housing – Initiate an individual development account program for Public Housing residents.
Comments: The program currently has an three households accumulating monthly FSS escrows with balances ranging from \$300-\$4,600.
5. HCV Program – Apply for IDEA and WISH program funds as application opportunities become available, which will allow up to \$10,000 in down payment assistance for graduating FSS families.

Comments: The process no longer requires the PHA to apply directly for IDEA/WISH funds. Staff works directly with the applicant bank, Farmers & Merchants, to refer clients for homeownership funds.
6. Development – Increase the housing stock for the FSS homeownership program for FSS participants.

In conclusion, the Housing Authority has made progress in achieving its stated goals and objectives and is on track to fulfill these within the period outlined in the Authority's 5-year plan.

**HOUSING AUTHORITY OF THE
COUNTY OF STANISLAUS**

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

SEPTEMBER 30, 2016

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**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
MODESTO, CALIFORNIA
SEPTEMBER 30, 2016**

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 S. 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
Eric Arguello	Director of Information Technology

K&A
KELLER & ASSOCIATES, LLP
18645 Sherman Way, Suite 110
Reseda, CA 91335
818.383.3079
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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, 2016 and 2015 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, 2016 and 2015, 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), 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 22, 2017 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 22, 2017

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, 2016. 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 \$46 million for the year. Approximately \$7.6 million of rental and investment income was generated to cover part of total expenses, and government grants and subsidies covered the balance. Approximately 68 and 67 percent of our fiscal years 2016 and 2015, respectively, spending was for housing assistance payments.
- The assets of the Housing Authority exceeded its liabilities at the close of fiscal years 2016 and 2015 by approximately \$70.5 and \$69.0 million, respectively. Of that amount, approximately \$24.1 and \$20.9 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 2016 by \$70,549,707 (net position).
- The Housing Authority's current assets increased by approximately \$2.9 million as a result of the fiscal year 2016 operations.
- The Housing Authority's total net position increased by approximately \$1.5 million as a result of fiscal year 2016 operations.
- Operating Revenue of the Housing Authority increased by approximately \$2.7 million 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 (65 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

	<u>2016</u>	<u>2015</u>
Current Assets	\$ 31,046,441	\$ 28,113,272
Non-Current Assets		
Capital Assets, Net of Depreciation	70,835,331	72,915,251
Other Assets	<u>2,948,629</u>	<u>2,689,389</u>
 Total Assets	 <u>\$ 104,830,401</u>	 <u>\$ 103,717,912</u>
 Deferred Outflow of Resources	 <u>\$ 730,462</u>	 <u>\$ 15,553</u>
Total Assets and Deferred Outflow of Resources	 <u>\$ 105,560,863</u>	 <u>\$ 103,733,465</u>
 Current Liabilities	 \$ 8,857,906	 \$ 9,003,932
Non-Current Liabilities	<u>25,791,630</u>	<u>25,501,258</u>
 Total Liabilities	 <u>\$ 34,649,536</u>	 <u>\$ 34,505,190</u>
 Deferred Inflow of Resources	 <u>\$ 361,620</u>	 <u>\$ 220,911</u>
Total Liabilities and Deferred Inflow of Resources	 <u>\$ 35,011,156</u>	 <u>\$ 34,726,101</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	 \$ 45,550,941	 \$ 47,288,642
Restricted Net Position	912,466	808,911
Unrestricted Net Position	<u>24,086,300</u>	<u>20,909,811</u>
 Total Net Position	 <u>\$ 70,549,707</u>	 <u>\$ 69,007,364</u>

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 increased by approximately \$2.9 million. The increase in current assets was due primarily to a release from restrictions of Net Restricted Assets Funds as to the Housing Choice Vouchers Program as well as surplus cash generated from operations. However, timing as to the payment of accruals has created a large end of year balance in cash, that will be paid in early October 2017, effectively decreasing the year-end balance of cash by approximately \$1.5 million.
- Total Deferred Outflow of Resources increased by \$714,909 representing future outflows attributable to pension investment losses and projected versus actual experience factors as they are anticipated to effect the Authority's pension plan in the future. The Deferred Outflow is being reported as a result of implementing GASB 68.
- Total Liabilities increased by approximately \$144 thousand 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 \$430,000. The overall increase is due to the recording the net pension liability in the amount of \$574,201, in accordance with GASB 68 reporting requirements.
- Total Deferred Inflow of Resources increased by \$140,708 representing future projected investment gains of \$201,799, and actuarial assumptions changes of (\$61,091), both of which are forecasted to impact the Authority's pension plan in future years. The Deferred Inflow is being reported as a result of implementing GASB 68.
- Net Position for Invested in Capital Assets, Net of Related Debt decreased by approximately \$1.7 million. The decrease was due to an increase in accumulated depreciation of approximately \$3.0 million netted with the completion of rehabilitation work on the Conventional Housing units of approximately \$518 thousand and the increase in inventory of 2 units of NSP housing for \$140 thousand, respectively, as well as amortizing principal payments of roughly \$400 thousand and lastly fixed asset additions during the year ended September 30, 2016 of approximately \$200 thousand.

Management's Discussion and Analysis (continued)

- Unrestricted net position, the part of net position that can be used to finance day-to-day operations, increased by approximately \$3.1 million from the prior fiscal year. The overall increase is attributable to the surplus (deficit) generated from operations as to the following programs: 1). Rural Development Farm Labor approximately \$81,000 2). Conventional Low Rent approximately \$272,000. Housing Choice Voucher approximately \$465,000 4). Central Office Cost Center approximately \$91,000 5). Local programs approximately \$599,000. Also, included in this increase was the overall impact to net position as a result of Net Position for Invested in Capital Assets, Net of Related Debt decreasing by approximately \$1.7 million, essentially being restricted in the current year due to operations and primarily depreciation.
- Restricted net position increased by approximately \$104 thousand from the prior fiscal year. The increase was due to excess Housing Assistance Payments advanced from HUD.

Management's Discussion and Analysis (continued)

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

	<u>2016</u>	<u>2015</u>
Operating Revenue		
Rental Income	\$ 7,688,116	\$ 7,263,994
Grants and Subsidy	39,780,034	37,504,059
Investment Income	118,695	69,187
Other Revenue	<u>621,578</u>	<u>621,877</u>
Total Operating Revenue	48,208,423	45,459,117
Operating Expenses		
Administrative Services	5,298,208	5,087,079
Tenant Services	89,922	291,879
Utilities	1,482,934	1,439,787
Maintenance and Extraordinary Maint	3,767,720	3,836,847
Protective Services	14,377	13,253
Insurance	503,721	481,618
General	425,588	347,658
Housing Assistance Payments	31,644,226	30,250,127
Interest	435,335	445,395
Depreciation and Amort. Expense	<u>3,004,049</u>	<u>3,150,268</u>
Total Operating Expense	46,666,080	45,343,911
Increase (Decrease) in Net Position	\$ 1,542,343	\$ 115,206
Prior Period Adjustment	-	(2,855,530)
Net Position at Beginning of Year	<u>69,007,364</u>	<u>71,747,688</u>
Total Net Position at End of Year	<u>\$ 70,549,707</u>	<u>\$ 69,007,364</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 increase of approximately \$2.7 million was due to an increase in the operating subsidies of approximately \$2.2 million, generated during the current period as well an increase in operating revenues of approximately \$500 thousand.
- Total Operating Expense increased by approximately \$1.3 million was due to an increase in Housing Assistance Payments.
- Net Position increased approximately \$1.5 million or 2.2% during the 2016 fiscal year. The Net Position for fiscal year 2015 increased by 3.9%.

Capital Assets

The Housing Authority's investment in non-current capital assets as of September 30, 2016 and 2015 amounts to \$70,835,331 and \$72,915,251 (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, 2016 and 2015 was approximately \$2.1 million (decrease) and \$1.9 million (decrease), 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.) an increase in inventory of 2 units of NSP housing located at Empire and Grayson.

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, 2016 AND 2015

ASSETS

CURRENT ASSETS	<u>2016</u>	<u>2015</u>
<u>Cash</u>		
Cash - unrestricted	\$ 7,917,486	\$ 5,204,481
Cash - restricted	276,932	111,963
Cash - restricted for payment of current liabilities	83,009	44,232
Cash - tenant security	540,154	538,221
Total cash	<u>8,817,581</u>	<u>5,898,897</u>
<u>Receivables</u>		
Accounts receivable - PHA projects	38,098	46,443
Accounts receivable - HUD other projects	292,351	278,922
Accounts receivable - other government	483,058	485,816
Accounts receivable - miscellaneous	619,235	623,772
Accounts receivable - tenant dwelling rents	115,041	93,660
Allowance for doubtful accounts - tenant dwelling rents	(45,593)	(31,456)
Allowance for doubtful accounts - other	(740)	(740)
Accrued interest receivable	28,498	15,036
Total receivables	<u>1,529,948</u>	<u>1,511,453</u>
<u>Other current assets</u>		
Investments - Unrestricted	18,547,681	18,469,545
Investments - Restricted	812,350	808,911
Prepaid Expenses and Other Assets	800,450	747,916
Inventories	46,422	44,351
Assets held for sale	492,009	632,199
Total other current assets	<u>20,698,912</u>	<u>20,702,922</u>
TOTAL CURRENT ASSETS	\$ <u>31,046,441</u>	\$ <u>28,113,272</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, 2016 AND 2015

ASSETS (CONTINUED)

NONCURRENT ASSETS	<u>2016</u>	<u>2015</u>
<u>Fixed assets</u>		
Land	\$ 9,003,584	\$ 8,961,584
Buildings	117,108,218	116,754,996
Furniture, equipment and machinery dwellings	69,620	69,620
Furniture, equipment and machinery administration	2,341,545	2,151,985
Accumulated depreciation	(59,393,905)	(56,431,355)
Construction in progress	1,706,269	1,408,421
Net fixed assets	<u>70,835,331</u>	<u>72,915,251</u>
<u>Other noncurrent assets</u>		
Notes, loans and mortgages receivable	<u>2,948,629</u>	<u>2,689,389</u>
Total other noncurrent assets	<u>2,948,629</u>	<u>2,689,389</u>
TOTAL NONCURRENT ASSETS	<u>73,783,960</u>	<u>75,604,640</u>
TOTAL ASSETS	<u>\$ 104,830,401</u>	<u>\$ 103,717,912</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension investment losses	\$ 721,366	\$ -
Deferred outflows of resources related to experience differences	9,096	-
Deferred outflow of resources related to pension contributions	<u>-</u>	<u>15,553</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 730,462</u>	<u>\$ 15,553</u>
TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 105,560,863</u></u>	<u><u>\$ 103,733,465</u></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, 2016 AND 2015

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

LIABILITIES	<u>2016</u>	<u>2015</u>
<u>Current liabilities</u>		
Accounts payable, < 90 days	\$ 775,329	\$ 782,151
Accrued wages payable	167,468	152,988
Accrued compensated absences - current portion	431,392	391,291
Accrued interest payable	1,022,479	945,980
Accounts payable - other government	3,259,539	3,540,152
Tenant security deposits payable	540,154	538,221
Deferred revenue	2,014,796	2,073,506
Current portion of long-term debt - capital projects/mortgage revenue bonds	345,896	335,134
Other current liabilities	300,853	244,509
Total current liabilities	<u>8,857,906</u>	<u>9,003,932</u>
<u>Noncurrent liabilities</u>		
Long-term debt, net of current portion - capital projects/mortgage revenue bonds	24,938,494	25,291,474
Noncurrent liabilities - other	171,089	111,963
Net pension liability	574,201	-
Accrued compensated absences - noncurrent	107,846	97,821
Total noncurrent liabilities	<u>25,791,630</u>	<u>25,501,258</u>
TOTAL LIABILITIES	<u>\$ 34,649,536</u>	<u>\$ 34,505,190</u>
 DEFERRED INFLOWS OF RESOURCES		
Investment gains related to the pension	\$ 275,565	\$ 73,766
Assumption change related to the pension	86,055	147,145
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 361,620</u>	<u>\$ 220,911</u>
 NET POSITION		
Invested in capital assets, net of related debt	\$ 45,550,941	\$ 47,288,642
Restricted net position	912,466	808,911
Unrestricted net position	24,086,300	20,909,811
TOTAL NET POSITION	<u>70,549,707</u>	<u>69,007,364</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 105,560,863</u>	<u>\$ 103,733,465</u>

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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Operating Revenues</u>		
Operating subsidy - HUD provided	\$ 37,298,583	\$ 35,269,764
Operating subsidy - non-HUD provided	1,772,881	1,835,183
Rental income, net of bad debts	7,483,487	7,105,856
Miscellaneous income	746,167	747,098
Total operating revenues	<u>47,301,118</u>	<u>44,957,901</u>
<u>Operating Expenses</u>		
Administrative services	5,298,208	5,087,079
Tenant services	89,922	291,879
Utilities	1,482,934	1,439,787
Maintenance and operations	3,767,720	3,836,847
Protective services	14,377	13,253
Insurance expenses	503,721	481,618
General expenses	345,548	314,741
Housing assistance payments	31,644,226	30,250,127
Depreciation	3,004,049	3,150,268
Total operating expenses	<u>46,150,705</u>	<u>44,865,599</u>
Net operating income (loss)	1,150,413	92,302
<u>Non-operating Revenues (Expenses)</u>		
Investment income	118,695	69,187
Interest expenses	(435,335)	(445,395)
Total net non-operating revenues (expenses)	<u>(316,640)</u>	<u>(376,208)</u>
Net (loss) income before contributions and transfers	<u>833,773</u>	<u>(283,906)</u>
<u>Contributions and transfers</u>		
Capital contributions - capital fund grants	518,380	349,112
Capital contributions - other non-HUD government grants	190,190	50,000
Net income from contributions and transfers	<u>708,570</u>	<u>399,112</u>
CHANGES IN NET POSITION	1,542,343	115,206
NET POSITION AT BEGINNING OF YEAR	69,007,364	71,747,688
PRIOR PERIOD ADJUSTMENT - CHANGE IN ACCOUNTING PRINCIPLE	-	(2,855,530)
NET POSITION AT END OF YEAR	<u>\$ 70,549,707</u>	<u>\$ 69,007,364</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Cash flows from operating activities</u>		
Tenant revenues	\$ 7,464,992	\$ 8,173,314
Non-tenant revenues	40,644,896	38,320,344
Operating and maintenance expenses	(43,884,781)	(47,923,488)
Net cash provided by (used in) operating activities	<u>4,225,107</u>	<u>(1,429,830)</u>
<u>Cash flows from investing activities</u>		
Purchase of property and equipment	(584,782)	(3,291,152)
Construction in progress	(297,848)	2,192,326
Net activity of investments	(81,575)	(421,226)
Net cash used in investing activities	<u>(964,205)</u>	<u>(1,520,052)</u>
<u>Cash flows from capital and related financing activities</u>		
Payments to notes payable	(342,218)	(87,581)
Net cash used in capital and related financing activities	<u>(342,218)</u>	<u>(87,581)</u>
Net increase (decrease) in cash and cash equivalents	2,918,684	(3,037,463)
Cash and cash equivalents at the beginning of the period	<u>5,898,897</u>	<u>8,936,360</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ <u>8,817,581</u>	\$ <u>5,898,897</u>
<u>Cash flows from operating activities</u>		
Change in net position	\$ 1,542,343	\$ 115,206
Adjustment to reconcile net position to net cash provided by operating activities:		
Depreciation and amortization	2,962,550	2,988,679
Prior period adjustment - change in accounting method	-	(2,855,530)
Decrease (increase) in operating assets and deferred outflows of resources:		
Accounts receivables	(18,495)	1,067,458
Inventories	(2,071)	(3,916)
Prepaid expenses and deferred charges	(52,534)	(66,392)
Assets held for sale	140,190	2,593,296
Notes receivable	(259,240)	-
Deferred outflow of resources related to pension	(714,909)	(15,553)
Increase (decrease) in operating liabilities and deferred inflows of resources:		
Accounts payable and other accrued expenses	(89,570)	(5,499,641)
Deferred inflow of resources related to pension	140,709	220,911
Net pension liability	574,201	-
Tenant security deposits payables	1,933	25,652
Net cash provided by (used in) operating activities	<u>\$ 4,225,107</u>	<u>\$ (1,429,830)</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, 2016 AND 2015

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, 2016 AND 2015

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		110
Conant Place		81
Valley Manor	SF-81-421	48
Palm Valley		40
Pine Meadows		36
Meadow Glen		34
NSP		36
Randazzo		24
Village One		20
Miller Point		16
Paramont		12
Brighton Place		11
Downey Terrace		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, 2016 AND 2015

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, 2016 AND 2015

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, 2016 AND 2015

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:

	2016	2015
Checking - Farmers and Merchants Bank	\$ 8,816,581	\$ 5,897,897
Cash on Hand	1,000	1,000
	<u>\$ 8,817,581</u>	<u>\$ 5,898,897</u>

Investments are comprised of the following:

Investment - Local Agency Investment Fund	\$ <u>19,360,031</u>	\$ <u>19,278,456</u>
	<u>\$ 19,360,031</u>	<u>\$ 19,278,456</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, 2016 and 2015, the Authority's deposits with various financial institutions have a carrying amount and bank value of \$8,817,581 and \$5,898,897, respectively. Of the Authority's total bank balance, \$8,817,581 and \$5,898,897, 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, 2016 AND 2015

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>2016</u>	<u>2015</u>
Cash	\$ 8,817,581	\$ 5,898,897
Investments – Unrestricted	18,547,681	18,469,545
Investments – Restricted	<u>812,350</u>	<u>808,911</u>
Total Cash	\$ <u>28,177,612</u>	\$ <u>25,177,353</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, 2016 and 2015 amounted to \$3,004,049 and \$3,150,268, respectively.

Subsequent Events

Management has evaluated subsequent events through May 22, 2017, 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, 2016 AND 2015

2. **Land, Structures and Equipment**

Land, structures and equipment consist of the following at September 30, 2016 and 2015:

	September 30, 2015	Additions	Retirements	September 30, 2016
Land	\$ 8,961,584	\$ 42,000	\$ -	\$ 9,003,584
Buildings	116,754,996	530,326	(177,104)	117,108,218
Equipment – Dwelling	69,620	-	-	69,620
Equipment – Admin	2,151,985	231,062	(41,502)	2,341,545
Construction in Progress	1,408,421	297,848	-	1,706,269
Subtotal	<u>129,346,606</u>	<u>1,101,236</u>	<u>(218,606)</u>	<u>130,229,236</u>
Less:				
Accumulated Depreciation	<u>(56,431,355)</u>	<u>(3,004,052)</u>	<u>41,502</u>	<u>(59,393,905)</u>
Net	\$ <u>72,915,251</u>	\$ <u>(1,902,816)</u>	\$ <u>(177,104)</u>	\$ <u>70,835,331</u>
	September 30, 2014	Additions	Retirements	September 30, 2015
Land	\$ 8,890,984	\$ 70,600	\$ -	\$ 8,961,584
Buildings	113,521,961	3,479,908	(246,873)	116,754,996
Equipment – Dwelling	69,620	-	-	69,620
Equipment – Admin	2,164,468	-	(12,483)	2,151,985
Construction in 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 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>

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

3. **Unearned Revenue**

Unearned revenues are made up of two components prepaid rent representing tenant rental payments received in advance of being due, which are deferred until earned; as well as unexpended conditional grant awards, which are reported as deferred revenue until they are spent for the purpose of the grant. The Authority had deferred revenues as reported on line item 342 in an aggregate amount of \$2,014,796 and \$2,073,506 as of September 30, 2016 and 2015, respectively. The breakdown of the current year aggregate by component and program is as follows:

Prepaid Rent:	
Public Housing (Low Rent)	\$ 19,787
Section 8 HAP Program Special Allocations (Valley Manor)	3,964
Farm Labor Housing Loans and Grants (Farm Labor)	27,815
Local Programs (State/Local)	26,413
State of California Office of Migrant Services (OMS) – (State/Local)	6,280
Total Prepaid Rent	\$ <u>84,259</u>

Unexpended Grant Funds by grantor are as follows:

County of Stanislaus (State/Local)	\$ 134,646
State of California Office of Migrant Services (OMS) – (State/Local)	293,823
State of California Office of Migrant Services (OMS) RD – (State/Local)	532,721
State of California Office of Migrant Services (OMS) RD Replacement Reserve – (State/Local)	606,736
State of California Office of Migrant Services (OMS) RD Rehabilitation Grant– (State/Local)	322,226
State of California Office of Migrant Services (OMS) Rehabilitation Grant – (State/Local)	40,385
Total Unexpended Grant Funds	\$ <u>1,930,537</u>

4. **Family Self-Sufficiency Liabilities**

The Family Self-Sufficiency (FSS) program provides supportive services that enable participating low and moderate income families to achieve economic independence and self-sufficiency. The Authority contracts with each participating Housing Choice Voucher family to set aside funds in an interest-bearing account as long as the client meets all of the goals set forth when they originally signed up for the FSS program. Upon successful completion of the FSS program goals, those funds are disbursed to the family. The Authority's liability to FSS participants at September 30, 2016 was \$254,098.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
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5. **Compensated Absences**

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick leave. This leave will be used in future periods or paid to employees upon separation from the Authority. Accrued vacation and sick leave has been valued by the Authority and has been recorded as a current liability of \$431,392 and \$107,846 as a non-current liability as of September 30, 2016; and \$391,291 and \$97,821 as to current and non-current obligations as of September 30, 2015, respectively.

It is the Authority's policy to permit employees to accumulate earned but unused sick leave. The value of unused sick leave is payable to employees upon separation from the Authority as a percentage of accrued sick leave based on years of service as follows:

- Employees with up to 5 years is paid out at zero
- Employees from 5 years up to 10 years is paid out at 25%
- Employees from 10 years up to 20 years is paid out at 35%
- Employees with more than 20 years is paid out at 50%

6. **Noncurrent Liabilities (Compensated Absences Only)**

The Authority's Compensated Absences at September 30, 2016 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Noncurrent Portion
Accrued Compensated Absences	\$489,112	\$338,994	\$(288,868)	\$539,238	\$431,392	\$107,846
Total Accrued Compensated Absences Liabilities	\$489,112	\$338,994	\$(288,868)	\$539,238	\$431,392	\$107,846

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
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7. **Long Term Debt**

The notes payable consist of the following at September 30, 2016 and 2015.

	<u>2016</u>	<u>2015</u>
<u>Brighton Village</u>		
3% note payable to the City of Modesto. Principal and accrued interest deferred until July 31 st , 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.	75,281	92,755
<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.	\$ 466,473	\$ 493,660

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
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7. **Long Term Debt** (continued)

	2016	2015
<u>Conant Place</u>		
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.	\$ 512,169	\$ 556,957
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
<u>Village One</u>		
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.	1,238,049	1,270,632
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
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7. **Long Term Debt** (continued)

	2016	2015
<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.	\$ 431,870	\$ 445,694

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
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7. **Long Term Debt** (continued)

	2016	2015
<u>Valley Manor Apartments</u> (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.	\$ 1,500,343	\$ 1,531,230

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

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

	<u>2016</u>	<u>2015</u>
<u>Valley Manor Apartments</u> (continued)		
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.	524,467	538,293
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.	1,929,542	2,055,685
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
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7. **Long Term Debt** (continued)

	<u>2016</u>	<u>2015</u>
<u>Palm Valley</u>		
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.	1,418,238	1,453,744
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
<u>605 E. Coolidge Avenue</u>		
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
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7. **Long Term Debt** (continued)

	<u>2016</u>	<u>2015</u>
<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, 2016 and 2015 \$5,029,683 and \$5,029,683 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	\$ 5,029,683

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

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

	<u>2016</u>	<u>2015</u>
<u>416 Downey Avenue</u>		
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, 2016 and 2015 \$1,954,179 and \$1,954,179 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.		
	\$ <u>1,985,439</u>	\$ <u>1,985,439</u>
Total	\$ <u><u>25,284,390</u></u>	\$ <u><u>25,626,608</u></u>

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

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

Estimated future principal maturities are as follows:

Fiscal Year Ended September 30	Amount
2017	\$ 352,625
2018	364,219
2019	361,419
2020	374,021
2021	371,459
Thereafter	<u>23,460,647</u>
	<u>\$ 25,284,390</u>

8. **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, 2015
- Measurement Date (MD) June 30, 2016
- Measurement Period (MP) July 1, 2015 to June 30, 2016

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

8. **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 6.237% and 6.250% effective through June 30, 2016 and 2015, respectively; this rate will not be revised until the June 30, 2016 actuarial valuation of the Miscellaneous 2 percent at age 62 risk pool is completed in the fall of 2016.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

8. **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 the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the CalPERS actuaries and actuarial consultant and adopted by the Board of Administration. The required employer contribution rate for the fiscal years ended June 30, 2016 and 2015 was 6.709% and 6.652%, respectively, of the employee's annual covered payroll. The contribution requirements of the plan members are established by State statute and the employer rate is established and may be amended by CalPERS. This difference in contribution requirements will ultimately lead to overfunding or underfunding of pension plan contributions, as they relate to the net pension liability being reported based on CalPERS actuarial assumptions. However, management believes over time the smoothing of this difference will be insignificant, and will be adjusted through the deferred outflows and inflows of resources being reported annually.

Annual Pension Cost

The Authority's annual pension cost for the fund was equal to the Authority's required and actual contributions, which were determined as part of the June 30, 2015, actuarial valuation using the entry age normal actuarial cost method. Significant actuarial assumptions used to compute the CalPERS pension benefit obligation include an actuarial interest rate of 7.65% per annum and projected salary increases that vary by length of service. The total increase in any future year includes an assumed 2.75% inflation rate and no across the board or merit increases. The actuarial value of the Authority's assets was determined using a technique that addresses the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains or losses. The plan's unfunded actuarial accrued liability (UAAL) (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis.

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

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, 2016 (the measurement date) the active employee contribution rate was 6.880 percent of annual pay, and the average employer's contribution rate was 6.709 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.

Schedule of Employer Contributions

	Fiscal Year 2015-2016
Actuarially Determined Contribution ¹	\$473,969
Contributions in Relation to the Actuarially Determined Contribution	(-)
Contribution Deficiency (Excess)	\$473,969
Covered-Employee Payroll ^{2,3}	\$4,073,036
Contributions as a Percentage of Covered-Employee Payroll ²	11.637%

Schedule of Employer Contributions – Table Assumptions

¹ 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.

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

Schedule of Employer Contributions – Table Assumptions (continued)

² 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.

³ Payroll from prior year (\$3,954,404) 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. The actuarially determined net pension liabilities have been reported by the Authority in their financial statements as of September 30, 2016, in the amount \$574,201.

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 2015) to 7.65% as of the June 30, 2016 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

For the measurement period ending June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. Both the June 30, 2015 total pension liability and the June 30, 2016 total pension liability were based on the following actuarial methods and assumptions:

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

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
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

¹ 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 2015 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, 2015 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.

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.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
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SEPTEMBER 30, 2016 AND 2015

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

Expected Rate of Return (continued)

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.

Asset Class	New Strategic Allocation	Real Return Years 1-10 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

⁽¹⁾ An expected inflation of 2.5% used for this period

⁽²⁾ An expected inflation of 3.0% used for this period

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
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SEPTEMBER 30, 2016 AND 2015

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

Discount Rate

The discount rate used to measure the total pension liability was increased 7.50 percent in the prior measurement date to 7.65 percent being used currently. 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 7.65 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 7.80 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.

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.

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

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

At September 30, 2016, the Authority recorded a liability of \$574,201 for our proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2016 and determined by an actuarial valuation as of that date. The Authority's proportionate share of the total net pension liability was based on the ratio of our actual contributions of \$527,312 paid to CalPERS for the year ended September 30, 2016 relative to the actual contribution of \$339,150,830 from all participating employers. At September 30, 2015, the Authority's proportionate share was 0.015548%.

For the year ended September 30, 2016, the Authority recognized a pension expense of \$527,312, our proportionate share of the total pension expense.

At September 30, 2016, we reported deferred outflows of resources and deferred inflows of resources from the following sources related to CalPERS pension benefits:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual Experience	\$ 9,096	\$ -
Changes of assumptions	-	(86,055)
Net difference between projected and actual earnings on pension plan investments	<u>721,366</u>	<u>(275,565)</u>
Total	\$ <u>730,462</u>	\$ <u>(361,620)</u>

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

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

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

\$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:	
2017	\$ 21,518
2018	30,070
2019	201,246
2020	116,008
2021	-
Thereafter	<u>\$ -</u>

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

	<u>6/30/2016¹</u>
Plan's Proportion of the Net Pension Liability (Asset)	0.17411%
Plan's Proportionate Share of the Net Pension Liability (Asset)	\$24,183,977
Plan's Covered-Employee Payroll ²	\$4,073,036
Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	87.97%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	0.21690%
Plan's Proportionate Share of Aggregate Employer Contributions ^{3,4}	\$254,521

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² 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.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

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

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

- ³ 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.
- ⁴ 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.

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 Rate -1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Plan's Net Pension Liability	\$11,739,083	\$7,534,840	\$4,060,242

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

9. **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 an amount 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.

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, 2016, the total contribution made was zero.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

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

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
SEPTEMBER 30, 2016 AND 2015

10. **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.

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

Financial reporting information pertaining to the 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)	<u>(2,855,530)</u>
Net Position as adjusted, October 1, 2014	<u>\$ 68,892,158</u>

**HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
FINANCIAL DATA
SEPTEMBER 30, 2016**

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
CURRENT ASSETS								
Cash								
111	Cash - unrestricted	\$ 1,325,941	\$ 122,743	\$ -	\$ 1,014,962	\$ 923,918	\$ 3,671,206	\$ -
113	Cash - restricted	6,420	5,727	-	264,785	-	-	-
114	Cash - tenant security	316,859	12,107	-	-	36,260	174,928	-
115	Cash - restricted for current liabilities	-	-	-	83,009	-	-	-
100	Total cash	1,649,220	140,577	-	1,362,756	960,178	3,846,134	-
Receivables								
121	Accounts receivable - PHA projects	-	-	-	-	-	38,098	-
122	Accounts receivable - HUD other projects	14,212	-	-	-	-	-	271,746
124	Accounts receivable - other government	-	-	-	-	29,189	453,869	-
125	Accounts receivable - miscellaneous	-	-	-	1,794	10,097	607,344	-
126	Accounts receivable - tenant dwelling rents	62,116	12,383	-	7,911	9,186	23,445	-
126.1	Allowance for doubtful accounts - tenant dwelling rents	(28,166)	(7,440)	-	-	(5,412)	(4,575)	-
126.2	Allowance for doubtful accounts - other	-	-	-	(740)	-	-	-
129	Accrued interest receivable	13,569	331	-	875	2,277	7,994	-
120	Total receivables	61,731	5,274	-	9,840	45,337	1,126,175	271,746
Other current assets								
131	Investments - Unrestricted	8,295,898	218,040	-	575,745	1,498,706	5,865,397	-
132	Investments - Restricted	812,350	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	5,685	205	-	17,657	1,521	773,467	-
143	Inventories	46,422	-	-	-	-	-	-
144	Inter-program - due from	-	-	-	-	-	755,256	-
145	Assets held for sale	-	-	-	-	-	492,009	-
	Total other current assets	9,160,355	218,245	-	593,402	1,500,227	7,886,129	-
150	TOTAL CURRENT ASSETS	\$ 10,871,306	\$ 364,096	\$ -	\$ 1,965,998	\$ 2,505,742	\$ 12,858,438	\$ 271,746

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

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
FINANCIAL DATA (CONTINUED)
SEPTEMBER 30, 2016

ASSETS

Line Item #		Disaster Housing Assistance Grant	COCC	Shelter Plus Care	PIH Family Self Sufficiency Program	Combined Total	Eliminations	Consolidated Total
CURRENT ASSETS								
Cash								
111	Cash - unrestricted	\$ 11,887	\$ 846,829	\$ -	-	\$ 7,917,486	\$ -	\$ 7,917,486
113	Cash - restricted	-	-	-	-	276,932	-	276,932
114	Cash - tenant security	-	-	-	-	540,154	-	540,154
115	Cash - restricted for current liabilities	-	-	-	-	83,009	-	83,009
100	Total cash	11,887	846,829	-	-	8,817,581	-	8,817,581
Receivables								
121	Accounts receivable - PHA projects	-	-	-	-	38,098	-	38,098
122	Accounts receivable - HUD other projects	-	-	-	6,393	292,351	-	292,351
124	Accounts receivable - other government	-	-	-	-	483,058	-	483,058
125	Accounts receivable - miscellaneous	-	-	-	-	619,235	-	619,235
126	Accounts receivable - tenant dwelling rents	-	-	-	-	115,041	-	115,041
126.1	Allowance for doubtful accounts - tenant dwelling rents	-	-	-	-	(45,593)	-	(45,593)
126.2	Allowance for doubtful accounts - other	-	-	-	-	(740)	-	(740)
129	Accrued interest receivable	-	3,452	-	-	28,498	-	28,498
120	Total receivables	-	3,452	-	6,393	1,529,948	-	1,529,948
Other current assets								
131	Investments - Unrestricted	-	2,093,895	-	-	18,547,681	-	18,547,681
132	Investments - Restricted	-	-	-	-	812,350	-	812,350
142	Prepaid Expenses and Other Assets	-	1,915	-	-	800,450	-	800,450
143	Inventories	-	-	-	-	46,422	-	46,422
144	Inter-program - due from	-	-	-	-	755,256	(755,256)	-
145	Assets held for sale	-	-	-	-	492,009	-	492,009
	Total other current assets	-	2,095,810	-	-	21,454,168	(755,256)	20,698,912
150	TOTAL CURRENT ASSETS	\$ 11,887	\$ 2,946,091	\$ -	6,393	\$ 31,801,697	\$ (755,256)	\$ 31,046,441

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

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
FINANCIAL DATA (CONTINUED)
SEPTEMBER 30, 2016

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
NONCURRENT ASSETS								
<u>Fixed assets</u>								
161	Land	\$ 3,007,397	\$ 410,882	\$ -	\$ -	\$ 540,892	\$ 5,044,413	\$ -
162	Buildings	50,213,314	3,096,456	-	-	30,411,156	33,387,292	-
163	Furniture, equipment and machinery dwellings	24,352	-	-	-	32,268	13,000	-
164	Furniture, equipment and machinery administration	1,554,787	-	-	239,736	40,044	133,759	-
166	Accumulated depreciation	(36,951,382)	(811,190)	-	(231,818)	(12,933,350)	(8,208,854)	-
167	Construction in progress	364,262	-	-	-	-	1,342,007	-
160	Net fixed assets	18,212,730	2,696,148	-	7,918	18,091,010	31,711,617	-
<u>Other noncurrent assets</u>								
171	Notes, loans and mortgages receivable	-	-	-	-	-	2,948,629	-
	Total other noncurrent assets	-	-	-	-	-	2,948,629	-
180	TOTAL NONCURRENT ASSETS	18,212,730	2,696,148	-	7,918	18,091,010	34,660,246	-
190	TOTAL ASSETS	29,084,036	3,060,244	-	1,973,916	20,596,752	47,518,684	271,746
200	Deferred outflow of resources	140,089	-	-	247,187	105,673	95,368	-
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 29,224,125	\$ 3,060,244	\$ -	\$ 2,221,103	\$ 20,702,425	\$ 47,614,052	\$ 271,746

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

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
FINANCIAL DATA (CONTINUED)
SEPTEMBER 30, 2016

ASSETS

Line Item #		Disaster Housing Assistance Grant	COCC	Shelter Plus Care	PIH Family Self Sufficiency Program	Combined Total	Eliminations	Consolidated Total
NONCURRENT ASSETS								
<u>Fixed assets</u>								
161	Land	\$ -	\$ -	\$ -	-	\$ 9,003,584	\$ -	\$ 9,003,584
162	Buildings	-	-	-	-	117,108,218	-	117,108,218
163	Furniture, equipment and machinery dwellings	-	-	-	-	69,620	-	69,620
164	Furniture, equipment and machinery administration	-	373,219	-	-	2,341,545	-	2,341,545
166	Accumulated depreciation	-	(257,311)	-	-	(59,393,905)	-	(59,393,905)
167	Construction in progress	-	-	-	-	1,706,269	-	1,706,269
160	Net fixed assets	-	115,908	-	-	70,835,331	-	70,835,331
<u>Other noncurrent assets</u>								
171	Notes, loans and mortgages receivable	-	-	-	-	2,948,629	-	2,948,629
	Total other noncurrent assets	-	-	-	-	2,948,629	-	2,948,629
180	TOTAL NONCURRENT ASSETS	-	115,908	-	-	73,783,960	-	73,783,960
190	TOTAL ASSETS	11,887	3,061,999	-	6,393	105,585,657	(755,256)	104,830,401
200	Deferred outflow of resources	-	142,145	-	-	730,462	-	730,462
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 11,887	\$ 3,204,144	\$ -	\$ 6,393	\$ 106,316,119	\$ (755,256)	\$ 105,560,863

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

**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
CURRENT ASSETS								
Cash								
111	Cash - unrestricted	\$ 527,755	\$ 37,476	\$ -	\$ 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	-
Receivables								
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
Other current assets								
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	-
150	TOTAL CURRENT ASSETS	\$ 9,851,927	\$ 234,082	\$ 554	\$ 1,359,234	\$ 1,878,632	\$ 12,407,844	\$ 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 Item #		Disaster Housing Assistance Grant	COCC	Shelter Plus Care	PIH Family Self Sufficiency Program	Combined Total	Eliminations	Consolidated Total
CURRENT ASSETS								
Cash								
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
Receivables								
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
Other current assets								
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
NONCURRENT ASSETS								
<u>Fixed assets</u>								
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	-
<u>Other noncurrent assets</u>								
171	Notes, loans and mortgages receivable	-	-	-	-	-	2,689,389	-
	Total other noncurrent assets	-	-	-	-	-	2,689,389	-
180	TOTAL NONCURRENT ASSETS	18,926,358	2,790,074	-	26,846	18,735,551	35,095,475	-
190	TOTAL ASSETS	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	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 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 Item #		Disaster Housing Assistance Grant	COCC	Shelter Plus Care	PIH Family Self Sufficiency Program	Combined Total	Eliminations	Consolidated Total
NONCURRENT ASSETS								
<u>Fixed assets</u>								
161	Land	\$ -	\$ -	\$ -	-	\$ 8,961,584	\$ -	\$ 8,961,584
162	Buildings	-	-	-	-	116,754,996	-	116,754,996
163	Furniture, equipment and machinery dwellings	-	-	-	-	69,620	-	69,620
164	Furniture, equipment and machinery 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
<u>Other noncurrent assets</u>								
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 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, 2016**

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
LIABILITIES								
<u>Current liabilities</u>								
312	Accounts payable, < 90 days	\$ 140,626	\$ 8,456	\$ -	\$ 120,743	\$ 62,203	\$ 354,539	\$ 1,867
321	Accrued wages payable	-	-	-	-	-	167,468	-
322	Accrued compensated absences - current portion	81,443	-	-	84,315	61,818	78,452	-
325	Accrued interest payable	-	314,437	-	-	-	708,042	-
333	Accounts payable - other government	-	-	-	7,552	-	3,251,987	-
341	Tenant security deposits payable	316,859	12,107	-	-	36,260	174,928	-
342	Deferred revenue	19,787	3,964	-	-	27,815	1,963,230	-
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	24,971	-	-	127,088	193,837	-
345	Other current liabilities	217,844	-	-	83,009	-	-	-
347	Inter-program - due to	-	481,899	-	-	-	-	269,879
310	Total current liabilities	<u>776,559</u>	<u>845,834</u>	<u>-</u>	<u>295,619</u>	<u>315,184</u>	<u>6,892,483</u>	<u>271,746</u>
<u>Noncurrent liabilities</u>								
351	Long-term debt, net of current portion - capital projects/mortgage revenue bonds	-	2,450,372	-	-	2,092,454	20,395,668	-
353	Noncurrent liabilities - other	6,420	-	-	164,669	-	-	-
354	Accrued compensated absences - noncurrent	20,360	-	-	21,078	15,454	19,613	-
357	Net pension liability	110,137	-	-	194,168	83,095	74,717	-
350	Total noncurrent liabilities	<u>136,917</u>	<u>2,450,372</u>	<u>-</u>	<u>379,915</u>	<u>2,191,003</u>	<u>20,489,998</u>	<u>-</u>
300	TOTAL LIABILITIES	<u>913,476</u>	<u>3,296,206</u>	<u>-</u>	<u>675,534</u>	<u>2,506,187</u>	<u>27,382,481</u>	<u>271,746</u>
400	Deferred inflow of resources	<u>69,073</u>	<u>-</u>	<u>-</u>	<u>124,812</u>	<u>51,842</u>	<u>51,578</u>	<u>-</u>
NET POSITION								
508.1	Invested in capital assets, net of related debt	<u>18,212,730</u>	<u>220,805</u>	<u>-</u>	<u>7,918</u>	<u>15,871,468</u>	<u>11,122,112</u>	<u>-</u>
511.1	Restricted net position	812,350	-	-	100,116	-	-	-
512.1	Unrestricted net position	<u>9,216,496</u>	<u>(456,767)</u>	<u>-</u>	<u>1,312,723</u>	<u>2,272,928</u>	<u>9,057,881</u>	<u>-</u>
513	TOTAL NET POSITION	<u>28,241,576</u>	<u>(235,962)</u>	<u>-</u>	<u>1,420,757</u>	<u>18,144,396</u>	<u>20,179,993</u>	<u>-</u>
600	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 29,224,125</u>	<u>\$ 3,060,244</u>	<u>\$ -</u>	<u>\$ 2,221,103</u>	<u>\$ 20,702,425</u>	<u>\$ 47,614,052</u>	<u>\$ 271,746</u>

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

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
FINANCIAL DATA (CONTINUED)
SEPTEMBER 30, 2016

LIABILITIES AND NET POSITION (DEFICIT)

Line Item #		Disaster Housing Assistance Grant	COCC	Shelter Plus Care	PIH Family Self Sufficiency Program	Combined Total	Eliminations	Consolidated Total
LIABILITIES								
<u>Current liabilities</u>								
312	Accounts payable, < 90 days	\$ -	\$ 83,980	\$ -	2,915	\$ 775,329	\$ -	\$ 775,329
321	Accrued wages payable	-	-	-	-	167,468	-	167,468
322	Accrued compensated absences - current portion	-	125,364	-	-	431,392	-	431,392
325	Accrued interest payable	-	-	-	-	1,022,479	-	1,022,479
333	Accounts payable - other government	-	-	-	-	3,259,539	-	3,259,539
341	Tenant security deposits payable	-	-	-	-	540,154	-	540,154
342	Deferred revenue	-	-	-	-	2,014,796	-	2,014,796
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	-	-	-	345,896	-	345,896
345	Other current liabilities	-	-	-	-	300,853	-	300,853
347	Inter-program - due to	-	-	-	3,478	755,256	(755,256)	-
310	Total current liabilities	-	209,344	-	6,393	9,613,162	(755,256)	8,857,906
<u>Noncurrent liabilities</u>								
351	Long-term debt, net of current portion - capital projects/mortgage revenue bonds	-	-	-	-	24,938,494	-	24,938,494
353	Noncurrent liabilities - other	-	-	-	-	171,089	-	171,089
354	Accrued compensated absences - noncurrent	-	31,341	-	-	107,846	-	107,846
357	Net pension liability	-	112,084	-	-	574,201	-	574,201
350	Total noncurrent liabilities	-	143,425	-	-	25,791,630	-	25,791,630
300	TOTAL LIABILITIES	-	352,769	-	6,393	35,404,792	(755,256)	34,649,536
400	Deferred inflow of resources	-	64,315	-	-	361,620	-	361,620
NET POSITION								
508.1	Invested in capital assets, net of related debt	-	115,908	-	-	45,550,941	-	45,550,941
511.1	Restricted net position	-	-	-	-	912,466	-	912,466
512.1	Unrestricted net position	11,887	2,671,152	-	-	24,086,300	-	24,086,300
513	TOTAL NET POSITION	11,887	2,787,060	-	-	70,549,707	-	70,549,707
600	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 11,887	\$ 3,204,144	\$ -	6,393	\$ 106,316,119	\$ (755,256)	\$ 105,560,863

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
LIABILITIES								
<u>Current liabilities</u>								
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	<u>749,625</u>	<u>812,505</u>	<u>554</u>	<u>230,171</u>	<u>286,527</u>	<u>7,282,788</u>	<u>57,477</u>
<u>Noncurrent liabilities</u>								
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	<u>20,326</u>	<u>2,482,176</u>	<u>-</u>	<u>128,158</u>	<u>2,235,284</u>	<u>20,607,571</u>	<u>-</u>
300	TOTAL LIABILITIES	<u>769,951</u>	<u>3,294,681</u>	<u>554</u>	<u>358,329</u>	<u>2,521,811</u>	<u>27,890,359</u>	<u>57,477</u>
400	Deferred inflow of resources	<u>42,084</u>	<u>-</u>	<u>-</u>	<u>77,230</u>	<u>31,480</u>	<u>33,269</u>	<u>-</u>
NET POSITION								
508.1	Invested in capital assets, net of related debt	<u>18,926,358</u>	<u>283,845</u>	<u>-</u>	<u>26,846</u>	<u>16,389,866</u>	<u>11,631,391</u>	<u>-</u>
511.1	Restricted net position	808,911	-	-	-	-	-	-
512.1	Unrestricted net position	<u>8,233,944</u>	<u>(554,370)</u>	<u>-</u>	<u>929,112</u>	<u>1,673,242</u>	<u>7,950,643</u>	<u>-</u>
513	TOTAL NET POSITION	<u>27,969,213</u>	<u>(270,525)</u>	<u>-</u>	<u>955,958</u>	<u>18,063,108</u>	<u>19,582,034</u>	<u>-</u>
600	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 28,781,248</u>	<u>\$ 3,024,156</u>	<u>\$ 554</u>	<u>\$ 1,391,517</u>	<u>\$ 20,616,399</u>	<u>\$ 47,505,662</u>	<u>\$ 57,477</u>

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	COCC	Shelter Plus Care	PIH Family Self Sufficiency Program	Combined Total	Eliminations	Consolidated Total
LIABILITIES								
<u>Current liabilities</u>								
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
<u>Noncurrent liabilities</u>								
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	TOTAL LIABILITIES	-	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
NET POSITION								
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	TOTAL NET POSITION	11,887	2,695,689	-	-	69,007,364	-	69,007,364
600	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 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, 2016

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
REVENUES								
<u>Revenues</u>								
70300	Net tenant rental revenue	\$ 3,137,823	\$ 372,973	\$ -	\$ -	\$ 1,864,429	\$ 2,188,302	\$ -
70400	Tenant revenue - other	71,417	11,791	-	-	12,605	28,776	-
70500	Total tenant revenue	3,209,240	384,764	-	-	1,877,034	2,217,078	-
70600	HUD PHA operating grants	1,732,061	236,922	6,887	34,475,347	-	-	740,379
70610	Capital grants	518,380	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-	-
70800	Other government grants	-	50,000	-	-	503,461	1,409,610	-
71100	Investment income - unrestricted	46,637	1,092	-	7,267	10,271	37,267	-
71400	Fraud recovery	-	-	-	36,094	-	-	-
71500	Other revenue	121,135	1,380	-	49,431	98,746	294,581	-
72000	Investment income - restricted	4,024	24	-	-	-	-	-
70000	Total revenues	5,631,477	674,182	6,887	34,568,139	2,489,512	3,958,536	740,379
EXPENSES								
<u>Operating expenses</u>								
Administrative:								
91100	Administrative salaries	440,589	15,519	4,518	1,209,950	327,400	358,560	78,381
91200	Auditing fees	3,037	126	-	3,157	1,333	5,387	-
91300	Management fees	620,764	32,280	-	661,982	-	-	-
91310	Bookkeeping fees	57,727	-	-	410,903	-	-	-
91400	Advertising and marketing	988	6	-	597	310	756	-
91500	Employee benefit contributions - administrative	196,154	1,380	2,226	522,394	148,928	125,809	14,817
91600	Office expenses	90,808	4,959	-	233,927	47,182	66,778	-
91700	Legal expenses	19,710	5,633	-	9,509	5,047	17,752	-
91800	Travel	2,366	-	-	3,785	4,719	6,038	-
91900	Other administrative expenses	44,490	9,579	-	-	-	4,688	23,464
92000	Asset management fee	77,640	-	-	-	-	-	-
Tenant services:								
92100	Tenant services - salaries	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-
Utilities:								
93100	Water	270,417	6,093	-	-	165,730	133,221	-
93200	Electricity	54,487	8,417	-	-	44,155	142,769	-
93300	Gas	7,069	1,062	-	-	1,061	33,542	-
93600	Sewer	\$ 259,003	\$ 19,342	\$ -	\$ -	\$ 146,147	\$ 187,598	\$ -

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

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
FINANCIAL DATA (CONTINUED)
SEPTEMBER 30, 2016

Line Item #		Disaster Housing Assistance Grant	COCC	Shelter Plus Care	Supportive Housing Program	PIH Family Self Sufficiency Program	Combined Total	Eliminations	Consolidated Total
REVENUES									
Revenues									
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	7,563,527	\$ -	\$ 7,563,527
70400	Tenant revenue - other	-	-	-	-	-	124,589	-	124,589
70500	Total tenant revenue	-	-	-	-	-	7,688,116	-	7,688,116
70600	HUD PHA operating grants	-	-	15,106	-	91,881	37,298,583	-	37,298,583
70610	Capital grants	-	-	-	-	-	518,380	-	518,380
70710	Management fee	-	1,315,026	-	-	-	1,315,026	(1,315,026)	-
70720	Asset management fee	-	77,640	-	-	-	77,640	(77,640)	-
70730	Bookkeeping fee	-	468,630	-	-	-	468,630	(468,630)	-
70740	Front line service fee	-	172,247	-	-	-	172,247	(172,247)	-
70800	Other government grants	-	-	-	-	-	1,963,071	-	1,963,071
71100	Investment income - unrestricted	-	12,113	-	-	-	114,647	-	114,647
71400	Fraud recovery	-	-	-	-	-	36,094	-	36,094
71500	Other revenue	-	20,211	-	-	-	585,484	-	585,484
72000	Investment income - restricted	-	-	-	-	-	4,048	-	4,048
70000	Total revenues	-	2,065,867	15,106	-	91,881	50,241,966	(2,033,543)	48,208,423
EXPENSES									
Operating expenses									
Administrative:									
91100	Administrative salaries	-	834,341	2,535	-	-	3,271,793	-	3,271,793
91200	Auditing fees	-	267	-	-	-	13,307	-	13,307
91300	Management fees	-	-	-	-	-	1,315,026	(1,315,026)	-
91310	Bookkeeping fees	-	-	-	-	-	468,630	(468,630)	-
91400	Advertising and marketing	-	116	-	-	-	2,773	-	2,773
91500	Employee benefit contributions - administrative	-	257,977	-	-	-	1,269,685	-	1,269,685
91600	Office expenses	-	64,910	-	-	-	508,564	-	508,564
91700	Legal expenses	-	33,500	-	-	-	91,151	-	91,151
91800	Travel	-	37,387	-	-	-	54,295	-	54,295
91900	Other administrative expenses	-	4,419	-	-	-	86,640	-	86,640
92000	Asset management fee	-	-	-	-	-	77,640	(77,640)	-
Tenant services:									
92100	Tenant services - salaries	-	-	-	-	67,361	67,361	-	67,361
92300	Employee benefit contributions - tenant services	-	-	-	-	22,561	22,561	-	22,561
Utilities:									
93100	Water	-	316	-	-	-	575,777	-	575,777
93200	Electricity	-	2,110	-	-	-	251,938	-	251,938
93300	Gas	-	243	-	-	-	42,977	-	42,977
93600	Sewer	\$ -	\$ 152	\$ -	\$ -	\$ -	612,242	\$ -	612,242

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

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
FINANCIAL DATA (CONTINUED)
SEPTEMBER 30, 2016

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
EXPENSES (CONTINUED)								
<u>Operating expenses (continued)</u>								
	Ordinary maintenance and operations:							
94100	Ordinary maintenance and operations - labor	\$ 294,733	\$ 21,414	\$ -	\$ -	\$ 271,424	\$ 272,492	\$ -
94200	Ordinary maintenance and operations - materials and other	315,005	45,638	-	9,472	105,418	111,320	-
94300	Ordinary maintenance and operations - contract costs	699,642	32,490	-	169,005	237,111	633,890	-
94500	Employee benefit contributions - ordinary maintenance and operations	111,599	-	-	-	101,219	153,639	-
95200	Protective services - other contract costs	7,621	-	-	237	-	6,519	-
95300	Protective services - other	-	-	-	-	-	-	-
	General expenses:							
96110	Property insurance	63,963	3,855	-	-	31,051	54,736	-
96120	Liability insurance	20,408	960	-	14,378	13,334	23,819	-
96130	Workers compensation insurance	63,379	715	143	38,099	55,524	46,394	1,770
96140	All other insurance	-	-	-	-	-	-	-
96200	Other general expenses	487	-	-	17,995	-	38,741	-
96210	Compensated absences	28,933	-	-	-	131	16,014	-
96300	Payment in lieu of taxes	217,880	-	-	-	-	-	-
96400	Bad debts - tenants rent	39,645	12,200	-	-	11,171	17,024	-
96700	Interest expense	-	87,104	-	-	20,557	327,674	-
96730	Amortization expense	-	-	-	-	-	-	-
96900	Total operating expenses	<u>4,008,544</u>	<u>308,772</u>	<u>6,887</u>	<u>3,305,390</u>	<u>1,738,952</u>	<u>2,785,160</u>	<u>118,432</u>
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	<u>1,622,933</u>	<u>365,410</u>	<u>-</u>	<u>31,262,749</u>	<u>750,560</u>	<u>1,173,376</u>	<u>621,947</u>
	Other expenses:							
97100	Extraordinary maintenance	-	-	-	-	-	-	-
97300	Housing assistance payments	-	236,922	-	30,772,786	-	-	621,947
97350	HAP portability-in	-	-	-	-	-	-	-
97400	Depreciation expense	<u>1,350,570</u>	<u>93,925</u>	<u>-</u>	<u>25,164</u>	<u>669,272</u>	<u>834,658</u>	<u>-</u>
90000	Total expenses	<u>5,359,114</u>	<u>639,619</u>	<u>6,887</u>	<u>34,103,340</u>	<u>2,408,224</u>	<u>3,619,818</u>	<u>740,379</u>
10010	Operating transfer in	70,468	-	-	-	-	259,241	-
10020	Operating transfer out	<u>(70,468)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10000	EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES	<u>\$ 272,363</u>	<u>\$ 34,563</u>	<u>\$ -</u>	<u>\$ 464,799</u>	<u>\$ 81,288</u>	<u>\$ 597,959</u>	<u>\$ -</u>

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

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
FINANCIAL DATA (CONTINUED)
SEPTEMBER 30, 2016

Line Item #		Disaster Housing Assistance Grant	COCC	Shelter Plus Care	Supportive Housing Program	PIH Family Self Sufficiency Program	Combined Total	Eliminations	Consolidated Total
EXPENSES (CONTINUED)									
Operating expenses (continued)									
	Ordinary maintenance and operations:								
94100	Ordinary maintenance and operations - labor	\$ -	\$ 209,331	\$ -	\$ -	\$ -	1,069,394	\$ -	1,069,394
94200	Ordinary maintenance and operations - materials and other	-	31,068	-	-	-	617,921	-	617,921
94300	Ordinary maintenance and operations - contract costs	-	59,351	-	-	-	1,831,489	(172,247)	1,659,242
94500	Employee benefit contributions - ordinary maintenance and operations	-	54,706	-	-	-	421,163	-	421,163
95200	Protective services - other contract costs	-	-	-	-	-	14,377	-	14,377
95300	Protective services - other	-	-	-	-	-	-	-	-
	General expenses:								
96110	Property insurance	-	-	-	-	-	153,605	-	153,605
96120	Liability insurance	-	9,283	-	-	-	82,182	-	82,182
96130	Workers compensation insurance	-	59,951	-	-	1,959	267,934	-	267,934
96140	All other insurance	-	-	-	-	-	-	-	-
96200	Other general expenses	-	7,379	-	-	-	64,602	-	64,602
96210	Compensated absences	-	17,988	-	-	-	63,066	-	63,066
96300	Payment in lieu of taxes	-	-	-	-	-	217,880	-	217,880
96400	Bad debts - tenants rent	-	-	-	-	-	80,040	-	80,040
96700	Interest expense	-	-	-	-	-	435,335	-	435,335
96730	Amortization expense	-	-	-	-	-	-	-	-
96900	Total operating expenses	-	1,684,795	2,535	-	91,881	14,051,348	(2,033,543)	12,017,805
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	-	381,072	12,571	-	-	36,190,618	-	36,190,618
	Other expenses:								
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	12,571	-	-	31,644,226	-	31,644,226
97350	HAP portability-in	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	30,460	-	-	-	3,004,049	-	3,004,049
90000	Total expenses	-	1,715,255	15,106	-	91,881	48,699,623	(2,033,543)	46,666,080
10010	Operating transfer in	-	-	-	-	-	329,709	-	329,709
10020	Operating transfer out	-	(259,241)	-	-	-	(329,709)	-	(329,709)
10000	EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES	\$ -	\$ 91,371	\$ -	\$ -	\$ -	1,542,343	\$ -	1,542,343

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
REVENUES								
Revenues								
70300	Net tenant rental revenue	\$ 2,893,798	\$ 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	-	-	495,492	1,339,691	-
71100	Investment income - unrestricted	23,949	501	-	4,093	5,123	27,526	-
71400	Fraud recovery	-	-	-	55,440	-	-	-
71500	Other revenue	118,887	2,583	-	59,195	142,659	188,305	-
72000	Investment income - restricted	1,970	-	-	-	-	-	-
70000	Total revenues	5,517,945	682,364	14,010	32,222,396	2,476,852	3,640,002	688,302
EXPENSES								
Operating expenses								
Administrative:								
91100	Administrative salaries	431,627	11,280	9,493	1,145,226	284,468	347,706	16,047
91200	Auditing fees	2,353	98	-	2,447	1,033	5,368	-
91300	Management fees	607,458	33,120	-	661,376	-	-	-
91310	Bookkeeping fees	57,450	-	-	411,412	-	-	-
91400	Advertising and marketing	1,855	177	-	3,245	1,080	2,648	-
91500	Employee benefit contributions - administrative	183,803	1,122	4,238	491,211	134,585	146,078	4,687
91600	Office expenses	62,901	6,980	-	229,958	43,732	70,443	-
91700	Legal expenses	6,748	2,938	-	5,310	10,352	24,743	-
91800	Travel	4,031	-	-	2,691	2,325	3,200	-
91900	Other administrative expenses	141,501	9,453	-	-	-	9,206	36,682
92000	Asset management fee	77,640	-	-	-	-	-	-
Tenant services:								
92100	Tenant services - salaries	-	-	-	139,871	5,717	-	-
92300	Employee benefit contributions - tenant services	-	-	-	60,945	2,351	-	-
Utilities:								
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	\$ -

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
REVENUES									
Revenues									
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	7,138,773	\$ -	\$ 7,138,773
70400	Tenant revenue - other	-	-	-	-	-	125,221	-	125,221
70500	Total tenant revenue	-	-	-	-	-	7,263,994	-	7,263,994
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
EXPENSES									
Operating expenses									
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

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
EXPENSES (CONTINUED)								
<u>Operating expenses (continued)</u>								
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	-	-	-	-	-	-	-
96200	Other general expenses	-	-	-	12,981	-	38,926	-
96210	Compensated absences	3,985	-	-	(2,866)	5,767	11,321	-
96300	Payment in lieu of taxes	201,046	-	-	-	-	-	-
96400	Bad debts - tenants rent	19,653	5,727	-	-	6,702	835	-
96700	Interest expense	-	88,098	-	-	22,598	334,699	-
96730	Amortization expense	-	-	-	-	-	-	-
96900	Total operating expenses	<u>4,032,097</u>	<u>297,110</u>	<u>14,010</u>	<u>3,400,351</u>	<u>1,628,116</u>	<u>2,803,289</u>	<u>57,962</u>
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	<u>1,485,848</u>	<u>385,254</u>	<u>-</u>	<u>28,822,045</u>	<u>848,736</u>	<u>836,713</u>	<u>630,340</u>
Other expenses:								
97100	Extraordinary maintenance	-	-	-	-	-	-	-
97300	Housing assistance payments	-	248,203	-	29,350,208	-	-	630,340
97350	HAP portability-in	-	-	-	-	-	-	-
97400	Depreciation expense	<u>1,368,544</u>	<u>88,674</u>	<u>-</u>	<u>28,144</u>	<u>672,010</u>	<u>960,990</u>	<u>-</u>
90000	Total expenses	<u>5,400,641</u>	<u>633,987</u>	<u>14,010</u>	<u>32,778,703</u>	<u>2,300,126</u>	<u>3,764,279</u>	<u>688,302</u>
10000	EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES	<u>\$ 117,304</u>	<u>\$ 48,377</u>	<u>\$ -</u>	<u>\$ (556,307)</u>	<u>\$ 176,726</u>	<u>\$ (124,277)</u>	<u>\$ -</u>

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
EXPENSES (CONTINUED)									
<u>Operating expenses (continued)</u>									
	Ordinary maintenance and operations:								
94100	Ordinary maintenance and operations - labor	\$ -	\$ 256,096	\$ -	\$ -	\$ -	1,087,366	\$ -	1,087,366
94200	Ordinary maintenance and operations - materials and other	-	13,114	-	-	-	551,984	-	551,984
94300	Ordinary maintenance and operations - contract costs	-	80,036	-	-	-	2,026,896	(238,138)	1,788,758
94500	Employee benefit contributions - ordinary maintenance and operations	-	70,392	-	-	-	408,739	-	408,739
95200	Protective services - other contract costs	-	-	-	-	-	13,253	-	13,253
95300	Protective services - other	-	-	-	-	-	-	-	-
	General expenses:								
96110	Property insurance	-	-	-	-	-	163,495	-	163,495
96120	Liability insurance	-	6,751	-	-	-	71,767	-	71,767
96130	Workers compensation insurance	-	56,394	-	833	1,579	246,356	-	246,356
96140	All other insurance	-	-	-	-	-	-	-	-
96200	Other general expenses	-	3,424	-	-	-	55,331	-	55,331
96210	Compensated absences	-	40,157	-	-	-	58,364	-	58,364
96300	Payment in lieu of taxes	-	-	-	-	-	201,046	-	201,046
96400	Bad debts - tenants rent	-	-	-	-	-	32,917	-	32,917
96700	Interest expense	-	-	-	-	-	445,395	-	445,395
96730	Amortization expense	-	-	-	-	-	-	-	-
96900	Total operating expenses	-	1,662,138	2,051	48,412	84,574	14,030,110	(2,086,594)	11,943,516
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	-	485,289	21,376	-	-	33,515,601	-	33,515,601
	Other expenses:								
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	21,376	-	-	30,250,127	-	30,250,127
97350	HAP portability-in	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	31,906	-	-	-	3,150,268	-	3,150,268
90000	Total expenses	-	1,694,044	23,427	48,412	84,574	47,430,505	(2,086,594)	45,343,911
10000	EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES	\$ -	\$ 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, 2016

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
	MEMO ACCOUNT INFORMATION							
11020	Debt principal payment enterprise funds	\$ -	\$ 30,887	\$ -	\$ -	\$ 126,144	\$ 185,190	\$ -
11030	Beginning equity	27,969,213	(270,525)	-	955,958	18,063,108	19,582,034	-
11040	Prior period adjustments, equity transfers and correction of errors	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	1,320,641	-	-	-
11180	Housing assistance payments equity	\$ -	\$ -	\$ -	\$ 100,116	\$ -	\$ -	\$ -
11190	Unit months available	7,764	576	-	57,024	4,272	3,779	1,284
11210	Number of unit months leased	7,697	548	-	55,149	4,213	3,569	1,214
11270	Excess cash	\$ 8,899,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	\$ 518,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
FINANCIAL DATA (CONTINUED)
SEPTEMBER 30, 2016

Line Item #	MEMO ACCOUNT INFORMATION	Disaster Housing Assistance Grant	COCC	Shelter Plus Care	Supportive Housing Program	PIH Family Self Sufficiency Program	Total
11020	Debt principal payment enterprise funds	\$ -	\$ -	\$ -	\$ -	\$ -	342,221
11030	Beginning equity	11,887	2,695,689	-	-	-	69,007,364
11040	Prior period adjustments, equity transfers and correction of errors	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	1,320,641
11180	Housing assistance payments equity	\$ -	\$ -	\$ -	\$ -	\$ -	100,116
11190	Unit months available	-	-	36	-	-	74,735
11210	Number of unit months leased	-	-	28	-	-	72,418
11270	Excess cash	\$ -	\$ -	\$ -	\$ -	\$ -	8,899,048
11620	Building purchases	\$ -	\$ -	\$ -	\$ -	\$ -	518,380

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 #	MEMO ACCOUNT INFORMATION			Section 8	Resident		Housing	Farm Labor	State and	Continuum of
		Low		Asst. Pay	Opportunity		Choice	Housing Loans	Local	Care
		Rent		Programs	and Supportive		Vouchers	and Grants		Program
				Spec. Alloc.	Services					
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 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 Item #	MEMO ACCOUNT INFORMATION	Disaster Housing Assistance Grant	COCC	Shelter Plus Care	Supportive Housing Program	PIH Family Self Sufficiency 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 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
STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Project <u>CA39-P026-501-12</u>
<u>The actual costs are as follows:</u>	
Funds approved	\$ 977,036.00
Funds expended	(977,036.00)
Excess of funds approved	\$ <u>-</u>
 Funds advanced	 \$ 977,036.00
Funds expended	
Management improvement	(148,103.84)
Administration	(97,703.00)
Fees and costs	(33,215.06)
Site improvement	(299,172.68)
Dwelling structures	(360,121.85)
Non-dwelling structures	(31,394.21)
Relocation costs	(7,325.36)
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, 2016 AND 2015**

ASSETS

CURRENT ASSETS	<u>2016</u>	<u>2015</u>
<u>Cash</u>		
Cash - unrestricted	\$ 48,143	\$ 31,772
Cash - residual receipts	5,727	5,704
Cash - tenant security	12,107	11,219
Total cash	<u>65,977</u>	<u>48,695</u>
<u>Receivables</u>		
Accounts receivable - tenant dwelling rents	12,382	8,310
Allowance for doubtful accounts - tenant dwelling rents	(7,440)	(4,986)
Accrued interest receivable	331	175
Total receivables	<u>5,273</u>	<u>3,499</u>
<u>Other current assets</u>		
Investments - unrestricted	328,040	217,117
Prepaid expenses and other assets	205	232
Total other current assets	<u>328,245</u>	<u>217,349</u>
TOTAL CURRENT ASSETS	<u>399,495</u>	<u>269,543</u>
NONCURRENT ASSETS		
<u>Fixed assets</u>		
Land	410,882	410,882
Buildings	2,554,467	2,554,467
Building improvements	541,989	541,989
Accumulated depreciation	(811,190)	(717,265)
Net fixed assets	<u>2,696,148</u>	<u>2,790,073</u>
TOTAL NONCURRENT ASSETS	<u>2,696,148</u>	<u>2,790,073</u>
TOTAL ASSETS	<u>\$ 3,095,643</u>	<u>\$ 3,059,616</u>

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

LIABILITIES AND NET POSITION (DEFICIT)

LIABILITIES	<u>2016</u>	<u>2015</u>
<u>Current liabilities</u>		
Accounts payable, < 90 days	\$ 8,456	\$ 8,273
Accrued interest payable	314,438	285,188
Tenant security deposits payable	12,107	11,219
Deferred revenue	3,964	1,874
Other current liabilities	35,400	35,460
Total current liabilities	<u>374,365</u>	<u>342,014</u>
<u>Noncurrent liabilities</u>		
Long-term debt, net of current portion - capital projects/mortgage revenue bonds	<u>2,957,242</u>	<u>2,988,129</u>
Total noncurrent liabilities	2,957,242	2,988,129
TOTAL LIABILITIES	<u>3,331,607</u>	<u>3,330,143</u>
NET POSITION (DEFICIT)		
Unrestricted net position (deficit)	<u>(235,964)</u>	<u>(270,527)</u>
TOTAL NET POSITION (DEFICIT)	<u>(235,964)</u>	<u>(270,527)</u>
TOTAL LIABILITIES AND NET POSITION (DEFICIT)	<u>\$ 3,095,643</u>	<u>\$ 3,059,616</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>REVENUES</u>		
Operating subsidy	\$ 286,922	\$ 298,203
Rental income, net of bad debts	360,773	365,720
Investment income	1,115	501
Miscellaneous income	13,171	12,213
Total revenues	<u>661,981</u>	<u>676,637</u>
<u>EXPENSES</u>		
Administrative		
Administrative rent free unit	9,579	9,453
Office expenses	42,117	40,833
Rental space	236	223
Telephone	651	2,260
Total administrative	<u>52,583</u>	<u>52,769</u>
Payroll and related costs		
Salaries	36,933	24,328
Payroll taxes	1,380	1,122
Total payroll and related costs	<u>38,313</u>	<u>25,450</u>
Utilities		
Electricity and gas	9,479	9,936
Water and sewer	25,435	24,232
Garbage	10,813	10,360
Total utilities	<u>45,727</u>	<u>44,528</u>
Operating and maintenance		
Contract costs	27,062	41,009
Supplies and maintenance	34,824	29,079
Carpet	5,428	5,037
Total operating and maintenance	<u>67,314</u>	<u>75,125</u>
Housing assistance payments	236,922	248,203
Insurance	5,530	5,415
Other expenses		
Interest	87,104	88,098
Depreciation	93,925	88,674
Total other expenses	<u>181,029</u>	<u>176,772</u>
Total expenses	<u>627,418</u>	<u>628,262</u>
REVENUES (DEFICIT EXPENSES)	<u>\$ 34,563</u>	<u>\$ 48,375</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, 2016 AND 2015**

ASSETS

CURRENT ASSETS	<u>2016</u>	<u>2015</u>
<u>Cash</u>		
Cash - unrestricted	\$ 166,205	\$ 94,719
Cash - tenant security	13,951	15,890
Total cash	<u>180,156</u>	<u>110,609</u>
<u>Receivables</u>		
Accounts receivable - tenant dwelling rents	1,506	4,162
Allowance for doubtful accounts - tenant dwelling rents	(527)	(874)
Accrued interest receivable	845	446
Total receivables	<u>1,824</u>	<u>3,734</u>
<u>Other current assets</u>		
Investments - unrestricted	555,935	553,581
Prepaid expenses and other assets	158	174
Total other current assets	<u>556,093</u>	<u>553,755</u>
 TOTAL CURRENT ASSETS	 <u>738,073</u>	 <u>668,098</u>
 NONCURRENT ASSETS		
<u>Fixed assets</u>		
Land	320,000	320,000
Buildings	1,623,770	1,623,770
Accumulated depreciation	(625,170)	(584,575)
Net fixed assets	<u>1,318,600</u>	<u>1,359,195</u>
 TOTAL NONCURRENT ASSETS	 <u>1,318,600</u>	 <u>1,359,195</u>
 TOTAL ASSETS	 <u>\$ 2,056,673</u>	 <u>\$ 2,027,293</u>

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

LIABILITIES AND NET POSITION

LIABILITIES	<u>2016</u>	<u>2015</u>
<u>Current liabilities</u>		
Accounts payable, < 90 days	\$ 3,818	\$ 9,399
Tenant security deposits payable	13,951	15,890
Deferred revenue	<u>2,010</u>	<u>8,741</u>
Total current liabilities	19,779	34,030
<u>Noncurrent liabilities</u>		
Long-term debt, net of current portion - capital projects/mortgage revenue bonds	<u>466,473</u>	<u>493,660</u>
Total noncurrent liabilities	466,473	493,660
TOTAL LIABILITIES	<u>486,252</u>	<u>527,690</u>
NET POSITION		
Unrestricted net position	<u>1,570,421</u>	<u>1,499,603</u>
TOTAL NET POSITION	1,570,421	1,499,603
TOTAL LIABILITIES AND NET POSITION	\$ <u><u>2,056,673</u></u>	\$ <u><u>2,027,293</u></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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>REVENUES</u>		
Rental income, net of bad debts	\$ 242,979	\$ 246,881
Investment income	3,382	1,642
Miscellaneous income	6,125	3,970
Total revenues	<u>252,486</u>	<u>252,493</u>
<u>EXPENSES</u>		
Administrative		
Office expenses	37,804	36,673
Rental space	176	166
Telephone	594	543
Total administrative	<u>38,574</u>	<u>37,382</u>
Payroll and related costs		
Salaries	10,609	9,591
Payroll taxes	861	784
Employee benefits	3,601	3,129
Total payroll and related costs	<u>15,071</u>	<u>13,504</u>
Utilities		
Electricity and gas	2,913	4,874
Water and sewer	15,089	14,987
Garbage	8,085	7,841
Total utilities	<u>26,087</u>	<u>27,702</u>
Operating and maintenance		
Contract costs	32,366	33,418
Supplies and maintenance	6,506	4,751
Carpet	3,185	5,307
Total operating and maintenance	<u>42,057</u>	<u>43,476</u>
Insurance	3,646	3,642
Other expenses		
Interest	15,639	15,207
Depreciation	40,594	40,594
Total other expenses	<u>56,233</u>	<u>55,801</u>
Total expenses	<u>181,668</u>	<u>181,507</u>
REVENUES	\$ <u>70,818</u>	\$ <u>70,986</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, 2016 AND 2015**

ASSETS

CURRENT ASSETS	<u>2016</u>	<u>2015</u>
<u>Cash</u>		
Cash - unrestricted	\$ 43,316	\$ 24,582
Cash - tenant security	9,701	9,678
Total cash	<u>53,017</u>	<u>34,260</u>
<u>Receivables</u>		
Accounts receivable - tenant dwelling rents	2,304	1,160
Allowance for doubtful accounts - tenant dwelling rents	(438)	(232)
Accrued interest receivable	320	169
Total receivables	<u>2,186</u>	<u>1,097</u>
<u>Other current assets</u>		
Investments - unrestricted	210,683	209,791
Prepaid expenses and other assets	73	77
Total other current assets	<u>210,756</u>	<u>209,868</u>
 TOTAL CURRENT ASSETS	 <u>265,959</u>	 <u>245,225</u>
 NONCURRENT ASSETS		
<u>Fixed assets</u>		
Land	252,000	252,000
Buildings	2,219,856	2,219,856
Accumulated depreciation	(665,957)	(610,460)
Net fixed assets	<u>1,805,899</u>	<u>1,861,396</u>
 TOTAL NONCURRENT ASSETS	 <u>1,805,899</u>	 <u>1,861,396</u>
 TOTAL ASSETS	 <u>\$ 2,071,858</u>	 <u>\$ 2,106,621</u>

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

LIABILITIES AND NET POSITION

LIABILITIES	<u>2016</u>	<u>2015</u>
<u>Current liabilities</u>		
Accounts payable, < 90 days	\$ -	\$ 4,604
Accrued interest payable	247,000	227,500
Tenant security deposits payable	9,701	9,678
Deferred revenue	<u>1,533</u>	<u>170</u>
Total current liabilities	<u>258,234</u>	<u>241,952</u>
<u>Noncurrent liabilities</u>		
Long-term debt, net of current portion - capital projects/mortgage revenue bonds	<u>1,942,090</u>	<u>1,955,913</u>
Total noncurrent liabilities	<u>1,942,090</u>	<u>1,955,913</u>
TOTAL LIABILITIES	<u>2,200,324</u>	<u>2,197,865</u>
NET POSITION		
Unrestricted net position	<u>(128,466)</u>	<u>(91,244)</u>
TOTAL NET POSITION	<u>(128,466)</u>	<u>(91,244)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,071,858</u>	<u>\$ 2,106,621</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>REVENUES</u>		
Rental income, net of bad debts	\$ 125,897	\$ 118,133
Investment income	1,220	640
Miscellaneous income	1,040	1,086
Total revenues	<u>128,157</u>	<u>119,859</u>
<u>EXPENSES</u>		
Administrative		
Office expenses	14,164	14,750
Rental space	78	75
Telephone	776	754
Total administrative	<u>15,018</u>	<u>15,579</u>
Payroll and related costs		
Salaries	14,120	13,356
Payroll taxes	1,353	1,049
Employee benefits	1,422	1,266
Total payroll and related costs	<u>16,895</u>	<u>15,671</u>
Utilities		
Electricity and gas	2,976	2,826
Water and sewer	8,230	9,244
Garbage	3,672	3,485
Total utilities	<u>14,878</u>	<u>15,555</u>
Operating and maintenance		
Contract costs	15,369	19,180
Supplies and maintenance	1,474	1,098
Total operating and maintenance	<u>16,843</u>	<u>20,278</u>
Insurance	3,064	2,982
Other expenses		
Interest	43,185	43,843
Depreciation	55,496	55,496
Total other expenses	<u>98,681</u>	<u>99,339</u>
Total expenses	<u>165,379</u>	<u>169,404</u>
DEFICIT EXPENSES OVER REVENUES	<u>\$ (37,222)</u>	<u>\$ (49,545)</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, 2016 AND 2015**

ASSETS

CURRENT ASSETS	<u>2016</u>	<u>2015</u>
<u>Cash</u>		
Cash - unrestricted	\$ 57,014	\$ 46,603
Cash - tenant security	6,835	8,133
Total cash	<u>63,849</u>	<u>54,736</u>
<u>Receivables</u>		
Accounts receivable - tenant dwelling rents	-	724
Allowance for doubtful accounts - tenant dwelling rents	-	(72)
Total receivables	<u>-</u>	<u>652</u>
<u>Other current assets</u>		
Prepaid Expenses and Other Assets	51	
Total other current assets	<u>51</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>63,900</u>	<u>55,388</u>
NONCURRENT ASSETS		
<u>Fixed assets</u>		
Land	375,000	375,000
Buildings	1,226,179	1,226,179
Accumulated depreciation	(316,763)	(286,108)
Net fixed assets	<u>1,284,416</u>	<u>1,315,071</u>
TOTAL NONCURRENT ASSETS	<u>1,284,416</u>	<u>1,315,071</u>
TOTAL ASSETS	<u>\$ 1,348,316</u>	<u>\$ 1,370,459</u>

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

LIABILITIES AND NET POSITION (DEFICIT)

LIABILITIES	<u>2016</u>	<u>2015</u>
<u>Current liabilities</u>		
Accounts payable, < 90 days	\$ 1,237	\$ 1,436
Tenant security deposits payable	6,835	8,133
Deferred revenue	34	521
Other current liabilities	53,063	53,063
Total current liabilities	<u>61,169</u>	<u>63,153</u>
<u>Noncurrent liabilities</u>		
Long-term debt, net of current portion - capital projects/mortgage revenue bonds	<u>1,326,306</u>	<u>1,340,132</u>
Total noncurrent liabilities	1,326,306	1,340,132
TOTAL LIABILITIES	<u>1,387,475</u>	<u>1,403,285</u>
NET POSITION (DEFICIT)		
Unrestricted net position (deficit)	<u>(39,159)</u>	<u>(32,826)</u>
TOTAL NET POSTION (DEFICIT)	(39,159)	(32,826)
TOTAL LIABILITIES AND NET ASSETS POSTION	<u>\$ 1,348,316</u>	<u>\$ 1,370,459</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>REVENUES</u>		
Rental income, net of bad debts	\$ 87,890	\$ 91,520
Investment income	241	183
Miscellaneous income	1,030	1,379
Total revenues	<u>89,161</u>	<u>93,082</u>
<u>EXPENSES</u>		
Administrative		
Office expenses	<u>9,384</u>	<u>9,362</u>
Total administrative	9,384	9,362
Utilities		
Electricity and gas	1,908	1,533
Water and sewer	6,602	5,648
Garbage	<u>3,546</u>	<u>3,485</u>
Total utilities	12,056	10,666
Operating and maintenance		
Contract costs	6,551	5,830
Supplies and maintenance	1,078	318
Carpet	<u>-</u>	<u>1,197</u>
Total operating and maintenance	7,629	7,345
Insurance	1,530	1,602
Other expenses		
Interest	32,007	31,086
Special assessments	2,233	2,233
Depreciation	<u>30,655</u>	<u>30,654</u>
Total other expenses	64,895	63,973
Total expenses	<u>95,494</u>	<u>92,948</u>
REVENUES (DEFICIT EXPENSES)	<u>\$ (6,333)</u>	<u>\$ 134</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, 2016 AND 2015

ASSETS

CURRENT ASSETS	<u>2016</u>	<u>2015</u>
<u>Cash</u>		
Cash - unrestricted	\$ 16,734	\$ 2,177
Cash - tenant security	18,779	21,132
Total cash	<u>35,513</u>	<u>23,309</u>
<u>Receivables</u>		
Accounts receivable - tenant dwelling rents	4,892	10,038
Allowance for doubtful accounts - tenant dwelling rents	(1,174)	(2,811)
Accrued interest receivable	-	11
Total receivables	<u>3,718</u>	<u>7,238</u>
<u>Other current assets</u>		
Investments - Unrestricted	68	-
Prepaid Expenses and Other Assets	171	-
Total other current assets	<u>239</u>	<u>-</u>
 TOTAL CURRENT ASSETS	 <u>39,470</u>	 <u>30,547</u>
 NONCURRENT ASSETS		
<u>Fixed assets</u>		
Land	554,924	554,924
Buildings	3,499,607	3,499,607
Accumulated depreciation	(742,600)	(650,212)
Net fixed assets	<u>3,311,931</u>	<u>3,404,319</u>
 TOTAL NONCURRENT ASSETS	 <u>3,311,931</u>	 <u>3,404,319</u>
 TOTAL ASSETS	 <u>\$ 3,351,401</u>	 <u>\$ 3,434,866</u>

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

LIABILITIES AND NET POSITION

LIABILITIES	<u>2016</u>	<u>2015</u>
<u>Current liabilities</u>		
Accounts payable, < 90 days	\$ 7,058	\$ 5,881
Tenant security deposits payable	18,779	21,132
Deferred revenue	2,921	2,202
Other current liabilities	112,277	112,277
Total current liabilities	<u>141,035</u>	<u>141,492</u>
<u>Noncurrent liabilities</u>		
Long-term debt, net of current portion - capital projects/mortgage revenue bonds	<u>3,243,238</u>	<u>3,278,744</u>
Total noncurrent liabilities	3,243,238	3,278,744
TOTAL LIABILITIES	<u>3,384,273</u>	<u>3,420,236</u>
NET POSITION		
Unrestricted net position	<u>(32,872)</u>	<u>14,630</u>
TOTAL NET POSITION	(32,872)	14,630
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,351,401</u>	<u>\$ 3,434,866</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>REVENUES</u>		
Rental income, net of bad debts	\$ 223,517	\$ 213,285
Investment income	94	439
Miscellaneous income	5,165	3,868
Total revenues	<u>228,776</u>	<u>217,592</u>
<u>EXPENSES</u>		
Administrative		
Office expenses	23,625	24,455
Telephone	1,215	1,741
Total administrative	<u>24,840</u>	<u>26,196</u>
Payroll and related costs		
Salaries	14,211	9,756
Payroll taxes	-	-
Total payroll and related costs	<u>14,211</u>	<u>9,756</u>
Utilities		
Electricity and gas	6,832	7,606
Water and sewer	20,572	21,189
Garbage	5,413	5,227
Total utilities	<u>32,817</u>	<u>34,022</u>
Operating and maintenance		
Contract costs	32,713	46,002
Supplies and maintenance	4,459	8,389
Carpet	2,959	10,996
Total operating and maintenance	<u>40,131</u>	<u>65,387</u>
Insurance	3,327	3,438
Other expenses		
Interest	68,564	70,025
Depreciation	92,388	92,388
Total other expenses	<u>160,952</u>	<u>162,413</u>
Total expenses	<u>276,278</u>	<u>301,212</u>
DEFICIT EXPENSES OVER REVENUES	<u>\$ (47,502)</u>	<u>\$ (83,620)</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, 2016 AND 2015

ASSETS

CURRENT ASSETS	<u>2016</u>	<u>2015</u>
<u>Cash</u>		
Cash - unrestricted	\$ 45,812	\$ 11,262
Cash - tenant security	15,271	14,511
Total cash	<u>61,083</u>	<u>25,773</u>
<u>Receivables</u>		
Accounts receivable - tenant dwelling rents	1,292	3,055
Accrued interest receivable	54	29
Allowance for doubtful accounts - tenant dwelling rents	(207)	(550)
Total receivables	<u>1,139</u>	<u>2,534</u>
<u>Other current assets</u>		
Investments - unrestricted	35,554	35,404
Prepaid expenses and other assets	86	-
Total other current assets	<u>35,640</u>	<u>35,404</u>
 TOTAL CURRENT ASSETS	 <u>97,862</u>	 <u>63,711</u>
 NONCURRENT ASSETS		
<u>Fixed assets</u>		
Land	495,000	495,000
Buildings	6,281,420	6,281,420
Accumulated depreciation	(1,305,908)	(1,148,873)
Net fixed assets	<u>5,470,512</u>	<u>5,627,547</u>
 TOTAL NONCURRENT ASSETS	 <u>5,470,512</u>	 <u>5,627,547</u>
 TOTAL ASSETS	 <u>\$ 5,568,374</u>	 <u>\$ 5,691,258</u>

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

LIABILITIES AND NET POSITION (DEFICIT)

LIABILITIES	<u>2016</u>	<u>2015</u>
<u>Current liabilities</u>		
Accounts payable, < 90 days	\$ 2,806	\$ 3,575
Accrued interest payable	4,225	4,226
Tenant security deposits payable	15,271	14,511
Deferred revenue	2,783	3,552
Total current liabilities	<u>25,085</u>	<u>25,864</u>
<u>Noncurrent liabilities</u>		
Long-term debt, net of current portion - capital projects/mortgage revenue bonds	<u>6,549,469</u>	<u>6,582,052</u>
Total noncurrent liabilities	6,549,469	6,582,052
TOTAL LIABILITIES	<u>6,574,554</u>	<u>6,607,916</u>
NET POSITION		
Unrestricted net position	<u>(1,006,180)</u>	<u>(916,658)</u>
TOTAL NET POSITION	(1,006,180)	(916,658)
TOTAL LIABILITIES AND NET POSITION (DEFICIT)	<u>\$ 5,568,374</u>	<u>\$ 5,691,258</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>REVENUES</u>		
Rental income, net of bad debts	\$ 179,384	\$ 162,744
Investment income	364	193
Miscellaneous income	743	1,953
Total revenues	<u>180,491</u>	<u>164,890</u>
<u>EXPENSES</u>		
Administrative		
Office expenses	13,723	13,261
Telephone	647	206
Total administrative	<u>14,370</u>	<u>13,467</u>
Payroll and related costs		
Salaries	-	2,844
Payroll taxes	-	323
Total payroll and related costs	<u>-</u>	<u>3,167</u>
Utilities		
Electricity and gas	1,874	2,617
Water and sewer	19,026	18,327
Garbage	3,606	3,485
Total utilities	<u>24,506</u>	<u>24,429</u>
Operating and maintenance		
Contract costs	11,227	21,489
Supplies and maintenance	1,084	2,294
Carpet	-	630
Total operating and maintenance	<u>12,311</u>	<u>24,413</u>
Insurance	4,249	4,377
Other expenses		
Interest	55,680	56,937
Special assessments	1,861	1,861
Depreciation	157,036	157,036
Total other expenses	<u>214,577</u>	<u>215,834</u>
Total expenses	<u>270,013</u>	<u>285,687</u>
DEFICIT EXPENSES OVER REVENUES	<u>\$ (89,522)</u>	<u>\$ (120,797)</u>

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, 2016, 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 22, 2017.

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 22, 2017



KELLER & ASSOCIATES, LLP

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Reseda, CA 91335

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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 THE UNIFORM GUIDANCE**

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 *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE (CONTINUED)**

Those standards and the Uniform Guidance 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 the Uniform Guidance, 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 THE UNIFORM GUIDANCE (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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Kell & Associates LLP". The signature is fluid and cursive, with the letters "K" and "L" being particularly prominent.

Reseda, California
May 22, 2017

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures 2016	Federal Expenditures 2015
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Section 8 Assistance Payments Special			
Allocation Program	14.195	\$ 236,922	\$ 248,203
Supportive Housing Program	14.235	-	48,412
Shelter Plus Care Program	14.238	15,106	23,427
Continuum of Care Program	14.267	740,379	688,302
Low Rent Public Housing	14.850	1,561,993	1,539,234
Resident Opportunity and Supportive Services	14.870	6,887	14,010
Housing Choice Vouchers Program	14.871	34,475,347	32,103,668
Public Housing Capital Fund Program	14.872	688,448	869,046
PIH Family Self-Sufficiency Program	14.896	91,881	84,574
Total HUD		\$ <u>37,816,963</u>	\$ <u>35,618,876</u>
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Farm Labor Housing Loans and Grants	10.405	\$ 953,028	\$ 906,984
Total Agriculture		\$ <u>953,028</u>	\$ <u>906,984</u>
<u>HOME Grant</u>			
Pass through:			
County	14.239	\$ 231,497	\$ 141,823
Total HOME Grant		\$ <u>231,497</u>	\$ <u>141,823</u>

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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, 2016

SECTION 1 - 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 the Uniform Guidance 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 \$750,000.
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.

**Certifications of Compliance with
PHA Plans and Related Regulations
(Standard, Troubled, HCV-Only, and
High Performer PHAs)**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 02/29/2016

**PHA Certifications of Compliance with the PHA Plan and Related Regulations including
Required Civil Rights Certifications**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year and/or X Annual PHA Plan for the PHA fiscal year beginning 10/1/18, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

Housing Authority of the County of Stanislaus
PHA Name

CA 026
PHA Number/HA Code

 X Annual PHA Plan for Fiscal Year 2018

 5-Year PHA Plan for Fiscal Years 20 - 20

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of Authorized Official

Title

Jim Kruse

Deputy Director

Signature

Date

5/14/18

Civil Rights Certification
(Qualified PHAs)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB Approval No. 2577-0226
Expires 02/29/2016

Civil Rights Certification

Annual Certification and Board Resolution

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official, I approve the submission of the 5-Year PHA Plan for the PHA of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the public housing program of the agency and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those program, addressing those impediments in a reasonable fashion in view of the resources available and working with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.

Housing Authority of the County of Stanislaus
PHA Name

CA 026
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

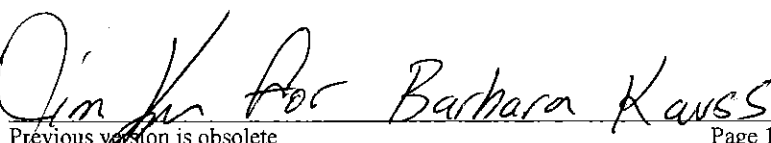
Barbara S. Kauss

Signature

Title

Executive Director

Date 5/14/18


Previous version is obsolete

**Certification by State or Local
Official of PHA Plans Consistency
with the Consolidated Plan or
State Consolidated Plan
(All PHAs)**

U. S Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 2/29/2016

**Certification by State or Local Official of PHA Plans
Consistency with the Consolidated Plan or State Consolidated Plan**

I, Angela Freitas, the Director of Planning and Community Development
Official's Name *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the

Housing Authority of the County of Stanislaus
PHA Name

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of
Impediments (AI) to Fair Housing Choice of the

Stanislaus Urban County
Local Jurisdiction Name

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State
Consolidated Plan and the AI.

The PHA is consistent with the Stanislaus Urban County's FY 2015-2020 Consolidated Plan and AI's goals for furthering fair housing and providing more affordable housing opportunities. The PHA's Annual Action Plan addresses developing additional rental opportunities for extremely low; very low; and low-income households to resident of the Urban County.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Angela Freitas	Director of Planning and Community Development
Signature	Date



U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
One Sansome Street, Suite 1200
San Francisco, California 94104-4430
www.hud.gov
espanol.hud.gov

AUG 21 2017

Ms. Barbara Kauss
Executive Director
Stanislaus County Housing Authority
1701 Robertson Road
Modesto, CA 95358

Subject: Amendment to the Consolidated Annual Contract
Grant Number: CA01P02650117
Amendment No: 60

Dear Ms. Kauss:

We are enclosing an executed Capital Fund Program (CFP) ACC Amendment for your 2017 Capital Fund Grant award.

The Housing Authority is reminded that by executing the ACC Amendment, it has agreed to comply with the Capital Fund Program requirements including 24 C.F.R. parts 905, 968, and 941. The subject grant is also subject to the obligation and expenditure deadlines prescribed in Section 9(j) of the Quality Housing and Work Responsibility Act (QHWRA) and 24 C.F.R. Part 905.120. Notice PIH 2011-24 identifies general requirements for all PHAs and specific requirements for qualified and non-qualified PHAs. Please read the Capital Fund Program Notice carefully along with the additional processing guidance that is posted on the following website: <http://www.hud.gov/offices/pih/programs/ph/capfund/index.cfm>.

If you have any questions concerning this matter, please contact Todd Greene, Engineer, by email at todd.r.greene@hud.gov or by phone at 415-489-6438.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerard R. Windt".

Gerard R. Windt
Director
Office of Public Housing

Attachment

2017 Capital Fund

Capital Fund Program

(CFP) Amendment

To The Consolidated Annual Contributions

Contract (form HUD-53012)

U.S. Department of Housing

and Urban Development

Office of Public and Indian Housing

Whereas, (Public Housing Authority) Housing Authority of the County of Stanislaus CA026 (herein called the "PHA")

and the United States of America, Secretary of Housing and Urban Development (herein called "HUD") entered into Consolidated Annual Contributions Contract(s) ACC(s) Number(s) SF-212 dated 8/1/1996

Whereas, HUD has agreed to provide CFP assistance, upon execution of this Amendment, to the PHA in the amount to be specified below for the purpose of assisting the PHA in carrying out development, capital and management activities at existing public housing projects in order to ensure that such projects continue to be available to serve low-income families. HUD reserves the right to provide additional CFP assistance in this FY to the PHA. HUD will provide a revised ACC Amendment authorizing such additional amounts.

\$ \$1,062,328.00 for Fiscal Year 2017 to be referred to under Capital Fund Grant Number CA01P02650117
PHA Tax Identification Number (TIN): On File DUNS Number: On File

Whereas, HUD and the PHA are entering into the CFP Amendment Number 60

Now Therefore, the ACC(s) is (are) amended as follows:

- The ACC(s) is (are) amended to provide CFP assistance in the amount specified above for development, capital and management activities of PHA projects. This CFP Amendment is a part of the ACC(s).
- The PHA must carry out all development, capital and management activities in accordance with the United States Housing Act of 1937 (the Act), 24 CFR Part 905 (the Capital Fund Final rule) published at 78 Fed. Reg. 63748 (October 24, 2013), as well as other applicable HUD requirements, except that the limitation in section 9(g)(1) of the Act is increased such that of the amount of CFP assistance provided for under this CFP amendment only, the PHA may use no more than 25 percent for activities that are eligible under section 9(e) of the Act only if the PHA's HUD-approved Five Year Action Plan provides for such use; however, if the PHA owns or operates less than 250 public housing dwelling units, such PHA may continue to use the full flexibility in section 9(g)(2) of the Act.
- The PHA has a HUD-approved Capital Fund Five Year Action Plan and has complied with the requirements for reporting on open grants through the Performance and Evaluation Report. The PHA must comply with 24 CFR 905.300 of the Capital Fund Final rule regarding amendment of the Five Year Action Plan where the PHA proposes a Significant Amendment to the Capital Fund Five Year Action Plan.
- For cases where HUD has approved a Capital Fund Financing Amendment to the ACC, HUD will deduct the payment for amortization scheduled payments from the grant immediately on the effective date of this CFP Amendment. The payment of CFP funds due per the amortization scheduled will be made directly to a designated trustee within 3 days of the due date.
- Unless otherwise provided, the 24 month time period in which the PHA must obligate this CFP assistance pursuant to section 9(j)(1) of the Act and 48 month time period in which the PHA must expend this CFP assistance pursuant to section 9(j)(5) of the Act starts with the effective date of this CFP amendment (the date on which CFP assistance becomes available to the PHA for obligation). Any additional CFP assistance this FY will start with the same effective date.
- Subject to the provisions of the ACC(s) and paragraph 3, and to assist in development, capital and management activities, HUD agrees to disburse to the PHA or the designated trustee from time to time as needed up to the amount of the funding assistance specified herein.
- The PHA shall continue to operate each public housing project as low-income housing in compliance with the ACC(s), as amended, the Act and all HUD regulations for a period of twenty years after the last disbursement of CFP assistance for modernization activities for each public housing project or portion thereof and for a period of forty years after the last distribution of CFP

assistance for development activities for each public housing project and for a period of ten years following the last payment of assistance from the Operating Fund to each public housing project. However, the provisions of Section 7 of the ACC shall remain in effect for so long as HUD determines there is any outstanding indebtedness of the PHA to HUD which arose in connection with any public housing project(s) under the ACC(s) and which is not eligible for forgiveness, and provided further that, no disposition of any project covered by this amendment shall occur unless approved by HUD.

8. The PHA will accept all CFP assistance provided for this FY. If the PHA does not comply with any of its obligations under this CFP Amendment and does not have its Annual PHA Plan approved within the period specified by HUD, HUD shall impose such penalties or take such remedial action as provided by law. HUD may direct the PHA to terminate all work described in the Capital Fund Annual Statement of the Annual PHA Plan. In such case, the PHA shall only incur additional costs with HUD approval.

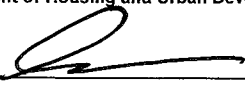
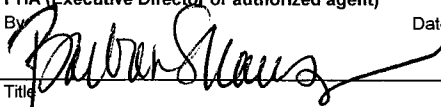
9. Implementation or use of funding assistance provided under this CFP Amendment is subject to the attached corrective action order(s).
(mark one) : ☐ Yes ☒ No

10. The PHA is required to report in the format and frequency established by HUD on all open Capital Fund grants awarded, including information on the installation of energy conservation measures.

11. If CFP assistance is provided for activities authorized pursuant to agreements between HUD and the PHA under the Rental Assistance Demonstration Program, the PHA shall follow such applicable statutory authorities and all applicable HUD regulations and requirements. For total conversion of public housing projects, the provisions of Section 7 of the ACC shall remain in effect for so long as HUD determines there is any outstanding indebtedness of the PHA to HUD which arose in connection with any public housing projects(s) under the ACC(s) and which is not eligible for forgiveness, and provided further that, no disposition or conversion of any public housing project covered by these terms and conditions shall occur unless approved by HUD. For partial conversion, the PHA shall continue to operate each non-converted public housing project as low-income housing in accordance with paragraph 7.

12. CFP assistance provided as an Emergency grant or a Safety and Security grant shall be subject to a 12 month obligation and 24 month expenditure time period. CFP assistance provided as a Natural Disaster grant shall be subject to a 24 month obligation and 48 month expenditure time period. The start date shall be the date on which such funding becomes available to the PHA for obligation. The PHA must record the Declaration(s) of Trust within 60 days of the effective date or HUD will recapture the funds.

The parties have executed this CFP Amendment, and it will be effective on 8/16/2017. This is the date on which CFP assistance becomes available to the PHA for obligation.

U.S. Department of Housing and Urban Development By  Title <u>DIRECTOR</u>	Date: <u>AUG 21 2017</u>	PHA (Executive Director or authorized agent) By  Title <u>Executive Director</u>	Date: <u>8/21/17</u>
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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary		Grant Type and Number Capital Fund Program Grant No: CA01P02650117 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2017 FFY of Grant Approval:	
PHA Name: Housing Authority of the County of Stanislaus					
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: 08/31/2016		<input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost	Obligated	Total Actual Cost ¹	
		Original	Revised²	Expended	
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	148,725.00	0.00	0.00	
3	1408 Management Improvements	106,232.00	0.00	0.00	
4	1410 Administration (may not exceed 10% of line 21)	106,232.00	0.00	0.00	
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	70,000.00	0.00	0.00	
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	631,139.00	0.00	0.00	
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary		Grant Type and Number Capital Fund Program Grant No: CA01P02650117 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2017 FFY of Grant Approval:	
PHA Name: Housing Authority of the County of Stanislaus					
Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 8/31/2016		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no:)	
Summary by Development Account		Total Estimated Cost		Total Actual Cost¹	
Line		Original	Revised²	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 - 19)	1,062,328.00		0.00	0.00
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director <i>Barbara S. Kaurin</i>		Date 8/21/17		Signature of Public Housing Director <i>[Signature]</i>	
				Date 8/21/17	

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFFP Grants for operations.
⁴ RHF funds shall be included here.

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² To be completed for the Performance and Evaluation Report.

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¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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