CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
CALIFORNIA

FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
MARCH 31, 2009

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CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2009

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

List of Officials i

FINANCIAL SECTION

Independent Auditor's Report 1

Management's Discussion and Analysis (Required Supplementary Information - Unaudited) 2-7

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets 8

Statement of Activities 9

Fund Financial Statements:

Governmental Funds:

Balance Sheet 10

Reconciliation of the Governmental Fund Balances to the Government-Wide Statement of Net Assets – Governmental Activities 11

Statement of Revenues, Expenditures, and Changes in Fund Balances 12

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities 13

Proprietary Funds:

Statement of Net Assets 14

Statement of Revenues, Expenses, and Changes in Net Assets 15

Statement of Cash Flows 16

Fiduciary Funds:

Statement of Fiduciary Net Assets 17

Notes to Basic Financial Statements:

1 Financial Reporting Entity and Summary of Significant Accounting Policies 18-24

2 Stewardship, Compliance, and Accountability 24

3 Detailed Notes 25-31

4 Employee's Retirement Plan 31-32

5 Post Employment Benefits 32

6 Risk Management 32

7 Other Information 33-34

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2009

TABLE OF CONTENTS

Page

Required Supplementary Information (other than MD&A - Unaudited)

Schedule of Funding Progress 35
Budgetary Comparison Schedule - Conventional 36
Budgetary Comparison Schedule - Rural Development 37
Budgetary Comparison Schedule - Rehabilitation Agency 38
Budgetary Comparison Schedule - Housing Choice Vouchers 39
Notes to Required Supplementary Information 40

Supplementary Information

Combining Fund Statements:

Nonmajor Governmental Funds:
Special Revenue Funds:
Combining Balance Sheet 41
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 42
Enterprise Funds:
Combining Statement of Net Assets 43
Combining Statement of Revenues, Expenses, and Changes in Net Assets 44
Combining Statement of Cash Flows 45
Fiduciary Funds:
Agency Funds:
Combining Statement of Assets and Liabilities - Agency Funds 46
Combining Statement of Changes in Assets and Liabilities - Agency Funds 47

Other Schedules

Actual Modernization Cost Certificates 48-49

INTRODUCTORY SECTION

- List of Officials

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CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
BOARD OF COMMISSIONERS
FOR THE YEAR ENDED MARCH 31, 2009

Leslie McBride	December 2010
Stan Cleveland	January 2011
Melinda Russell	December 2012
Diane Hodges	November 2009
Kay Mitchell	July 2008
Satwant Takhar	December 2009

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FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

To The Board of Commissioners
Consolidated Area Housing Authority of Sutter County
Yuba City, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Consolidated Area Housing Authority of Sutter County, California (Authority), as of and for the year ended March 31, 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of March 31, 2009, and the respective changes in financial position and, cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 20, 2009, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters that could have a direct and material effect on a major HUD assisted program. 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 and important for assessing the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, Schedule of Funding Progress, and Budgetary Comparison Schedules as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurements and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Introductory Section and Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The cost certificates for projects CA30P048501-07 and CA30P048501-08 are supplementary information required by the U.S. Department of Housing and Urban Development (HUD). The combining fund statements and cost certificates have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Smith & Newell CPA's
Yuba City, California
July 20, 2009

1425 BUTTE HOUSE ROAD YUBA CITY, CA 95993 TEL: (530) 673-9790 FAX: (530) 673-1305

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Consolidated Area Housing Authority of Sutter County, California, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended March 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

FINANCIAL HIGHLIGHTS

Entity-wide:

- The Housing Authority's total net assets were $4,500,357 as of March 31, 2009. Of this total, $3,807,534 were governmental assets and $692,823 were business-type assets.
- Entity-wide governmental revenues include program revenues of $6,515,866 and general revenues and special items of $353,762 for a total of $6,869,628.
- Entity-wide Governmental expenses were $7,808,573.
- Entity-wide Business-type program, interest, and other revenues were $1,350,164 while Business-type expenses were $1,355,452.

Fund Level:

- Governmental Fund balance decreased to $1,164,779 in fiscal year 2009, down $1,847,354 from the prior year.
- Governmental Fund revenues were $6,547,234 in fiscal year 2009, down $1,182,169 from the prior year. Of this decrease, intergovernmental revenues decreased $828,534, other revenues decreased $384,830, while use of money and property reflected an increase.
- Governmental Fund expenditures increased to $9,952,032 in fiscal year 2009, up $3,206,246 from the prior year. Of this increase, the majority was from capital outlay expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements, commonly referred to as the Housing Authority's Basic Financial Statements. Management's Discussion and Analysis introduces these statements and includes two different views of the Housing Authority's financial activities and position: (1) Government-Wide Financial Statements provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances; (2) Fund Financial Statements provide detailed information about the individual functions of Housing Authority programs, telling how services were financed in the short-term as well as what remains for future spending.

Each set of statements presents the Housing Authority's finances in a distinct way. To assist the reader in understanding the differences between them, a brief discussion of each follows, including the relationship of these statements to each other and the significant differences in the information they provide.

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a broad overview of Housing Authority finances in a manner similar to private sector business. These statements separate the Housing Authority's activities into two areas:

- **Governmental Activities** – these services are principally supported by intergovernmental revenues. Most of the Housing Authority's basic services are considered to be governmental activities including public assistance and general administration.

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

Within the framework of these activities, a Statement of Net Assets and a Statement of Activities report information about the Housing Authority as a whole. These statements include all assets and liabilities of the Housing Authority (i.e., infrastructure and long-term debt) and use the accrual basis of accounting in which all the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The two statements can be generally described as follows:

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

- **The Statement of Activities** presents information showing how the Housing Authority's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Notably, these statements differ from the Fund Financial Statements in that they include all assets of the Housing Authority (including infrastructure) and all liabilities (including long-term debt) and exclude certain interfund receivables, payables and other interfund activity as prescribed by GASB Statement No. 34. For additional reference, reconciliation between the two is provided on pages 11 and 13 of this report.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the Housing Authority's most significant funds – not the Housing Authority as a whole. Management establishes funds to help control and manage money for particular purposes. There are three categories of funds: governmental, proprietary and fiduciary.

- **Governmental Funds** – most of the Housing Authority's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the Housing Authority's general government operations and the basic services it provides. This information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Housing Authority's programs. We describe the relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental funds in the reconciliation at the bottom of the fund financial statements.

  The Housing Authority's major governmental funds are the Conventional, Rural Development, Rehabilitation Agency and Housing Choice Vouchers funds. All other funds are combined in a single, aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 41 of this report.

- **Proprietary Funds** – when the Housing Authority charges customers for services it provides, whether outside customers or to other units of the Housing Authority, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements (i.e., business-type activities), only in more detail. The Housing Authority uses enterprise funds to account for its property rental operations.

- **Fiduciary Funds** – the Housing Authority is the trustee, or fiduciary, for certain funds held on behalf of external parties. The Housing Authority's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. These activities are excluded from the Housing Authority's other financial statements because the resources of the funds are not available to support the Housing Authority's own programs. The Housing Authority is responsible for ensuring that the assets reported in these funds are used for the intended purposes.

NOTES TO BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report presents the following required supplementary information: Schedule of Funding Progress, budgetary comparisons for the Housing Authority's Conventional, Rural Development, Rehabilitation Agency, and Housing Choice Vouchers funds, and a description of the Housing Authority's accounting policies with regard to the annual budget.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Analysis of Net Assets

	Governmental Activities		Business-Type Activities		Total		Total	
	2009	2008	2009	2008	2009	2008	Dollar Change	% Change
Assets:								
Current and other assets	$ 1,743,552	$ 3,445,883	$ 943,186	$ 860,948	$ 2,686,738	$ 4,306,831	($1,620,093)	(37.62)
Capital assets	5,631,998	3,346,167	4,832,710	4,992,079	10,464,708	8,338,246	2,126,462	25.50
Total Assets	7,375,550	6,792,050	5,775,896	5,853,027	13,151,446	12,645,077	506,369	0.04
Liabilities:								
Current and other	723,719	433,750	148,979	73,273	872,698	507,023	365,675	72.12
Noncurrent liabilities	2,844,297	1,855,999	4,934,094	5,081,643	7,778,391	6,937,642	840,749	12.12
Total Liabilities	3,568,016	2,289,749	5,083,073	5,154,916	8,651,089	7,444,665	1,206,424	16.21
Net Assets								
Invested in capital assets, net of related debt	2,795,395	1,647,385	(169,867)	(71,462)	2,625,528	1,575,923	1,049,605	66.60
Unrestricted	1,012,139	2,854,916	862,690	769,573	1,874,829	3,624,489	(1,749,660)	(48.27)
Total Net Assets	$ 3,807,534	$ 4,502,301	$ 692,823	$ 698,111	$ 4,500,357	$ 5,200,412	($ 700,055)	(13.46)

Net assets represent the difference between the Housing Authority's resources and its obligations. At March 31, 2009, the largest portion of the Housing Authority's total net assets, 66 percent, reflect the investment in capital assets, less related debt outstanding used to acquire the capital assets. These capital assets are used by the Housing Authority to provide services to the citizens. These assets are not available for future spending. Additional capital asset information can be found in the Capital Asset and Debt Administration section of this MD&A. The unrestricted balance of net assets may be used at the Housing Authority's discretion.

Statement of Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total		Total	
	2009	2008	2009	2008	2009	2008	Dollar Change	% Change
Revenues:								
Program Revenues:								
Charges for services	$ 1,386,588	$ 1,347,038	$ 1,156,882	$ 1,471,365	$ 2,543,470	$ 2,818,403	($ 274,933)	(9.75)
Operating grants and contributions	4,645,892	5,288,683	173,369	-	4,819,261	5,288,683	(469,422)	(8.88)
Capital grants and contributions	483,386	644,735	-	-	483,386	644,735	(161,349)	(25.03)
General Revenues:								
Interest and investment earnings	6,730	15,085	19,913	42,840	26,643	57,925	(31,282)	(54.00)
Miscellaneous	49,032	345,790	-	-	49,032	345,790	(296,758)	(85.82)
Total Revenues	6,571,628	7,641,331	1,350,164	1,514,205	7,921,792	9,155,536	(1,233,744)	(13.48)
Expenses:								
Public Assistance	7,801,113	6,799,961	-	-	7,801,113	6,799,961	1,001,152	14.72
Interest on long-term debt	7,460	24,621	-	-	7,460	24,621	(17,161)	(69.70)
LC-35	-	-	251,574	214,664	251,574	214,664	36,910	17.19
Butte View Estates	-	-	356,379	320,623	356,379	320,623	35,756	11.15
Kingwood Commons Apt.	-	-	658,515	804,830	658,515	804,830	(146,315)	(18.18)
Trailer Park	-	-	47,242	16,916	47,242	16,916	30,326	179.27
Percy Avenue	-	-	41,742	39,504	41,742	39,504	2,238	5.67
Total Expenses	7,808,573	6,824,582	1,355,452	1,396,537	9,164,025	8,221,119	942,906	11.47
Excess Revenues Over (Under) Expenses	(1,236,945)	816,749	(5,288)	117,668	(1,242,233)	934,417	(2,176,650)	(232.94)
Special item: Forgiveness of debt	298,000	-	-	-	298,000	-	298,000	100.00
Change in Net Assets	($ 938,945)	$ 816,749	($ 5,288)	$ 117,668	($ 944,233)	$ 934,417	($1,878,650)	(201.05)

Revenue

The Housing Authority's total revenue was $7.9 million for the fiscal year ended March 31, 2009. Revenue from governmental activities totaled $6.6 million and revenue from business-type activities total $1.3 million. Charges for services provided 32 percent of the total revenue received during the 2008/09 fiscal year. Intergovernmental operating revenues provided 61 percent of total revenues received during the fiscal year. In addition a special item of $298,000 for forgiveness of debt was recognized.

Expenses

Expenses of the Housing Authority for the year totaled $9.1 million. Governmental activity expenses totaled $7.8 million or 85 percent of total expenses. Business-type activity expenses totaled $1.3 million or 15 percent of total expenses.

Governmental Activities

Program revenue of the Housing Authority's governmental activities totaled $6.5 million. Expenses of governmental activities were $7.8 million. The cost of capital improvements are reported as capital assets in the statement of net assets, rather than as expenses in the statement of activities.

Business-type Activities

Program revenue of the Housing Authority's business-type activities totaled $1.3 million. Expenses of business-type activities were $1.3 million. The cost of capital improvements are reported as capital assets in the statement of net assets, rather than as expenses in the statement of activities.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The Housing Authority uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the Housing Authority government, reporting the Housing Authority's operation in more detail than the government-wide statements. The Housing Authority's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The Housing Authority's governmental funds reported combined fund balances at March 31, 2009 of $1,164,779, a decrease of $1,847,354 over the previous fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Housing Authority's investment in capital assets for its governmental and business-type activities as of March 31, 2009, was $10,464,708 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, and equipment. Net additions to capital assets were $2,750,549 and net additions to accumulated depreciation were $624,087. Therefore the Housing Authority's net investment in capital assets increased $2,126,462 from March 31, 2008.

Long-term Debt

At the end of the current fiscal year, the Housing Authority had total long-term obligations outstanding of $8,040,181, an increase of $1,102,539 from March 31, 2008.

The following table shows the composition of the Housing Authority's total outstanding debt for governmental and proprietary funds.

Consolidated Area Housing Authority of Sutter County

Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenue Bonds	$ -		$	$ 3,635,030	$ 3,580,460	$ 3,635,030
Loans Payable	2,836,603	1,397,750	1,344,469	1,347,947	4,181,072	2,745,697
Notes Payable	-	301,032	77,648	80,564	77,648	381,596
Compensated Absences	177,034	157,217	23,967	18,102	201,001	175,319
Total Long-Term Debt	$ 3,013,637	$ 1,855,999	$ 5,026,544	$ 5,081,643	$ 8,040,181	$ 6,937,642

ECONOMIC FACTORS

The Housing Authority is dependent for the funding of its operations through HUD, Rural Development, State and local governments and several Housing Authority owned properties, therefore, the Authority is affected by the federal budget as well as state and local economic conditions. However, because HUD Public Housing and Rural Development subsidies remain fairly consistent, the Housing Authority is currently not as affected by the economy as other state and local entities. The exception is the HUD Housing Choice Voucher Program. Subsidy changes in this program affect the number of community households that can be assisted.

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

At this time, Kingwood Commons, a complex owned by the Housing Authority, is undergoing additional rehabilitation to help decrease operating expenses and improve the look of the unit interiors. In so doing, it is expected that a greater number of individuals from the community will be interested in renting, thus increasing occupancy. Cost for this rehabilitation is expected to come from funds being held in trust by the Bank of New York.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in the Housing Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, at the Consolidated Area Housing Authority of Sutter County, P.O. Box 631, Yuba City, California, 95992.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

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CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
STATEMENT OF NET ASSETS
MARCH 31, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 417,021	$ 193,760	$ 610,781
Cash with fiscal agent	-	554,549	554,549
Accounts receivable (net of allowance)	537,784	277,628	815,412
Interest receivable	1	2	3
Internal balances	469,754	(469,754)	-
Inventory	-	12,899	12,899
Restricted assets:			
Cash and investments	319,297	-	319,297
Cash with fiscal agent	-	374,102	374,102
Total restricted assets	319,297	374,102	693,399
Capital assets:			
Non-depreciable assets	3,334,102	832,211	4,166,313
Depreciable assets, net of depreciation	2,297,896	4,000,499	6,298,395
Total capital assets	5,631,998	4,832,710	10,464,708
Total Assets	7,375,855	5,775,896	13,151,751
LIABILITIES			
Accounts payable	386,878	17,454	404,332
Prepaid tenant rent	3,050	2,296	5,346
Accrued salaries and benefits	47,077	7,583	54,660
Security deposits payable	54,183	29,196	83,379
Escrow accounts payable	22,690	-	22,690
Unearned revenue	40,806	-	40,806
Long-term liabilities:			
Due within one year	169,340	92,450	261,790
Due in more than one year	2,844,297	4,934,094	7,778,391
Total Liabilities	3,568,321	5,083,073	8,651,394
NET ASSETS			
Invested in capital assets, net of related debt	2,795,395	(169,867)	2,625,528
Unrestricted	1,012,139	862,690	1,874,829
Total Net Assets	$ 3,807,534	$ 692,823	$ 4,500,357

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

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2009

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
Public assistance	$ 7,801,113	$ 1,386,588	$ 4,645,892	$ 483,386
Interest on long-term debt	7,460	-	-	-
Total Governmental Activities	7,808,573	1,386,588	4,645,892	483,386
Business-type activities:				
LC-35	251,574	356,603	173,369	-
Butte View Estates	356,379	235,548	-	-
Kingwood Commons Apartments	658,515	488,646	-	-
Trailer Park	47,242	39,936	-	-
Percy Avenue	41,742	36,149	-	-
Total Business-type Activities	1,355,452	1,156,882	173,369	-
Total Primary Government	$ 9,164,025	$ 2,543,470	$ 4,819,261	$ 483,386
General revenues:				
Interest and investment earnings				
Miscellaneous				
Special item - forgiveness of debt				
Total General Revenues and Special Items				
Change in Net Assets				
Net Assets - Beginning				
Prior period adjustment				
Net Assets - Beginning, Restated				
Net Assets - Ending				

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business Type Activities	Total
$ (1,285,247)	$ -	$ (1,285,247)
(7,460)	-	(7,460)
(1,292,707)	-	(1,292,707)
-	278,398	278,398
-	(120,831)	(120,831)
-	(169,869)	(169,869)
-	(7,306)	(7,306)
-	(5,593)	(5,593)
-	(25,201)	(25,201)
(1,292,707)	(25,201)	(1,317,908)
6,730	19,913	26,643
49,032	-	49,032
298,000	-	298,000
353,762	19,913	373,675
(938,945)	(5,288)	(944,233)
4,502,301	698,111	5,200,412
244,178	-	244,178
4,746,479	698,111	5,444,590
$ 3,807,534	$ 692,823	$ 4,500,357

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements

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CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2009

	Conventional	Rural Development	Rehabilitation Agency	Housing Choice Vouchers
ASSETS				
Cash and investments	$ 344,776	$ -	$ -	$ 50,328
Accounts receivable - tenants, net	13,710	11,497	-	755
Accounts receivable - operating reimbursement	-	-	-	-
Accounts receivable - grants	-	318,039	28,874	-
Interest receivable	1	-	-	-
Due from other funds	926,390	1,623,764	-	-
Restricted assets:				
Cash and investments	-	296,607	-	22,690
Total Assets	$ 1,284,877	$ 2,249,907	$ 28,874	$ 73,773
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 24,048	$ 330,922	$ 4,446	$ 3,291
Prepaid tenant rent	1,680	1,287	-	83
Accrued salaries and benefits	10,927	16,077	8,852	8,814
Security deposits payable	37,348	13,575	-	-
Escrow accounts payable	-	-	-	22,690
Unearned revenue	40,806	-	-	-
Due to other funds	29,106	1,403,254	446,114	113,973
Total Liabilities	143,915	1,765,115	459,412	148,851
FUND BALANCES				
Reserved	-	296,607	-	-
Unreserved, reported in:				
Special revenue funds				
Undesignated	1,140,962	188,185	(430,538)	(75,078)
Total Fund Balances	1,140,962	484,792	(430,538)	(75,078)
Total Liabilities and Fund Balances	$ 1,284,877	$ 2,249,907	$ 28,874	$ 73,773

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

Other Governmental Funds	Total Governmental Funds
$ 21,917	$ 416,716
201	26,163
20	20
140,294	487,207
-	1
66,784	2,616,938
-	319,297
$ 229,216	$ 3,866,342
$ 24,171	$ 386,573
-	3,050
2,407	47,077
3,260	54,183
-	22,690
-	40,806
154,737	2,147,184
184,575	2,701,563
-	296,607
44,641	868,172
44,641	1,164,779
$ 229,216	$ 3,866,342

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
MARCH 31, 2009

Total Fund Balances - Total Governmental Funds	$ 1,164,779
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	5,631,998
Other long term assets are not available to pay for current period expenditures and therefore, are not repoted in the funds or reported as deferred in the governmental funds.	
Accounts receivable	24,394
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Loans payable	(2,836,603)
Compensated absences	(177,034)
Net Assets of Governmental Activities	$ 3,807,534

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

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CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2009

	Conventional	Rural Development	Rehabilitation Agency	Housing Choice Vouchers
REVENUES				
Use of money and property	$ 695,412	$ 673,085	$ -	$ 4,758
Intergovernmental	531,949	1,059,290	235,660	1,515,441
Other revenues	24,044	12,006	12,942	-
Total Revenues	1,251,405	1,744,381	248,602	1,520,199
EXPENDITURES				
Current:				
Public assistance	1,020,341	1,133,926	326,366	3,993,675
Capital outlay	149,453	2,031,270	-	-
Debt service				
Principal	3,033	118,591	-	-
Interest and other charges	2,172	5,288	-	-
Total Expenditures	1,174,999	3,289,075	326,366	3,993,675
Excess of Revenue Over (Under) Expenditures	76,406	(1,544,694)	(77,764)	(2,473,476)
OTHER FINANCING SOURCES (USES)				
Transfers in	601,757	-	-	-
Transfers out	-	-	-	-
Debt proceeds	-	1,557,444	-	-
Total Other Financing Sources (Uses)	601,757	1,557,444	-	-
Net Change in Fund Balances	678,163	12,750	(77,764)	(2,473,476)
Fund Balances - Beginning	462,799	472,042	(352,774)	2,398,398
Fund Balances - Ending	$ 1,140,962	$ 484,792	$ (430,538)	$ (75,078)

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

Other Governmental Funds	Total Governmental Funds
$ 20,063	$ 1,393,318
1,762,544	5,104,884
40	49,032
1,782,647	6,547,234
842,469	7,316,777
325,448	2,506,171
-	121,624
-	7,460
1,167,917	9,952,032
614,730	(3,404,798)
-	601,757
(601,757)	(601,757)
-	1,557,444
(601,757)	1,557,444
12,973	(1,847,354)
31,668	3,012,133
$ 44,641	$ 1,164,779

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2009

Net Change in Fund Balances - Total Governmental Funds	$ (1,847,354)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expendiitures for capital outlay	2,506,171
Depreciation expense	(464,518)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal retirements	121,624
Debt proceeds	(1,557,444)
Forgiveness of debt	298,000
Some revenues reported in the statement of activities will not be collected for several months after the Authority's year end and do not provide current financial resources and therefore are not reported in the governmental funds.	
Change in accounts receivable	24,394
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences	(19,818)
Change in Net Assets of Governmental Activities	$ (938,945)

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

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2009

	Business-Type Activities - Enterprise Funds			
	Butte View Estates	Kingwood Commons	Other Enterprise Funds	Totals
ASSETS				
Current Assets:				
Cash and investments	$ 62,390	$ 853	$ 130,517	$ 193,760
Cash with fiscal agent	-	554,549	-	554,549
Accounts receivable - tenants, net	568	31,233	2,778	34,579
Accounts receivable - operating reimbursement	2,382	-	240,667	243,049
Interest receivable	-	-	2	2
Due from other funds	-	-	228,689	228,689
Inventory	-	-	12,899	12,899
Total Current Assets	65,340	586,635	615,552	1,267,527
Restricted Assets:				
Cash with fiscal agent	-	374,102	-	374,102
Total Restricted Assets	-	374,102	-	374,102
Noncurrent Assets:				
Nondepreciable assets	221,880	320,000	290,331	832,211
Depreciable assets, net	739,602	2,956,745	304,152	4,000,499
Total Noncurrent Assets	961,482	3,276,745	594,483	4,832,710
Total Assets	1,026,822	4,237,482	1,210,035	6,474,339
LIABILITIES				
Current Liabilities:				
Accounts payable	6,065	8,829	2,560	17,454
Prepaid tenant rent	-	992	1,304	2,296
Accrued salaries and benefits	518	3,499	3,566	7,583
Security deposits payable	6,730	16,766	5,700	29,196
Due to other funds	-	596,500	101,943	698,443
Compensated absences payable	-	10,625	13,342	23,967
Loans payable	1,670	-	-	1,670
Notes payable	-	-	3,095	3,095
Bonds payable	12,211	51,507	-	63,718
Total Current Liabilities	27,194	688,718	131,510	847,422
Noncurrent Liabilities:				
Loans payable - net of current portion	517,799	825,000	-	1,342,799
Notes payable - net of current portion	-	-	74,553	74,553
Bonds payable - net of current portion	684,169	2,832,573	-	3,516,742
Total Noncurrent Liabilities	1,201,968	3,657,573	74,553	4,934,094
Total Liabilities	1,229,162	4,346,291	206,063	5,781,516
NET ASSETS				
Invested in capital assets, net of related debt	(254,367)	(432,335)	516,835	(169,867)
Unrestricted	52,027	323,526	487,137	862,690
Total Net Assets	$ (202,340)	$ (108,809)	$ 1,003,972	692,823

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

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2009

	Business-Type Activities - Enterprise Funds			
	Butte View Estates	Kingwood Commons	Other Enterprise Funds	Totals
OPERATING REVENUES				
Dwelling rents	$ 233,623	$ 475,713	$ 125,190	$ 834,526
Other tenant revenue	-	12,933	7,029	19,962
Other revenue	1,925	-	300,469	302,394
Total Operating Revenues	235,548	488,646	432,688	1,156,882
OPERATING EXPENSES				
Salaries and benefits	39,810	81,601	155,322	276,733
Utilities	36,088	101,758	22,579	160,425
Maintenance and repairs	-	89,784	17,844	107,628
Insurance	-	5,452	584	6,036
Services and supplies	164,608	62,696	121,202	348,506
Amortization	2,828	11,913	-	14,741
Depreciation	54,237	86,741	18,948	159,926
Total Operating Expenses	297,571	439,945	336,479	1,073,995
Operating Income (Loss)	(62,023)	48,701	96,209	82,887
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	-	-	173,369	173,369
Interest income	1,008	13,626	5,279	19,913
Interest expense	(58,808)	(218,570)	(4,079)	(281,457)
Total Non-operating Revenue (Expenses)	(57,800)	(204,944)	174,569	(88,175)
Change in Net Assets	(119,823)	(156,243)	270,778	(5,288)
Total Net Assets - Beginning	(82,517)	47,434	733,194	698,111
Total Net Assets - Ending	$ (202,340)	$ (108,809)	$ 1,003,972	$ 692,823

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

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2009

	Business-Type Activities - Enterprise Funds			
	Butte View Estates	Kingwood Commons	Other Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 232,701	$ 479,160	$ 195,488	$ 907,349
Payments to suppliers	(212,979)	(265,609)	(177,423)	(656,011)
Payments to employees	(44,060)	(80,670)	(142,982)	(267,712)
Net Cash Provided (Used) by Operating Activities	(24,338)	132,881	(124,917)	(16,374)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenue	-	-	173,369	173,369
Interfund loans received	-	596,500	368,038	964,538
Interfund loans made	-	-	(228,689)	(228,689)
Interfund loan repayments	(16,037)	(548,031)	(102,562)	(666,630)
Net Cash Provided (Used) by Noncapital Financing Activities	(16,037)	48,469	210,156	242,588
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(502)	(54)	(556)
Principal paid on debt	(17,789)	(55,000)	(2,916)	(75,705)
Interest paid on debt	(58,808)	(218,570)	(4,079)	(281,457)
Net Cash Provided (Used) by Capital and Related Financing Activities	(76,597)	(274,072)	(7,049)	(357,718)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	1,008	13,626	5,281	19,915
Net Cash Provided (Used) by Investing Activities	1,008	13,626	5,281	19,915
Net Increase (Decrease) in Cash and Cash Equivalents	(115,964)	(79,096)	83,471	(111,589)
Balances - Beginning of the Year	178,354	1,008,600	47,046	1,234,000
Balances - End of the Year	$ 62,390	$ 929,504	$ 130,517	$ 1,122,411
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ (62,023)	$ 48,701	$ 96,209	$ 82,887
Adjustments to reconcile operating income to net cash provided by operating activities:				
Amortization and depreciation	57,065	98,654	18,948	174,667
Decrease (increase) in:				
Accounts receivable - tenants, net	-	(8,298)	905	(7,393)
Accounts receivable - operating reimbursement	(2,382)	-	(240,375)	(242,757)
Inventory	-	-	(12,899)	(12,899)
Increase (decrease) in:				
Accounts payable	(12,283)	(5,919)	(2,315)	(20,517)
Prepaid tenant rent	-	(1,213)	270	(943)
Accrued salaries and benefits	(530)	1,015	2,671	3,156
Security deposits payable	(465)	25	2,000	1,560
Compensated absences payable	(3,720)	(84)	9,669	5,865
Net Cash Provided (Used) by Operating Activities	$ (24,338)	$ 132,881	$ (124,917)	$ (16,374)

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

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
MARCH 31, 2009

	Agency Funds
ASSETS	
Cash and investments	$ 16
Total Assets	16
LIABILITIES	
Accounts payable	16
Total Liabilities	$ 16

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

BASIC FINANCIAL STATEMENTS

Notes to Basic Financial Statements

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NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Consolidated Area Housing Authority of Sutter County (the Authority) was established in April, 1946, by a resolution of the Sutter County Board of Supervisors and reorganized as the Consolidated Area Housing Authority of Sutter County, California (the Authority) in February, 1994, by agreement between the City of Live Oak, the City of Yuba City and the County of Sutter. The Authority is governed by a seven member Board of Commissioners. The Board of Commissioners is made up of two members appointed by the Sutter County Board of Supervisors, two members appointed by the City of Yuba City and two members appointed by the City of Live Oak. The remaining member is a resident of public housing selected by the members of the Authority's Board of Commissioners and approved by Sutter County, City of Live Oak and City of Yuba City. Commissioners are appointed for four-year terms.

The accounting methods and procedures adopted by the Authority conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

The governmental reporting entity consists of the Authority (Primary Government) and its component units. Component units are legally separate organizations for which the Board of Directors is financially accountable or other organizations whose component units nature and significant relationship with the Authority are such that exclusion would cause the Authority's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Authority's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Authority.

Reporting for component units on the Authority's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the Authority's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

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

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information on all of the nonfiduciary activities of the Authority. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Authority. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's business-type activities and each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include 1) charges paid by the recipients of goods and services offered by the program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

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

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

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

The Authority reports the following major governmental funds:

- The Conventional Fund is a special revenue fund used to account for revenues and expenditures for Public and Indian Housing programs.

- The Rural Development Fund is a special revenue fund used to account for farm labor housing activities.

- The Rehabilitation Agency Fund is a special revenue fund used to account for rehabilitation projects of the Authority.

- The Housing Choice Vouchers Fund is a special revenue fund used to account for the Housing Voucher program.

The Authority reports the following major proprietary funds:

- The Butte View Estates Fund is an enterprise fund used to account for activity related to Butte View Estates rental.

- The Kingwood Commons Fund is an enterprise fund used to account for activity related to Spencer Arms Apartment rental.

The Authority reports the following additional fund types:

- Agency Funds account for assets held by the Authority as an agent for other governments or other funds.

C. Basis of Accounting and Measurement Focus

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, because agency funds only report assets and liabilities, they do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The Authority considers revenues reported in the governmental funds to be available if they are collected within 60 days after the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. Government capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

For its business-type activities and enterprise funds, the Authority has elected under Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting For Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Authority has elected not to follow subsequent private-sector guidance. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America (GAAP) for governmental units.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments, except cash with fiscal agent, of the proprietary funds are pooled with the Authority's pooled cash and investments.

E. Cash and Investments

The Authority pools cash and investments of all funds except for amounts held by fiscal agent. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. State statutes authorize the Authority to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund.

Investment transactions are recorded on the trade date. Investments are reported at fair value which is determined using selected bases annually. The fair value represents the amount the Authority could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or internal exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

Income from pooled investments is allocated to the individual funds based on the fund's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables

In the government-wide and proprietary fund financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include rental income, grants, and interest. Business-type activities report user fees including rental income and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as rental income, grants, interest, and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

G. Interfund Receivables and Payables

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

See Note 3 for details of interfund transactions, including receivables and payables at year end.

H. Inventory and Prepaid Costs

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs.

I. Capital Assets

Capital assets, which include property, plant, and equipment, are defined by the Authority as an asset with a cost greater than $1,000 and a useful life of more than two years.

Equipment reported in the financial statements is reported at actual historical cost. Structures and improvements, and land, have been stated at actual cost when available or estimated historical cost. Estimated historical cost was arrived at by a variety of methods including the use of factors and comparative sales. Contributed capital assets are recorded at estimated fair market value at the date of donation. The Authority is considered a phase 3 government for GASB 34 implementation and is accounting for general infrastructure prospectively for years beginning after June 15, 2003.

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

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, property, plant, equipment, and infrastructure are to be accounted for as capital assets in the governmental and business-type activities column.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Depreciable Asset	Estimated Lives
Equipment	2-10 years
Structures and improvements	10-30 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

J. Unearned Revenue/Deferred Revenue

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

Deferred revenue is recorded under the modified accrual basis of accounting when revenue which has been earned during the current period has met the measurable criteria but has not met the available criteria.

K. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of loans payable, accrued compensated absences, bonds payable, and capital leases payable.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

L. Compensated Absences

Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which is paid at the date of termination from Authority employment. All compensated pay is accrued when incurred in the government-wide and proprietary fund financial statements. For all governmental funds, termination pay-outs expected to be paid out of current financial resources are recorded as fund liabilities.

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Net Assets/Fund Balances

Government-Wide Financial Statements

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted net assets are available, unrestricted resources are depleted first before the restricted resources are used.

Fund Financial Statements

In the governmental fund financial statements, reserves and designations segregate portions of fund balance. Reservations of fund balance are for amounts that are not available or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance are established by action of management and represent tentative plans that are subject to change. In the proprietary fund financial statements, equity is accounted for the same as in the government-wide financial statements.

As of March 31, 2009, reservations of fund balance included:

Reserved for Supervised Account - to reflect the portion of assets which do not represent available, spendable resources.

N. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

O. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Government Funds – By Character
Current (further classified by function)
Debt Service
Capital Outlay

Proprietary Fund – By Operating and Nonoperating

P. Special Item - Forgiveness of Debt

In August of 2008, the Authority requested and was granted forgiveness of the Maple Park loan (in the amount of $201,447) and the Date Street loan (in the amount of $96,553) from the City of Live Oak.

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Assets on Government-Wide Financial Statements

During the current year, the Authority adjusted beginning net assets to correct a prior year understatement of construction in progress.

The impact of the restatement on the net assets of the government-wide financial statements as previously reported is presented below:

	Governmental Activities
Net Assets, March 31, 2008, as previously reported	$ 4,502,301
Adjustment associated with:	
Correction of capital assets	244,178
Total Adjustments	244,178
Net Assets, April 1, 2008 as restated	$ 4,746,479

B. Deficit Fund Balance/Net Assets

The following major governmental funds had a deficit fund balance at March 31, 2009:

The Rehabilitation Agency fund had a fund balance deficit of $430,538, which is expected to be eliminated in future years through cost containment and revenue receipt.

The following nonmajor governmental fund had a deficit fund balance at March 31, 2009:

The Mental Health Housing Services fund had a fund balance deficit of $503, which is expected to be eliminated in future years through cost containment and revenue receipt.

The following major enterprise fund had deficit net assets at March 31, 2009:

The Butte View Estates fund had a net asset deficit of $202,340, which is expected to be eliminated through cost containment and increased rental revenues.

The Kingwood Commons fund had a net asset deficit of $108,809, which is expected to be eliminated through cost containment and increased rental revenues.

The following nonmajor enterprise fund had deficit net assets at March 31, 2009:

The Trailer Park fund had a net asset deficit of $65,133, which is expected to be eliminated in future years through cost containment or alternative income producing measures.

C. Implementation of Governmental Accounting Standards Board Statements

The Authority implemented GASB Statement No. 50, Pension Disclosures. This statement, an amendment of GASB Statement No. 25 and No. 27, enhances the information disclosed in the notes to the financial statements or presented as required supplementary information (RSI). Statement No. 50 is intended to improve the transparency and decision usefulness of reported information about pensions by state and local governmental plans and employers, and conforms to the applicable changes adopted in Statement No. 45.

NOTE 3: DETAILED NOTES

A. Cash and Investments

As of March 31, 2009, the Authority's cash and investments consisted of the following:

Cash	
Imprest cash	$ 169
Deposits (less outstanding warrants)	929,188
Deposits with fiscal agents	928,651
Total Cash	1,858,008
Investments	
Local Agency Investment Fund	737
Total Investments	737
Total Cash and Investments	$ 1,858,745

Cash

At year end, the carrying amount of the Authority's cash deposits (including amount in checking accounts and money market accounts) was $929,188, and the bank balance was $1,246,659. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial Credit Risk for Deposits - Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than $250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first $250,000 of the deposits are insured by the Federal Deposit Insurance Corporation and the balance in excess of $250,000 is fully collateralized.

Investments

As of March 31, 2009, the Authority had the following investments:

		Maturities				
	Interest Rates	0-1 year	1-5 years	Over 5 years	Fair Value	Weighted Average Maturity (Years)
Local Agency Investment Fund (LAIF)	Variable	$ 737	$ -	$ -	$ 737	$ -
Total Pooled Investments		$ 737	$ -	$ -	$ 737	$

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments of the Authority are pooled with the State of California Local Agency Investment Fund.

Credit Risk - Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investor Service. State law also limits investments in corporate bonds to the rating of A by both Standards & Poor's and Moody's Investors Service. The Authority does not gave an investment policy that would further limit its investment choices.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law restricts the Authority's investments in commercial paper to 40% of its investment pool and to 10% per issuer, corporate bonds and medium term notes to 30% of its investment pool and to 10% per issuer, and banker's acceptances to 15% of its investment pool and to 10% per issuer. The Authority has invested cash, other than deposits and imprest cash, in the California Local Agency Investment Fund (LAIF).

NOTE 3: DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Investments (Continued)

Investment in Local Agency Investment Fund - The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. At March 31, 2009, the Authority's investment position in the State of California Local Agency Investment Fund (LAIF) was $737, which approximates fair value and is the same as the value of the pool shares. The total amount invested by all public agencies in LAIF on that day was $58,885,740,905. Of that amount, 87.87% is invested in non-derivative financial products and 12.13% in structured notes and asset-backed securities. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. The Local Investment Advisory Board, which consists of five members designated by the State statutes, has oversight responsibility for LAIF.

B. Restricted Cash and Investments

The Authority reflects cash and investments held for Rural Development Supervised account of $296,607, Housing Choice Voucher escrow account of $22,690 and Kingwood Commons debt service reserve account of $374,102 as restricted cash.

C. Capital Assets

Capital assets activity for the year ended March 31, 2009, was as follows:

	Balance April 1, 2008	Additions	Retirements	Adjustments	Balance March 31, 2009
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 403,772	$ 45,318	$ -	$ -	$ 449,090
Construction in progress	529,015	2,112,157	-	243,840	2,885,012
Total Capital Assets, Not Being Depreciated	932,787	2,157,475	-	243,840	3,334,102
Capital assets, being depreciated:					
Building and improvements	14,751,565	341,064	-	-	15,092,629
Equipment	1,324,574	7,636	-	-	1,332,210
Total Capital Assets, Being Depreciated	16,076,139	348,700	-	-	16,424,839
Less accumulated depreciation for:					
Buildings and improvements	(13,014,573)	(407,549)	-	-	(13,422,122)
Equipment	(648,186)	(56,969)	-	334	(704,821)
Total Accumulated Depreciation	(13,662,759)	(464,518)	-	334	(14,126,943)
Total Capital Assets, Being Depreciated, Net	2,413,380	(115,818)	-	334	2,297,896
Governmental Activities Capital Assets, Net	$ 3,346,167	$ 2,041,657	$ -	$ 244,174	$ 5,631,998

NOTE 3: DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

	Balance April 1, 2008	Additions	Retirements	Adjustments	Balance March 31, 2009
Business-Type Activities					
Capital assets, not being depreciated:					
Land	$ 801,960	$ -	$ -	$ -	$ 801,960
Construction in progress	30,251	-	-	-	30,251
Total Capital Assets, Not Being Depreciated	832,211	-	-	-	832,211
Capital assets, being depreciated:					
Building and improvements	5,005,985	-	-	-	5,005,985
Equipment	55,268	534	-	-	55,802
Total Capital Assets, Being Depreciated	5,061,253	534	-	-	5,061,787
Less accumulated depreciation for:					
Buildings and improvements	(888,975)	(155,162)	-	-	(1,044,137)
Equipment	(12,410)	(4,764)	-	23	(17,151)
Total Accumulated Depreciation	(901,385)	(159,926)	-	23	(1,061,288)
Total Capital Assets, Being Depreciated, Net	4,159,868	(159,392)	-	23	4,000,499
Business-Type Activities Capital Assets, Net	$ 4,992,079	($ 159,392)	$ -	$ 23	$ 4,832,710

Depreciation

Depreciation expense was charged to governmental functions as follows:

Public Assistance	$ 464,518
Total Depreciation Expense - Governmental Functions	$ 464,518

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

Butte View Estates	$ 54,237
Kingwood Commons Apartments	86,741
Trailer Park	2,357
LC-35	8,656
Percy Avenue	7,935
Total Depreciation Expense - Business-Type Functions	$ 159,926

D. Long-Term Liabilities

The following is a summary of all long-term liabilities transactions for the year ended March 31, 2009:

	Balance April 1, 2008	Additions	Retirements/ Adjustments	Balance March 31, 2009	Amounts Due Within One Year
Governmental Activities					
Loans Payable	$ 1,397,750	$ 1,557,444	$ 118,591	$ 2,836,603	$ 117,418
Notes Payable	301,032	-	301,032	-	-
Compensated Absences (Note 1K)	157,217	42,166	22,349	177,034	51,922
Total Governmental Activities - Long-Term Liabilities	$ 1,855,999	$ 1,599,610	$ 441,972	$ 3,013,637	$ 169,340

NOTE 3: DETAILED NOTES (CONTINUED)

D. Long-Term Liabilities (Continued)

	Balance April 1, 2008	Additions/ Adjustments	Retirements/ Adjustments	Balance March 31, 2009	Amounts Due Within One Year
Business-Type Activities					
Revenue Bonds	$ 3,993,719	$ -	$ 68,824	$ 3,924,895	$ 77,972
Less: Bond Discount	(212,334)	-	8,493	(203,841)	(8,493)
Bond Issue Cost	(146,355)	-	5,761	(140,594)	(5,761)
Revenue Bonds (Net)	3,635,030	-	54,570	3,580,460	63,718
Loans Payable	1,370,349	-	3,965	1,366,384	2,157
Less: Loan Fees	(22,402)	-	487	(21,915)	(487)
Loans Payable (Net)	1,347,947	-	3,478	1,344,469	1,670
Notes Payable	80,564	-	2,916	77,648	3,095
Compensated Absences (Note 1K)	18,102	9,669	3,804	23,967	23,967
Total Business-Type Activities -Long-Term Liabilities	$ 5,081,643	$ 9,669	$ 64,768	$ 5,026,544	$ 92,450

At March 31, 2009, Revenue Bonds consisted of the following:

	Governmental Activities	Business-Type Activities
AHA Multi-Family Housing Pool Revenues Bonds Series 2003B, issued in the amount of $3,420,000 and payable in annual installments of $25,000 to $250,000, with an interest rate of 5.00 to 6.625 percent and maturity of January 1, 2033. These bonds were used to finance the acquisition of the Kingwood Commons Apartment complex. The loan agreement specifies that the Authority is required to maintain a coverage ratio of 1.00 to 1 however the Authority has not met this coverage ratio. This failure to meet the coverage ratio does not constitute an event of default.	$ -	$ 3,170,000
Butte View Estate Bonds, issued in the amount of $810,000 and payable in monthly payments of $4,418 including interest at 5.14 percent and maturity of November 1, 2034. These bonds were used to finance the acquisition of the Butte View Estates Apartment complex.	-	754,895
Total Revenue Bonds	$ -	$ 3,924,895

At March 31, 2009, Loans Payable consisted of the following:

Rural Development Agency Loan, issued in the amount of $22,670 and payable in monthly payments of $68 including interest of 1 percent and maturity of August 1, 2034. This loan was used to finance rural development activities of the authority.	$ 16,063	$ -
Rural Development Agency Loan, issued in the amount of $7,466 and payable in monthly payments of $22 including interest of 1 percent and maturity of August 1, 2034. This loan was used to finance rural development activities of the Authority.	5,290	-
Rural Development Agency Loan, issued in the amount of $47,378 and payable in monthly payments of $141 including interest of 1 percent and maturity of August 1, 2034. This loan was used to finance rural development activities of the Authority.	33,571	-
Rural Development Agency Loan, issued in the amount of $2,902 and payable in monthly payments of $9 including interest of 1 percent and maturity of August 1, 2034. This loan was used to finance rural development activities of the Authority.	2,056	-
Rural Development Agency Loan, issued in the amount of $4,875 and payable in monthly payments of $15 including interest of 1 percent and maturity of August 1, 2034. This loan was used to finance rural development activities of the Authority.	3,454	-

NOTE 3: DETAILED NOTES (CONTINUED)

D. Long-Term Liabilities (Continued)

At March 31, 2009, Loans Payable consisted of the following: (Continued)

	Governmental Activities	Business-Type Activities
Rural Development Agency Loan, issued in the amount of $290,000 and payable in monthly payments of $863 including interest of 1 percent and maturity of August 1, 2034. This loan was used to finance rural development activities of the Authority.	154,247	-
Rural Development Agency Loan, issued in the amount of $1,412,827 and payable in monthly payments of $4,206 including interest of 1 percent and maturity of August 1, 2034. This loan was used to finance rural development activities of the Authority.	1,001,081	-
Rural Development Agency Loan, issued in the amount of $139,644 and payable in monthly payments of $416 including interest of 1 percent and maturity of August 1, 2034. This loan was used to finance rural development activities of the Authority.	98,933	-
Rural Development Agency Loan, issued in the amount of $1,365,908 and payable in monthly installments of $5,708 including interest of 1 percent. This loan was used to finance rural development activities of the Authority. The total amount of the loan will be $1,500,000 when all drawdowns are made.	1,365,908	-
Rural Development Agency Loan, issued in the amount of $156,000 and payable in monthly installments of $656 including interest of 1 percent and maturity on December 5, 2040. The loan was used to finance development activities of the Authority. The total amount of the loan will be $3,000,000 when all drawdowns are made.	156,000	-
Rural Development Agency Loan, issued in the amount of $549,801 and payable in monthly installments of $1,165 including interest of 1 percent and maturity of November 2, 2054. This loan was used to finance the acquisition of the Butte View Estates Apartment Complex	-	541,384
City of Yuba City loan, issued in the amount of $825,000. Payments are deferred unless there are sufficient residual receipts. The loan was used to finance the acquisition and rehabilitation of the Kingwood Commons Complex.	-	825,000
Total Loans Payable	$ 2,836,603	$ 1,366,384

At March 31, 2009, Notes Payable consisted of the following:

First National Bank note, issued in the amount of $98,800 and payable in annual installments of $197-$8,895 with an interest rate of 9.50 percent and maturity of November 1, 2024.	-	77,648
Total Notes Payable	$ -	$ 77,648

NOTE 3: DETAILED NOTES (CONTINUED)

D. Long-Term Liabilities (Continued)

The total aggregate maturities for the years subsequent to March 31, 2009, are as follows:

Revenue Bonds

Year Ended March 31	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Interest	Total
2010	$ -	$ -	$ 74,552	$ 244,293	$ 318,845
2011	-	-	80,318	240,227	320,545
2012	-	-	81,124	235,846	316,970
2013	-	-	86,972	231,423	318,395
2014	-	-	92,866	226,679	319,545
2015-2019	-	-	554,462	1,038,639	1,593,101
2020-2024	-	-	754,999	841,406	1,596,405
2025-2029	-	-	1,029,465	569,261	1,598,726
2030-2034	-	-	1,135,467	195,290	1,330,757
2035-2039	-	-	34,670	672	35,342
Total	$ -	$ -	$ 3,924,895	$ 3,823,736	$ 7,748,631

Loans Payable

Year Ended March 31	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Interest	Total
2010	$ 117,418	$ 27,828	$ 2,157	$ 33,776	$ 181,179
2011	118,597	26,649	2,296	33,637	181,179
2012	119,788	25,458	2,444	33,489	181,179
2013	120,992	24,254	2,601	33,332	181,179
2014	122,207	23,039	2,768	33,165	181,179
2015-2019	629,701	96,531	16,751	162,911	905,894
2020-2024	661,973	64,259	22,878	156,784	905,894
2025-2029	654,992	31,104	31,245	148,418	865,759
2030-2034	290,935	3,289	42,672	136,991	473,887
2035-2039	-	-	58,279	121,384	179,663
2039-2044	-	-	79,593	100,070	179,663
2045-2049	-	-	108,702	70,961	179,663
2050-2054	-	-	148,458	31,205	179,663
2055-2059	-	-	20,540	15,392	35,932
Total	$ 2,836,603	$ 322,411	$ 541,384	$ 1,111,515	$ 4,811,913

Notes Payable

Year Ended March 31	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Interest	Total
2011	$ -	$ -	$ 3,095	$ 4,537	$ 7,632
2012	-	-	3,284	4,348	7,632
2012	-	-	3,485	4,147	7,632
2013	-	-	3,698	3,934	7,632
2014	-	-	3,924	3,708	7,632
2015-2019	-	-	23,528	14,629	38,157
2020-2024	-	-	31,658	6,499	38,157
2025-2029	-	-	4,976	112	5,088
Total	$ -	$ -	$ 77,648	$ 41,914	$ 119,562

NOTE 3: DETAILED NOTES (CONTINUED)

E. Interfund Transactions

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of March 31, 2009:

	Due from Other funds	Due to Other funds
Major Governmental Funds		
Conventional	$ 926,390	$ 29,106
Rural Development	1,623,764	1,403,254
Rehabilitation Agency	-	446,114
Housing Choice Vouchers	-	113,973
Nonmajor Governmental Funds	66,784	154,737
Major Proprietary Funds		
Kingwood Commons	-	596,500
Nonmajor Enterprise Funds	228,689	101,943
Total	$ 2,845,627	$ 2,845,627

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various Authority operation and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended March 31, 2009:

	Transfer In	Transfer Out
Major Governmental Funds		
Conventional	$ 601,757	$ -
Nonmajor Governmental Funds	-	601,757
Total	$ 601,757	$ 601,757

NOTE 4: EMPLOYEES' RETIREMENT PLAN

Plan Description

The Authority contributes to the miscellaneous plan of the Consolidated Area Housing Authority of Sutter County, which is part of the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement plan that acts as a common investment and administrative agent for governmental entities in the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office – 400 P Street, Sacramento, CA 95814.

Funding Policy

Miscellaneous plan members are required to contribute 7 percent of their annual covered salary. The Authority is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2008/2009 was 11.269 percent for miscellaneous employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The Authority is required to contribute the remaining amounts necessary to fund the benefits of its members using the actuarial basis adopted by the PERS Board of Administrators.

NOTE 4: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Annual Pension Cost

For fiscal year 2007/2008, the Authority's annual pension cost of $160,833 for PERS was equal to the Authority's actual contributions. The required contributions for fiscal year 2008/2009 were determined as part of the June 30, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25 percent to 14.45 percent for miscellaneous plan, depending on age, service, and type of employment, and (c) 3.25 percent per year cost of living adjustment. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of PERS assets were determined using techniques that smooth the effect of short term volatility in the market value of investments over a two to five year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20 year period. The table below presents three year trend information.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
March 31, 2007	132,083	100%	-
March 31, 2008	153,300	100%	-
March 31, 2009	160,833	100%	-

Funded Status and Funding Progress

Since the Authority has less than 100 active members in at least one valuation since March 31, 2003, it is required to participate in a risk pool and does not present individual plan funded status.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 5: POST-EMPLOYMENT BENEFITS

The Authority pays $97 to $101 per month for two retirees who meet PERS retirement eligibility criteria and who elect to participate in Cal PERS insurance plan. The program had a cost to the Authority for the year ended March 31, 2009 of approximately $2,352.

NOTE 6: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority joined together with other housing authorities to participate in the Housing Authority Risk Retention Pool (HARRP). This joint venture is a public entity risk pool which serves as a common risk management and insurance program for property and liability coverage for 86 housing authority members. The Authority has also joined together with other housing authorities to participate in the California Housing Worker's Compensation Authority. This joint venture is a public entity risk pool which serves as a common risk management and insurance program for workers' compensation coverage for 31 housing authority members.

The Authority pays an annual premium to both of these joint ventures for its insurance coverage. The agreements with the joint ventures provide that they will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

There were no claims liability to be reported based on the requirements of Government Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably determined.

The Authority continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7: OTHER INFORMATION

A. Construction Commitments

The Authority has signed agreements to rehabilitate rural development housing subsequent to March 31, 2009. The balance owed on the commitments at March 31, 2009, was $1,835,261.

B. Contingent Liabilities

The Housing Authority has received funds from various federal, state and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Authority does not expect such disallowed amount, if any, to materially affect the financial statements.

As of March 31, 2009, the Authority's investment pool included investments in the Local Agency Investment Fund (LAIF). The fair market value of some investments in this pool have declined since the March 31st value listed in these financial statements. Any decrease in fair market value will be reflected as a reduction in investment earnings as realized. The amount of this decrease is not expected to exceed investment earnings in any period.

C. Joint Agencies

The California Affordable Housing Agency - Joint Powers Authority began operations on March 1, 2001, and has continued without interruption since that time. The Joint Powers Authority is composed of member housing agencies. All member agencies are on the Board of Directors who select an Executive Committee of five members. The operations are managed and expenses are approved by the Executive Director of the Joint Powers Authority. Complete audited financial statements can be obtained at the Authority's office: 580 Vallombrosa Avenue, Chico, CA, 95926.

Condensed audited financial information for the JPA for the year ended December 31, 2008 is as follows:

Total Assets	$ 1,878,949
Total Liabilities	1,886,006
Total Net Assets	(7,057)
Total Operating Revenues	339,388
Total Operating Expenses	383,569
Other Income (Expense)	(79,943)
Change in Net Assets	(124,124)

D. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has released the following new standards:

GASB Statement No. 45, Accounting and Financial Reporting by Employers of Postemployment Benefits Other Than Pensions (OPEB) addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. The statement generally requires that employers account for and report the annual cost of OPEB and outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time. GASB Statement No. 45 is effective for financial statements for years beginning after December 15, 2008.

Statement No. 51, Accounting and Financial Reporting for Intangible Assets requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This Statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. GASB Statement No. 51 is effective for financial statements for years beginning after June 15, 2009.

NOTE 7: OTHER INFORMATION (CONTINUED)

D. New Accounting Pronouncements (Continued)

Statement No. 52, Land and Other Real Estate Held as Investments by Endowments improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. GASB Statement No. 52 is effective for financial statements for years beginning after June 15, 2008.

Statement No.53, Accounting and Financial Reporting for Derivative Instruments addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. Derivative instruments, however, also can expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, flows, and collars), swaptions, forward contracts and futures contracts. GASB Statement No. 53 is effective for financial statements for years beginning after June 15, 2009.

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE OF FUNDING PROGRESS - PENSION

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of March 31, 2009, for the risk pool which includes the Authority's Miscellaneous Plan.

Miscellaneous Plan:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratios		Annual Covered Payroll	UAAL as a % of Payroll
				Actuarial Value	Market Value		
June 30, 2005	$2,891,460,651	$2,588,713,000	$ 302,747,651	89.5%	92.1%	$755,046,679	40.1%
June 30, 2006	2,754,396,608	2,492,226,176	262,170,432	90.5%	95.7%	699,897,835	37.5%
June 30, 2007	2,611,746,790	2,391,434,447	220,312,343	91.6%	105.6%	665,522,859	33.1%

See accompanying note to the required supplementary information.

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
CONVENTIONAL - MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED MARCH 31, 2009

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 725,359	$ 725,359	$ 695,412	$ (29,947)
Intergovernmental	336,699	336,699	531,949	195,250
Other revenues	7,748	7,748	24,044	16,296
Total Revenues	1,069,806	1,069,806	1,251,405	181,599
EXPENDITURES				
Current:				
Public assistance	1,134,095	1,134,095	1,020,341	113,754
Capital outlay	-	-	149,453	(149,453)
Debt service	15,612	15,612	5,205	10,407
Total Expenditures	1,149,707	1,149,707	1,174,999	(25,292)
Excess of Revenue Over(Under) Expenditures	(79,901)	(79,901)	76,406	156,307
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	601,757	601,757
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)		-	601,757	601,757
Net Change in Fund Balances	(79,901)	(79,901)	678,163	758,064
Fund Balances - Beginning	462,799	462,799	462,799	-
Fund Balances - Ending	$ 382,898	$ 382,898	$ 1,140,962	$ 758,064

The Consolidated Area Housing Authority of Sutter County budgets for debt service expenditures in total and does not separately identify the principal and interest portions. For purposes of the budgetary comparison, the debt service principal and interest expenditures have been combined into debt services.

See accompanying note to the required supplementary information.

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
RURAL DEVELOPMENT - MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED MARCH 31, 2009

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 636,476	$ 636,476	$ 673,085	$ 36,609
Intergovernmental	795,060	795,060	1,059,290	264,230
Other revenues	5,398	5,398	12,006	6,608
Total Revenues	1,436,934	1,436,934	1,744,381	307,447
EXPENDITURES				
Current:				
Public assistance	1,215,902	1,215,902	1,133,926	81,976
Capital outlay	-	-	2,031,270	(2,031,270)
Debt service	68,868	68,868	123,879	(55,011)
Total Expenditures	1,284,770	1,284,770	3,289,075	(2,004,305)
Excess of Revenue Over(Under) Expenditures	152,164	152,164	(1,544,694)	2,311,752
OTHER FINANCING SOURCES (USES)				
Transfers in	40,388	40,388	-	(40,388)
Transfers out	(188,000)	(188,000)	-	188,000
Debt proceeds	-	-	1,557,444	1,557,444
Total Other Financing Sources (Uses)	(147,612)	(147,612)	1,557,444	1,705,056
Net Change in Fund Balances	4,552	4,552	12,750	4,016,808
Fund Balances - Beginning	472,042	472,042	472,042	-
Fund Balances - Ending	$ 476,594	$ 476,594	$ 484,792	$ 4,016,808

The Consolidated Area Housing Authority of Sutter County budgets for debt service expenditures in total and does not separately identify the principal and interest portions. For purposes of the budgetary comparison, the debt service principal and interest expenditures have been combined into debt services.

See accompanying note to the required supplementary information.

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
REHABILITATION AGENCY - MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED MARCH 31, 2009

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 275,000	$ 275,000	$ 235,660	$ (39,340)
Other revenue	-	-	12,942	12,942
Total Revenues	275,000	275,000	248,602	(26,398)
EXPENDITURES				
Current:				
Public assistance	429,240	429,240	326,366	102,874
Total Expenditures	429,240	429,240	326,366	102,874
Net Change in Fund Balances	(154,240)	(154,240)	(77,764)	76,476
Fund Balances - Beginning	(352,774)	(352,774)	(352,774)	-
Fund Balances - Ending	$ (507,014)	$ (507,014)	$ (430,538)	$ 76,476

The Consolidated Area Housing Authority of Sutter County budgets for debt service expenditures in total and does not separately identify the principal and interest portions. For purposes of the budgetary comparison, the debt service principal and interest expenditures have been combined into debt services.

See accompanying note to the required supplementary information.

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
HOUSING CHOICE VOUCHERS - MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED MARCH 31, 2009

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 4,758	$ 4,758
Intergovernmental	3,992,671	3,992,671	1,515,441	(2,477,230)
Total Revenues	3,992,671	3,992,671	1,520,199	(2,472,472)
EXPENDITURES				
Current:				
Public assistance	4,011,514	4,011,514	3,993,675	17,839
Total Expenditures	4,011,514	4,011,514	3,993,675	17,839
Net Change in Fund Balances	(18,843)	(18,843)	(2,473,476)	(2,454,633)
Fund Balances - Beginning	2,398,398	2,398,398	2,398,398	-
Fund Balances - Ending	$ 2,379,555	$ 2,379,555	$ (75,078)	$ (2,454,633)

The Consolidated Area Housing Authority of Sutter County budgets for debt service expenditures in total and does not separately identify the principal and interest portions. For purposes of the budgetary comparison, the debt service principal and interest expenditures have been combined into debt services.

See accompanying note to the required supplementary information.

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2009

A. SCHEDULE OF FUNDING PROGRESS - PENSION

The Schedule of Funding Progress - Pension presents a consolidated snapshot of the Authority's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the pension plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

The Authority has less than 100 active employee members and is required to participate in a risk pool. Therefore, the Schedule of Funding Progress for the Authority valuation dates is for the entire pool, not just the Authority employees.

B. BUDGETARY BASIS OF ACCOUNTING

The Authority follows these procedures annually in establishing the budgetary data reflected in the financial statements:

1. The Executive Director submits to the Board of Commissions a proposed draft budget for the fiscal year commencing the following April 1. The budget includes proposed expenditures and the means of financing them.

2. The Board of Commissions reviews the proposed budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the proposed budget to obtain comments from interested persons.

3. Prior to April 1, the budget is adopted through the passage of a resolution.

Formal budgetary integration is employed as a management control device during the year. The Authority presents a comparison of annual budgets to actual results for all governmental funds . The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The Authority did not adopt a budget for the Rehabilitation Agency major special revenue fund.

C. EXCESS EXPENDITURES OVER APPROPRIATIONS

For the year ended March 31, 2009 the following major special revenue funds incurred expenditures in excess of appropriations:

Fund	Final Budget	Actual	Deficit
Conventional	$ 1,149,707	$ 1,174,999	($ 25,292)
Rural Development	1,284,770	3,289,075	(2,004,305)

The deficit in Rural Development is the result of no approved annual budget for expenditure related to the major and ongoing rehab project. These expenditures were previously approved in the Rural Development Workout Plan by both Rural Development and the Board of Commissioners.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
MARCH 31, 2009

	Capital Fund Program	Tenant Based Rental Assistance	Mental Health Housing Services	Migrant	Bridge Street Management
ASSETS					
Cash and investments	$ -	$ -	$ 9,377	$ -	$ 12,540
Accounts receivable - tenants, net	-	-	200	-	1
Accounts receivable - operating reimbursement	-	-	-	-	20
Accounts receivable - grants	-	68,201	9,209	62,884	-
Due from other funds	-	3,357	-	63,427	-
Total Assets	$ -	$ 71,558	$ 18,786	$ 126,311	$ 12,561
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ 9,805	$ 14,157	$ 209
Accrued salaries and benefits	-	-	-	2,407	-
Security deposits payable	-	-	1,460	-	1,800
Due to other funds	-	68,201	8,024	78,512	-
Total Liabilities	-	68,201	19,289	95,076	2,009
FUND BALANCES					
Unreserved					
Undesignated	-	3,357	(503)	31,235	10,552
Total Fund Balances	-	3,357	(503)	31,235	10,552
Total Liabilities and Fund Balances	$ -	$ 71,558	$ 18,786	$ 126,311	$ 12,561

Totals
$ 21,917
201
20
140,294
66,784
$ 229,216
$ 24,171
2,407
3,260
154,737
184,575
44,641
44,641
$ 229,216

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED MARCH 31, 2009

	Capital Fund Program	Tenant Based Rental Assistance	Mental Health Housing Services	Migrant	Bridge Street Management
REVENUES					
Use of money and property	$ -	$ -	$ 8,206	$ -	$ 11,857
Intergovernmental	601,757	484,667	365,285	301,302	9,533
Other revenues	-	-	-	-	40
Total Revenues	601,757	484,667	373,491	301,302	21,430
EXPENDITURES					
Current:					
Public assistance	-	494,061	47,896	289,634	10,878
Capital outlay	-	-	325,448	-	-
Total Expenditures	-	494,061	373,344	289,634	10,878
Excess of Revenues Over (Under) Expenditures	601,757	(9,394)	147	11,668	10,552
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(601,757)	-	-	-	-
Total Other Financing Sources (Uses)	(601,757)	-	-	-	-
Net Change in Fund Balances	-	(9,394)	147	11,668	10,552
Fund Balances - Beginning	-	12,751	(650)	19,567	-
Fund Balances - Ending	$ -	$ 3,357	$ (503)	$ 31,235	$ 10,552

Totals
$ 20,063
1,762,544
40
1,782,647
842,469
325,448
1,167,917
614,730
-
(601,757)
(601,757)
12,973
31,668
$ 44,641

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NONMAJOR ENTERPRISE FUNDS

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CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
MARCH 31, 2009

	Trailer Park	LC-35	Percy Avenue	Totals
ASSETS				
Current Assets				
Cash and investments	$ 653	$ 129,143	$ 721	$ 130,517
Accounts receivable - tenants, net	157	1,351	1,270	2,778
Accounts receivable - operating reimbursement	-	240,667	-	240,667
Interest receivable	-	2	-	2
Due from other funds	-	132,543	96,146	228,689
Inventory	-	12,899	-	12,899
Total Current Assets	810	516,605	98,137	615,552
Noncurrent Assets:				
Nondepreciable assets	-	230,251	60,080	290,331
Depreciable assets, net	39,282	100,678	164,192	304,152
Total Noncurrent Assets	39,282	330,929	224,272	594,483
Total Assets	40,092	847,534	322,409	1,210,035
LIABILITIES				
Current Liabilities:				
Accounts payable	363	1,784	413	2,560
Prepaid tenant rent	540	328	436	1,304
Accrued salaries and benefits	625	2,468	473	3,566
Security deposits payable	-	4,350	1,350	5,700
Due to other funds	101,894	-	49	101,943
Compensated absences payable	1,803	10,671	868	13,342
Notes payable	-	-	3,095	3,095
Total Current Liabilities	105,225	19,601	6,684	131,510
Noncurrent Liabilities:				
Notes payable - net of current portion	-	-	74,553	74,553
Total Noncurrent Liabilities	-	-	74,553	74,553
Total Liabilities	105,225	19,601	81,237	206,063
NET ASSETS				
Invested in capital assets, net of related debt	39,282	330,929	146,624	516,835
Unrestricted	(104,415)	497,004	94,548	487,137
Total Net Assets	$ (65,133)	$ 827,933	$ 241,172	$ 1,003,972

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2009

	Trailer Park	LC-35	Percy Avenue	Totals
OPERATING REVENUES				
Dwelling rents	$ 36,278	$ 53,137	$ 35,775	$ 125,190
Other tenant revenue	3,658	2,997	374	7,029
Other revenue	-	300,469	-	300,469
Total Operating Revenues	39,936	356,603	36,149	432,688
OPERATING EXPENSES				
Salaries and benefits	9,102	128,684	17,536	155,322
Utilities	16,485	92	6,002	22,579
Maintenance and repair	12,463	-	5,381	17,844
Insurance	19	517	48	584
Services and supplies	6,816	113,625	761	121,202
Depreciation	2,357	8,656	7,935	18,948
Total Operating Expenses	47,242	251,574	37,663	336,479
Operating Income (Loss)	(7,306)	105,029	(1,514)	96,209
NON-OPERATING REVENUE (EXPENSES)				
Intergovernmental revenue	-	173,369	-	173,369
Interest income	-	5,277	2	5,279
Interest expense	-	-	(4,079)	(4,079)
Total Non-operating Revenue (Expenses)	-	178,646	(4,077)	174,569
Change in Net Assets	(7,306)	283,675	(5,591)	270,778
Total Net Assets - Beginning	(57,827)	544,258	246,763	733,194
Total Net Assets - Ending	$ (65,133)	$ 827,933	$ 241,172	$ 1,003,972

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2009

	Trailer Park	LC-35	Percy Avenue	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 40,319	$ 117,852	$ 37,317	$ 195,488
Payments to suppliers	(35,848)	(127,477)	(14,098)	(177,423)
Payments to employees	(6,893)	(119,027)	(17,062)	(142,982)
Net Cash Provided (Used) by Operating Activities	(2,422)	(128,652)	6,157	(124,917)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenues	-	173,369	-	173,369
Interfund loans received	101,894	170,515	95,629	368,038
Interfund loans made	-	(132,543)	(96,146)	(228,689)
Interfund loan repayments	(102,562)	-	-	(102,562)
Net Cash Provided (Used) by Noncapital Financing Activities	(668)	211,341	(517)	210,156
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	(54)	(54)
Principal payment on debt	-	-	(2,916)	(2,916)
Interest paid on debt	-	-	(4,079)	(4,079)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(7,049)	(7,049)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	-	5,278	3	5,281
Net Cash Provided (Used) by Investing Activities	-	5,278	3	5,281
Net Increase (Decrease) in Cash and Cash Equivalents	(3,090)	87,967	(1,406)	83,471
Balances - Beginning of Year	3,743	41,176	2,127	47,046
Balances - End of Year	$ 653	$ 129,143	$ 721	$ 130,517
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ (7,306)	$ 105,029	$ (1,514)	$ 96,209
Adjustments to reconcile operating income to net cash provided by operating activities.				
Depreciation	2,357	8,656	7,935	18,948
Decrease (increase) in:				
Accounts receivable - tenants, net	(157)	582	480	905
Accounts receivable - operating reimbursement	-	(240,375)	-	(240,375)
Inventory	-	(12,899)	-	(12,899)
Increase (decrease) in:				
Accounts payable	(65)	(344)	(1,906)	(2,315)
Prepaid tenant rent	540	(458)	188	270
Accrued salaries and benefits	592	1,760	319	2,671
Security deposits payable	-	1,500	500	2,000
Compensated absences payable	1,617	7,897	155	9,669
Net Cash Provided (Used) by Operating Activities	$ (2,422)	$ (128,652)	$ 6,157	$ (124,917)

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FIDUCIARY FUNDS

Agency Funds

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CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
MARCH 31, 2009

	Central Office	Total Agency Funds
ASSETS		
Cash and investments	$ 16	$ 16
Total Assets	16	16
LIABILITIES		
Accounts payable	16	16
Total Liabilities	$ 16	$ 16

CONSOLIDATED AREA HOUSING AUTHORITY OF SUTTER COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED MARCH 31, 2009

	Balance March 31, 2007	Additions	Deductions	Balance March 31, 2008
CENTRAL OFFICE				
ASSETS				
Cash and investments	$ 19,332	$ -	$ 19,316	$ 16
Total Assets	$ 19,332	$ -	$ 19,316	$ 16
LIABILITIES				
Accounts payable	$ 1,207	$ 16	$ 1,207	$ 16
Due to other funds	18,125	-	18,125	-
Total Liabilities	$ 19,332	$ 16	$ 19,332	$ 16

OTHER SCHEDULES

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Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 12/31/2011)

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

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

Do not send this form to the above address.

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

HA Name:	Modernization Project Number:
	CA30P048501-07

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

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

A. Original Funds Approved	$ 300,965
B. Funds Disbursed	$ 300,965
C. Funds Expended (Actual Modernization Cost)	$ 300,965
D. Amount to be Recaptured (A–C)	$
E. Excess of Funds Disbursed (B-C)	$

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

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

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

Signature of Executive Director & Date:

X Linda Threlkeld

3-31-09

For HUD Use Only

The Cost Certificate is approved for audit:

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

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

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

X

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

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 12/31/2011)

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

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

Do not send this form to the above address.

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

HA Name:	Modernization Project Number:
	CA30P048501-08

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

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

A. Original Funds Approved	$ 300,792
B. Funds Disbursed	$ 300,792
C. Funds Expended (Actual Modernization Cost)	$ 300,792
D. Amount to be Recaptured (A–C)	$
E. Excess of Funds Disbursed (B-C)	$

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

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

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

Signature of Executive Director & Date:

X Linda Tucker
3-31-09

For HUD Use Only

The Cost Certificate is approved for audit:

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

The audited costs agree with the costs shown above:

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

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