

**HOUSING AUTHORITY OF THE CITY OF
SAN BUENAVENTURA**

**FINANCIAL STATEMENTS
&
SUPPLEMENTAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2014

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
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HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2014

Management's Discussion and Analysis

The Housing Authority of the City of San Buenaventura (the "Authority") is pleased to present its basic financial statements for year ended September 30, 2014, which were prepared in accordance with U.S. generally accepted accounting principles (GAAP). GAAP requires the inclusion of the three basic financial statements: the statement of net position (balance sheet); the statement of revenues, expenses, and changes in fund net position; and the statement of cash flows. In addition GAAP requires the inclusion of this Management's Discussion and Analysis (MD&A) section as required supplementary information.

The MD&A is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent years' challenges), and (d) identify issues or concerns. This will now be presented at the front of each year's financial statements. Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which follow this section.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned, and expenses, including depreciation, are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the statement of net position.

The financial performance discussed in the following analyses does not include tax credit partnerships. The tax credit partnerships are owned by separate limited partnerships/corporations with the Authority acting as general partner/managing member. The tax credit properties are fee managed by the Authority. Because of the different corporate structure of the partnerships, their operations are not carried directly on the books of the Authority but are listed as affiliated organizations as detailed in the Authority's financial statements' footnote disclosures (See Note 13). The partnerships' financial data are therefore not included in the analysis and financial reports that follow. Also, while the Authority's financial statements include Triad Properties, the Authority's discretely presented component unit, the following overview focuses on the primary government and does not address all of the effects the discretely presented component unit has on the Authority's operations. See the Component Units section below for additional information regarding Triad Properties.

Financial Highlights

- Net position at September 30, 2014, increased to \$45,504,167. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net position was \$35,713,989 for 2013.
- The business-type activities operating revenue at September 30, 2014, decreased to \$21,217,990. Total operating revenue was \$21,939,697 for 2013.
- The total operating expenses of all programs for 2014, decreased to \$22,374,727. Total operating expenses were \$22,825,193 for 2013.
- Total capital grant contributions at September 30, 2014, increased to \$639,441. Total capital grant contributions were \$358,720 for 2013.

Overview of the Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity.

This MD&A is intended to serve as an introduction to the Authority's basic financial statements.

The following statements are included:

- Statement of Net Position – reports current financial resources (short-term expendable resources) with capital assets and long-term obligations.
- Statement of Revenue, Expenses, and Changes in Fund Net Position - reports operating and nonoperating revenue, by major source along with operating and nonoperating expenses and capital contributions.
- Statement of Cash Flows – reports cash flows from operating, investing, capital, non-capital activities.

The Authority's Programs

The Authority administers a broad range of federally and locally financed housing programs serving the City of San Buenaventura. The Authority owns or manages 834 units of housing and provides rental subsidies to over 1,350 additional households. The majority of the Authority's program participants have incomes below 30 % of area median income (AMI). The majority of agency funding is from the US Department of Housing and Urban Development (HUD).

Low Income Public Housing (LIPH)

Under this program, the Authority rents units that it owns within the City of San Buenaventura to low-income households. This program is operated under the annual contributions contract (ACC) with HUD, and HUD provides operating subsidy to enable the Authority to provide the housing at a cost that is based upon 30 % of household income. As of September 30, 2014, the Authority owns and operates 572 subsidized units in this program.

The Authority is a "High Performer" under HUD's Interim Public Housing Assessment System (PHAS).

Section 8 Program

Within the Section 8 program, the Authority administers contracts with independent landlords that own and lease units within our community under the Housing Choice Voucher program (HCV). The Authority subsidizes the family's rent through a housing assistance payment (HAP) made to the landlord. The HAP matches the difference between the total rent that the landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay. For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Authority is not responsible for the protective services and maintenance of the units and properties associated with this program. However, the landlord must maintain the units in accordance with HUD's housing quality standards in order to participate in the program. The Authority currently administers 1,286 HCV tenant-based vouchers, 85 Veterans Assistance vouchers (VASH), 13 Shelter Plus Care vouchers (S+C), and 140 Rental Assistance Demonstration project-based vouchers, and 117 conventional project-based vouchers. These programs are operated under the annual contributions contracts (ACC) with HUD, which enables the Authority to structure a lease that sets the participants' housing costs at 30 % of household income.

The Authority is a "High Performer" under the Section Eight (8) Management Assessment Programs (SEMAP).

Special Needs Assistance Program and Shelter Plus Care

The Authority receives grant funds that serve to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters. The program allows for a variety of housing choices, and a range of supportive services funded by other sources, in response to the needs of the hard-to-reach homeless population with disabilities.

Capital Fund Program

Under this program, The Authority receives funding for physical and management improvements to its owned public housing units within the low-income public housing program. The Capital Fund Program is operated under the annual contributions contract (ACC) with HUD and the award amounts are formula based. The Capital Fund Grant awarded totaled \$1,265,376.

Resident Services Grants

Includes grants funded by HUD, such as Resident Opportunity and Self-Sufficiency Grant (ROSS). The ROSS programs are structured to encourage resident economic self-sufficiency, with the overarching goal to improve the safety and quality of life in the areas in and around public housing properties.

The HCV and LIPH programs also received a combined Family Self-Sufficiency (FSS) grant that works specifically with HCV voucher participants and LIPH residents to assist them in setting life goals and objectives while moving toward self-sufficiency.

Rental Assistance Demonstration Project (RAD)

The Housing Authority of the City of San Buenaventura (HACSB) was awarded, through a competitive process, the ability to convert a portion of its current public housing units to Section 8 project based vouchers. This new initiative from HUD is known as the Rental Assistance Demonstration program or RAD.

RAD offers a long-term, cost effective solution to preserve and enhance the country's public and affordable housing stock—including leveraging public and private funding to make much-needed improvements—by allowing Public Housing Authorities (PHA) to convert their current assistance to long-term project-based Section 8 contracts.

The HACSB anticipated the benefits of the RAD initiative to be:

- Leverage private debt and equity. The RAD projects will bring over \$85,000,000.00 of new investment into Ventura.
- Bring Public Housing into the affordable housing mainstream
- Create jobs
- Ensure opportunities for resident participation
- Encourage green building standards
- Preserve affordable housing

The HACSB converted 144 units of public housing to non-profit ownership with project based Section 8 rental subsidy through HUD's Section 8 Project-Based Voucher Program. The units are located at the Palms, Mission Park and Training for Independent Living. The Construction loan closed January 2014; construction began February 2014 and is expected to be completed in April 2015.

Business Activities

The Authority accounts for its various non-federal activities under the business activities program.

Affordable Housing Projects

The Authority is currently in the process of developing multiple affordable housing projects in the City of Ventura, California. The Authority incurs certain predevelopment costs associated with these projects – primarily funded by non-federal sources – until all necessary partners, investors and funding sources are identified at which time all project assets, liabilities and commitments are conveyed to the limited partnerships.

Hansen Trust – The Authority has plans to develop a 24-unit farm worker housing project in Ventura, CA. The University of California has committed to the donation of approximately 2 fully improved acres of the 30-acre Hansen Trust site to the Authority which will be a fully improved building site ready for development. The project is expected to be financed by various sources, including USDA and Joe Serna Farmworker Housing funds. A recoverable grant of \$102,000 was awarded by the Ventura County Community Foundation for pre-development costs. The Authority's architect completed conceptual design plans consistent with the approved Specific Plan for the area. The City's Design Review Committee reviewed and commented on the conceptual plans in April 2011, a revised submittal was prepared and the final conceptual review occurred in spring 2012. The project has been on hold until the University sells the site to a master developer. Williams Homes closed escrow on the project acquisition in March 2015.

Castillo Del Sol- will consist of 39 studio apartments plus one 2 bedroom Manager apartment. There will be a 2,500 sq. ft. multipurpose space to be used as a community center and provide office space for case managers and social service providers. The target group includes: veterans, developmentally disabled, mentally ill, formerly homeless, and the elderly. Residency is to be restricted to those earning at or below 50% AMI. Construction began in December 2014. Occupancy is expected in early 2016.

Westview- is another public housing development scheduled for a RAD conversion which includes the replacement of 180 aging public housing units with 318 new homes on Ventura's Westside. The development will be phased and include the construction of 228 affordable apartments for families, 50 for seniors, and 40 first- time homebuyer townhomes. Construction on the first phase is anticipated to start the later part of 2015.

Gregory/Johnson- is a third RAD project which includes the conversion of 101 senior/disabled units to non-profit ownership with rental subsidy from Project Based Section 8 vouchers. The construction loan is expected to close in April 2015 with rehabilitation of the units beginning shortly thereafter.

Business Activities (Continued)

Buena Vida- is the fourth RAD project which includes the conversion of 95 units (75 senior/disabled and 20 family) to non-profit ownership with rental subsidy from project based Section 8 vouchers. We expect to begin the project in spring 2015.

Westside Renaissance- The Authority signed a Letter of Intent to purchase two tentatively approved lots which abut the east side of Ventura Avenue and comprise the westerly- most portion of the 27.6 acre property located at 2686 N. Ventura Avenue, formerly known as the Willett Ranch Property. The property, which has been approved by the City of Ventura for the development of a 50-unit affordable senior apartment complex, is a component of the overall 199 unit Westside Renaissance residential development which was approved in 2007.

The purchase is subject to several basic terms and conditions. The Authority is currently conducting a due diligence investigation regarding conditions of title; conditions of the property and development entitlements; recorded conditions, covenants and restrictions (CC&Rs) deed restrictions, and any similar property information to determine the feasibility of proposed development.

City Programs

The Authority has two (2) contracts with the City of San Buenaventura (the “City”) to provide contract services ranging from affordable housing monitoring to assisting the City with its mobile home repair program.

Housing Trust Fund

In 2008, in an effort to ensure the availability of safe and sanitary affordable housing for the citizens of the City of San Buenaventura (the “City”), the Authority and the City agreed to amend their existing Cooperation Agreement – with HUD approval – to permit annual Payments in Lieu of Taxes (PILOT) to be deposited into a Housing Trust Fund (HTF) held in the name of the Authority. These funds may be used to preserve or increase the supply of housing for low and very low income persons in the City, specifically priority shall be given in housing to employees of the Ventura County, Ventura Unified School District, and the City of Ventura for housing units in developments for which these funds are used as a funding source.

One unit was added to the City’s inventory of affordable housing during the 2014 reporting period, using Housing Trust Funds to leverage other funds:

Peppertree Condos

- 300 Saratoga Street, Unit #410 was acquired using \$27,102 of HTF with the remaining funding provided by the City

State and Local Program

The Authority administers as sub-recipients various grants and housing programs from the local governmental entities. Congress amended the Housing and Community Development Act of 1974 (HCD Act) in 1981 to give each jurisdiction the opportunity to administer Community Development Block Grant (CDBG) funds for non-entitlement area. CDBG provides states, eligible metropolitan cities and urban counties with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

Neighborhood Stabilization Program - NSP-R Program Loan

In connection with the development of the Encanto Del Mar Apartments affordable housing project, permanent financing was obtained from various sources, including a \$9.4 million Neighborhood Stabilization Program (NSP-R) loan from the Department of Housing and Community Development of the State of California (the “Department”) and an NSP 1 grant award from the County of Ventura in the amount of \$443,636. The loans are the obligation of the Encanto Del Mar Apartments, L.P. (the “Borrower”), one of the tax credit partnerships that the Authority is affiliated with. However, for the NSP-R loan, the Authority is listed as the sponsor organization – as defined in the loan agreements – and has ultimate responsibility to ensure compliance with the terms and conditions of the program for the life of this loan. As the sponsoring organization, the Authority is subject to the same liability as the Borrower if it fails to ensure compliance. The outstanding loan balance and related transactions are included in the financial statements of the Borrower.

Component Units

These are legally separate organizations for which the elected officials of the primary government are financially accountable or where the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The governing body of the Authority is its Board of Commissioners (the "Board") comprised of seven (7) members appointed by the City Council of the City of Ventura. The Authority is not a component unit of the City, as defined in Governmental Accounting Standards Board Statement No. 61 as the Board independently oversees the Authority's operations.

The component units for the Authority consists of Triad Properties (Triad) and Homecomings, Inc. (Homecomings).

Triad Properties

Triad is a California nonprofit public benefit corporation which was formed to promote and develop affordable housing and related services for low to moderate income households in the County of Ventura, California and may be eligible to apply for specific HUD funding: HOME Program as a Community Housing Development Corporation (CHDO) set-aside funding. Triad owns and operates twenty-six low-income housing units in the City of Ventura. Triad is considered a "Discrete Component Unit".

The relationship between the Authority and Triad is supportive in nature as Triad independently carries out its stated mission and purpose of providing decent, safe and affordable housing. Upon inception, the Authority's Board acted as the original governing body for Triad. In March 2010, Triad's bylaws were amended and a new Board of Directors were appointed, who are now substantially different from that of the Authority's Board. The amended bylaws state that the Triad Board of Directors will serve four year terms and it is now empowered to appoint new director(s). Therefore, Triad will be discretely presented in the current year financial statements and notes. All interprogram balances and transactions between the primary government and the discretely presented component unit will be disclosed in the notes to the financial statements. Separately issued financial statements of Triad Properties may be obtained by contacting Rhen Bass, CPA, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 995 Riverside Street, Ventura, CA 93001.

Homecomings, Inc.

Homecomings is a California nonprofit public benefit corporation which was formed to promote and develop affordable housing for low to moderate income households in the County of Ventura. It can also form partnerships and currently acts as the general partner in each of the following tax credit partnerships in which it has a .01% ownership interest.

- Chapel Lane, L.P. – 4% tax credit project with 38-senior units, in operation since September 2005
- Soho Associates, L.P. – 9% tax credit project with 12-family units, full occupancy was reached September 2011
- Encanto Del Mar Apartments, L.P. – 9% tax credit project with 37-family units; full occupancy was reached in August 2012.
- Vista Del Mar Commons LP – 9% tax credit project-140 units conversion to occur spring 2015
- Castillo del Sol LP – 9% tax credit project-40 units (39 for people with special needs) in construction

Homecomings accounts for its ownership interest in these tax credit partnerships using the equity method. Separately issued financial statements for the aforementioned tax credit partnerships may be obtained by contacting Rhen Bass, CPA, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 995 Riverside Street, Ventura, CA 93001. The Authority both directly and indirectly controls the operations of Homecomings, and the Authority's Board also acts as the governing body for the organization. Therefore, Homecomings will be presented as a blended component unit included in the balances of the primary government, thus all significant inter-program balances and transactions between Homecomings and the Authority have been eliminated.

FINANCIAL ANALYSIS

The following tables focus on the net position and the change in fund net position of the primary government as a whole.

TABLE 1 – STATEMENT OF NET POSITION

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Change</u>
Current Assets	\$ 5,892,853	\$ 4,880,309	\$ 1,012,544	20.75%
Capital Assets, Net	23,457,863	29,729,696	(6,271,833)	-21.10%
Noncurrent Notes Receivable	<u>18,657,952</u>	<u>3,569,865</u>	<u>15,088,087</u>	422.65%
Total Assets	<u>\$ 48,008,668</u>	<u>\$ 38,179,870</u>	<u>\$ 9,828,798</u>	25.74%
Current Liabilities	\$ 886,332	\$ 972,575	\$ (86,243)	-8.87%
Long-Term Liabilities	<u>1,618,169</u>	<u>1,493,306</u>	<u>124,863</u>	8.36%
Total Liabilities	<u>2,504,501</u>	<u>2,465,881</u>	<u>38,620</u>	1.57%
Net Position:				
Net Investment in Capital Assets	22,270,969	28,798,394	(6,527,425)	-22.67%
Restricted	201,562	665,920	(464,358)	-69.73%
Unrestricted	<u>23,031,636</u>	<u>6,249,675</u>	<u>16,781,961</u>	268.53%
Total Net Position	<u>45,504,167</u>	<u>35,713,989</u>	<u>9,790,178</u>	27.41%
Total Liabilities & Net Position	<u>\$ 48,008,668</u>	<u>\$ 38,179,870</u>	<u>\$ 9,828,798</u>	25.74%

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets increased by \$1,012,544 primarily due to proceeds from the sale of a capital asset.

Capital assets decreased by \$6,271,833 due primarily to the sale of AMP 2 (Asset Management Project) for the conversion of 144 units of public housing to non-profit ownership with project based Section 8 rental subsidy.

Noncurrent notes receivable increased significantly by \$15,088,087 due to issuance of a seller carry-back note receivable as financing for property sold to an affiliated organization; Asset Management Project 2 was sold and converted into Vista del Mar Commons.

Current liabilities decreased by \$86,243 primarily due to a reduction in accounts payables, accrued liabilities and unearned revenue.

Long-term liabilities increased by \$124,863 due to an increase in notes payable, the long-term portion of accrued compensated absences liabilities, FSS escrowed liabilities and net OPEB obligations.

TABLE 2 – STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

The following schedule compares the revenue and expenses for the current and previous fiscal years. The Authority is engaged only in business-type activities.

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Change</u>
Operating Revenues				
Rental Income	\$ 3,115,922	\$ 3,379,268	\$ (263,346)	-7.79%
Federal & Other Gov't Grants	16,432,444	17,148,181	(715,737)	-4.17%
Other	<u>1,669,624</u>	<u>1,412,248</u>	<u>257,376</u>	18.22%
Total Operating Revenues	<u>21,217,990</u>	<u>21,939,697</u>	<u>(721,707)</u>	-3.29%
Operating Expenses				
Administration	3,846,486	3,297,343	549,143	16.65%
Tenant Services	109,998	294,919	(184,921)	-62.70%
Utilities	555,150	591,399	(36,249)	-6.13%
Maintenance	1,403,262	1,450,601	(47,339)	-3.26%
General	967,310	1,170,754	(203,444)	-17.38%
Housing Assistance Payments	14,193,553	14,503,611	(310,058)	-2.14%
Depreciation	<u>1,298,968</u>	<u>1,516,566</u>	<u>(217,598)</u>	-14.35%
Total Operating Expenses	<u>22,374,727</u>	<u>22,825,193</u>	<u>(450,466)</u>	-1.97%
Operating Income (loss)	<u>(1,156,737)</u>	<u>(885,496)</u>	<u>(271,241)</u>	30.63%
Nonoperating revenues (expenses):				
Interest Revenue	23,481	28,661	(5,180)	-18.07%
Gain on sale of capital assets	10,325,139	-	10,325,139	
Interest Expense	(41,146)	(1,368)	(39,778)	2907.75%
Capital Contributions	<u>639,441</u>	<u>358,720</u>	<u>280,721</u>	78.26%
Total Nonoperating Activity	<u>10,946,915</u>	<u>386,013</u>	<u>10,560,902</u>	2735.89%
Change in Net Position	9,790,178	(499,483)	10,289,661	-2060.06%
Beginning Net Position	<u>35,713,989</u>	<u>36,213,472</u>	<u>(499,483)</u>	-1.38%
Ending Net Position	<u>\$ 45,504,167</u>	<u>\$ 35,713,989</u>	<u>\$ 9,790,178</u>	27.41%

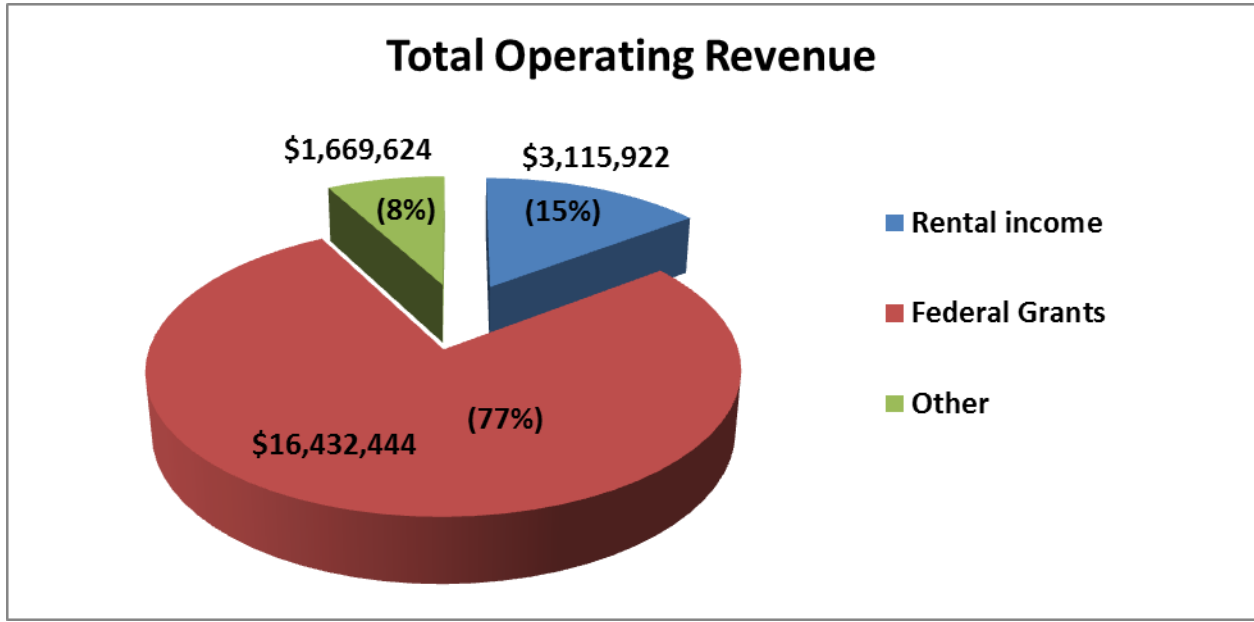
MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

Total Operating Revenue

Total operating revenue decreased by \$721,707 to \$21,217,990 primarily due to decreases in HCV Housing Assistance Payments Grant funding and HCV administrative fees earned.

Total Operating Revenue (Continued)

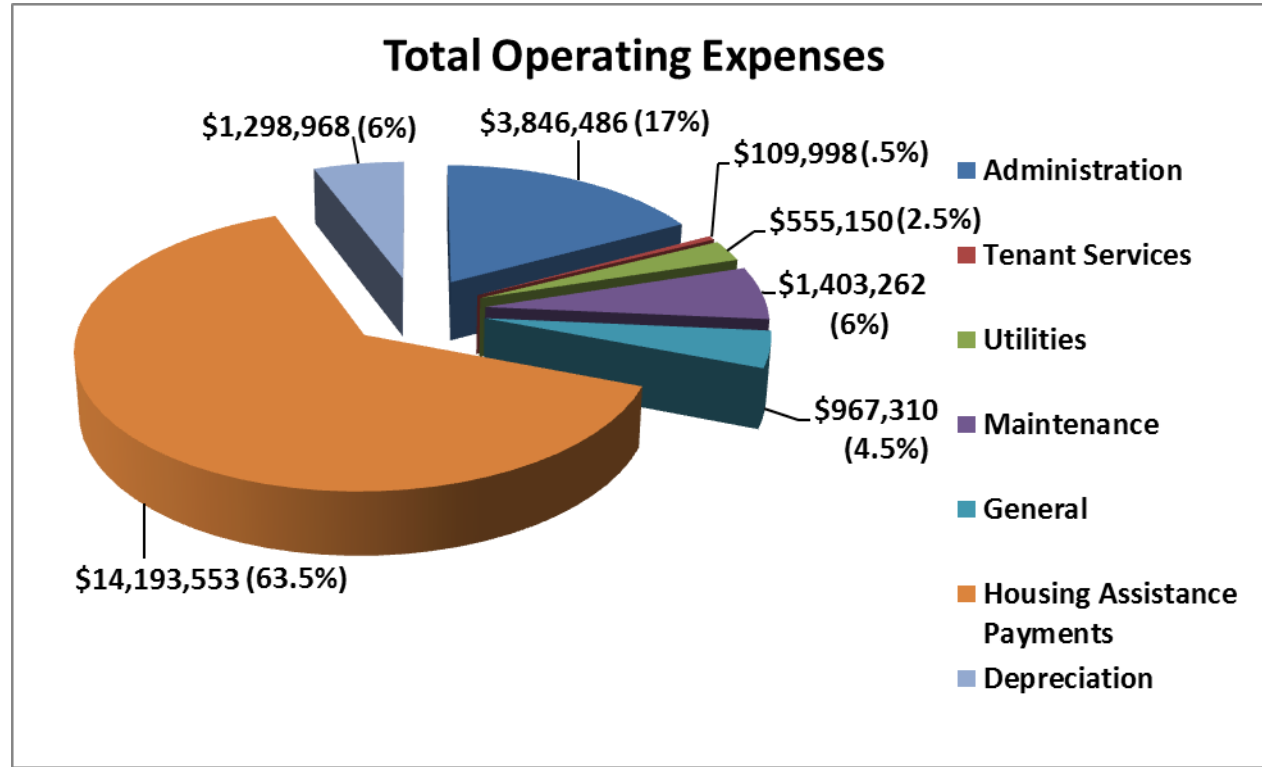
The following table provides further illustration of the Authority's total operating revenue for the year ended September 30, 2014:



Total Operating Expenses

Total operating expenses decreased by \$450,466 to \$22,374,727 due to lower general expenses and maintenance costs as a part of the Authority’s costs reduction efforts. In addition, there were decreases in the amount of soft costs allocated to the Capital Fund program. The Authority’s continued modernization efforts have contributed to the decline in required maintenance. Tenant services also saw decreases from prior year, as did housing assistance payments (HAP) resulting from decreased participation in the program. However, the decrease in operating expenses was moderately offset by an increase in administration resulting from increased administrative salaries and benefits and various other office expenses.

The following table provides further illustration of the Authority’s total operating expenses for the year ended September 30, 2014:



Nonoperating Revenues and Expenses

Nonoperating activity increased by \$10,560,902 primarily due to the gain on the sale of AMP 2 (Asset Management Project) for the conversion of 144 units of public housing to non-profit ownership with project based Section 8 rental subsidy; and an increase in CFP Capital Grant Contributions expended this year.

CAPITAL ASSETS

As of September 30, 2014, capital assets for its business-type activities was \$23,457,863 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment and construction in progress.

The Authority had one major capital asset sale during the current fiscal year. The HACSB converted 144 units of public housing to non-profit ownership with project based Section 8 rental subsidy. This transaction resulted in a gain on the sale of the properties and reduction in capital assets.

DEBT OUTSTANDING

At September 30, 2014, the Authority had \$1,288,894 in debt outstanding compared to \$1,033,302 in the prior fiscal year. This debt is in the form of a recoverable grant in the amount of \$102,000 payable to the Ventura County Community Foundation, a loan in the amount of \$200,000 payable to the Ventura County Housing Trust Fund, and a note payable, unsecured line of credit, and secured line of credit, all of which are payable to local financial institutions in the amounts of \$735,677, \$28,178, and 223,039, respectively. Proceeds were used to finance the activities of the various affordable housing projects being developed by the Authority.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- The Authority receives the bulk of its operational funding from the United States Department of Housing and Urban Development (HUD) which, like all federal agencies, continues to experience budget constraints. Future funding depends upon Congressional appropriations.
- In assembling its financial plan for 2014, HACSB's primary objective is to maintain and strengthen existing programs and services while operating within a challenging economic environment.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflation and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- The State of California's prolong drought and the governor's mandatory water consumption reductions starting in July 2015 will have an adverse impact resulting in higher water rates.
- The Authority is continuing with Board-approved plans that guide real estate activities, including the provisions for liquidation of non-strategic assets, as appropriate. The Authority's portfolio is being assessed to evaluate properties that no longer align with current strategic plans, including single-family homes. The proceeds would be leveraged to further the Authority's mission and invest in affordable housing.
- In 2007, the Authority began developing a revitalization plan to reinvigorate and redevelop the Westview Village development. In 2013, the Authority launched a community engagement effort to continue the Westview Village discussions and development plans. The public meetings are ongoing, with the Authority and its partner Bridge Housing receiving feedback to ultimately finalize the plans. The plans, we believe, reflect the input from community stakeholders and the public, which was gathered at numerous meetings with area residents, community leadership, elected officials, businesses, City departments, and other community stakeholders.
- The Authority's goal remains to continue to provide housing to the nearly 2,200 households service through its three core housing programs: Section 8, Public Housing, and nonprofit properties. The Authority looks forward to continuing work on significantly enhancing property management and housing operations, expanding educational, job training, and health services to residents; and implementing additional efficiencies across the Authority.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to Mr. Rhen Bass, CPA, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 805-648-5008.



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Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of San Buenaventura

Report on the Financial Statements

We have audited the financial statements of the Housing Authority of the City of San Buenaventura (the "Authority") and the discretely presented component units, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority and the discretely presented component unit, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1-10 and the schedule of funding progress for the Authority's OPEB on page 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the Housing Authority's basic financial statements. The accompanying supplemental data including the financial data schedule and the statement and certification of actual modernization costs are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial data schedule, statement and certification of actual modernization costs and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule, statement and certification of actual modernization costs and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2015 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Henderson & DeJohn, LLC

Birmingham, AL
May 14, 2015



HENDERSON & DEJOHN, LLC

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of San Buenaventura

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Housing Authority of the City of San Buenaventura (the "Authority"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 14, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Henderson & DeJohn, LLC

Birmingham, AL
May 14, 2015



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Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of San Buenaventura

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of San Buenaventura's (the "Authority") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control over Compliance

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

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

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

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

Henderson & DeJohn, LLC

Birmingham, AL
May 14, 2015

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Primary Government	Component Unit
ASSETS		
Unrestricted cash and cash equivalents	\$ 4,684,178	\$ 435,878
Restricted cash and cash equivalents	473,106	19,643
PHA projects receivable	14,432	-
Due from HUD	93,364	-
Due from other governments	11,778	-
Miscellaneous receivable	181,744	-
Tenants receivable, net	13,362	5,904
Accrued interest receivable	150,674	-
Due from component unit to primary government	227,270	-
Prepaid expenses and other assets	42,945	199
Capital assets:		
Land and construction in progress	3,733,641	814,030
Building and equipment, net of depreciation	19,724,222	1,624,728
Total capital assets	23,457,863	2,438,758
Notes and mortgages receivable, net of current portion	18,657,952	-
Total assets	48,008,668	2,900,382
LIABILITIES		
Accounts payable	116,010	4,395
Accrued liabilities	119,699	26,549
Intergovernmental payables	225,215	-
Tenant security deposits	183,066	19,643
Unearned revenue	3,736	422
Due to primary government from component unit	-	227,270
Long-term liabilities:		
Due within one year:		
Notes payable, current portion	212,231	3,956
Compensated absences, current portion	26,375	596
Due in more than one year:		
Notes payable, net of current portion	1,076,663	2,779,250
Compensated absences, net of current portion	237,400	5,367
Long-term liabilities - other	304,106	-
Total liabilities	2,504,501	3,067,448
NET POSITION		
Net investment in capital assets	22,270,969	(344,448)
Restricted	201,562	-
Unrestricted	23,031,636	177,382
Total net position	\$ 45,504,167	\$ (167,066)

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

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR YEAR ENDED SEPTEMBER 30, 2014

	<u>Primary Government</u>	<u>Component Unit</u>
OPERATING REVENUES		
Rental income	\$ 3,115,922	\$ 366,019
Federal and other government grants	16,432,444	-
Other	<u>1,669,624</u>	<u>32,015</u>
 Total operating revenues	 <u>21,217,990</u>	 <u>398,034</u>
OPERATING EXPENSES		
Administration	3,846,486	203,628
Tenant services	109,998	2,090
Utilities	555,150	15,990
Maintenance	1,403,262	50,649
General	967,310	11,690
Housing assistance payments	14,193,553	-
Depreciation	<u>1,298,968</u>	<u>80,088</u>
 Total operating expenses	 <u>22,374,727</u>	 <u>364,135</u>
 Operating income (loss)	 (1,156,737)	 33,899
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	23,481	9
Gain on sale of capital assets	10,325,139	-
Interest expense	<u>(41,146)</u>	<u>(13,909)</u>
 Income (loss) before contributions	 9,150,737	 19,999
 Capital contributions	 <u>639,441</u>	 <u>-</u>
 Change in net position	 9,790,178	 19,999
Total net position - beginning of the year	<u>35,713,989</u>	<u>(187,065)</u>
Total net position - end of the year	<u>\$ 45,504,167</u>	<u>\$ (167,066)</u>

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

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
STATEMENT OF CASH FLOWS
FOR YEAR ENDED SEPTEMBER 30, 2014

	Primary Government	Component Unit
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from tenants	\$ 3,111,064	\$ 362,996
Federal & other government grants	16,295,831	-
Other receipts	1,603,441	32,015
Payments to suppliers and Section 8 landlords	(17,056,960)	(199,805)
Payments to or on behalf of employees	(4,117,934)	(72,138)
Net cash provided (used) by operating activities	(164,558)	123,068
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	1,234,440	-
Purchase of capital assets	(1,024,524)	-
Capital contributions	628,256	-
Issuance of capital debt	797,969	-
Principal payments of capital debt	(542,377)	(3,718)
Interest payments on capital debt	(41,146)	(13,909)
Net cash provided (used) by capital financing activities	1,052,618	(17,627)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	5,489	9
Net cash provided (used) by investing activities	5,489	9
Net increase (decrease) in cash and cash equivalents	893,549	105,450
Balances - beginning of the year	4,263,735	350,071
Balances - end of the year	\$ 5,157,284	\$ 455,521

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

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
STATEMENT OF CASH FLOWS
FOR YEAR ENDED SEPTEMBER 30, 2014

	Primary Government	Component Unit
RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,156,737)	\$ 33,899
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	1,298,968	80,088
Change in assets and liabilities:		
Receivables, net	(87,712)	(797)
Prepays and other assets	(2,105)	183
Accounts payable	4,397	3,814
Intergovernmental payables	(37,864)	-
Unearned revenue	(87,463)	(2,535)
Other liabilities	19,499	(14,260)
Accrued liabilities	(109,923)	22,203
Compensated absences	12,211	166
Accrued OPEB liability	10,803	-
Tenant security deposits	(28,632)	307
Net cash provided (used) by operating activities	\$ (164,558)	\$ 123,068
SUPPLEMENTAL INFORMATION		
Non-cash capital and related financing activities:		
Issuance of a seller carry-back note receivable as financing for property sold to an affiliated organization	\$ 15,088,087	\$ -

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

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority of the City of San Buenaventura (the “Authority”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has previously implemented GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management’s Discussion and Analysis (MD&A) section providing an analysis of the Authority’s overall financial position and results of operations.

The Authority is a special-purpose government engaged only in business-type activities and therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of –
 - Statement of Net Position
 - Statement of Revenues, Expenses and Changes in Fund Net Position
 - Statement of Cash Flows
- Notes to financial statements
- Required supplemental information other than MD&A

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the “primary government” in the basic financial statements. Significant Authority policies are described below.

A. The Reporting Entity

The Authority was established as a tax-exempt quasi-governmental entity under the United States Housing Act of 1937 for the purpose of providing affordable housing to low and moderate income families in Ventura County, California. The governing body of the Authority is composed of a 7 member appointed Board of Commissioners (the “Board”). The Mayor appoints the Board, who in turn hires the Chief Executive Officer. The Authority is governed by its charter and by-laws, state and local laws and federal regulations. The Board is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Authority’s management.

For financial reporting purposes, the financial reporting entity consists of (1) the primary government (the “Authority”), (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the primary government’s financial statements to be misleading or incomplete. The Authority is financially accountable if it appoints a voting majority of an organization’s governing body and (a) it is able to impose its will on the organization or, (b) there is potential for that organization to provide specific financial benefits to, or impose specific financial burdens on the Authority. The Authority may be financially accountable if an organization is fiscally dependent on the Authority. Based on these criteria; the following entities have been identified as component units of the Authority.

Triad Properties

Triad Properties (Triad) is a California nonprofit public benefit corporation which was formed to promote and develop affordable housing and related services for low to moderate income households in the County of Ventura, California and may be eligible to apply for specific HUD funding: HOME Program as a Community Housing Development Corporation (CHDO) set-aside funding. Triad is a tax exempt entity under section 501(c)(3) of the Internal Revenue Code (IRC). Triad owns and operates twenty-six low-income housing units in the City of Ventura.

The relationship between the Authority and Triad is supportive in nature as Triad often carries out its stated purpose of providing decent, safe and affordable housing by supporting the operational goals and objectives of the Authority. In addition, the Authority’s Board also acted as the original governing body for Triad. In March 2010, Triad’s bylaws were amended and the Board appointed a new Board of Directors who is now substantially different from that of the Authority’s Board. The amended bylaws state that the Triad Board of Directors will serve four year terms and is now empowered to appoint any new director(s). Therefore, Triad is discretely presented in the current year financial statements as its own “component unit” column with separate “component unit” disclosures in the notes to the financial statements. All interprogram balances and transactions between the primary government and the discretely presented component unit will be disclosed in the notes to the financial statements (*see Note 12 – Transactions with Discretely Presented Component Unit*). Separately issued financial statements of Triad Properties may be obtained by contacting Rhen Bass, CPA, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 995 Riverside Street, Ventura, CA 93001.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Homecomings, Inc

Homecomings, Inc (Homecomings) is a California nonprofit public benefit corporation which was formed to promote and develop affordable housing for low to moderate income households in the County of Ventura. It can also form partnerships and currently acts as the general partner in each of the following tax credit partnerships in which it has a .01% ownership interest.

- Chapel Lane, L.P. – 4% tax credit project with 38-senior units, in operation since September 2005
- Soho Associates, L.P. – 9% tax credit project with 12-family units, full occupancy was reached September 2011
- Encanto Del Mar Apartments, L.P. – 9% tax credit project with 37-family units; full occupancy was reached in August 2012.
- Vista Del Mar Commons LP – 9% tax credit project-140 units conversion to occur spring 2015.
- Castillo del Sol LP – 9% tax credit project-40 units (39 for people with special needs) in construction

Homecomings accounts for its ownership interest in these tax credit partnerships using the equity method. Separately issued financial statements for the aforementioned tax credit partnerships may be obtained by contacting Rhen Bass, CPA, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 995 Riverside Street, Ventura, CA 93001. The Authority both directly and indirectly controls the operations of Homecomings, and the Authority's Board also acts as the governing body for the organization. Therefore, Homecomings is presented as a blended component unit included in the balances of the primary government, thus all significant inter-program balances and transactions between Homecomings and the Authority have been eliminated. Homecomings did not have any significant balances to report as of the fiscal year ended September 30, 2014. Therefore, no separate condensed financial statements are considered to be necessary for reporting in the footnotes to the Authority's financial statements as now required by GASB 61 for blended component units of the primary government.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority's financial statements are accounted for on the flow of economic resources management focus using the accrual basis of accounting. The accounting objectives are a determination of net income, financial position, and changes in cash flow.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a proprietary fund's activities are included on the Statement of Net Position. Proprietary fund net position is segregated into Net Investment in Capital Assets, Restricted Net Position and Unrestricted Net Position. Revenues are recognized when they are earned and expenses are recognized when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are rental charges to tenants and operating subsidy grants from HUD. Operating expenses for proprietary funds include the cost of administrative expenses, maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Authority applies restricted resources to fund restricted costs and unrestricted resources to fund unrestricted costs. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements.

The Authority has previously adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In accordance with this statement, the Authority accounted for all grants that qualify as non-exchange transactions, recognizing receivables and revenues when all applicable eligibility requirements are met. In addition, capital contributions are recorded on the Statement of Revenues, Expenses and Changes in Fund Net Position after income before contributions and before changes in net position.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component on net position.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
 NOTES TO FINANCIAL STATEMENTS
 FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits and money market accounts. For purposes of the statement of cash flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported on the balance sheet approximate fair values because of the short maturities of those investments.

D. Receivables

Receivables primarily include amounts from tenants for rental of housing units, grant receivables due from HUD, amounts due from landlords for HAP overpayments, amounts due from other housing authorities for HAP portability, amounts due from the City of San Buenaventura for contract services rendered, accrued interest, and management fee receivables due from affiliated organizations (see Note 13 – *Affiliated Organizations*). All receivables are current and due within one year. Receivables are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible.

E. Restricted Assets and Liabilities

Debt covenants, HUD regulations, and inter-local agreements restrict the use of certain assets. Restricted assets are offset by related liabilities in accordance with their liquidity.

F. Inventories

Inventories are accounted for under the consumption method and recorded at the lower of cost or market. Materials and supplies are recorded as inventories when purchased and as expenditures when used.

G. Prepaid Items

Prepaid items consist of payments made to vendors for services that will benefit future periods.

H. Capital Assets

Capital assets include property, furniture, equipment and machinery. Capital assets with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Construction in progress consists of capital improvements funded by modernization grant programs. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	7-40
Improvements other than buildings	7-30
Furniture, equipment, and machinery	3-7

I. Compensated Absences

The Authority's policy allows each employee to accumulate up to 240 vacation hours and be paid for them upon separation. The Authority has no maximum accrual for sick leave. If an employee has completed 5 years of service, they shall be paid for 20% of accumulated sick leave at their current hourly rate upon separation. Time accrued beyond that is forfeited unless exception is granted by the Board. The majority of employees utilize their annual accrual of vacation and sick leave during the year accrued. The Authority records compensated absences expense in the period earned and uses a systematic allocation process to allocate between short-term and long-term liability classification.

J. Unearned Revenue

The Authority recognizes revenues as it is earned. An amount received in advance of the period in which it is earned is recorded as a liability under unearned revenue.

K. Use of Estimates

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

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Recent Accounting Pronouncements

The Authority adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. This Statement addresses reporting entity issues that have arisen since the issuance of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. The adoption of GASB 61 had no material effect on the Authority’s basic financial statements.

The Authority adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These determinations are based on the definitions of those elements in Concepts Statement No. 4, *Elements of Financial Statements*. The adoption of GASB 65 had no material effect on the Authority’s basic financial statements.

The Authority adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The adoption of GASB 67 had no material effect on the Authority’s basic financial statements.

The Authority adopted GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement establishes accounting and financial reporting standards for financial guarantees that are nonexchange transactions (nonexchange financial guarantees) extended or received by a state or local government. As used in this Statement, a nonexchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. The provisions of this Statement should be applied to financial statements of all state and local governments. The adoption of GASB Statement No. 70 had no material effect on the Authority’s basic financial statements.

M. Future Accounting Pronouncements

The Authority will be adopting GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* during its next fiscal year. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The adoption of GASB Statement No. 68 had no material effect on the Authority’s September 30, 2014 basic financial Statements but could have a material effect on the Authority’s September 30, 2015 basic financial statements as the related liability is required to be presented on the Statement of Net Position.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

Cash and investments may be invested in the following HUD-approved vehicles:

- Direct obligations of the federal government backed by the full faith and credit of the United States;
- Obligations of government agencies;
- Securities of government sponsored agencies;
- Demand and savings deposits; and,
- Time deposits and repurchase agreements.

At September 30, 2014, cash was in bank deposits or money market funds. Neither the Authority nor Triad had any investments. All of the Authority's federal funds were insured or collateralized with securities held by the Authority or by its agent in the Authority's name. A portion of the Authority's Business Activities funds' non-federal deposits in the amount of approximately \$768,000 and approximately \$209,000 of Triad's deposits were not insured or collateralized at year-end. The Authority's cash balances at September 30, 2014 totaled \$5,157,284. Triad's cash balances at September 30, 2014 totaled \$455,521.

Interest Rate Risk – The Authority's formal investment policy does not specifically address the exposure to this risk.

Credit Risk - The Authority's formal investment policy does not specifically address credit risk. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

Custodial Credit Risk – The Authority's policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Concentration of Credit Risk – The Authority's investment policy does not restrict the amount that the Authority may invest in any one issuer.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 3 – CAPITAL ASSETS

A. Changes in Capital Assets

Capital asset activity for the year ended September 30, 2014 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Additions	Retirements	Reclassifications	
Capital assets not being depreciated					
Land	\$ 3,042,205	\$ -	\$ (428,939)	\$ -	\$ 2,613,266
Construction in progress	1,525,809	1,024,524	(949,551)	(480,407)	1,120,375
Total capital assets not being depreciated	<u>4,568,014</u>	<u>1,024,524</u>	<u>(1,378,490)</u>	<u>(480,407)</u>	<u>3,733,641</u>
Capital assets being depreciated					
Buildings and improvements	55,842,656	-	(10,649,034)	479,022	45,672,644
Equipment	1,143,190	-	(108,351)	1,385	1,036,224
Total capital assets being depreciated	<u>56,985,846</u>	<u>-</u>	<u>(10,757,385)</u>	<u>480,407</u>	<u>46,708,868</u>
Less accumulated depreciation for:					
Buildings and improvements	(30,704,394)	(1,288,940)	6,035,268	-	(25,958,066)
Equipment	(1,119,771)	(10,028)	103,219	-	(1,026,580)
Total accumulated depreciation	<u>(31,824,165)</u>	<u>(1,298,968)</u>	<u>6,138,487</u>	<u>-</u>	<u>(26,984,646)</u>
Capital assets, net	<u>\$ 29,729,695</u>	<u>\$ (274,444)</u>	<u>\$ (5,997,388)</u>	<u>\$ -</u>	<u>\$ 23,457,863</u>
	Component Unit				Ending Balance
	Beginning Balance	Additions	Retirements	Reclassifications	
Capital assets not being depreciated					
Land	\$ 814,030	\$ -	\$ -	\$ -	\$ 814,030
Total capital assets not being depreciated	<u>814,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>814,030</u>
Capital assets being depreciated					
Buildings and improvements	2,272,029	-	-	-	2,272,029
Total capital assets being depreciated	<u>2,272,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,272,029</u>
Less accumulated depreciation for:					
Buildings and improvements	(567,213)	(80,088)	-	-	(647,301)
Total accumulated depreciation	<u>(567,213)</u>	<u>(80,088)</u>	<u>-</u>	<u>-</u>	<u>(647,301)</u>
Capital assets, net	<u>\$ 2,518,846</u>	<u>\$ (80,088)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,438,758</u>

B. Capital Contributions

The Authority receives capital grants from HUD. The Authority recognized \$639,441 in capital contributions for the fiscal year ended September 30, 2014.

C. Construction Commitments

At September 30, 2014, the Authority had one uncompleted construction contract. The remaining commitment on this contract was approximately \$26,000.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 4 – NOTES RECEIVABLE

Notes receivable consists of the following at September 30, 2014:

Primary Government:

Note receivable due from component unit, bearing no interest, annual payments are based on residual receipts of the project as defined in the loan agreement. No payment is expected to be collected within the next twelve months. \$ 2,383,141

Seller carry-back note receivable due from Vista Del Mar Commons, L.P., bearing simple interest at 3.49% per annum, maturing April 2070. Annual payments of outstanding principal and accrued interest shall commence April 1, 2015 and on April 1 of each year thereafter until maturity and are based on residual receipts of the project as defined in the loan agreement. No payment is expected to be collected within the next twelve months. 15,088,087

Development note receivable due from Soho Associates, L.P., bearing simple interest at 4.47% per annum, the loan agreement called for a special prepayment provision to occur at a specified date in the amount of \$800,000 which was paid in January 2013, post construction annual payments are based on residual receipts of the project as defined in the loan agreement. No payment is expected to be collected within the next twelve months. Accrued interest receivable at September 30, 2014 on this note receivable amounted to approximately \$151,000. 514,073

Seller note receivable due from Soho Associates, L.P., bearing no interest, post construction annual payments are based on residual receipts of the project as defined in the loan agreement. No payment is expected to be collected within the next twelve months. 672,651

\$ 18,657,952

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 5 – NOTES PAYABLE

Notes payable consists of the following at September 30, 2014:

Primary Government:

Note payable to Montecito Bank & Trust, accruing simple interest at 3.5% per annum, secured by certain real property located in Ventura, California, maturing June 2043. Principal and interest payments totaling \$3,949.48 are payable monthly.	\$ 735,677
Note payable to Ventura County Housing Trust Fund, accruing simple interest at 4% per annum, unsecured, maturing October 2014. Interest is payable quarterly and all principal is payable at maturity.	200,000
Line of credit with County Commerce Bank valued at \$1,000,000, accruing interest at 4.88% per annum using the 365/360 interest method, secured by a commercial security agreement, maturing October 2015. Interest is payable monthly and all principal is payable at maturity.	223,039
Line of credit with Pacific Western Bank valued at \$750,000, accruing interest at 4.5% per annum using the 365/360 interest method, secured by a commercial security agreement, maturing November 2015. Interest is payable monthly and all principal is payable at maturity. No draws have yet been made from this line of credit account as of September 30, 2014.	-
Line of credit with Montecito Bank & Trust valued at \$1,000,000, accruing interest at 4% per annum using the 365/360 interest method, unsecured, maturing June 2016. Interest is payable monthly and all principal is payable at maturity.	28,178
Recoverable grant payable to the Ventura County Community Foundation, bearing no interest, payment is deferred until which time the Authority can obtain permanent financing for the Hansen Trust Farmworker Apartments development project. No payments are expected to be made within the next twelve months.	102,000
Less current portion	1,288,894
Noncurrent portion	(212,231)
	\$ 1,076,663

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 5 – NOTES PAYABLE (Continued)

Component Unit:

Note payable to the City of San Buenaventura, bearing no interest, due and payable upon the sale of certain real property located in Ventura, California. No payments are expected to be made within the next twelve months.	\$ 184,000
Note payable to Montecito Bank & Trust, variable interest rate based on 10-year swap rate plus 2.75%, 6.25% at September 30, 2014, secured by certain real property located in Ventura, California, maturing September 2039. Principal and interest payments totaling \$1,445.71 are payable monthly.	216,065
Note payable to the primary government, Housing Authority of the City of San Buenaventura, bearing no interest, secured by certain real property located in the Ventura, California, annual payments based on residual receipts of the project as defined in the loan agreement, maturing October 2057. No payments are expected to be made within the next twelve months.	2,383,141
	2,783,206
Less current portion	(3,956)
Noncurrent portion	\$ 2,779,250

The anticipated aggregated maturities of these notes payable for the years subsequent to September 30, 2014 are as follows:

	Primary Government			Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 212,231	\$ 37,202	\$ 249,433	\$ 3,956	\$ 13,392	\$ 17,348
2016	365,902	34,709	400,611	4,211	13,138	17,349
2017	13,407	33,987	47,394	4,482	12,867	17,349
2018	14,067	33,327	47,394	4,770	12,578	17,348
2019	14,760	32,634	47,394	5,077	12,272	17,349
2020-2024	85,253	151,715	236,968	30,724	56,020	86,744
2025-2029	107,473	131,344	238,817	41,961	44,782	86,743
2030-2034	135,116	109,240	244,356	57,307	29,437	86,744
2035-2039	175,874	68,482	244,356	63,579	8,815	72,394
2040 and thereafter	164,811	17,402	182,213	2,567,139	-	2,567,139
Total	\$ 1,288,894	\$ 650,042	\$ 1,938,936	\$ 2,783,206	\$ 203,301	\$ 2,986,507

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 6 – LONG-TERM LIABILITIES

Long-term liabilities at September 30, 2014 consisted of the following:

	Primary Government				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued compensated absences	\$ 251,564	\$ 217,042	\$ 204,831	\$ 263,775	\$ 26,375
Notes payable	1,033,302	797,969	542,377	1,288,894	212,231
Accrued OPEB liability*	206,297	31,923	21,120	217,100	-
Family self-sufficiency escrow liabilities*	66,486	53,722	33,202	87,006	-
Total long-term liabilities	<u>\$ 1,557,649</u>	<u>\$ 1,100,656</u>	<u>\$ 801,530</u>	<u>\$ 1,856,775</u>	<u>\$ 238,606</u>

	Component Unit				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued compensated absences	\$ 5,217	\$ 4,015	\$ 3,269	\$ 5,963	\$ 596
Notes payable	2,786,924	-	3,718	2,783,206	3,956
Total long-term liabilities	<u>\$ 2,792,141</u>	<u>\$ 4,015</u>	<u>\$ 6,987</u>	<u>\$ 2,789,169</u>	<u>\$ 4,552</u>

* Amounts reported as Long-term liabilities - other on the Statement of Net Position

NOTE 7 – PENSION PLANS

CalPERS Defined Benefit Plan

Plan Description: The Authority is a part of the Miscellaneous Risk Pool, a cost-sharing multiple-employer defined benefit plan. The Authority's Plan is labeled the Miscellaneous Plan of the San Buenaventura (Ventura) City Housing Authority. This defined benefit plan provides retirement benefits to plan members and beneficiaries. The Plan is affiliated with the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan.

The System assigns the authority to establish and amend the benefit provisions of the plans that participate in CalPERS to the respective employer entities; for the Miscellaneous Plan of the San Buenaventura (Ventura) City Housing Authority, that authority rests with the Authority's Board. The System issues a publicly available financial report that includes financial statements and required supplementary information for CalPERS. That report may be obtained by writing California Public Employees' Retirement System P.O. Box 1494, Sacramento, CA 95812 or by calling 1-888-225-7377.

Funding Policy: On January 23, 2008, the Authority's Board approved an amendment to the Authority's CalPERS retirement plan. This amendment added a second tier for new hires entering into the CalPERS Plan on or after April 5, 2008. Plan members hired prior to April 5, 2008 are required to contribute to the Plan at 8% of salary. Second tier plan members hired on or after April 5, 2008 are required to contribute to the plan at 7% of salary. During the fiscal year ended September 30, 2013, the Authority's Board approved another amendment to the Authority's CalPERS retirement plan due to the Public Employees' Pension Reform Act (PEPRA) requirement. This amendment added a third tier for new hires entering into the CalPERS Plan after December 31, 2012. Third tier plan members hired after December 31, 2012 are required to contribute 6.25% to the plan. Employee contributions for the fiscal year ended September 30, 2014 amounted to \$240,009. The Authority is required to contribute at an actuarially determined rate for the first, second and third tier Plan members; the rates effective for the fiscal year ended September 30, 2014 are 17.857%, 8.005% and 6.25%, respectively, of annual covered payroll. The contribution requirements of plan members and the Authority are established using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration, and may be amended by the Authority's Board. Employer contributions to the plan for the years ended September 30, 2012, 2013 & 2014 were \$438,144, \$408,132 and \$386,080, respectively, equal to the required contributions for each year.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
 NOTES TO FINANCIAL STATEMENTS
 FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 7 – PENSION PLANS (Continued)

CalPERS/VOYA Deferred Compensation 457(b) Benefit Plan

The Authority has a Deferred Compensation 457(b) benefit plan with CalPERS/VOYA, Inc. for its employees which are administered by CalPERS. The plan was adopted by the Board of Commissioners on June 15, 1977. This plan has since been converted to the CalPERS/VOYA Deferred Compensation plan on July 31, 2009. Only the Board has the authority to approve any amendments to the plan. In a deferred compensation plan, benefits depend solely on amounts contributed to the plan by the individual employee. Employees are eligible for the plan on their date of hire and are not required to participate in the plan. The Authority does not contribute to this plan. During the past year, the total contributions made by the Authority’s employees to the plan were approximately \$204,500. Employees, through salary deductions, can contribute up to the IRC 402(g) limit, which has been determined to be \$17,500 for 2014. Employees age 50 and over may contribute \$23,000 and participants eligible for the Special Catch-Up provision may contribute \$35,000.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Authority has a single-employer defined benefit healthcare plan that provides medical insurance benefits to eligible retirees. Employees who have at least 20 years of service with the Authority are eligible to continue health insurance coverage. For employees who retire after January 26, 2011, continued health insurance coverage will end at age 65.

Funding Policy

The funding policy of postemployment benefits is established and may be amended by the Board. The Authority has chosen to fund the postemployment benefits on a “pay-as-you-go” basis. The Authority is required to contribute up to \$220 per month to offset the cost of the monthly healthcare premiums. Active plan members are not required to, nor do they, contribute to the plan.

Annual OPEB Cost and Net OPEB Obligation

The Authority’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority’s net OPEB obligation.

Annual required contribution	\$ 28,803
Interest on net OPEB obligation	10,315
Actuarial adjustment	<u>(7,195)</u>
Annual OPEB cost	\$ 31,923
Contributions made	<u>(21,120)</u>
Change in net OPEB obligation	10,803
Net OPEB obligation - beginning of year	<u>206,297</u>
Net OPEB obligation - end of year	<u>\$ 217,100</u>
Annual OPEB Cost FYE 2014	\$ 31,923
Percentage of Annual OPEB cost contributed	66%
Net OPEB Obligation at FYE 2014	\$217,100

The Authority’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for FY 2014 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 62,091	21%	\$ 195,594
2013	\$ 31,823	66%	\$ 206,297
2014	\$ 31,923	66%	\$ 217,100

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
 NOTES TO FINANCIAL STATEMENTS
 FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress

As of April 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$541,996, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$541,996. The covered payroll was \$2,581,447, and the ratio of the UAAL to the covered payroll was 21%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information 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 liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Authority and the plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	4/1/2013
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return*	5.0%
Projected salary increases*	3.0%
Medical cost trend rate	4.0%
Year of ultimate trend rate	2009

*Includes an inflation assumption of 3.0%.

NOTE 9 – OPERATING LEASES

The Authority leases office space for its Housing Choice Voucher program from Chapel Lane, LP. The lease is for a period of 30 years, commencing December 1, 2005, with two subsequent 20 year renewal options and requires annual lease payments of \$83,000. The required future minimum lease payments for the years ending September 30 are as follows:

2015	\$ 83,000
2016	83,000
2017	83,000
2018	83,000
2019	83,000
2020-2024	415,000
2025-2029	415,000
2030-2034	<u>394,251</u>
Total	<u>\$ 1,639,251</u>

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 10 – 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 has mitigated this risk by obtaining insurance coverage from commercial insurance companies. Premiums paid for insurance coverage are recorded as expenses of the funds affected. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductibles and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. During the current year and the prior three years, settled claims have not exceeded coverage levels, and insurance coverage, by major categories of risk, is consistent with prior year.

NOTE 11 – CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on availability of funding.

NOTE 12 – TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNIT

The Authority acts as the managing agent for housing units owned by Triad. All receipts and disbursements of the entity are administered by the Authority. The Authority charges Triad certain agreed upon management fees for time and services rendered by the Authority while managing Triad's operation. Total management fees charged to Triad by the Authority for the fiscal year ended September 30, 2014 amounted to approximately \$89,500. The Authority also incurs certain direct costs on behalf of Triad and is later reimbursed by Triad. The total amount of such costs incurred by the Authority on behalf of Triad for the fiscal year ended September 30, 2014 amounted to approximately \$104,000. At fiscal year ended September 30, 2014, Triad owes the Authority approximately \$227,000 in management fees and unreimbursed costs incurred by the Authority on behalf of Triad.

During the year, Triad recognized approximately \$26,000 in revenue from the Authority for the administration of one of the Authority's non-federal business activities.

Triad also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2014, Triad recognized approximately \$248,000 in HAP from the Authority.

Triad also holds a note payable due to the Authority in the amount of \$2,383,141 at September 30, 2014 for the acquisition of affordable housing property in a prior year (*see Note 5 – Notes Payable*).

NOTE 13 – AFFILIATED ORGANIZATIONS

The affiliations mentioned below do not meet the criteria under GASB 61, for the inclusion in the reporting entity of the Authority.

Chapel Lane, L.P. (Chapel Lane)

The Authority provides services to Chapel Lane, L.P., a California Limited Partnership who owns and operates a 38-unit senior housing complex. The Authority has an agreement with Chapel Lane to provide management and accounting services for an annual fee and the Authority's blended component unit, Homecomings Inc., is the general partner with a .01% ownership interest. In addition, the Authority makes certain advances for operating expenses incurred by Chapel Lane. For the fiscal year ended September 30, 2014, the Authority recognized approximately \$37,000 in property management fees which is included in other revenues on the face of the Statement of Revenues, Expenses and Changes in Fund Net Position. As of September 30, 2014, Chapel Lane owes the Authority approximately \$116,000 in outstanding property management fees. This receivable is included in accounts receivable - miscellaneous on the face of the Statement of Net Position.

Other transactions between the Authority and Chapel Lane include the Authority leasing office space from Chapel Lane. The Authority leases this office space for their Housing Choice Voucher program operations (*see Note 9 - Operating Leases*). This expense is included in administration expense on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Chapel Lane also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2014, Chapel Lane recognized approximately \$1,206,000 in HAP from the Authority which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 13 – AFFILIATED ORGANIZATIONS (Continued)

Soho Associates, L.P. (Soho)

The Authority is the developer and management agent for Soho Associates, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 12-unit residential rental property consisting of multifamily affordable housing located in Ventura, California. Homecomings, Inc. is the sole member of Soho Housing, LLC who is the general partner with a .01% ownership interest in the limited partnership. The project was completed and full occupancy was reached in September 2011. During the year, the Authority recognized approximately \$22,000 in developer fees and approximately \$24,000 in property management fees which is included in other revenues on the face of the Statement of Revenues, Expenses and Changes in Fund Net Position. At September 30, 2014, Soho owes the Authority approximately \$4,600 in outstanding property management fees which is included in accounts receivable – miscellaneous on the face of the Statement of Net Position.

As of the year-ended September 30, 2014, Soho owes the Authority \$1,186,724 in the form of two notes payable and accrued interest in the amount of approximately \$151,000 (see Note 4 – Notes Receivable) which is included in notes and mortgages receivable, net of current on the face of the Statement of Net Position.

Soho also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2014, Soho recognized approximately \$516,000 in HAP from the Authority which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Encanto Del Mar Apartments, L.P. (Encanto)

The Authority is the developer and management agent for Encanto Del Mar Apartments, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 37-unit 9% tax credit, affordable housing development located in Ventura, California. Homecomings, Inc is the sole member of Encanto Del Mar Apartments, LLC who is the general partner with a .01% ownership interest in the limited partnership. The project construction was finalized in December 2012. During the year, the Authority recognized approximately \$399,000 in developer fees and approximately \$75,000 in property management fees which is included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At September 30, 2014, Encanto owes the Authority approximately \$26,000 in outstanding property management fees which is included in accounts receivable – miscellaneous on the face of the Statement of Net Position. The Authority also has certain compliance monitoring responsibilities as it relates to this development (see Note 14(C) – Commitments and Contingencies).

Encanto also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2014, Encanto recognized approximately \$94,000 in HAP from the Authority which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Vista Del Mar Commons, L.P. (Vista Del Mar)

The Authority is the developer and management agent for Vista Del Mar Commons, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 140-unit 9% tax credit, Rental Assistance Demonstration (RAD) project located in Ventura, California. The project also includes 2 program/office units. Homecomings, Inc. is the sole member of Vista Del Mar Commons, LLC who is the general partner with a .01% ownership interest in the limited partnership. The construction loan closed January 2014; construction began February 2014 and is expected to be completed in April 2015. During the year, the Authority recognized approximately \$234,000 in developer fees and approximately \$51,000 in property management fees which is included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At September 30, 2014, Vista Del Mar owes the Authority approximately \$9,600 in outstanding property management fees which is included in accounts receivable – miscellaneous on the face of the Statement of Net Position.

Vista Del Mar also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2014, Vista Del Mar recognized approximately \$286,000 in HAP from the Authority which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

During the year, the Authority sold some of their public housing property to Vista Del Mar as part of the RAD conversion process. In exchange for the acquired property, Vista Del Mar paid the Authority \$700,000 in cash and they issued a note payable to the Authority in the amount of \$15,088,087 (see Note 4 – Notes Receivable) which is included in notes and mortgages receivable, net of current portion on the face of the Statement of Net Position.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. Grants

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

B. Litigation

The Authority is a defendant in a lawsuit and has been notified of various claims against it arising from matters relating to its normal operation. The Authority intends to vigorously defend itself in all litigation. The Authority’s potential liability in these matters, if any, cannot yet be reasonably determined.

C. NSP-R Program Loan Guarantee

In connection with the development of the Encanto Del Mar Apartments affordable housing project, permanent financing was obtained from various sources, including a \$9.4 million Neighborhood Stabilization Program (NSP-R) loan from the Department of Housing and Community Development of the State of California (the “Department”) and an NSP 1 grant award from the County of Ventura in the amount of \$443,636. The loans are the obligation of the Encanto Del Mar Apartments, L.P. (the “Borrower”). However, for the NSP-R loan, the Authority is listed as the sponsor organization – as defined in the loan agreements – and has ultimate responsibility to ensure compliance with the terms and conditions of the program for the life of this loan. As the sponsoring organization, the Authority is subject to the same liability as the Borrower if it fails to ensure compliance. Therefore, the outstanding balance of the NSP-R loan is included in the Authority’s Schedule of Expenditures of Federal Awards (SEFA) (see *SEFA Note B – NSP-R Program Loan*). The outstanding loan balance and related transactions are included in the financial statements of the Borrower.

NOTE 15 – RESTRICTED NET POSITION

Restricted net position consists of excess Housing Assistance Payment (HAP) funds available to the Authority under the Section 8 Housing Choice Vouchers program. These funds are to be used only for HAP expenditures for the program. Total restricted net position related to these excess HAP funds at September 30, 2014 were \$201,562.

NOTE 16 – INTER-PROGRAM BALANCES

Inter-program balances at September 30, 2014 consisted of the following:

	Interprogram Due From	Interprogram Due To
Business Activities (Development Activities)	\$ 82,179	\$ -
Shelter Plus Care Program	-	(82,179)
Total	\$ 82,179	\$ (82,179)

These inter-program balances exist because in the normal course of operations, certain programs may pay for common costs or advance funds to meet the operational needs of other programs which create inter-program receivables or payables. These balances are expected to be repaid within one year from the balance sheet date. In addition, these inter-program balances have been eliminated in the preparation of the basic financial statements.

NOTE 17 – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through May 14, 2015 (the date the financial statements were available to be issued) and concluded that, except as noted below, no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2014

NOTE 17 – SUBSEQUENT EVENTS (Continued)

Several Rental Assistance Demonstration ("RAD") conversions will occur during the next fiscal year. 196 units of Public Housing will convert to non-profit ownership with Section 8-Project Based Voucher rental subsidy on two separate occasions; 101 units of Public Housing in April 2015 and 95 units of Public Housing in August 2015. The Authority has subsequently obtained additional debt financing for redevelopment costs related to these RAD conversion projects.

The Authority is planning to sell 12 single family homes from the Public Housing Authority portfolio within the next fiscal year.

Approved by the passage of the Authority's Fiscal Year 2014 Budget and directed by the Board of Commissioners, the Authority discontinued its Retiree Medical Stipends for any future retirees who retired from the Authority on or after October 1, 2013, and notified present retirees of the decision to terminate the monthly stipend paid by the Authority on their behalf, effective as of October 1, 2014. Therefore, the Authority will no longer report any accrued OPEB liabilities related to these Retiree Medical Stipends moving forward.

Effective September 30, 2014 the Authority terminated their retiree medical stipend benefit. Therefore, as of October 1, 2014 the Authority has no related liability associated with the retiree medical stipend benefit.

NOTE 18 – FINANCIAL DATA SCHEDULE

The Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes housing assistance payments expense and depreciation expense from operating activities, and includes investment revenue, gain/(loss) on sale of capital assets, interest expense (related to capital debt), and capital contributions in operating activities, which differs from the presentation of the basic financial statements. Additionally, adjustments were made to show beginning equity for the Component Unit as a prior period adjustment; however, this is only due to reporting changes in the REAC system and does not represent an actual prior period adjustment.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
 SCHEDULE OF FUNDING PROGRESS – OPEB PLAN
 FOR YEAR ENDED SEPTEMBER 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
4/1/2010	\$0	\$568,992	\$568,992	0.00%	\$3,248,111	18.00%
4/1/2013	\$0	\$541,996	\$541,996	0.00%	\$2,581,447	21.00%

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2014

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Primary Government Federal Expenditures</u>
U.S. Department of Housing and Urban Development Direct Programs:			
Shelter Plus Care	14.238		\$ 82,179
Low Rent Public Housing Program	14.850		1,233,539
Resident Opportunity and Supportive Services	14.870		54,414
Housing Choice Vouchers	14.871		14,674,488
Public Housing Capital Fund Program	14.872		<u>1,265,376</u>
 Total U.S. Department of Housing and Urban Development Direct Programs			 <u>17,309,996</u>
U.S. Department of Housing and Urban Development Pass-Through Programs From:			
Department of Community Development Grants and Housing of the City of San Buenaventura - Mobile Home Rehabilitation Grant Program - CDBG Funds	14.218		22,500
Department of Housing and Community Development of the State of California - NSP-R Program Loan - CDBG Funds	14.228	09-NSP-R-6555	<u>9,483,097</u>
Total U.S. Department of Housing and Urban Development Pass-Through Programs			<u>9,505,597</u>
 Total U.S. Department of Housing and Urban Development			 <u>\$ 26,815,593</u>

The accompanying notes are an integral part of this schedule.

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of San Buenaventura and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – NSP-R Program Loan

The Authority is the sponsor organization – as defined in the NSP-R Loan Agreements (the “Agreements”) between the Department of Housing and Community Development of the State of California (the “Department”) and Encanto Del Mar Apartments, L.P. (the “Borrower”) – and has ultimate responsibility to ensure compliance with the terms and conditions of the Agreements for the life of the loan. As the sponsoring organization, the Authority is subject to the same liability as the Borrower if it fails to ensure compliance. The outstanding loan balance and related transactions are included in the financial statements of the Borrower.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR YEAR ENDED SEPTEMBER 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? Yes x No

Are any significant deficiencies identified not considered to be material weaknesses? Yes x None Reported

Is any noncompliance material to financial statements noted? Yes x No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

Are any material weaknesses identified? Yes x No

Are any significant deficiencies identified not considered to be material weaknesses? Yes x None Reported

Are any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? Yes x No

Identification of major programs:
 U.S. Department of Housing and Urban Development
 CFDA #14.228 - NSP-R Program Loan - CDBG Funds
 CFDA #14.871 - Housing Choice Vouchers Program

Dollar threshold used to distinguish between Type A and Type B programs: \$804,468

Is the auditee qualified as low-risk auditee? x Yes No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
FOR YEAR ENDED SEPTEMBER 30, 2014

	<u>CA16S035501-09</u>
Funds Approved	\$ 1,625,437
Funds Expended	\$ <u>1,625,437</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced (HUD Grants)	\$ 1,625,437
Funds Expended	\$ <u>1,625,437</u>
Excess of Funds Advanced	<u>\$ -</u>

1. The distribution of costs by project as shown on the Final Statement of Modernization Cost dated February 10, 2012, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.



HENDERSON & DEJOHN, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Commissioners
 Housing Authority of the City of San Buenaventura

Independent Accountant’s Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph, which was agreed to by the Housing Authority of the City of San Buenaventura (the “Authority”) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

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

We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, for the Authority as of and for the year ended September 30, 2014, and have issued our reports thereon dated May 14, 2015. The information in the “Hard Copy Documents” column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Authority’s Financial Data Schedule (FDS) dated May 14, 2015, was expressed in relation to the basic financial statements of the Authority taken as a whole.

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

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

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Balance Sheet, Revenue and Expense	Financial Data Schedule, all CFDA's	X	
2	Footnotes	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS	Auditor's supplemental Report on FDS	X	
4	Audit findings narrative	Schedule of Findings and Questioned Costs	X	
5	General Information	OMB Data Collection Form	X	
6	Financial Statement	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
7	Federal program report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
8	Type of Compliance Requirement	OMB Data Collection Form	X	
9	Basic financial Statements and auditor's reports require to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Henderson & DeJohn, LLC

Birmingham, AL
 May 14, 2015

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 SEPTEMBER 30, 2014

	Project Total	1 Business Activities	14.870 Resident Opportunity and Supportive Services	6 Component Units	14.238 Shelter Plus Care	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.218 Community Development Block Grants/Entitlement Grants	14.228 Community Development Block Grants/State's Program	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,194,932	\$1,976,651	\$0	\$0	\$0	\$510,937	\$435,878			\$1,658	\$5,120,056	\$0	\$5,120,056
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$34,526	\$0	\$0	\$0	\$0	\$254,042				\$0	\$288,568	\$0	\$288,568
114 Cash - Tenant Security Deposits	\$180,416	\$2,650	\$0	\$0	\$0	\$0	\$19,643			\$0	\$202,709	\$0	\$202,709
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$1,472				\$0	\$1,472	\$0	\$1,472
100 Total Cash	\$2,409,874	\$1,979,301	\$0	\$0	\$0	\$766,451	\$455,521	\$0	\$0	\$1,658	\$5,612,805	\$0	\$5,612,805
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$14,432				\$0	\$14,432	\$0	\$14,432
122 Accounts Receivable - HUD Other Projects	\$11,165	\$0	\$0	\$0	\$82,179	\$0				\$0	\$93,364	\$0	\$93,364
124 Accounts Receivable - Other Government	\$0	\$11,778	\$0	\$0	\$0	\$0				\$0	\$11,778	\$0	\$11,778
125 Accounts Receivable - Miscellaneous	\$0	\$9,292	\$0	\$0	\$0	\$28,333				\$144,119	\$181,744	\$0	\$181,744
126 Accounts Receivable - Tenants	\$19,019	\$49	\$0	\$0	\$0	\$0	\$5,904			\$0	\$24,972	\$0	\$24,972
126.1 Allowance for Doubtful Accounts - Tenants	\$5,706	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$5,706	\$0	\$5,706
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$150,674	\$0	\$0	\$0	\$0				\$0	\$150,674	\$0	\$150,674
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$24,498	\$171,793	\$0	\$0	\$82,179	\$42,765	\$5,904	\$0	\$0	\$144,119	\$471,258	\$0	\$471,258
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$32,053	\$319	\$0	\$0	\$0	\$8,916	\$199			\$1,657	\$43,144	\$0	\$43,144
143 Inventories	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$309,449	\$0	\$0	\$0	\$0				\$0	\$309,449	-\$82,179	\$227,270
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
150 Total Current Assets	\$2,466,425	\$2,460,862	\$0	\$0	\$82,179	\$918,132	\$461,624	\$0	\$0	\$147,434	\$6,436,656	-\$82,179	\$6,354,477
161 Land	\$2,392,766	\$220,500	\$0	\$0	\$0	\$0	\$814,030			\$0	\$3,427,296	\$0	\$3,427,296
162 Buildings	\$44,351,221	\$990,671	\$0	\$0	\$0	\$0	\$1,995,168			\$130,752	\$47,467,812	\$0	\$47,467,812
163 Furniture, Equipment & Machinery - Dwellings	\$393,580	\$0	\$0	\$0	\$0	\$102,695				\$0	\$496,275	\$0	\$496,275
164 Furniture, Equipment & Machinery - Administration	\$536,479	\$0	\$0	\$0	\$0	\$0				\$3,470	\$539,949	\$0	\$539,949
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$200,000	\$276,861			\$0	\$476,861	\$0	\$476,861
166 Accumulated Depreciation	\$26,758,978	-\$36,024	\$0	\$0	\$0	-\$179,015	-\$647,301			-\$10,629	-\$27,631,947	\$0	-\$27,631,947
167 Construction in Progress	\$506,805	\$603,645	\$0	\$0	\$0	\$0				\$9,925	\$1,120,375	\$0	\$1,120,375
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$21,421,873	\$1,778,792	\$0	\$0	\$0	\$123,680	\$2,438,758	\$0	\$0	\$133,518	\$25,896,621	\$0	\$25,896,621
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$18,657,952	\$0	\$0	\$0	\$0				\$0	\$18,657,952	\$0	\$18,657,952
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$21,421,873	\$20,436,744	\$0	\$0	\$0	\$123,680	\$2,438,758	\$0	\$0	\$133,518	\$44,554,573	\$0	\$44,554,573

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 SEPTEMBER 30, 2014

200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0					\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$23,888,298	\$22,897,606	\$0	\$0	\$82,179	\$941,812	\$2,900,382	\$0	\$0	\$280,952	\$50,991,229	-\$82,179	\$50,909,050
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$66,925	\$3,332	\$0	\$0	\$0	\$10,361	\$4,395			\$35,392	\$120,405	\$0	\$120,405
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$34,837	\$15,539	\$0	\$0	\$0	\$17,850	\$1,499			\$51,473	\$121,198	\$0	\$121,198
322 Accrued Compensated Absences - Current Portion	\$7,184	\$3,399	\$0	\$0	\$0	\$5,419	\$596			\$10,373	\$26,971	\$0	\$26,971
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$1,472				\$0	\$1,472	\$0	\$1,472
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$223,743	\$0	\$0	\$0	\$0	\$0				\$0	\$223,743	\$0	\$223,743
341 Tenant Security Deposits	\$180,416	\$2,650	\$0	\$0	\$0	\$0	\$19,643			\$0	\$202,709	\$0	\$202,709
342 Unearned Revenue	\$3,529	\$207	\$0	\$0	\$0	\$0	\$422			\$0	\$4,158	\$0	\$4,158
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$212,231	\$0	\$0	\$0	\$0	\$3,956			\$0	\$216,187	\$0	\$216,187
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$25,050			\$0	\$25,050	\$0	\$25,050
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$82,179	\$0	\$227,270			\$0	\$309,449	-\$82,179	\$227,270
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$516,634	\$237,358	\$0	\$0	\$82,179	\$35,102	\$282,831	\$0	\$0	\$97,238	\$1,251,342	-\$82,179	\$1,169,163
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$974,663	\$0	\$0	\$0	\$0	\$2,779,250			\$0	\$3,753,913	\$0	\$3,753,913
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$34,526	\$0	\$0	\$0	\$0	\$52,480				\$0	\$87,006	\$0	\$87,006
354 Accrued Compensated Absences - Non Current	\$64,669	\$30,597	\$0	\$0	\$0	\$48,773	\$5,367			\$93,361	\$242,767	\$0	\$242,767
355 Loan Liability - Non Current	\$0	\$102,000	\$0	\$0	\$0	\$0				\$0	\$102,000	\$0	\$102,000
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$168,818	\$0	\$0	\$0	\$0	\$48,282				\$0	\$217,100	\$0	\$217,100
350 Total Non-Current Liabilities	\$268,013	\$1,107,260	\$0	\$0	\$0	\$149,535	\$2,784,617	\$0	\$0	\$93,361	\$4,402,786	\$0	\$4,402,786
300 Total Liabilities	\$784,647	\$1,344,618	\$0	\$0	\$82,179	\$184,637	\$3,067,448	\$0	\$0	\$190,599	\$5,654,128	-\$82,179	\$5,571,949
400 Deferred Inflow of Resources	\$0						\$0			\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$21,421,873	\$591,898	\$0	\$0	\$0	\$123,680	-\$344,448			\$133,518	\$21,926,521		\$21,926,521
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$201,562				\$0	\$201,562		\$201,562
512.4 Unrestricted Net Position	\$1,681,778	\$20,961,090	\$0	\$0	\$0	\$431,933	\$177,382	\$0	\$0	-\$43,165	\$23,209,018	\$0	\$23,209,018
513 Total Equity - Net Assets / Position	\$23,103,651	\$21,552,988	\$0	\$0	\$0	\$757,175	-\$167,066	\$0	\$0	\$90,353	\$45,337,101	\$0	\$45,337,101
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$23,888,298	\$22,897,606	\$0	\$0	\$82,179	\$941,812	\$2,900,382	\$0	\$0	\$280,952	\$50,991,229	-\$82,179	\$50,909,050

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	Project Total	1 Business Activities	14.870 Resident Opportunity and Supportive Services	6 Component Units	14.238 Shelter Plus Care	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.218 Community Development Block Grants/Entitlement Grants	14.228 Community Development Block Grants/State's Program	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$2,892,050	\$74,535	\$0	\$0	\$0	\$0	\$359,090			\$0	\$3,325,675	\$0	\$3,325,675
70400 Tenant Revenue - Other	\$147,826	\$1,511	\$0	\$0	\$0	\$0	\$6,929			\$0	\$156,266	\$0	\$156,266
70500 Total Tenant Revenue	\$3,039,876	\$76,046	\$0	\$0	\$0	\$0	\$366,019	\$0	\$0	\$0	\$3,481,941	\$0	\$3,481,941
70600 HUD PMA Operating Grants	\$1,859,474	\$0	\$54,414	\$0	\$82,179	\$14,282,332	\$0			\$0	\$16,278,999	\$0	\$16,278,999
70610 Capital Grants	\$639,441	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$639,441	\$0	\$639,441
70710 Management Fee										\$961,851	\$961,851	-\$872,290	\$89,561
70720 Asset Management Fee										\$68,760	\$68,760	-\$68,760	\$0
70730 Book Keeping Fee										\$165,008	\$165,008	-\$165,008	\$0
70740 Front Line Service Fee										\$207,860	\$207,860	-\$207,860	\$0
70750 Other Fees										\$94,122	\$94,122		\$94,122
70700 Total Fee Revenue										\$1,497,601	\$1,497,601	-\$1,313,918	\$183,683
70800 Other Government Grants	\$0	\$154,045	\$0	\$0	\$0	\$0				\$0	\$154,045	\$0	\$154,045
71100 Investment Income - Unrestricted	\$2,442	\$18,450	\$0	\$0	\$0	\$2,459	\$9			\$130	\$23,490	\$0	\$23,490
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$4,739	\$0	\$0	\$0	\$0	\$35,198				\$0	\$39,937	\$0	\$39,937
71500 Other Revenue	\$91,531	\$919,823	\$0	\$0	\$0	\$425,798	\$32,015			\$8,852	\$1,478,019	\$0	\$1,478,019
71600 Gain or Loss on Sale of Capital Assets	\$10,325,139	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$10,325,139	\$0	\$10,325,139
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0
70000 Total Revenue	\$15,962,642	\$1,168,364	\$54,414	\$0	\$82,179	\$14,745,787	\$398,043	\$0	\$0	\$1,506,583	\$33,918,012	-\$1,313,918	\$32,604,094
91100 Administrative Salaries	\$588,938	\$368,663	\$0	\$0	\$3,845	\$387,147	\$59,780			\$886,170	\$2,294,543	\$0	\$2,294,543
91200 Auditing Fees	\$31,879	\$2,581	\$0	\$0	\$0	\$4,262	\$5,500			\$11,357	\$55,579	\$0	\$55,579
91300 Management Fee	\$534,276	\$99,996	\$0	\$0	\$0	\$238,018	\$89,561			\$961,851	\$961,851	-\$872,290	\$89,561
91310 Book-keeping Fee	\$54,570	\$0	\$0	\$0	\$0	\$110,438	\$0			\$165,008	\$165,008	-\$165,008	\$0
91400 Advertising and Marketing	\$376	\$0	\$0	\$0	\$0	\$466				\$630	\$1,472	\$0	\$1,472
91500 Employee Benefit contributions - Administrative	\$159,893	\$86,559	\$0	\$0	\$1,282	\$146,840	\$4,745			\$220,037	\$619,356	\$0	\$619,356
91600 Office Expenses	\$358,080	\$78,698	\$0	\$0	\$0	\$231,292	\$41,317			\$165,940	\$875,327	-\$100,023	\$775,304
91700 Legal Expense	\$3,952	\$3,338	\$0	\$0	\$0	\$1,650	\$1,492			\$33,400	\$43,832	\$0	\$43,832
91800 Travel	\$5,354	\$3,531	\$0	\$0	\$0	\$5,945	\$917			\$60,931	\$76,678	\$0	\$76,678
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0
91900 Other	\$56,735	\$1,997	\$0	\$0	\$0	\$20,634	\$316			\$14,107	\$93,789	\$0	\$93,789
91000 Total Operating - Administrative	\$1,794,053	\$645,363	\$0	\$0	\$5,127	\$1,146,692	\$203,628	\$0	\$0	\$1,392,572	\$5,187,435	-\$1,137,321	\$4,050,114
92000 Asset Management Fee	\$68,760	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$68,760	-\$68,760	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$39,984	\$0	\$0	\$0	\$0			\$0	\$39,984	\$0	\$39,984
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$13,328	\$0	\$0	\$0	\$0			\$0	\$13,328	\$0	\$13,328
92400 Tenant Services - Other	\$55,584	\$0	\$1,102	\$0	\$0	\$0	\$2,090			\$0	\$58,776	\$0	\$58,776
92500 Total Tenant Services	\$55,584	\$0	\$54,414	\$0	\$0	\$0	\$2,090	\$0	\$0	\$0	\$112,088	\$0	\$112,088
93100 Water	\$373,353	\$2,449	\$0	\$0	\$0	\$0	\$8,946			\$0	\$384,748	\$0	\$384,748
93200 Electricity	\$130,661	\$481	\$0	\$0	\$0	\$7,488	\$3,875			\$0	\$142,505	\$0	\$142,505
93300 Gas	\$39,990	\$148	\$0	\$0	\$0	\$0	\$3,169			\$0	\$43,307	\$0	\$43,307

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93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	
93600 Sewer	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0			\$580	\$580	\$0	\$580	
93000 Total Utilities	\$544,004	\$3,078	\$0	\$0	\$0	\$7,488	\$15,990	\$0	\$0	\$580	\$571,140	\$0	\$571,140
94100 Ordinary Maintenance and Operations - Labor	\$433,980	\$0	\$0	\$0	\$0	\$0			\$216,563	\$650,543	\$0	\$650,543	
94200 Ordinary Maintenance and Operations - Materials and Other	\$72,160	\$706	\$0	\$0	\$0	\$1,988	\$8,290		\$15,852	\$98,996	\$0	\$98,996	
94300 Ordinary Maintenance and Operations Contracts	\$493,649	\$5,904	\$0	\$0	\$0	\$68,510	\$42,359		\$16,794	\$627,216	-\$107,837	\$519,379	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$118,360	\$0	\$0	\$0	\$0	\$0			\$66,633	\$184,993		\$184,993	
94000 Total Maintenance	\$1,118,149	\$6,610	\$0	\$0	\$0	\$70,498	\$50,649	\$0	\$0	\$315,842	\$1,561,748	-\$107,837	\$1,453,911
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
96110 Property Insurance	\$99,648	\$0	\$0	\$0	\$0	\$0	\$89		\$0	\$99,737	\$0	\$99,737	
96120 Liability Insurance	\$58,785	\$0	\$0	\$0	\$0	\$10,042			\$45,695	\$114,522	\$0	\$114,522	
96130 Workmen's Compensation	\$84,936	\$3,708	\$0	\$0	\$0	\$4,823			\$43,440	\$136,907	\$0	\$136,907	
96140 All Other Insurance	\$10,138	\$53	\$0	\$0	\$0	\$0	\$5,864		\$0	\$16,055	\$0	\$16,055	
96100 Total insurance Premiums	\$253,507	\$3,761	\$0	\$0	\$0	\$14,865	\$5,953	\$0	\$0	\$89,135	\$367,221	\$0	\$367,221
96200 Other General Expenses	\$138,338	\$0	\$0	\$0	\$0	\$26,919	\$1,722		\$0	\$166,979	\$0	\$166,979	
96210 Compensated Absences	\$72,142	\$31,239	\$0	\$0	\$0	\$31,338	\$4,015		\$82,323	\$221,057	\$0	\$221,057	
96300 Payments in Lieu of Taxes	\$223,743	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$223,743	\$0	\$223,743	
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
96000 Total Other General Expenses	\$434,223	\$31,239	\$0	\$0	\$0	\$50,257	\$5,737	\$0	\$0	\$82,323	\$611,779	\$0	\$611,779
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$41,146	\$0	\$0	\$0	\$0	\$13,909		\$0	\$55,055	\$0	\$55,055	
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
96700 Total Interest Expense and Amortization Cost	\$0	\$41,146	\$0	\$0	\$0	\$0	\$13,909	\$0	\$0	\$55,055	\$0	\$55,055	
96900 Total Operating Expenses	\$4,268,280	\$731,197	\$54,414	\$0	\$5,127	\$1,297,800	\$297,956	\$0	\$0	\$1,880,452	\$8,535,226	-\$1,313,918	\$7,221,308
97000 Excess of Operating Revenue over Operating Expenses	\$11,694,362	\$437,167	\$0	\$0	\$77,052	\$13,447,987	\$100,087	\$0	\$0	-\$373,869	\$25,382,786	\$0	\$25,382,786
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
97300 Housing Assistance Payments	\$203,900	\$0	\$0	\$0	\$0	\$77,052	\$13,520,445		\$0	\$13,801,397	\$0	\$13,801,397	
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$0	\$392,156		\$0	\$392,156	\$0	\$392,156	
97400 Depreciation Expense	\$1,249,531	\$36,024	\$0	\$0	\$0	\$8,163	\$80,088		\$5,250	\$1,379,056	\$0	\$1,379,056	
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
97600 Capital Outlays - Governmental Funds													

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97700 Debt Principal Payment - Governmental Funds													
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
90000 Total Expenses	\$5,721,711	\$767,221	\$54,414	\$0	\$82,179	\$15,218,564	\$378,044	\$0	\$0	\$1,885,702	\$24,107,835	-\$1,313,918	\$22,793,917
10010 Operating Transfer In	\$590,413	\$0	\$0	\$0	\$0	\$0				\$0	\$590,413	-\$590,413	\$0
10020 Operating transfer Out	-\$590,413	\$0	\$0	\$0	\$0	\$0				\$0	-\$590,413	\$590,413	\$0
10030 Operating Transfers from to Primary Government	\$0									\$0	\$0		\$0
10040 Operating Transfers from to Component Unit	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds													
10060 Proceeds from Property Sales													
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0										\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0										\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0				\$312,064	\$312,064	-\$312,064	\$0
10094 Transfers between Project and Program - Out	-\$312,064	\$0	\$0	\$0	\$0	\$0				\$0	-\$312,064	\$312,064	\$0
10100 Total Other financing Sources (Uses)	-\$312,064	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$312,064	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$9,928,867	\$401,143	\$0	\$0	\$0	-\$472,777	\$19,999	\$0	\$0	-\$67,055	\$9,810,177	\$0	\$9,810,177
11020 Required Annual Debt Principal Payments	\$0	\$542,377	\$0	\$0	\$0	\$0	\$3,718	\$0	\$0	\$0	\$546,095	\$0	\$546,095
11030 Beginning Equity	\$29,121,043	\$5,362,994	\$0	-\$187,065	\$0	\$1,229,952	\$0	\$0	\$0	\$0	\$35,526,924	\$0	\$35,526,924
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$15,946,259	\$15,788,851	\$0	\$187,065	\$0	\$0	-\$187,065			\$157,408	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance													
11060 Changes in Contingent Liability Balance													
11070 Changes in Unrecognized Pension Transition Liability													
11080 Changes in Special Term/Severance Benefits Liability													
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents													
11100 Changes in Allowance for Doubtful Accounts - Other													
11170 Administrative Fee Equity						\$555,613					\$555,613		\$555,613
11180 Housing Assistance Payments Equity						\$201,562					\$201,562		\$201,562
11190 Unit Months Available	7456	20	0	0	156	15432	312				23376		23376
11210 Number of Unit Months Leased	7407	20	0	0	120	14725	300				22572		22572
11270 Excess Cash	\$1,525,771										\$1,525,771		\$1,525,771
11610 Land Purchases	\$0									\$0	\$0		\$0
11620 Building Purchases	\$639,441									\$0	\$639,441		\$639,441
11630 Furniture & Equipment - Dwelling Purchases	\$0									\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0									\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0									\$0	\$0		\$0
11660 Infrastructure Purchases	\$0									\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0									\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0									\$0	\$0		\$0