

**HOUSING AUTHORITY
OF THE CITY OF FRESNO**

BASIC FINANCIAL STATEMENTS

Year Ended December 31, 2012
(Including Auditors' Report Thereon)

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HOUSING AUTHORITY OF THE CITY OF FRESNO

BASIC FINANCIAL STATEMENTS

Year Ended December 31, 2012

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To the Board of Commissioners
**HOUSING AUTHORITY OF
THE CITY OF FRESNO**

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Fresno, California, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which comprise the Agency'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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Commissioners
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Fresno, California, as of December 31, 2012, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The accompanying financial statements reflect the implementation of GASB Statements No. 63. Significant impacts of GASB Statement No. 63 include changing the title of the statement of net assets to the statement of net position and reformatting the statement of net position to add separate sections for deferred inflows of resources and deferred outflows of resources.

Report on Summarized Comparative Information

We have previously audited the Housing Authority of the City of Fresno's 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 12, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* 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.

To the Board of Commissioners
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THE CITY OF FRESNO**
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Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the Housing Authority of the City of Fresno's basic financial statements. The accompanying schedule of expenditures of expenditures of Federal awards is presented for purposes of additional analysis as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The accompanying financial data schedules are presented for purposes of additional analysis as required by *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements. Further, the Schedule of Actual Modernization Cost Certificates for Completed Projects is also presented for additional analyses in accordance with filing requirements with the U.S. Department of Housing and Urban Development.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is 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 September 16, 2013 on our consideration of the Housing Authority of the City of Fresno'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 Housing Authority of the City of Fresno's internal control over financial reporting and compliance.

Mayer Hukman Melman P.C.

Irvine, California
September 16, 2013

HOUSING AUTHORITY OF THE CITY OF FRESNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the Agency's performance for the year ended December 31, 2012 is prepared as a supplement to our accompanying year-end financial statements. We respectfully request readers to consider the information presented here in conjunction with additional information furnished in the financial statements and notes to the financial statements.

INTRODUCTON

The Housing Authority of the City of Fresno, California (the "Agency") is committed to innovative housing solutions and excellence in housing and resident services for low-income households throughout the City of Fresno. The Agency is continuously working towards being a responsive organization that meets the needs of its many different constituents as well as the broader Fresno community. Our mission is to create and sustain vibrant communities throughout Fresno.

The Agency's unwavering commitment is to provide quality housing and services that are accessible to low-income and very-low-income residents to help build strong families and communities. The Agency emphasizes the value of good design in its developments and the creation of opportunities that support vibrant and engaged communities possessing a strong and vital link between residents and service providers. The Agency is continually assisting and working with community organizations and local stakeholders in the development of high quality affordable housing. Such activities have lead to the deconcentration of poverty and the development of healthy market-rate, mixed income communities.

Our vision is to develop and expand the availability of quality affordable housing and to respond compassionately to community needs. In addition our desire is to build support and awareness that housing is a key component of vibrant, sustainable communities, and to strengthen the Agency's ability to address the challenges facing Fresno families and neighborhoods while maintaining the public's trust and confidence.

OVERVIEW OF THE AGENCY

The Housing Authority of the City of Fresno: Housing Authority of the City of Fresno serves a population of nearly 500,000 residents in an area covering roughly 100 square miles. The Agency manages 18 public housing properties organized into four Asset Management Projects (AMPs), has authority to provide 6,779 Section 8 housing vouchers and administers a home buyer program. The Agency also owns three privately-financed properties, The Woodside, El Cortez, and Dayton Square that are managed as affordable housing with no outside operating subsidy. The Agency is engaged in multiple on-going development and modernization projects throughout the city. In addition to its Public Housing and Housing Choice Voucher programs, the Agency owns and manages a 40-unit farm labor housing program financed through the United States Department of Agricultural (USDA), a 51-unit Section 8 new construction development financed through the California Housing Finance Agency (CalHFA), and an emergency housing property on behalf of the County of Fresno. The Agency also administers a number of other programs serving the area's homeless populations, providing homebuyer education and training, and other endeavors intended to address the effects of poverty and increase residents' ability to achieve self-sufficiency.

Additionally, the Agency, through its joint venture with the Housing Authority of the County of Fresno doing business as Silvercrest, Inc. acts as the managing general partner for the following developments within its jurisdiction:

Silver Ridge Senior Community
Yosemite Village
Parc Grove Commons
Pacific Gardens
Renaissance at Trinity
Renaissance at Alta Monte
Renaissance at Santa Clara
Bridges at Florence

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Agency's Basic Financial Statements consist of the following:

- Financial Statements, including the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows.
- Notes to the Basic Financial Statements,

The Agency, like other governmental and quasi-governmental entities, uses fund accounting to ensure and demonstrate compliance with funding-related legal requirements. The funds are combined in a Proprietary Fund.

The Agency's Proprietary Fund Type is a single "enterprise fund" with "business-type" activities intended to recover all or a portion of their costs through fees and charges for services which presents within this single fund type information, the activities of the Agency as a whole.

The specific financial activities of the Agency have been presented within the following:

- **Statement of Net Position** - Includes all of the Agency's assets and liabilities, as well as deferred outflows and deferred inflows and provide information about the amounts and investments in assets and the obligations to creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Agency. Over time, increases or decreases in net position will serve as a useful indicator of whether the Agency's financial health is improving or deteriorating.
- **Statement of Revenues, Expenses, and Changes in Net Position** - Reports the Agency's revenues by source and its' expenses by category to substantiate the change in net assets for the year. This statement measures the success of the Agency's operations over the past year.
- **Statement of Cash Flows** – Reports the Agency's cash receipts and cash payments during the year, and provides information about the Agency's operating, investing, and financing activities.
- **Notes to Basic Financial Statements** – Provides additional information that is essential to a full understanding of the data provided in the Basic Financial Statements. The Notes to the Basic Financial Statements can be found in this report after the Basic Financial Statements.

- **Supplemental Information** – Reports the schedule of expenditures of federal awards presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations and includes other supplemental information such as Financial Data Schedules which are submitted to HUD’s Real Estate Assessment Center (REAC) online system.

SIGNIFICANT PROGRAMS

Housing Choice Voucher. The Housing Choice Voucher program is designed to assist low-income families pay their rent. Participants pay 30% of their adjusted gross income to the landlord for rent and the balance of the contract rent is paid by the Agency directly to the owner of the property funded by the Housing Assistance Payments (HAP) received from HUD. Over 5,900 private owners of rental properties participate in the Housing Choice Voucher program and the Agency has over 6,400 families participating in the program.

Public Housing. The Agency’s Public Housing Program includes approximately 1,000 public housing units which are scattered throughout the City of Fresno. Residents pay 30% of their adjusted gross income to the Agency as rent and HUD subsidizes the balance using a formula approach which HUD considers adequate to manage and maintain each property.

Public Housing Capital Fund/ARRA Program. The Agency administers HUD’s Capital Fund Program (CFP) which provides funding for modernization and improvement, new construction, and development of public housing. Each year HUD establishes a new grant and publishes the amount awarded that can be expended over a period not to exceed four years.

Other Programs:

- CalHFA Section 8 New Construction
- USDA Farm Labor Housing
- Fresno County Emergency Housing
- Supportive Housing
- Shelter Plus Care
- HOPE VI
- Housing Counseling Assistance
- Home Ownership Opportunities and Training
- Mainstream Voucher
- Resident Opportunities and Self Sufficiency
- Family Self Sufficiency
- Neighborhood Stabilization Program
- Homeless Prevention and Rapid Re-Housing
- Affordable Housing

FINANCIAL ANALYSIS

Net Position

Net position represents the Agency’s equity, a portion of which is restricted to certain uses. Net position is divided into the following three categories.

- **Invested in capital assets, net of related debt and depreciation:** Amounts on this line are the Agency’s equity in land, structures, construction in progress and equipment, net of related capital debt outstanding and accumulated depreciation. Although the Agency’s investment in

capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- **Restricted net position:** These are assets subject to external limitations on the way in which they may be used and/or having time-related restriction.
- **Unrestricted net position:** These resources are available for any use that is lawful and prudent based on the Agency’s stated mission, strategic plans, and/or amounts specifically assigned by management.

The Agency’s Net Position is summarized by type in the following table:

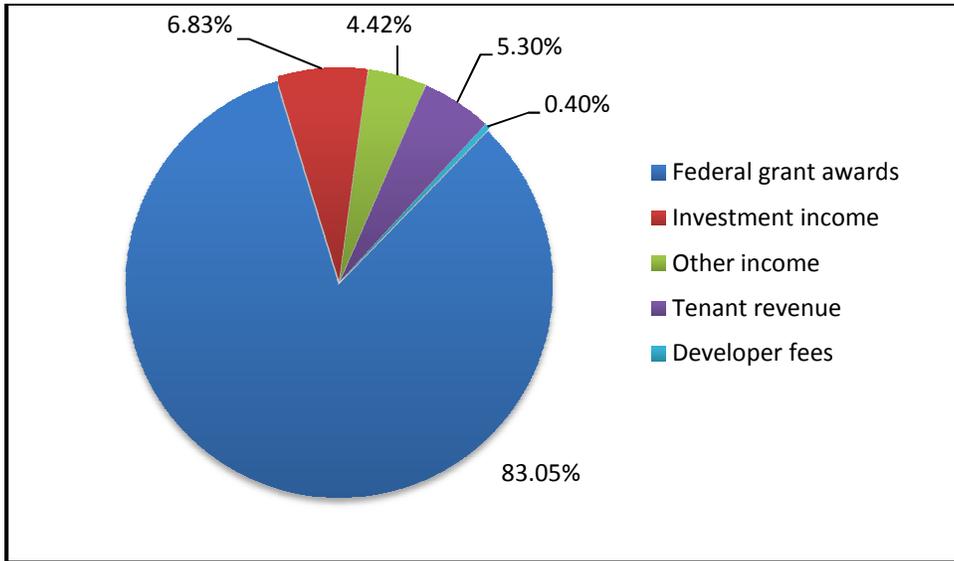
Statement of Net Position

<u>ASSETS</u>	2012	2011	Increase (Decrease)	%
Current assets	\$ 10,763,998	\$ 9,782,497	\$ 981,501	10.03%
Restricted assets	3,024,482	6,118,368	(3,093,886)	-50.57%
Capital assets, net	24,968,983	24,498,383	470,600	1.92%
Other assets	43,940,944	46,525,434	(2,584,490)	-5.56%
Total Assets	<u>\$ 82,698,407</u>	<u>\$ 86,924,682</u>	<u>\$ (4,226,275)</u>	<u>-4.86%</u>
Deferred Outflow of Resources	130,638	239,102	(108,464)	-45.36%
Total Assets and Deferred Outflows	<u>\$ 82,829,046</u>	<u>\$ 87,163,784</u>	<u>\$ (4,334,738)</u>	<u>-50.22%</u>
 <u>LIABILITIES</u>				
Current liabilities	7,451,805	6,267,518	1,184,287	18.90%
Non-current liabilities	12,888,505	16,295,403	(3,406,898)	-20.91%
Total liabilities	<u>20,340,309</u>	<u>22,562,921</u>	<u>(2,222,612)</u>	<u>-9.85%</u>
 <u>Net Position</u>				
Invested in capital assets, net of related debt	11,846,561	18,168,153	(6,321,592)	-34.79%
Restricted	2,594,427	5,535,627	(2,941,200)	-53.13%
Unrestricted	48,047,749	40,897,083	7,150,666	17.48%
Total Net Position	<u>62,488,737</u>	<u>64,600,863</u>	<u>(2,112,126)</u>	<u>-3.27%</u>
Total Liabilities and Net Position	<u>\$ 82,829,046</u>	<u>\$ 87,163,784</u>	<u>\$ (4,334,738)</u>	<u>-4.97%</u>

- The assets of the Agency exceeded its liabilities at the close of the most recent fiscal year by \$62.5 million (see Total Net Position). Of this amount, \$48.0 million (see Unrestricted) may be used to meet the Agency’s ongoing obligations, \$2.6 million is restricted for specific purposes (see Restricted) and \$11.8 million is invested in capital assets, net of related debt.
- Restricted assets decreased from \$6.1 million to \$3.0 million as a result of HUD’s requirement to expend reserves associated with the Section 8 Voucher Program.

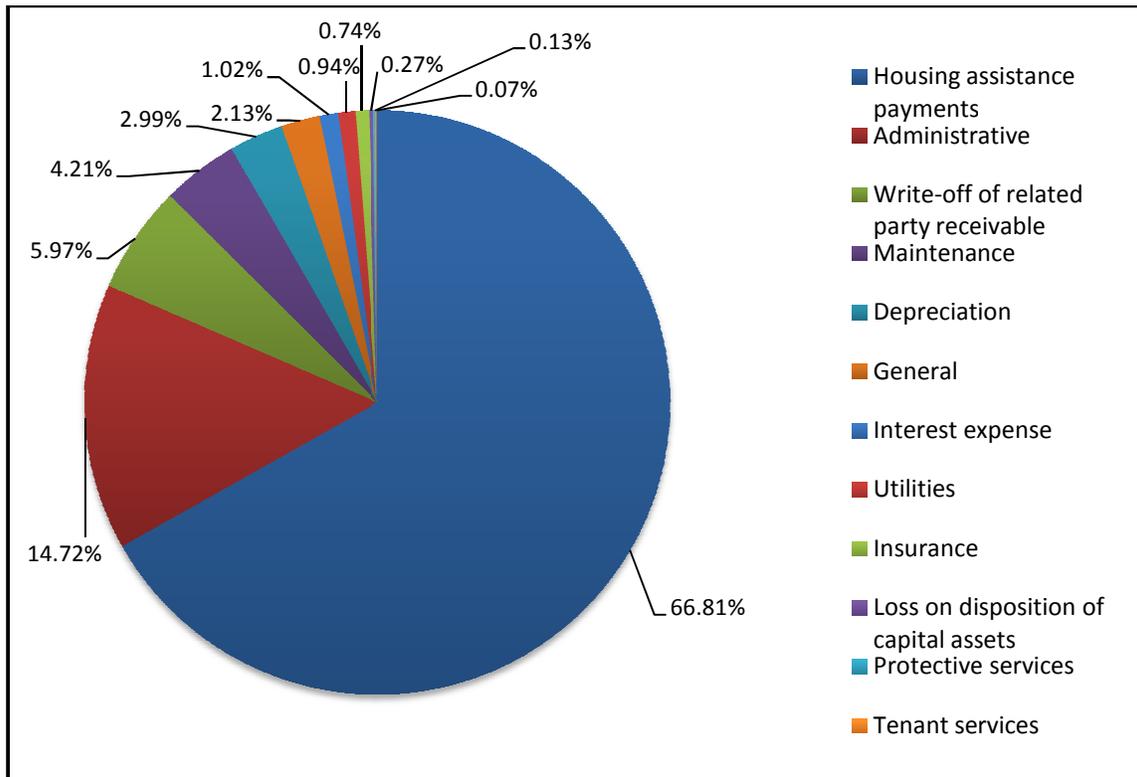
- Capital assets, net of depreciation increased from \$24.5 million to \$25.0 million, a 1.92% increase over the prior year. The change is primarily the result of additions from construction in progress and other improvements net of depreciation.
- Current liabilities include liabilities currently due, and within one year along with current portion of long-term debt. The current balance increased over the prior year by \$1.2 million primarily due to an increase in notes payable.
- Noncurrent liabilities include notes and other mortgages payable which reported a net reduction of \$3.4 million. The Agency was repaid for funds disbursed to other related and non-related parties during the housing development life cycle; as a result those funds were then used to reduce the corresponding liabilities.
- The Agency's current ratio, which measures its ability to pay back its short-term liabilities with its short-term assets decreased from 1.56 in 2011 to 1.44 in 2012. This decrease is primarily due to the reduction in cash and investments resulting from HUD's requirement to expend reserves associated with the LIPH Program.
- Total net position decreased \$2.1 million (3.27%) from the prior year. This change is mainly due to a restatement of beginning equity and a \$4.2 million decline in total assets partially offset by a \$2.2 million reduction in total liabilities from the repayment of certain notes payable (see financial statement notes). In past years, The Housing Authority of the City of Fresno and The Housing Authority of the County of Fresno were combined into a single reporting entity. For Fiscal Year 2011 and forward both agencies are being presented separately.

Fiscal Year 2012 Revenues



Federal grant awards	\$ 52,076,814	83.05%
Investment income	4,281,825	6.83%
Other income	2,770,285	4.42%
Tenant revenue	3,322,010	5.30%
Developer fees	253,684	0.40%
	\$ 62,704,618	100.00%
Total revenue for 2012	\$ 62,704,618	100.00%

Fiscal Year 2012 Expenditures



Housing assistance payments	\$ 44,541,851	66.81%
Administrative	9,813,039	14.72%
Write-off of related party receivable	3,978,495	5.97%
Maintenance	2,807,765	4.21%
Depreciation	1,990,047	2.99%
General	1,419,037	2.13%
Interest expense	682,439	1.02%
Utilities	628,349	0.94%
Insurance	492,252	0.74%
Loss on disposition of capital assets	182,333	0.27%
Protective services	84,351	0.13%
Tenant services	46,233	0.07%
Total expenditures for 2012	\$ 66,666,191	100.00%

Change in Net Assets

Operating and nonoperating revenue and expenses summarized:

Statements of Revenue, Expenses and Changes in Net Position

	2012	2011	Increase (Decrease)	%
<u>OPERATING REVENUES</u>				
Rental revenue	\$ 3,322,010	\$ 3,158,387	\$ 163,623	5.18%
Fee revenue	208,577	208,500	77	0.04%
HUD grants	50,352,740	55,164,753	(4,812,013)	-8.72%
Other governmental grants	481,693	1,974,865	(1,493,172)	-75.61%
Other	2,148,610	2,597,761	(449,151)	-17.29%
Total operating revenues	<u>56,513,631</u>	<u>63,104,266</u>	<u>(6,590,635)</u>	<u>-10.44%</u>
<u>OPERATING EXPENSES</u>				
Administrative	9,813,039	10,415,307	(602,268)	-5.78%
Tenant services	46,233	32,719	13,514	41.30%
Utilities	628,349	708,902	(80,553)	-11.36%
Maintenance	2,807,765	3,255,902	(448,137)	-13.76%
Protective Services	84,351	93,338	(8,987)	-9.63%
Insurance	492,252	242,589	249,663	102.92%
General expenses	1,419,037	3,212,409	(1,793,372)	-55.83%
Housing assistance payments	44,541,851	44,524,301	17,550	0.04%
Amortization and depreciation	1,990,047	2,392,159	(402,112)	-16.81%
Total operating expenses	<u>61,822,926</u>	<u>64,877,626</u>	<u>(3,054,700)</u>	<u>-4.71%</u>
Operating income (loss)	(5,309,295)	(1,773,360)	(3,535,935)	199.39%
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Interest revenue, unrestricted	18,647	27,248	(8,601)	-31.57%
Interest revenue, restricted	10,454	11,837	(1,383)	-11.68%
Interest expense	(682,439)	(748,099)	65,660	-8.78%
Fraud recovery	59,468	51,010	8,458	16.58%
share of joint venture net income	4,252,724	234,604	4,018,120	1712.72%
Write-off of related party receivable	(3,978,495)	-	(3,978,495)	
Developer Fees	253,684	647,917	(394,233)	-60.85%
Transfers from other related entities	353,630	-	353,630	
Gain (loss) on disposition of capital assets	(182,333)	120,610	(302,943)	-251.18%
Total nonoperating income	<u>105,341</u>	<u>345,127</u>	<u>(239,786)</u>	<u>-69.48%</u>
Net income before contributions	(5,203,955)	(1,428,233)	(3,775,722)	264.36%
Capital contributions - capital grants	1,242,381	1,912,426	(670,045)	-35.04%
Increase (decrease) in net position	<u>(3,961,574)</u>	<u>484,193</u>	<u>(4,445,767)</u>	<u>-918.18%</u>
Net Position at beginning of year - restated	<u>66,450,310</u>	<u>64,116,670</u>	<u>2,333,640</u>	<u>3.64%</u>
Net Position - end of year	<u>\$ 62,488,737</u>	<u>\$ 64,600,863</u>	<u>\$ (2,112,127)</u>	<u>-3.27%</u>

The Agency reported an overall net reduction in net position of \$2,112,126 for 2012. Key elements of other changes are as follows:

- Operating revenue \$56.5 million declined by \$6.6 million (10.44%) due to funding decreases associated with the required spend down of reserve funds for the Section 8 and LIPH Programs. HUD funded these two programs at levels significantly lower than the Agency's eligibility as a way to ensure the Agency supplemented operations with program reserves from prior year retained earnings. Management anticipates this HUD requirement to be a one-time occurrence.
- Operating expenses of \$61.8 million were \$3.1 million (4.71%) lower than the previous year due to cost-cutting measures most significantly in administrative, general expenses, and maintenance. These expense savings helped to partially offset the current year reduction in operating income.
- Net non-operating income of \$105,341 was lower than the prior year by \$240 thousand (69.48%) largely due to lower developer fees than the prior year. Significant increases in share of joint venture net income were largely offset by the write off of related party receivables.
- During the year, the Agency incurred expenses of \$64.5 million, before depreciation expenses for all programs. The largest programs continue to be Housing Choice Voucher Program (\$48.8 million) and Public Housing (\$6.3 million).

Economic Events that will Financially Impact the Agency's Future

The Agency's dependence on HUD for funding ongoing operations will undoubtedly continue. The current federal budget deficit will go on having a significant impact on the Agency's operating budget due to our historical reliance on such federal sources. In 2012, the Agency received 83% of its operating and non-operating revenues from federal grants; 99% of those federal grants were specifically provided by HUD. The Agency will continue to explore alternative funding options to lessen this dependency through its development activities and pursuit of other grants. However, HUD will more likely than not continue to be a major funding source.

Historically, the federal government has chosen to play a principal role in providing funding for low-income housing developments and housing authorities since prior to the National Housing Act of 1937. While federal support for affordable housing has fluctuated with each administration, there has been a long-term record of nationwide financial support. However there are discussions at the federal level recommending decreased funding for the public housing and housing choice voucher programs, two of the largest programs administered by the Agency. Beginning March 1st, 2013 the federal government entered into mandated sequestration, resulting in immediate budgetary cuts spread equally across all federal programs. It remains uncertain how long sequestration will last, and what the long term impact will be on the Agency.

As we look forward, the near-term forecast for low-income housing programs continues to be unchanged requiring the Agency to operate with less federal funding while continuing to provide high quality, clean and affordable housing that promotes safe, healthy and vibrant communities. It is essential we be mindful of the impact the current recession is having on how we provide services as that impacts the way we navigate through future operating and development opportunities and the way we interface with our residents and other community members. Our residents continue to be the most vulnerable sector as the recession continues. Job cuts, declining work hours, and slow growth in job creation is hampering their ability to "make ends meet" which in turn has decreased their share of the rent received by the Agency. The recession has also tightened the availability of desired funding sources while increasing the cost of

capital needed to fund new construction.

While we acknowledge the aforementioned challenges and face these political and economic realities head-on, we remain committed more than ever to our mission including future development and the expansion of quality affordable housing. Our strategy for accomplishing this includes growing and preserving appropriate residential assets and, fostering local development and relationships with our community partners and other stakeholders. We are confident our strategy will allow us to attain these goals and continue to strengthen and enhance the Agency's ability to address the housing and quality of life challenges facing Fresno communities both now and in the future. As federal funding continues to decrease, the Agency will continue to seek out new partnerships and new revenue sources.

REQUEST FOR ADDITIONAL INFORMATION

The Agency designed the financial report to provide the reader with general overview of its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Administrative Officer, the Housing Authority of the City of Fresno, P.O. Box 11985, Fresno, California 93776-1985.



FRESNO VIBRANT
COMMUNITIES
QUALITY HOUSING
HOUSING
AUTHORITY ENGAGED
RESIDENTS



Vibrant Communities ~ Quality Housing ~ Engaged Residents

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HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF NET POSITION
DECEMBER 31, 2012
(with comparative information for the prior year)

ASSETS

	2012	2011
Current assets		
Cash and investments	\$ 6,104,482	\$ 5,327,099
Accrued interest receivable	-	14,621
Accounts receivable-tenants, net of allowance for doubtful accounts of \$5,034	31,379	50,531
Accounts receivable-other, net of allowance for doubtful accounts of \$139,368	1,969,387	769,495
Due from other governments	417,334	878,835
Notes and mortgages receivable	-	200,000
Prepaid insurance	250,211	235,705
Assets held for sale	1,991,207	2,306,211
Total current assets	10,763,998	9,782,497
Restricted assets		
Restricted cash	3,024,482	6,118,368
Total restricted assets	3,024,482	6,118,368
Noncurrent assets		
Capital assets		
Not being depreciated	9,997,808	9,260,631
Depreciable, net	14,971,175	15,237,752
Total capital assets, net	24,968,983	24,498,383
Other noncurrent assets		
Notes receivable from related parties	15,570,252	18,883,746
Notes receivable from nonrelated parties	1,109,464	1,000,000
Interest receivable from related parties	949,748	1,980,989
Investments in joint ventures	24,400,310	20,147,586
Assets held for sale	1,911,170	4,513,113
Total other noncurrent assets	43,940,944	46,525,434
Deferred outflow of resources		
Accumulated decrease in fair value of hedging derivatives	130,638	239,102
Total assets and deferred outflows	\$ 82,829,046	\$ 87,163,784

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF NET POSITION
DECEMBER 31, 2012
(with comparative information for the prior year)
(Continued)

LIABILITIES AND NET POSITION

	2012	2011
Current liabilities		
Vendors and contractors payable	\$ 401,138	\$ 825,568
Accrued salaries	234,556	243,245
Accrued compensated absences - current portion	118,649	166,492
Accrued interest payable	452,832	17,835
Resident security deposits	306,605	304,444
Due to other governments	266,265	2,543,527
Other current liabilities due to related parties	1,905,048	617,993
Notes payable - non-related parties	1,499,815	348,316
Notes payable - related parties	2,100,116	855,304
Unearned revenue	166,781	344,794
Total current liabilities	7,451,805	6,267,518
Noncurrent liabilities		
Notes payable - non-related parties	7,979,637	6,074,226
Notes payable - related parties	3,861,224	4,761,538
Accrued compensated absences	313,254	306,229
Other accrued liabilities	480,301	4,495,701
Derivative instrument rate swap	130,638	239,102
Family self-sufficiency escrows	123,451	418,607
Total noncurrent liabilities	12,888,505	16,295,403
Total liabilities	20,340,309	22,562,921
NET POSITION		
Net investment in capital assets	11,846,561	18,168,153
Restricted for:		
Housing assistance payments	2,101,851	4,801,395
Other externally required reserves	492,576	734,232
Unrestricted	48,047,749	40,897,083
Total net position	62,488,737	64,600,863
Total liabilities and net position	\$ 82,829,046	\$ 87,163,784

See accompanying notes to the basic financial statements.

HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012
(with comparative information for the prior year)

	2012	2011
Operating revenues		
Rental revenue	\$ 3,322,010	\$ 3,158,387
Fee revenue	208,577	208,500
HUD grants	50,352,740	55,164,753
Other governmental grants	481,693	1,974,865
Other revenue	2,148,610	2,597,761
Total operating revenues	56,513,631	63,104,266
Operating expenses		
Administrative	9,813,039	10,415,307
Tenant services	46,233	32,719
Utilities	628,349	708,902
Maintenance & operations	2,807,765	3,255,902
Protective services	84,351	93,338
Insurance	492,252	242,589
General expenses	1,419,037	3,212,409
Housing assistance payments	44,541,851	44,524,301
Depreciation	1,990,047	2,392,159
Total operating expenses	61,822,926	64,877,626
Operating income (loss)	(5,309,295)	(1,773,360)
Nonoperating revenues (expenses)		
Interest revenue, unrestricted	18,647	27,248
Interest revenue, restricted	10,454	11,837
Interest expense	(682,439)	(748,099)
Fraud recovery	59,468	51,010
Share of joint venture net income	4,252,724	234,604
Writeoff of related party receivable	(3,978,495)	-
Developer Fees	253,684	647,917
Transfers from other related entities	353,630	-
Gain/(loss) on disposition of capital assets	(182,333)	120,610
Total nonoperating revenues	105,341	345,127
Income (loss) before contributions and transfers	(5,203,955)	(1,428,233)
Capital contributions	1,242,381	1,912,426
Increase (decrease) in net position	(3,961,574)	484,193
Net position, beginning of year - restated	66,450,310	64,116,670
Net position, end of year	\$ 62,488,737	\$ 64,600,863

See accompanying notes to the basic financial statements.

HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
(with comparative information for the prior year)

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Cash received from tenants	\$ 3,343,323	\$ 3,130,170
Cash received from others	2,440,145	1,119,901
Proceeds from the sale of assets held for sale	3,423,623	2,087,202
Cash paid to acquire assets held for sale	(506,676)	(243,298)
Cash paid for issuance of notes receivable	(1,175,046)	(3,338,430)
Repayments and interest received on notes receivable	1,543,399	250,000
Cash paid to joint ventures	-	(5,788,021)
Cash paid to employees for services	(4,792,877)	(5,052,605)
Cash paid to suppliers for goods and services	(10,282,642)	(14,105,429)
Cash received from operating grants	50,489,448	56,238,831
Cash paid for housing assistance	<u>(44,837,007)</u>	<u>(43,501,298)</u>
Net cash used by operating activities	<u>(354,310)</u>	<u>(9,202,977)</u>
Cash Flows from Noncapital Financing Activities:		
Cash received from developers	253,684	797,089
Cash received from draws on line of credit	2,276,348	480,627
Cash paid for repayment of line of credit	(1,148,071)	(2,044,878)
Issuance of notes payable	593,328	1,400,601
Principal payments on long term debt	(2,051,919)	(3,569,471)
Interest paid on debt	<u>-</u>	<u>(121,866)</u>
Net cash provided by noncapital financing activities	<u>(76,630)</u>	<u>(3,057,898)</u>
Cash Flows From Capital Financing Activities:		
Grants received to acquire/construct capital assets	1,242,381	1,912,426
Acquisition of capital assets	(2,893,345)	(1,005,772)
Proceeds from sale of capital assets	-	1,168,596
Issuance of notes payable to related parties	2,222,551	-
Principal paid on long term debt	(2,238,813)	(626,121)
Interest paid on long term debt	<u>(247,438)</u>	<u>(299,971)</u>
Net cash used by capital financing activities	<u>(1,914,664)</u>	<u>1,149,158</u>
Cash Flows From Investing Activities:		
Interest received from investments	18,647	349,451
Interest on restricted cash	<u>10,454</u>	<u>143,550</u>
Net cash provided by investing activities	<u>29,101</u>	<u>493,001</u>
Net increase (decrease) to cash	(2,316,503)	(12,295,832)
Cash at beginning of year	<u>11,445,467</u>	<u>23,741,299</u>
Cash at end of year	<u>\$ 9,128,964</u>	<u>\$ 11,445,467</u>

See accompanying notes to basic financial statements

HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF CASH FLOWS
(Continued)
(with comparative information for the prior year)

Reconciliation of Change in Net Position to Net

Cash Provided By (Used For) Operating Activities:

Operating income (loss)	\$ (5,309,295)	\$ (1,773,360)
Adjustments to reconcile change in net position to net cash provided by (used for) operating activities:		
Depreciation	1,990,047	2,392,159
Transfers from other related entities	353,630	-
Changes in joint ventures	274,229	234,604
Gain (loss) on sale/disposition of capital assets	(182,333)	249,590
Fraud recovery	59,468	-
(Increase) decrease in accounts receivable - tenants	19,152	(15,394)
(Increase) decrease in accounts receivable - other	(315,779)	457,248
(Increase) decrease in due from other governments	461,501	151,973
(Increase) decrease in prepaid insurance	(14,506)	(31,883)
(Increase) decrease in other noncurrent receivables	14,621	29,789
(Increase) decrease in investment in joint venture	(4,252,724)	(5,788,021)
(Increase) decrease in notes receivable	3,076,505	(3,088,430)
(Increase) decrease in assets held for resale	2,916,947	2,972,314
(Increase) decrease in interest receivable	1,270,343	-
Increase (decrease) in accounts payable - vendors	(424,430)	(524,391)
Increase (decrease) in due to related parties	1,287,055	(1,390,196)
Increase (decrease) in accrued salaries	(8,690)	(335,668)
Increase (decrease) in accounts payable - other governments	(551,707)	(2,343,038)
Increase (decrease) in deferred revenue	(178,013)	31,305
Increase (decrease) in other current liabilities	(547,336)	(354,403)
Increase (decrease) in FSS liabilities	(295,156)	(57,979)
Increase (decrease) in tenant security deposits payable	2,161	(19,196)
	<u> </u>	<u> </u>
Net cash provided by (used for) operating activities	<u>\$ (354,310)</u>	<u>\$ (9,202,977)</u>

Reconciliation of Cash Per Statement of Net Position to Cash Per Statement of Cash Flows:

Cash and investments	\$ 6,104,482	\$ 5,327,099
Restricted cash	3,024,482	6,118,368
Cash at end of year	<u>\$ 9,128,964</u>	<u>\$ 11,445,467</u>

There were no significant noncash investing, capital or financing activities for the year ended December 31, 2012, except for the forgiveness of a \$3,978,495 related party receivable.

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HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

Year Ended December 31, 2012

(1) Summary of Significant Accounting Policies

(A) General Purpose

The Housing Authority of the City of Fresno, California (the Agency) is responsible for the development and implementation of housing programs and activities for the City of Fresno, California. The Agency provides housing programs to over 7,800 families under a variety of programs including conventional Low Income Public Housing, Housing Choice Vouchers, Section 42 Low Income Housing Tax Credits, Migrant Services, Farm Labor Housing, Emergency Housing, and others.

(B) Financial Reporting Entity

The Housing Authority of the City of Fresno was established by a resolution of the Fresno City Council on March 14, 1940. The Agency is governed by a seven member Board of Commissioners. Commissioners are appointed for four-year terms by the City Council.

As required by generally accepted accounting principles, these financial statements present the Housing Authority and any component units. A component unit is an entity for which primary government entity is considered to be financially accountable.

- The primary government is considered to be financially accountable for an organization if it appoints a voting majority of that organization's governing body, and (1) if the primary government is able to impose its will on that organization or (2) there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
- The primary government may also be considered financially accountable for an organization if that organization is fiscally dependent on the primary government (i.e., the organization is unable to approve or modify its budget, levy taxes or set rates/charges, or issue bonded debt without approval from the primary government).
- In certain cases, other organizations are included as component units if the nature and significance of their relationship with the primary government are such that their exclusion would cause the primary government's financial statements to be misleading or incomplete, even though the primary government is not considered financially accountable for that organization under the criteria previously described. A legally separate, tax exempt organization is reported as a component unit if (1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government or its constituents; (2) the primary government is entitled to or has the ability otherwise access a majority of the economic resources received or held by the organization; and (3) the economic resources received or held by the organization are significant to the primary government.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Component units must be classified as either “blended” or “discrete” in the primary government’s financial statements. A component unit is “blended” if the governing boards of the two organizations are substantially the same, or if the component unit provides services entirely or almost entirely to the primary government. Component units that do not meet either of these two criteria are considered “discrete” and are reported only in the government-wide financial statements.

A brief description of the Agency’s blended component unit is as follows:

Pacific Gardens Enterprises, Inc. a California Corporation. In 2010, the Agency purchased 100% of the Corporation’s outstanding stock. Pacific Gardens Enterprises, Inc. consists of a 56 unit affordable housing project in the City of Fresno.

(C) Basis of Presentation

The basic accounting and reporting entity is a “fund”. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives with special regulations, restrictions or limitations.

The Agency has chosen to report its activity as one fund. The fund of the Agency is considered to be an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are also used when the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

(D) Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Agency’s operations are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded at the time liabilities are incurred. Under this basis of accounting and measurement focus, the Agency applies (a) all Governmental Accounting Standards Board (GASB) pronouncements and (b)

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Financial Accounting Standards Board (FASB) Statements and Interpretations, and Accounting Principles Board (APB) Statements opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

When the Agency incurs an expense for which both restricted and unrestricted resources may be used, it is the Agency's policy to use restricted resources first and then unrestricted resources as needed.

(E) Interest Rate Swaps

The Agency has entered into interest rate swap agreements to fix the interest rates on certain outstanding variable rate debt. These agreements are recorded at fair value. The changes in fair value of hedging derivative investments do not affect investment revenue but are reported as deferrals. As of December 31, 2012, all potential hedging derivatives of the Agency are considered to be effective hedges.

(F) Cash and Cash Equivalents

For the purpose of the cash flows, the Agency considers all of its cash and investments, including restricted cash, to be cash and cash equivalents. The Agency considers all of its investments to be highly liquid and, therefore, cash equivalents.

(G) Assets Held for Sale

Several of the Agency's funds administer home ownership programs. Assets held for sale consist of housing units set aside by the Agency for these home ownership programs. These assets are recorded at the Agency's cost to purchase the property or upon entering into a contract for sale, the estimated realizable value, if lower. See note 6 for further discussion.

(H) Capital Assets

Capital assets are defined by the Agency as assets with an initial, individual cost of \$2,500 and are valued at historical cost. Contributed capital assets are recorded at fair market value at the time received. Interest expense incurred during the development period is capitalized.

Capital assets acquired for proprietary funds are capitalized in the respective funds to which they apply. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. Buildings are being depreciated over a useful life of thirty years, modernization costs over ten years, and dwelling and other equipment over five years.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(I) Allowance for Doubtful Accounts

Accounts receivable - tenants are stated net of an allowance for doubtful accounts. The Agency estimates an allowance based on an analysis of specific tenants, taking into consideration past due accounts and an assessment of the tenant's ability to pay. The total allowance for doubtful tenant accounts was \$5,034 at December 31, 2012.

Accounts receivable – other are stated net of allowance for certain amounts owed to the Agency from landlord participants. The total allowance for doubtful accounts receivable – other was \$139,368 at December 31, 2012.

Notes receivable are stated net of allowance for loans that were made as part of the HOPE VI Revitalization and Hope 3 programs that the Agency is uncertain as to when amounts will be collected. The total allowance for notes receivable was \$2,529,276 at December 31, 2012.

(J) Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets, including the interest due on the borrowing (excluding inter-fund borrowing). Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

(K) Operating Revenue and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Agency, these revenues are typically rental charges and operating grants. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenue and expenses not meeting these definitions are reported as non-operating revenue and expenses.

(L) Income Taxes

The Agency is exempt from Federal Income and California Franchise Taxes except for taxable transactions incurred by Pacific Gardens Enterprises, Inc., which is a California corporation owned and operated by the Agency. The Agency files federal and state tax returns for the corporation.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(M) Grant Restrictions

The Agency has received loans and grants from the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture, and the California Housing Finance Agency to build and improve housing projects. The grants require that only individuals and families that meet various income, age and employment standards be housed or aided.

Further, if the fund equity of the Agency's U.S. Department of Agriculture program exceeds certain levels, the payments on these notes must be increased.

(N) Use of Estimates

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, and accordingly, include amounts that are based on management's best estimates and judgments. Accordingly, actual results differ from the estimates.

(O) Notes Receivable

The accompanying financial statements reflect the recording of certain notes receivable that represent loans made to various parties, including related parties. In certain cases, the amount of collection is dependent upon future residual receipts to be generated by the property or contingent upon the ability of the owner to sell the property at an amount sufficient to pay all liens against the property, including the obligation to the Agency. Where reasonably estimable, an allowance for doubtful accounts has been recorded to reflect management's best estimate of likely losses associated with non-repayment. An estimate of any additional potential losses associated with non-repayment cannot be reasonably estimated at this time.

(P) Prior Year Data

Selected information regarding the prior fiscal year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived. In addition, certain minor reclassifications of the prior year data have been made to enhance their comparability to the current year.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments

Cash and investments held by the Agency at December 31, 2012 are classified as follows in the accompanying Statement of Net Position:

Cash and investments as of December 31, 2012, are classified in the accompanying financial statements as follows:

Cash and investments	\$ 6,104,482
Restricted cash	<u>3,024,482</u>
Total cash and investments	<u>\$ 9,128,964</u>

Cash and investments as of December 31, 2012, consist of the following:

Cash on hand	\$ 700
Deposits with financial institutions	1,923,635
Deposits held by regulatory agencies (CHFA)	101,291
Equity in investment pool	<u>7,103,338</u>
Total cash and investments	<u>\$ 9,128,964</u>

Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the investment types that are authorized for the Agency by the California Government Code and the Agency's investment policy. The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, if more restrictive) that addresses interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code or the Agency's investment policy.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

<u>Investment Types</u> <u>Authorized by State Law</u>	<u>Authorized</u> <u>By Investment</u> <u>Policy</u>	<u>*Maximum</u> <u>Maturity</u>	<u>*Maximum</u> <u>Percentage</u> <u>Of Portfolio</u>	<u>*Maximum</u> <u>Investment</u> <u>In One Issuer</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	Yes	92 days	20%	None
Medium-Term Notes	Yes	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Time Certificates of Deposit	Yes	5 years	30%	None
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

Disclosure Related to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value will be to changes in market interest rates. In accordance with the Agency's Investment Policy, the Agency manages its exposure to interest rate risks by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity</u>			
		<u>Less Than 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>
Equity in Investment Pool	\$7,103,338	7,103,338	-	-	-
Total	\$7,103,338	7,103,338	-	-	-

Disclosures Related to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy and the actual rating as of yearend for each investment type.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Fair Value</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Equity in Investment Pool	N/A	\$7,103,338	-	7,103,338
		\$7,103,338	-	7,103,338

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(2) **Cash and Investments, (Continued)**

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than external investment pools) that represent 5% or more of the Agency's total investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires California banks and savings and loan associations to secure the Agency's deposits not covered by federal deposit insurance by pledging mortgages or government securities as collateral. The market value of mortgages must equal at least 150% of the face value of deposits. The market value of government securities must equal at least 110% of the face value of deposits. Such collateral must be held in the pledging bank's trust department in a separate depository in an account for the Agency.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (broker-dealer, etc) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The Agency executed a "General Depository Agreement" with Bank of the West on September 23, 2009. This agreement states that "any portion of the PHA funds not insured by a Federal insurance organization shall be fully (110%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulation."

As of December 31, 2012 \$101,291 of the Agency's deposits held with the California Housing Finance Agency (CHFA) were uncollateralized. This amount is inclusive of tenant security deposits.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments, (Continued)

Equity in Investment Pool

The Agency's cash and investments are pooled with the Housing Authority of the County of Fresno's cash and investments. Income from the investment of the pooled cash is allocated to each Agency's funds on a monthly basis, based on the average monthly balance of the fund as a percent of the average monthly total pooled cash balance. The Agency values all of its cash and investments in the investment pool at fair value on a portfolio basis. Cash and investments of the investment pool consist mainly of an investment in the State of California Local Agency Investment Fund.

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

(3) Restricted Cash

Restricted cash consists of funds that cannot be disbursed by the Agency unless approval is obtained from another government agency, mortgagor, or restrictions are released due to a client request.

Cash held by the California Housing Finance Agency (CHFA) can only be used for major repairs or insurance on the associated project and upon receipt of prior written approval from CHFA. Cash held as replacement reserves for the USDA projects cannot be disbursed without the approval of the USDA Rural Economic and Community Development. The funds held by CHFA, excess HAP funds and the funds held for the replacement of the USDA program projects are also reported as restricted net assets. The amounts held by the Agency on behalf of program participants, tenants and for future HAP payments not yet taken as revenue are also reported as payable from restricted assets. A schedule of all restricted cash is listed below.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(3) Restricted Cash, (Continued)

		In		In Restricted
		Liabilities		Net Assets
Cash Restricted For:				
California Housing Finance Agency (CHFA)	\$ 87,276	\$ -	\$	87,276
USDA projects	385,113			385,113
Tenant Security Deposits	306,606	306,606		
Housing Assistance Payments	2,101,851			2,101,851
FSS Escrows	123,449	123,449		
Other	20,187			20,187
Total	\$ 3,024,482	\$ 430,055	\$	2,594,427

(4) Notes Receivable

The following is a summary of changes in notes receivable as of December 31, 2012:

	Balance			Payments		Balance	Due Within
	12/31/11	Transfers	Additions	Received	12/31/12	One Year	One Year
Bank of the West	\$ 200,000	\$ -	\$ -	\$ (200,000)	\$ -	\$ -	-
City of Clovis	500,000	-	-	-	500,000	-	-
Fresno Canyon Springs LP	500,000	-	-	-	500,000	-	-
Homebuyers	-	-	127,520	(18,056)	109,464	-	-
Total due from nonrelated parties	<u>1,200,000</u>	<u>-</u>	<u>127,520</u>	<u>(218,056)</u>	<u>1,109,464</u>	<u>-</u>	<u>-</u>
Better Opportunity Builders	125,000	-	-	-	125,000	-	-
Limited Partnerships:							
Renaissance at Trinity	400,000	-	-	-	400,000	-	-
Alta Monte	-	-	360,000	-	360,000	-	-
Santa Clara	-	-	360,000	-	360,000	-	-
Parc Grove Commons II	5,322,730	-	-	-	5,322,730	-	-
YEC Limited	6,258,336	-	-	-	6,258,336	-	-
Fresno Pacific Gardens LP	2,738,430	-	-	-	2,738,430	-	-
Joint Ventures:							
HRFC	3,978,495	(3,978,495)	-	-	-	-	-
Silvercrest	55,000	-	-	(55,000)	-	-	-
Villa Del Mar	5,756	-	-	-	5,756	-	-
Total due from related parties	<u>18,883,747</u>	<u>(3,978,495)</u>	<u>720,000</u>	<u>(55,000)</u>	<u>15,570,252</u>	<u>-</u>	<u>-</u>
Totals	\$ 20,083,747	\$ (3,978,495)	\$ 847,520	\$ (273,056)	\$ 16,679,716	\$	-

See additional disclosures for related party transactions at notes 14, 15 and 16.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(4) Notes Receivable, (Continued)

Bank of the West

During 2009, the Agency began selling homes developed using its HOPE VI revitalization grant, the Sierra Pointe development. The homes were sold to low-income, first-time homebuyers and financed with mortgages provided by the HRFC, a joint venture of the Agency.

The HOPE VI program also carries secondary loans on each of the units that were sold. These secondary loans, totaling \$2,362,984, are deferred for 30 years. Since the secondary loans are deferred for 30 years, the Agency has estimated an allowance equal to the amounts of the loans for \$2,362,984 (also see note 1I).

Both the primary and secondary loans become due upon transfer or sale of the unit and may be assumed by a qualified buyer, subject to approval by the Agency.

The Bank of the West provided loans of up to \$10,000 per property sold in the Sierra Pointe Development. The Agency established a receivable from the Bank of the West for these loans issued. The loans were collected during the year. There is no outstanding balance as of December 31, 2012.

City of Clovis

The Agency has purchased a \$500,000 subordinate, multifamily housing revenue bond for the Silver Ridge at Clovis Project. The bond was purchased with homebuyer reserve proceeds. The proceeds of the bond were used to develop an apartment complex for seniors in the City of Clovis. The bond matures September 1, 2040 and accrues interest at a rate of 1% per annum.

Annual principal and interest payments depend on the residual cash flows of this future tax credit project. The availability of these cash flows to make future payments is unknown. Interest on this loan of \$62,500 has been accrued and is reported as other noncurrent assets, while \$5,000 is reported as current year accrued interest income for the fiscal year ended December 31, 2012. No payments have been received on this loan; the outstanding balance due at December 31, 2012 is \$500,000.

Fresno Canyon Springs LP

The Agency has loaned \$500,000 to Fresno Canyon Springs LP, a California limited partnership. This loan was made using homebuyer reserve proceeds. The funds were used to finance the construction of a twenty-eight unit, affordable housing, tax credit project. The loan is amortized over thirty years, matures January 12, 2033, and carries a simple interest rate of 4% per annum. Payments on this loan are due only if the project generates residual receipts. Interest on this loan of \$181,315 has been accrued and is reported as other noncurrent assets, while \$20,000 is reported as current year accrued interest income for the fiscal year ended December 31, 2012. No payments have been received on this loan; the outstanding balance due at December 31, 2012 is \$500,000.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(4) Notes Receivable, (Continued)

Better Opportunities Builders, Inc.

The Agency has made a loan to Better Opportunities Builders (BOB), Inc. The loan, with a balance of \$125,000, is unsecured and interest free. No payments are due on these loans for 60 months after the date the Agency records the final release of construction covenants for the projects pursuant to the Disposition and Development Agreement (DDA). BOB is considered to be a related party of the Agency. The outstanding balance due at December 31, 2012 is \$125,000.

Fresno Renaissance at Trinity, LP

On December 1, 2010 the Housing Authority of the City of Fresno authorized a loan of \$400,000 to Fresno Renaissance at Trinity, LP, for the purpose of financing a 21-unit low-income multifamily project known as Renaissance at Trinity. The loan does not bear interest and no payments are due before the maturity date of November 30, 2065. The note is secured by deed of trust of the development's property located in Fresno, California. Fresno Renaissance at Trinity, LP, is considered to be related party of the Agency. The outstanding balance due at December 31, 2012 is \$400,000.

Fresno Renaissance at Alta Monte, LP

On December 13, 2011, the Partnership entered into a loan agreement with the Housing Authority of the City of Fresno, an affiliate of the Administrative General Partner, for an amount of \$400,000. This loan is secured by a Deed of Trust, bears interest at a simple rate of 7.5% during construction and 8.75% after construction completion. The loan matures on November 30, 2065. The Loan is payable in annual amounts equal to 50% of the residual receipts as defined in Article 1, Section 1.3 of the promissory note dated December 13, 2011. As of December 31, 2012, the outstanding principal balance was \$360,000 with accrued interest of \$18,234. For the Period, interest expense on the loan was \$18,234, of which \$12,609 was capitalized to the Partnership's fixed assets.

1555 Santa Clara Street, LP

On December 1, 2010, the Partnership entered into a loan agreement with the Fresno Housing Authority, an affiliate of the Administrative General Partner, for an amount of \$400,000 (the "FHA Loan"). The loan bears interest on the outstanding balance at 8.75%. The FHA loan is secured by a Deed of Trust, and matures on December 30, 2066. Beginning January 14, 2014, annual payments of interest and principal are due equal to 50% of the residual receipts, as defined in the Partnership Agreement. As of December 31, 2012, the outstanding principal balance on the FHA Loan was \$360,000 and accrued interest was \$12,276, respectively. For the Period, interest expense on the loan was \$12,276, of which \$12,276 was capitalized to the Partnership's fixed assets.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(4) Notes Receivable, (Continued)

Parc Grove Commons II, LP

On January 27, 2010, the Agency authorized a loan to Parc Grove Commons II Limited Partnership for \$5,322,730 for the development and construction of a mixed-income tax-credit rental unit project comprised of 215 rental units of which 31 are Public Housing units. Interest accrues at a rate of 5%, compounded annually prior to construction completion and 7.5% compounded annually thereafter. The entire amount of principal and accrued interest for both notes is due and payable on February 1, 2065. The note is secured by the deed of trust of the development's property located in Fresno, California. The outstanding balance due at December 31, 2012 is \$5,322,730.

YEC Limited

The Agency has authorized three loans to YEC Limited, a California Limited Partnership for the purpose of financing the development and construction of a 69 unit public housing development in Fresno, California known as Yosemite Village. The project received low-income housing tax credits through the California Tax Credit Allocation Committee and is intended for rental to low-income families.

The first loan was authorized on November 1, 2008 for \$990,000. This loan is secured by the deed of trust of the development's property. This loan and applicable interest, if any, is deferred until November 1, 2063. The accrued interest on this loan is \$139,351.

The second loan was also authorized on November 1, 2008 for \$362,984 which was passed-through from an allocation of Replacement Housing Factor (RHF) funds provided by the U.S. Department of Housing and Urban Development (HUD). This loan is unsecured, non-interest bearing and is due November 1, 2063.

The third loan was authorized on November 6, 2009 for \$5,829,325. This loan is secured by the deed of trust of the development's property. This loan bears no interest and is deferred until November 6, 2064. As of December 31, 2012 the outstanding balance for this loan is \$4,905,351.

The outstanding balance due for all three loans at December 31, 2012 is \$6,258,336.

Fresno Pacific Gardens, LP

The Agency has authorized three loans to Fresno Pacific Gardens, LP, for the purpose of rehabilitation and construction of a mixed-income rental unit project composed of fifty-five rental units and one manager's unit known as Pacific Gardens on land owned by the Agency. All three loans are secured by a deed of trust of the development's property. Fresno Pacific Gardens LP is considered a related party of the Agency.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(4) Notes Receivable, (Continued)

The first loan was authorized on March 14, 2011 for \$1,588,656. The loan bears an interest rate of 5.4625% compounded annually, with principal and interest payable annually commencing January 1, 2012 from available cash flow. The note is secured by the deed of trust of the development's property located in Fresno, California. The outstanding balance due at December 31, 2012 is \$1,588,656.

The second loan was also authorized on March 14, 2011 in the amount of \$599,774. The loan bears an interest rate of 5.4625% compounded annually, with principal and interest payable annually commencing January 1, 2012 from available cash flow after payment of the principal and interest due on the first loan. The outstanding balance due at December 31, 2012 is \$599,774.

The third loan was also authorized on March 14, 2011 in the amount of \$550,000. The loan bears an interest rate of 5.4625% compounded annually, with principal and interest payable annually commencing January 1, 2012 from available cash flow after payment of principal and interest due on the first and second loans. The outstanding balance due at December 31, 2012 is \$550,000.

The outstanding balance due for all three loans at December 31, 2012 is \$2,738,430.

Housing Relinquished Fund Corporation (HRFC)

The Housing Relinquished Fund Corp committed funds to the Parc Groves Commons II Development. The Agency completed the sale of a parcel of land in 2010 in the amount of \$3,978,495. A loan in the same amount was then made to the Housing Relinquished Fund Corp to support the above commitment and HRFC's role in increasing the supply of affordable housing. During the year ended December 31, 2012, the Agency wrote off this receivable due from HRFC. The outstanding balance due at December 31, 2012 is \$0.

First Time Home Buyer Program

The Agency administers a first time home buyer program, originally funded by HUD, utilizing a HOPE 3 grant. Under this program, the Agency developed properties for the purpose of selling them to qualified low and moderate income families. These loans accrue no interest unless the borrower defaults on the loan, in which case the loan accrues interest at a rate of ten percent per annum. No payment is due on the loan unless the borrower sells or transfers the property or any interest therein. These notes hold their value for six years from date of execution and thereafter are forgiven on a monthly basis through the twentieth year from the date of execution. As of December 31, 2012, \$109,464 of these loans is outstanding. Since these loans are intended to be forgiven and not collected, the Agency has recorded an allowance for doubtful accounts (see note 1I).

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(5) Capital Assets

	Restated Balance at 12/31/2011	Additions	Deletions	Transfers	Balance at 12/31/2012
Capital assets not being depreciated:					
Land	\$ 4,025,588	\$ -	\$ -	\$ (65,580)	\$ 3,960,008
Construction in progress	5,191,539	2,196,588	(200,979)	(1,149,348)	6,037,800
Total capital assets not being depreciated	9,217,127	2,196,588	(200,979)	(1,214,928)	9,997,808
Capital assets being depreciated:					
Buildings	\$ 63,696,686	\$ 853,058	\$ -	\$ 1,214,928	\$ 65,764,672
Equipment - Dwelling	1,193,864	15,192	(785)	-	1,208,271
Equipment - Administration	4,340,068	28,604	(221,868)	-	4,146,805
Total capital assets being depreciated	\$ 69,230,618	\$ 896,854	\$ (222,653)	\$ 1,214,928	\$ 71,119,747
Less accumulated depreciation for:					
Buildings	\$ (49,500,798)	\$ (1,782,150)	\$ -	\$ -	\$ (51,282,948)
Equipment - Dwelling	(1,151,276)	(15,137)	785	-	(1,165,628)
Equipment - Administration	(3,729,990)	(192,760)	222,754	-	(3,699,997)
Total accumulated depreciation	\$ (54,382,064)	\$ (1,990,047)	\$ 223,539	\$ -	\$ (56,148,572)
Total capital assets being depreciated, net	\$ 14,848,554	\$ (1,093,193)	\$ 886	\$ 1,214,928	\$ 14,971,175
Total capital assets, net	\$ 24,065,681	\$ 1,103,395	\$ (200,093)	\$ (0)	\$ 24,968,983

The beginning total capital assets balance, net was adjusted by (\$432,696) to reflect the Agency's changes in the allocation percentages for the COCC as of the beginning of the year. Depreciation expense in the amount of \$1,990,047 was charged for the year ended December 31, 2012.

(6) Assets Held for Sale

Assets held for sale consist of homes that are being developed using a variety of Federal, State, and local funds. The assets held for sale are recorded in the following funds:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Hope VI Program	\$106,360	-	106,360
CalHFA Program	-	1,315,430	1,315,430
City Public Housing Program	-	595,740	595,740
City Relinquished Funds	126,738	-	126,738
Planning and Community Development	640,361	-	640,361
Neighborhood Stabilization Program	1,117,748	-	1,117,748
Total Assets Held for Sale	\$1,991,207	1,911,170	3,902,377

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(6) Assets Held for Sale, (Continued)

The purpose of the HOPE VI program was to develop an entire community consisting of rental units, homebuyer units, and a community center. Fifty-three lots were developed by the Agency for sale to low and moderate income families. The Agency has sold fifty-two of these units, of which one was sold in the current year at a loss of \$70,856. As of December 31, 2012 the Agency is carrying on house in assets held for sale at a value of \$106,360.

The Planning and Community Development department of the Agency has purchased properties within the City of Fresno that are being redeveloped for mixed-use purposes. The Agency has funded the purchase of these properties through loans from the Housing Relinquished Fund Corporation, a joint venture of the Agency. As of December 31, 2012 the carrying value of the properties is \$640,361.

The purpose of the Neighborhood Stabilization Program is to purchase foreclosed homes through public auction, renovate the homes, and sell them to qualified low or moderate income families. This program is being funded by HUD, with the funds passed through the City of Fresno. See note 7 for the balance of loans due back to the City of Fresno. As of December 31, 2012 the carrying value of homes held for sale is \$1,117,748.

The Agency used a portion of loans from the California Housing Finance Agency (CalHFA) HELP Program to purchase properties for use in future developments or for the future sale to program participants. The Agency purchased a parcel of land at a total cost of \$1,037,878 to be used for future development. The Agency also purchased two condominiums at a total cost of \$277,552 to be sold to participants in one of their programs. The total value of these three properties is \$1,315,430 at December 31, 2012 and is listed in assets held for sale.

The Agency used funds from their City Relinquished Fund to purchase additional single family homes. The Agency is rehabilitating the homes with the intentions of selling them to eligible low income buyers. The value of these two homes at December 31, 2012 was \$126,738 and is listed as assets held for sale.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(7) Long-Term Liabilities

Changes in long-term liabilities for the year ended December 31, 2012 are as follows:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12	Due Within One Year
Notes payable - non-related parties:					
U.S. Department of Agriculture	\$ 903,111	\$ -	\$ (103,400)	\$ 799,711	\$ 95,763
California Housing Finance Agency					
Garland Gardens	1,398,765	-	(104,092)	1,294,673	114,241
HELP Program	1,393,035	-	-	1,393,035	-
City of Fresno NSP	2,447,260	593,328	(2,051,919)	988,669	-
Mortgages:					
El Cortez Apartments	1,013,784	-	(38,622)	975,162	40,706
Dayton Square	1,383,482	-	(52,604)	1,330,878	55,441
Woodside Apartments	1,631,089	-	(62,042)	1,569,047	65,387
Line of Credit	-	2,276,348	(1,148,071)	1,128,277	1,128,277
Total notes payable - non-related	\$10,170,526	\$ 2,869,676	\$ (3,560,750)	\$ 9,479,452	\$ 1,499,815
Net Pension Obligation	32,343	86,274	(77,033)	41,584	41,583
Net OPEB Obligation	34,828	73,644	(55,672)	52,800	52,800
Derivative instrument rate swap	239,102	-	(108,464)	130,638	-
Family Self-Sufficiency	418,606	112,486	(407,642)	123,450	-
Compensated Absences	472,723	-	(40,820)	431,903	118,649
Interest payable	17,835	420,725	-	438,560	-
Homebuyers earned payments	-	41,741	-	41,741	-
	\$11,385,963	\$ 3,604,546	\$ (4,250,381)	\$ 10,740,128	\$ 1,712,847

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(7) Long-Term Liabilities, (Continued)

Changes in long-term liabilities for the year ended December 31, 2012 are as follows:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12	Due Within One Year
Related parties:					
Better Opportunity Builders:					
To BOB from Parc Grove I	\$ 310,379	\$ -	\$ -	\$ 310,379	\$ -
To BOB from P&CD	819,973	-	(819,973)	-	-
HA of the County of Fresno	544,177	-	-	544,177	-
Joint Ventures:					
Parc Grove I to Silvercrest	367	-	(367)	-	-
P&CD to HRFC	2,829,545	266,643	(487,384)	2,608,804	-
P&CD to HRFC	800,460	1,711,814	(515,485)	1,996,789	1,996,789
Various to HRFC	59,844	-	(54,844)	5,000	-
Various to HRFC	-	103,326	-	103,326	103,327
Various to HRFC	98,097	140,768	-	238,865	-
Office building to HRFC	154,000	-	-	154,000	-
	<u>\$ 5,616,842</u>	<u>\$ 2,222,551</u>	<u>\$ (1,878,053)</u>	<u>\$ 5,961,340</u>	<u>\$ 2,100,116</u>
Totals	<u>\$17,002,805</u>	<u>\$ 5,827,097</u>	<u>\$ (6,128,434)</u>	<u>\$ 16,701,468</u>	<u>\$ 3,812,963</u>

The following is a schedule of debt payment requirements to maturity for notes and mortgages payable excluding related party notes, City of Fresno NSP notes, and line of credit:

Year ending	Notes		Mortgages		Hedging
	Principal	Interest	Principal	Interest	Derivatives
December 31st					Net
2013	\$ 210,004	\$ 135,737	\$ 161,535	\$ 127,490	\$ 101,084
2014	1,616,024	384,923	3,713,552	1,674	(87,777)
2015	235,750	99,665	-	-	-
2016	250,153	85,275	-	-	-
2017	250,567	69,568	-	-	-
2018-2022	924,924	97,438	-	-	-
	<u>\$3,487,422</u>	<u>\$ 872,606</u>	<u>\$3,875,087</u>	<u>\$ 129,164</u>	<u>\$ 13,307</u>

The above table incorporates the net receipts/payments of the hedging derivative instruments that are associated with the mortgage debt issues. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. Refer to Note 8 for additional information regarding the derivative instruments associated with the debt of the Agency.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(7) Long-Term Liabilities, (Continued)

U.S. Department of Agriculture Notes

The Agency entered into two notes with the United States Department of Agriculture Farmer Homes Administration under the Farm Labor Housing Union Loan program. In accordance with the notes, the Agency used the funds for the acquisition and development of four multi-unit rental housing developments. The notes accrue interest at 1% per annum. The notes mature at various dates beginning on January 6, 2014 and ending on April 2, 2035. At December 31, 2012 the outstanding balance for the notes is \$799,711.

Garland Gardens

The Agency entered into a note with the California Housing Finance Agency (CHFA) on July 1, 1979 for \$2,406,600. The note accrues interest of 9.34% per annum, requires a monthly payment of \$19,196, and matures on January 1, 2021. At December 31, 2012 the outstanding balance is \$1,294,673.

HELP Program

The Agency has entered into loan agreements with the California Housing Finance Agency (CHFA). The purpose of the first loan is to establish a revolving source of funds to finance the acquisition, demolition and construction/rehabilitation costs for an infill and substandard single-family housing program. The purpose of the second loan is to establish a revolving loan fund to assist with the development of ownership housing. Payment of interest and principal on these loans is deferred until the due date. Balances and terms of these two loans are as follows:

<u>Date of the Loan</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Available</u>	<u>Drawn</u>	<u>Interest Accrued</u>
2/5/2003	3%	2/5/2013	\$ 550,000	77,605	9,494
2/17/2004	3%	2/17/2014	<u>1,600,000</u>	<u>1,315,430</u>	<u>188,101</u>
			<u>\$2,150,000</u>	<u>1,393,035</u>	<u>197,595</u>

City of Fresno NSP notes

In October 2009, the Agency entered into an agreement with the City of Fresno to administer the Neighborhood Stabilization Program (NSP), a federal program that is being funded by HUD. The City of Fresno agreed to loan the Agency up to \$5,000,000 to purchase foreclosed homes through public auction, renovate the homes, and sell them to qualified low or moderate income families. The Agency is responsible for executing the loans with the buyers. As the loans are repaid the Agency is to reimburse the City of Fresno. Because the dates of repayment will vary based on the affordability of each family, the annual amounts due to the City of Fresno are unknown; therefore, this note has not been included in schedule of debt payment requirements. As of December 31, 2012 the outstanding balance is \$988,669.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(7) Long-Term Liabilities, (Continued)

Mortgages

On January 14, 2004, the Agency borrowed \$5,000,000 from the Bank of the West, with the purpose of refinancing the debt on three apartment complexes: El Cortez Apartments, Dayton Square, and Woodside Apartments. Each of the three loans is secured by a different apartment complex. The loans are due January 5, 2014, require monthly payments of interest that accrue at the adjusted LIBOR rate, and require payments of principal that increase on an annual basis. The interest payments noted above are based on the original interest rate of 5.16%. A balloon payment is due January 5, 2014 of \$3,716,138. These loans include an interest rate derivative transaction (interest rate swap). The interest rate on these loans as of December 31, 2012 was 2.46%. The total market values of the interest rate swaps as of December 31, 2012 are discussed in more detail in footnote 8. The amount owed on these loans as of December 31, 2012 was \$3,875,087.

Line of Credit

The Agency has an unsecured line of credit with the Bank of the West of up to \$4,000,000. Interest accrues on this loan at 4% per annum. The Agency considers all draws on this line of credit to be due within one year. Since payments on this line of credit are not structured, no interest amounts for this loan have been included in the debt payment requirements table above. As of December 31, 2012, the Agency had an outstanding balance of \$1,128,277.

Family Self Sufficiency

The Family Self Sufficiency (FSS) program provides supportive services that enable participating low and moderate income families to achieve economic independence and self-sufficiency. The Agency contracts with each participating family to set aside funds in an interest-bearing account until that family can afford to pay its entire monthly rent without assistance from the Agency. Upon successful completion of the program requirements, those funds are disbursed to the family. The Agency's liability to FSS participants at December 31, 2012 total \$123,450.

Compensated Absences Payable

It is the Agency's policy to permit employees to accumulate earned but unused vacation leave, which will be paid to employees upon separation from the Agency's service or used in future periods. The Agency permits employees to accumulate earned but unused sick leave which will be used in future periods, paid to the employee upon termination, or paid to the employee upon retirement. Upon termination employees are paid 25% of the value of their unused sick leave, except for the Executive Director who is entitled to 100% of the value of his sick leave upon request. Upon retirement, employees are paid 50% of the value of their unused sick leave. As of December 31, 2012, accrued vacation and vested sick leave have been valued by the Agency at \$431,903.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(7) **Long-Term Liabilities, (Continued)**

Better Opportunities Builders, Inc.

During 2008 and 2009, Better Opportunities Builders (BOB), Inc loaned the Agency's Parc Grove Fund \$310,379 for the pre-development phase of the Parc Grove development. This note bears no interest and is open ended with regards to payment. The outstanding balance at December 31, 2012 is \$310,379.

Housing Authority of the County of Fresno

The Housing Authority of the County of Fresno loaned the Agency's Parc Grove Fund \$544,177, which was borrowed from the CHFA HELP program. The loan earns interest at a rate of 3.5% per annum. The Agency incurs the interest expense while the Housing Authority of the County of Fresno holds the liability with CHFA. The outstanding balance due to the Housing Authority of the County of Fresno at December 31, 2012 is \$544,177.

Housing Relinquished Fund Corporation (HRFC)

On June 2, 2010, the Agency recorded in the Planning and Community Development fund two promissory notes with the HRFC for the acquisition of property on G Street in Fresno, California to be used for the development of Chinatown SRO. The first loan for \$105,000 carries an interest rate of 5% per annum and is due on June 2, 2013. The second loan for \$755,000 carries an interest rate of 5% per annum and is due June 2, 2015. Payments for the second loan are to be made from the refinancing associated with SRO. The outstanding balance of both loans and accrued interest at December 31, 2012 is \$626,539 and \$87,542 respectively.

On June 2, 2010, the Agency recorded in the Planning and Community Development fund a promissory note entered into with the HRFC for \$2,700,000 for the acquisition of 100% of the shares of Pacific Gardens Enterprises, Inc., the sole owner of Pacific Gardens Apartments located in Fresno, California. Payments for the loan are to be made from the eventual sale or refinancing of the apartment complex. The loan carries an interest rate of 5% per annum and is due June 2, 2013. The outstanding balance and accrued interest at December 31, 2012 is \$1,382,365 and \$228,070 respectively.

On July 1, 2010, the Agency recorded in the Planning and Community Development fund a promissory note entered into with the HRFC for \$450,000 for the acquisition of property on Van Ness Avenue in Fresno, California which will be redeveloped into a mixed-use development. This loan carries an interest rate of 5% per annum and is due July 1, 2015. The outstanding balance of the loan and accrued interest at December 31, 2012 is \$361,436 and \$46,954 respectively.

During the year ended December 31, 2012, the Agency received a loan from HRFC for \$274,890 for Bowman-Droge building purchase. The outstanding balance of the loan at December 31, 2012 is \$238,464. The loan has no specified due date, and accrues interest at 1% per annum.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(7) Long-Term Liabilities, (Continued)

The total outstanding balance related to these development activities payable to HRFC is \$2,608,804.

Predevelopment loans are made throughout the year. Payments are to be made from the sale of the properties. The outstanding balance and accrued interest at December 31, 2012 is \$1,996,789 and \$60,217, respectively.

The Agency entered into a promissory agreement with the HRFC for \$154,000, a portion of the acquisition of the Central Office Building. This note bears no interest and is open ended with regard to payment. The outstanding balance on this note is \$154,000.

(8) Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2012, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at December 31, 2012</u>		<u>Current Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	\$ (37,226)	Debt	44,837	1,330,878
Pay-fixed interest rate swap	Deferred outflow	(27,332)	Debt	32,920	977,155
Pay-fixed interest rate swap	Deferred outflow	<u>(43,905)</u>	Debt	<u>52,881</u>	<u>1,569,640</u>
		<u>\$ (108,463)</u>		<u>130,638</u>	<u>3,877,673</u>

The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates.

These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(8) Derivative Instruments, (Continued)

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the Agency's hedging derivative instruments outstanding at December 31, 2012, along with the credit rating of the associated counterparty.

<u>Type</u>	<u>Objective</u>	<u>Current Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Pay-fixed interest rate swap	Hedge interest rate risk on the Dayton Square mortgage	\$1,330,878	1/26/04	1/5/14	Pay 3.290%; receives 68% of the 1 month USD LIBOR	A+/A1
Pay-fixed interest rate swap	Hedge interest rate risk on the El Cortez mortgage	977,155	1/26/04	1/5/14	Pay 3.290%; receives 68% of the 1 month USD LIBOR	A+/A1
Pay-fixed interest Rate swap	Hedge interest rate risk on the Woodside mortgage	1,569,640	1/26/04	1/5/14	Pay 3.290%; receives 68% of the 1 month USD LIBOR	A+/A1

Credit risk. As of the December 31, 2012, all hedging derivatives are liabilities and therefore credit risk is minimal. It is the Agency's policy to enter into derivative agreements with highly rated counterparties. As of the December 31, 2012, all of the Agency's interest rate swap counterparties are rated A+ or higher by Standard & Poor's, and A1 or higher by Moody's.

To minimize its exposure to loss related to credit risk, it is the Agency's policy to require counterparty collateral posting provisions in certain events. These terms require full collateralization of the fair value of hedging derivative instruments in asset positions (net of the effect of applicable netting arrangements) should the counterparty's credit rating fall below A- as issued by Standard & Poor's or A3 as issued by Moody's Investors Service. Collateral posted is to be in the form of U.S. Treasury securities held by a third-party custodian.

It is the Agency's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(8) Derivative Instruments, (Continued)

The aggregate fair value of hedging derivative instruments in asset positions at December 31, 2012, was \$130,638. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

The Agency enters into derivative agreements with multiple counterparties to limit concentration of credit risk. Currently, the Agency has interest rate swaps with three different counterparties and no counterparty accounts for more than 41% of outstanding notional. The Agency monitors counterparty credit risk on an ongoing basis.

Interest rate risk. Interest payments on the Agency's variable rate debt will typically increase as interest rates increase. As of the end of the period, all hedging derivatives are pay-fixed, receive-variable, cash flow hedges. The Agency believes it has significantly reduced interest rate risk by entering into interest rate swaps. As interest rates increase, variable rate debt interest payments increase and net swap payments decrease. As interest rates decrease, variable rate debt payments decrease and net swap payments increase.

Rollover risk. Rollover risk is the risk that a hedging derivative instrument associated with a hedged item does not extend to the maturity of that hedged item. As of December 31, 2012 rollover risk is not material to the Agency.

Basis risk. The Agency is exposed to basis risk on its pay-fixed interest rate swap and rate cap hedging derivative instruments because the variable-rate payments received by the Agency on these hedging derivative instruments are based on a rate or index other than interest rates the Agency pays on its hedged variable-rate debt, which is remarketed every 30 days. As of December 31, 2012, the weighted-average interest rate on the Agency's hedged variable-rate debt is 3.290 percent, while the SIFMA swap index rate is 3.30916 percent and 68 percent of LIBOR is 3.290 percent.

Termination risk. The Agency or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a hedging derivative instrument is in a liability position, the Agency would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

(9) Deferred Compensation

The Agency offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all permanent employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of participants and their beneficiaries.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(9) Deferred Compensation, (Continued)

The Agency maintains two plans which are administered by the Hartford Life Insurance Company and the California Public Employees' Retirement System. These funds are not recorded as assets of the Authorities since they are held in trust for the exclusive benefit of participants and their beneficiaries and are not subject to claims of the Agency's general creditors.

(10) Defined Benefit Pension Plan

The Agency contributes to the California Public Employees Retirement System (PERS), an agent single-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial reports may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

Participants are required to contribute 7% of their annual covered salary. The Agency makes the contributions required of the Agency's employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and the Agency contracts with employee bargaining groups.

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period January 1, 2012 to December 31, 2012 has been determined by an actuarial valuation of the plan as of June 30, 2009. The contribution rate indicated for the period is 4.383 % of payroll for the miscellaneous plan. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of December 31, 2012, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from January 1, 2012 to December 31, 2012. The employer and the employer's auditor are responsible for determining the NPO and the APC.

Note: If an agency elects the Annual Lump Sum Prepayment Option, the ARC for the period July 1, 2011 through June 30, 2012 is \$211,354

A summary of principle assumptions and methods used to determine the ARC is shown below.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(10) Defined Benefit Pension Plan, (Continued)

Valuation Date	June 30, 2009
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	38 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.55% to 14.45% depending on Age, Service, and type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.0% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period.

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll. The Schedule of Funding Progress, presented below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(10) Defined Benefit Pension Plan, (Continued)

Schedule of Funding Progress

Miscellaneous

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (UAAL)/ (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % of Payroll</u>
6/30/09	25,061,322	26,238,881	(1,177,559)	104.7%	4,547,879	(25.9%)
6/30/10	26,507,675	27,168,407	(660,732)	102.5%	5,108,224	(12.9%)
6/30/11	27,963,598	28,070,750	(107,152)	100.4%	5,253,398	(2.0%)

Three-Year Trend Information

Annual Pension Cost (Employer Contribution)

<u>Fiscal Year</u>	<u>Miscellaneous</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 202,368	100%	-
12/31/10	183,093	100%	-
12/31/11	193,147	100%	-

(11) Other Post Employment Benefit (OPEB) - Retiree Supplemental Cash Benefit Program

The Agency offers retirees a cash benefit program. This program is intended to provide a voluntary non-vested benefit to eligible retirees participating under the CalPERS Public Employees' Medical and Hospital Care Act non transferable. The Boards of Commissioners retain the right to significantly change (or terminate) the level of contributions under this program.

An actuarial valuation of the Retirees Supplemental Cash Benefit Program was performed as of June 1, 2010. The number of eligible retirees as of the most recent valuation date was 44 with an estimated annual "pay as you go" cost of \$128,322. The Agency accumulated a reserve from current and prior year funding estimates designed to be adequate to cover annual amounts expended based on a pay as you go methodology

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(11) **Other Post Employment Benefit (OPEB) - Retiree Supplemental Cash Benefit Program (Continued)**

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 the benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

A summary of principle assumptions and methods used to determine the annual recommended contribution is shown below:

Valuation Date	June 1, 2010
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Amortization Period	Closed 30 year
Actuarial Assumptions:	
Investment Rate of Return	5.0% per year
Payroll Increase	3.0% per year
Inflation	3.0% per year

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded accrued liability to payroll. The Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Determination of Net OPEB Obligation as of December 31, 2012

Annual Required Contribution (ARC)	\$ 86,274
Contributions made	<u>(77,033)</u>
Increase in Obligation	9,241
Net Obligation, beginning of year	<u>32,343</u>
Net Obligation, end of year	<u>\$ 41,584</u>

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(11) Other Post Employment Benefit (OPEB) - Retiree Supplemental Cash Benefit Program, (Continued)

Schedule of Funding Progress

<u>Valuation Date</u>	<u>Actuarial Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % of Payroll</u>
6/01/08	N/A	N/A	N/A	N/A	N/A	N/A
6/01/09	N/A	N/A	N/A	N/A	N/A	N/A
6/01/10*	\$3,161,063	-	3,161,063	00.0%	5,919,878	53.40%

* The valuation was performed based on combined information from both the Agency and the Housing Authority of the County of Fresno.

Schedule of Employer Contributions

<u>Date</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
12/31/10	\$86,274	63,171	73.2%	23,102
12/31/11	86,274	77,033	89.2%	32,343
12/31/12	86,274	77,033	89.2%	32,343

(12) Other Post Employment Benefits Other than Pensions

Plan Descriptions: The Agency administers a single-employer defined benefit plan which provides lifetime medical healthcare benefits to retirees and their dependents that are at least 50 years of age when they retire and have worked a minimum of five years of service. Retirees are eligible for a health insurance stipend of approximately \$225 per month, except for former Executive Directors, who receive the actual costs of their health benefits.

Funding Policy: The contribution required to be made is based on a pay-as-you-go method (i.e., as medical insurance premiums become due) subject to amendment by the Board of Commissioners. For the year ended December 31, 2012, the Agency contributed \$55,672 to the plan, including \$55,672 for current premiums (100% of total premiums).

Annual OPEB Cost and Net OPEB Obligation: The Agency'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 number 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 Agency's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation for these benefits:

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(12) Other Post Employment Benefits Other than Pensions, (Continued)

Annual required contribution	\$ 73,644
Contributions made (including premiums paid)	<u>(55,672)</u>
Increase in net Obligation	17,972
Net Obligation (asset)—beginning of year	<u>34,828</u>
Net Obligation (asset)—end of year	<u><u>\$ 52,800</u></u>

The Agency’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net Obligation</u>
12/31/10	\$73,644	77.1%	16,856
12/31/11	73,644	75.6%	34,828
12/31/12	73,644	75.6%	34,828

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 the benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 5% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 4% annually. Both rates included an inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on a closed basis over 30 years. It is assumed the Agency’s payroll will increase 3% per year.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(12) Other Post Employment Benefits Other than Pensions, (Continued)

Funded Status and Funding Progress: 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 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 the benefits.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded ration (a/b)	Covered Payroll (c)	UAAL as a Percentage of covered payroll ((b-a)/c)
6/1/08	N/A	N/A	N/A	N/A	N/A	N/A
6/1/09	N/A	N/A	N/A	N/A	N/A	N/A
6/1/10*	\$0	\$2,534,328	\$2,534,328	0%	\$5,919,878	42.96%

* The valuation was performed based on combined information from both the Agency and the Housing Authority of the County of Fresno.

(13) Insurance Coverage

The Agency is a member of the Housing Authority Risk Retention Pool (HARRP). HARRP was established by public housing authorities participating in an intergovernmental cooperation agreement pursuant to specific statutes in Oregon, Washington, California and Nevada for the purpose of operating and maintaining a cooperative program of risk management and loss indemnification. HARRP offers property, general, automobile, fidelity, and officers' liability insurance to participants. Membership was comprised of 90 public housing authorities at December 31, 2012. The relationship between the Agency and HARRP is such that HARRP is not a component unit of the Agency for financial reporting purposes.

The loss limits for the various types of insurance are follows: \$2,000,000 for property with a deductible per occurrence of \$10,000; \$2,000,000 for general liability with no deductible; \$2,000,000 for automobile, including losses arising from the use of a non-owned covered automobile; \$100,000 for employee dishonesty and forgery and alteration with a \$1,000 deductible; \$10,000 for theft with a \$1,000 deductible; and \$2,000,000 for errors and omissions with a 10% co-pay.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(13) Insurance Coverage, (Continued)

This activity related to risk management is also accounted for in the Housing Self Insurance Corporation (HSIC), a joint venture of the Agency. HSIC records an expense when it pays for repairs to the Agency's properties when incurred. HSIC records revenue when it receives payment from the Agency for insurance premiums recorded as expense by the Agency.

California Housing Worker's Compensation Authority

The Agency is insured for workers' compensation claims by the California Housing Workers' Compensation Authority (CHWCA). Under this program, the pool provides up to \$500,000 workers' compensation coverage and \$500,000 employer's liability coverage. CHWCA also provides excess workers' compensation coverage with the following limits: the Agency is insured for Statutory Workers' Compensation by the Safety National Casualty Corporation. The pool provides up to \$1,000,000 per occurrence.

(14) Investment in Joint Ventures

As of December 31, 2012, the Agency's investment in joint ventures is comprised of the following:

<u>Joint Venture</u>	<u>Investment</u>
Housing Relinquished Fund Corporation	\$23,062,761
Housing Self Insurance Corporation	1,268,460
Silvercrest, Inc.	68,333
Villa Del Mar, Inc.	<u>756</u>
Total investments in joint ventures	<u>\$24,400,310</u>

Housing Relinquished Fund Corporation (HRFC) - Created as a steward for the Housing Authority of the City and County of Fresno's development and investment capital. HRFC's Board is comprised of two members of the City and County Board of Commissioner's. The Housing Authority of the City of Fresno has a 78.29% equity interest in HRFC. HRFC does not issue separate financial statements.

Housing Self Insurance Corporation (HSIC) - Organized to provide additional security against a variety of insurable and non-insurable losses to include deductibles, payouts, settlements, and other related obligations. HSIC's Board is comprised of two members of the City and County Board of Commissioner's. The Housing Authority of the City of Fresno has a 82.21% equity interest in HSIC. HSIC does not issue separate financial statements.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(14) Investment in Joint Ventures, (Continued)

Silvercrest, Inc., a California non-profit public benefit corporation – Was formed as a vehicle to own and operate a number of housing developments throughout Fresno County, primarily in a limited partnership arrangement with local developers. Silvercrest, Inc.'s Board is comprised of two members of the City and County Board of Commissioner's. The Housing Authority of the City of Fresno has a 50% equity interest in Silvercrest, Inc. Silvercrest, Inc. does not issue separate financial statements.

Villa Del Mar, Inc. - Developed for purposes of ownership and management of the 48 unit Villa Del Mar affordable housing project in the City of Fresno. Villa Del Mar, Inc.'s Board is comprised of two members of the City and County Board of Commissioner's. The Housing Authority of the City of Fresno has a 50% equity interest in Villa Del Mar, Inc. Villa Del Mar, Inc. does not issue separate financial statements.

(15) Participation in Related Party Limited Partnerships

YEC Limited

YEC Limited, a California Limited Partnership, was formed to construct, hold and otherwise operate the 69 unit single family residential project known as Yosemite Village. The project is located in Fresno, California and is intended for rental to low-income families. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on February 7, 2007, by the Housing Authority of the City of Fresno as the Co-General Partner and Silvercrest, Inc., a California non-profit public benefit corporation, as the Managing General Partner. The agreement was later amended to admit Columbia Housing/PNC Institutional Fund XLI Limited Partnership as the Investment Limited Partner and Columbia Housing SLP Corporation as the Special Limited Partner.

Yosemite Village is located in Fresno, California and was placed into service during 2009. Financing for the construction of Yosemite Village was obtained through notes from the Agency and the limited partner, PNC. The PNC loan is short-term, while the loan from the Agency is deferred for 55 years and non-interest bearing. Yosemite Village participates in the low-income housing tax credit program under Section 42 of the Internal Revenue Code. Various agreements dictate the maximum income levels of the new tenants and also provide restrictions on leasing.

Together, the two General Partners (the Housing Authority of the City of Fresno and Silvercrest Inc.) are allocated 0.01% interest of all net profits (or net losses) of the partnership. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985. See note 4 for descriptions of any related party transactions between the Agency and the partnership.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(15) Participation in Related Party Limited Partnerships, (Continued)

Parc Grove Commons II, Limited Partnership

Parc Grove Commons II, a California Limited Partnership, was formed for the development and construction of a mixed-income tax-credit rental unit project comprised of 215 rental units. The project is located in Fresno, California and is intended for rental to low-income families. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on March 11, 2008, by Silvercrest Inc., a California non-profit public benefit corporation as the Managing General Partner, and the Housing Authority of the City of Fresno as the Co-General Partner. This agreement was later amended on January 27, 2010 to admit Wachovia Affordable Housing Community Development Corporation as the Investor Limited Partner and as State Equity Limited Partner.

Together, the two General Partners, (the Housing Authority of the City of Fresno and Silvercrest Inc.) are allocated a 0.01% interest of all net profits (or net losses) of the partnership. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985. See note 4 for descriptions of any related party transactions between the Agency and the partnership.

Fresno Renaissance at Trinity LP

Fresno Renaissance at Trinity, a California Limited Partnership, was formed to acquire, construct/rehabilitate, and operate the Renaissance at Trinity Apartments, a 21 unit permanent supportive housing project located in Fresno, California. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on June 9, 2010, by Fresno Renaissance at Trinity, LLC, a California limited liability company as the Administrative General Partner and Silvercrest Inc., a California nonprofit public benefit corporation as the Managing General Partner. The agreement was later amended as of December 1, 2010 to admit PNC Real Estate Tax Credit Capital Institutional Fund 47 Limited Partnership as the Investment Limited Partner, and Colombia Housing SLP Corporation as the Special Limited Partner.

Together, the two General Partners (Fresno Renaissance at Trinity LLC and Silvercrest Inc.) are allocated 0.01% interest of all net profits (or net losses) of the partnership. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985. See note 4 for descriptions of any related party transactions between the Housing Authority and the partnership.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(15) **Participation in Related Party Limited Partnerships, (Continued)**

Fresno Pacific Gardens LP

Fresno Pacific Gardens, a California Limited Partnership, was formed to acquire, construct/rehabilitate, and operate the Fresno Pacific Gardens Apartments, a 56 unit multi-family housing development located in Fresno, California. The partnership received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on January 1, 2011, by Fresno Pacific Gardens AGP LLC, a California limited liability company as the Administrative General Partner and Silvercrest Inc., a California nonprofit public benefit corporation as the Managing General Partner. The agreement was later amended as of March 14, 2011 to admit PNC Real Estate Tax Credit Capital Institutional Fund 46 Limited Partnership as the Investment Limited Partner, and Colombia Housing SLP Corporation as the Special Limited Partner.

Together, the two General Partners (Fresno Pacific Gardens AGP LLC and Silvercrest Inc.) are allocated 0.01% interest of all net profits (or net losses) of the partnership. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985.

Fresno Renaissance at Alta Monte LP

Fresno Renaissance at Alta Monte, a California Limited Partnership, was formed to acquire, construct / rehabilitate, and operate the Fresno Renaissance at Alta Monte, a 70 unit permanent supportive housing project located in Fresno, California. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on September 23, 2009, by Fresno Renaissance at Alta Monte LLC, a California limited liability company as the Administrative General Partner and Silvercrest Inc., a California nonprofit public benefit corporation as the

Managing General Partner. The agreement was later amended as of June 23, 2011 to admit PNC Real Estate Tax Credit Capital Institutional Fund 49 Limited Partnership as the Investment Limited Partner, and Colombia Housing SLP Corporation as the Special Limited Partner.

Together, the two General Partners (Fresno Renaissance at Alta Monte LLC and Silvercrest Inc.) are allocated 0.01% interest of all net profits (or net losses) of the partnership. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(15) **Participation in Related Party Limited Partnerships, (Continued)**

1555 Santa Clara Street LP

1555 Santa Clara Street, a California Limited Partnership, was formed to acquire, construct, and operate 1555 Santa Clara Street, a 30 unit permanent supportive housing project located in the Fresno, California. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on December 14, 2011, by 1555 Santa Clara Street LLC, a California limited liability company as the Administrative General Partner and Silvercrest Inc., a California nonprofit public benefit corporation as the Managing General Partner. The agreement was later amended as of June 22, 2011 to admit PNC Real Estate Tax Credit Capital Institutional Fund 47 Limited Partnership as the Investment Limited Partner, and Colombia Housing SLP Corporation as the Special Limited Partner.

Together, the two General Partners (1555 Santa Clara Street LLC and Silvercrest Inc.) are allocated 0.01% interest of all net profits (or net losses) of the partnership. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985.

Bridges at Florence LP

On April 12, 2012, Silvercrest, Inc., a California nonprofit public benefit corporation, entered into an agreement to form the Bridges at Florence, a California Limited Liability Company, to acquire, construct, and operate the Bridges at Florence, a 34 unit affordable-housing complex and community resource building. The purpose of this project is to expand availability of long-term housing for low income persons residing in the City of Fresno, California.

Silvercrest, Inc is the Managing General Partner and the Limited Partner. Bridges at Florence AGP, LLC, is the Administrative General Partner. Silvercrest, Inc., as Limited Partner, is allocated 99.99% interest of all net profits (or net losses) of the partnership. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985.

Parc Grove Commons Northwest LP

On March 1, 2012, Silvercrest, Inc, a California nonprofit public benefit corporation, entered into an agreement to form Parc Grove Commons Northwest, a California Limited Liability Company to acquire, construct and/or rehabilitate as applicable and operate Parc Grove Commons Northwest, a 148 unit affordable-housing complex and community resource building. The purpose of this project is to expand availability of long-term housing for low income persons residing in the City of Fresno, California.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(15) Participation in Related Party Limited Partnerships, (Continued)

Silvercrest Inc is the Managing General Partner and the Limited Partner. Parc Grove Commons Northwest AGP, LCC, is the Administrative General Partner. Silvercrest Inc., as Limited Partner, is allocated 99.99% interest of all net profits (or net losses) of the partnership. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985.

(16) Other Related Parties

Better Opportunities Builders, Inc.

The Executive Director of the Agency serves as the Secretary-Treasurer of Better Opportunities Builders, Inc. (BOB). Another of the Agency's staff serves as the Executive Officer of BOB. One of the Agency's Commissioners serves on the Board of Directors of BOB. Accordingly, the Agency can exercise significant influence over BOB. BOB has agreed to be the managing general partner in several low income housing projects within the City of Fresno.

BOB maintains its own administrative staff. The salaries of this staff are paid through the Agency's payroll system. The Agency also provides management and bookkeeping services for BOB. BOB reimburses the Agency on a monthly basis for these costs.

Housing Authority of the County of Fresno

The Housing Authority of the County of Fresno was established by a resolution of the Fresno County Board of Supervisors on February 5, 1946. The Authority is governed by a seven member Board of Commissioners who are appointed to four year terms by the County Board of Supervisors, reports on a calendar year, and has issued separate financial and compliance audits for 2012. The County and City Housing Authorities operate and report separately while sharing the same management team and staff. All significant related party transactions have been appropriately identified in the accompanying financial statements.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(17) Interfund and Interagency Activity

The following is a summary of changes in interfund loans as of December 31, 2012:

	<u>Balance</u> <u>12/31/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/12</u>	<u>Due within</u> <u>One Year</u>
Receivables:					
LIHOP from SPC	\$ 126,682	-	(126,682)	-	-
City RF from NSP	948,654	179,623	-	1,128,277	1,128,277
City RF from various	<u>1,075,559</u>	<u>5,756</u>	<u>-</u>	<u>1,081,315</u>	<u>-</u>
Total receivables	<u>\$ 2,150,895</u>	<u>185,379</u>	<u>(126,682)</u>	<u>2,209,592</u>	<u>1,128,277</u>
Payables:					
Affordable Housing to various	\$ 205,800	-	-	205,800	-
SPC to LIHOP	126,682	-	(126,682)	-	-
Villa Del Mar, Inc. to City RF	-	5,756	-	5,756	-
P&CD to various	500,000	-	-	500,000	-
NSP to City RF	948,654	179,623	-	1,128,277	1,128,277
Parc Grove Commons to City RF	<u>369,759</u>	<u>-</u>	<u>-</u>	<u>369,759</u>	<u>-</u>
Total payables	<u>\$ 2,150,895</u>	<u>185,379</u>	<u>(126,682)</u>	<u>2,209,592</u>	<u>1,128,277</u>

The Agency has made various interfund loans. Interfund balances have been eliminated in the Statement of Net Assets. The majority of these loans carry no interest. Those loans that accrue interest are as follows:

On May 28, 2008, the Agency approved a loan of \$500,000 from the Relinquished Fund to the Planning and Community Development Fund. This loan carries an interest rate of 3% per annum. The outstanding balance of the loan and accrued interest at December 31, 2012 is \$500,000 and \$50,855 respectively.

(18) Contingent Liabilities

A. Grants

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

B. Pending Litigation

In the normal course of operations, the Agency may become a defendant in various litigation disputes. In the opinion of management and counsel, the outcome of current litigation not already accrued as a liability, is not expected to materially or adversely affect the financial position of the Agency.

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(18) Contingent Liabilities, (Continued)

C. Guarantees

The Agency has made certain guarantees with regards to the completion of development projects, including repayment of construction loans and tax credit delivery. On these development projects, the Agency has also made guarantees with regards to operating deficits for defined periods beyond stabilization of the property. In addition, the Agency has indemnified Silvercrest, Inc. and Better Opportunities Builder, Inc. related to general partner and developer obligations.

D. HUD Guaranteed Debt

In 1999, HUD directed the Agency to remove all HUD guaranteed debt from their financial statements. These HUD-guaranteed notes and bonds have not been forgiven by HUD. However, the Public Housing Programs' Annual Contributions Contract (ACC) states that all debt service requirements related to these notes will be HUD's responsibility. It is therefore management's opinion, that the Agency is not currently liable for these notes as long as the federal government continues to honor the ACC. Accordingly, the accompanying financial statements have not been adjusted to reflect any related loss contingency.

(19) Restricted Net Position

Net position is reported as restricted when constraints placed on the net position uses are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation and/or imposed time restrictions. The Agency has reported the following as restricted net position:

Externally required reserves:	
Housing Assistance Payments	2,101,851
USDA projects	385,113
California Housing Finance Agency (CHFA)	87,276
Other	\$ 20,187
Total	<u>\$ 2,594,427</u>

HOUSING AUTHORITY OF THE CITY OF FRESNO

NOTES TO THE BASIC FINANCIAL STATEMENTS

(Continued)

(20) Restatement of Beginning Equity

During the year ended December 31, 2012, the Agency made certain adjustments to beginning equity.

The Agency has one Central Office Cost Center (COCC) Fund that reflects activity of both the Fresno City Housing Authority and the Fresno County Housing Authority. 2011 was the first year that separate Financial Statements were prepared for each of the entities. When allocating the COCC activity between the City and County Housing Authorities this year, it was noted that certain allocations were incorrectly made in the prior year. As a result the Agency has restated the opening equities of the City and County Housing Authorities reallocate approximately \$1,292,859 of assets and liabilities from the City Housing Authority to the County Housing Authority.

The Agency enters into certain developer type agreements whereby the Agency will earn fees associated with these developments. A \$556,588 management fee earned by the City Housing Authority prior to 2012 had not been recorded a receivable in the prior year. As a result, opening equity has been restated to reflect this receivable as of December 31, 2011.

The following schedule summarizes the effect of these restatements:

Net position at end of year, as previously reported	\$64,600,863
Adjustment for certain assets and liabilities related to COCC allocations	1,292,859
Adjustment to reflect developer fee revenue earned in prior years	<u>556,588</u>
Net position at beginning of year, as restated	<u>\$66,450,310</u>

SUPPLEMENTAL INFORMATION

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
111 Cash - Unrestricted	\$2,771,492	\$0		\$310,756	\$710
112 Cash - Restricted - Modernization and Development		\$0			
113 Cash - Other Restricted	\$8,824	\$0			\$385,113
114 Cash - Tenant Security Deposits	\$161,958	\$0			\$13,276
115 Cash - Restricted for Payment of Current Liabilities		\$0			
100 Total Cash	\$2,942,274	\$0	\$0	\$310,756	\$399,099
121 Accounts Receivable - PHA Projects		\$0			
122 Accounts Receivable - HUD Other Projects	\$72,616	\$0			
124 Accounts Receivable - Other Government	\$123				
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$8,718	\$273,347	\$586
126 Accounts Receivable - Tenants	\$33,621	\$0			\$502
126.1 Allowance for Doubtful Accounts -Tenants	-\$4,245	\$0			\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery		\$0			
128.1 Allowance for Doubtful Accounts - Fraud		\$0			
129 Accrued Interest Receivable		\$0			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$102,115	\$0	\$8,718	\$273,347	\$1,088
131 Investments - Unrestricted		\$0			
132 Investments - Restricted		\$0			
135 Investments - Restricted for Payment of Current Liability		\$0			
142 Prepaid Expenses and Other Assets		\$0			
143 Inventories		\$0			

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
143.1 Allowance for Obsolete Inventories		\$0			
144 Inter Program Due From		\$0			
145 Assets Held for Sale		\$0		\$1,117,747	
150 Total Current Assets	\$3,044,389	\$0	\$8,718	\$1,701,850	\$400,187
161 Land	\$1,675,406	\$0			\$119,742
162 Buildings	\$49,175,702	\$0			\$2,408,871
163 Furniture, Equipment & Machinery - Dwellings	\$973,662	\$0			\$111,397
164 Furniture, Equipment & Machinery - Administration	\$1,151,014	\$0			\$7,385
165 Leasehold Improvements		\$0			
166 Accumulated Depreciation	-\$43,197,403	\$0			-\$1,851,813
167 Construction in Progress	\$2,385,064	\$0			
168 Infrastructure		\$0			
160 Total Capital Assets, Net of Accumulated Depreciation	\$12,163,445	\$0	\$0	\$0	\$795,582
171 Notes, Loans and Mortgages Receivable - Non-Current	\$8,424,144	\$0			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		\$0			
173 Grants Receivable - Non Current		\$0			
174 Other Assets	\$1,042,050	\$0			
176 Investments in Joint Ventures		\$0			
180 Total Non-Current Assets	\$21,629,639	\$0	\$0	\$0	\$795,582
190 Total Assets	\$24,674,028	\$0	\$8,718	\$1,701,850	\$1,195,769
311 Bank Overdraft		\$0			
312 Accounts Payable <= 90 Days	\$51,345		\$84	\$1,359	\$2,022

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
313 Accounts Payable >90 Days Past Due		\$0			
321 Accrued Wage/Payroll Taxes Payable	\$18,586		\$454	\$1,195	\$1,247
322 Accrued Compensated Absences - Current Portion	\$9,724	\$0	\$1,169		\$3,809
324 Accrued Contingency Liability		\$0			
325 Accrued Interest Payable	\$4,929	\$0		\$112,219	
331 Accounts Payable - HUD PHA Programs		\$0			
332 Account Payable - PHA Projects		\$0			
333 Accounts Payable - Other Government	\$258,361	\$0	\$7,904		
341 Tenant Security Deposits	\$161,958	\$0			\$13,276
342 Deferred Revenues		\$0			\$3,180
343 Current Portion of Long-term Debt - Capital Projects/Mortgage		\$0			\$95,762
344 Current Portion of Long-term Debt - Operating Borrowings		\$0		\$1,128,277	
345 Other Current Liabilities	\$1,086	\$0			
346 Accrued Liabilities - Other		\$0			
347 Inter Program - Due To	\$424,531	\$106	\$1,655	\$227	\$62,161
348 Loan Liability - Current		\$0			
310 Total Current Liabilities	\$930,520	\$106	\$11,266	\$1,243,277	\$181,457
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$140,768	\$0			\$703,952
352 Long-term Debt, Net of Current - Operating Borrowings	\$98,097	\$0		\$988,668	
353 Non-current Liabilities - Other	\$50,589	\$0			
354 Accrued Compensated Absences - Non Current	\$34,318		\$2,238	\$597	\$6,267
355 Loan Liability - Non Current	\$0	\$0			
356 FASB 5 Liabilities		\$0			
357 Accrued Pension and OPEB Liabilities		\$0			
350 Total Non-Current Liabilities	\$323,772	\$0	\$2,238	\$989,265	\$710,219

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
300 Total Liabilities	\$1,254,292	\$106	\$13,504	\$2,232,542	\$891,676
508.1 Invested In Capital Assets, Net of Related Debt	\$12,022,677	\$0			-\$4,131
511.1 Restricted Net Assets	\$24	\$0			\$385,113
512.1 Unrestricted Net Assets	\$11,397,035	-\$106	-\$4,786	-\$530,692	-\$76,889
513 Total Equity/Net Assets	\$23,419,736	-\$106	-\$4,786	-\$530,692	\$304,093
600 Total Liabilities and Equity/Net Assets	\$24,674,028	\$0	\$8,718	\$1,701,850	\$1,195,769

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
111 Cash - Unrestricted			\$469,189	\$1,198,915	\$570
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted			\$2,216,454		
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$0	\$2,685,643	\$1,198,915	\$570
121 Accounts Receivable - PHA Projects			\$2,047		
122 Accounts Receivable - HUD Other Projects		\$10,171			
124 Accounts Receivable - Other Government	\$46,488		\$0		
125 Accounts Receivable - Miscellaneous			\$110,021	\$1,760	
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts - Tenants			\$0		
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	-\$29,904	\$0	-\$109,464
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$46,488	\$10,171	\$82,164	\$1,760	-\$109,464
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets					
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
144 Inter Program Due From					
145 Assets Held for Sale				\$106,361	
150 Total Current Assets	\$46,488	\$10,171	\$2,767,807	\$1,307,036	-\$108,894
161 Land					
162 Buildings				\$2,343,060	
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration			\$1,247,699	\$33,406	\$3,051
165 Leasehold Improvements					
166 Accumulated Depreciation			-\$1,244,425	-\$423,341	-\$3,051
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$3,274	\$1,953,125	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current				\$4,905,351	\$109,464
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$3,274	\$6,858,476	\$109,464
190 Total Assets	\$46,488	\$10,171	\$2,771,081	\$8,165,512	\$570
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$66		\$7,408	\$928	
313 Accounts Payable >90 Days Past Due					

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
321 Accrued Wage/Payroll Taxes Payable	\$2,075	\$1,798	\$48,360		
322 Accrued Compensated Absences - Current Portion		\$437	\$50,790	\$2,314	
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Deferred Revenues			\$72,807		
343 Current Portion of Long-term Debt - Capital Projects/Mortgage					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities	\$1,400				
346 Accrued Liabilities - Other					
347 Inter Program - Due To	\$69,997	\$7,790	\$10,472	\$153	
348 Loan Liability - Current					
310 Total Current Liabilities	\$73,538	\$10,025	\$189,837	\$3,395	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$114,603		
354 Accrued Compensated Absences - Non Current	\$6,115	\$532	\$89,220	\$1,990	
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$6,115	\$532	\$203,823	\$1,990	\$0

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
300 Total Liabilities	\$79,653	\$10,557	\$393,660	\$5,385	\$0
508.1 Invested In Capital Assets, Net of Related Debt			\$3,274	\$1,953,125	
511.1 Restricted Net Assets			\$2,101,851		
512.1 Unrestricted Net Assets	-\$33,165	-\$386	\$272,296	\$6,207,002	\$570
513 Total Equity/Net Assets	-\$33,165	-\$386	\$2,377,421	\$8,160,127	\$570
600 Total Liabilities and Equity/Net Assets	\$46,488	\$10,171	\$2,771,081	\$8,165,512	\$570

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
111 Cash - Unrestricted	\$685	\$41,107		\$66,588	\$7,590
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted	\$87,276				
114 Cash - Tenant Security Deposits	\$13,330				
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$101,291	\$41,107	\$0	\$66,588	\$7,590
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects			\$195,683		\$43,561
124 Accounts Receivable - Other Government				\$46,305	
125 Accounts Receivable - Miscellaneous					\$4,430
126 Accounts Receivable - Tenants	\$561				
126.1 Allowance for Doubtful Accounts - Tenants	-\$788				
126.2 Allowance for Doubtful Accounts - Other			\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	-\$227	\$0	\$195,683	\$46,305	\$47,991
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets					
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$101,064	\$41,107	\$195,683	\$112,893	\$55,581
161 Land	\$158,970				
162 Buildings	\$2,636,849				
163 Furniture, Equipment & Machinery - Dwellings	\$92,288			\$30,360	
164 Furniture, Equipment & Machinery - Administration	\$39,446			\$8,950	\$177,832
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$2,670,366			-\$29,674	-\$167,706
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$257,187	\$0	\$0	\$9,636	\$10,126
171 Notes, Loans and Mortgages Receivable - Non-Current					\$1,120,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					\$18,234
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$257,187	\$0	\$0	\$9,636	\$1,148,360
190 Total Assets	\$358,251	\$41,107	\$195,683	\$122,529	\$1,203,941
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$3,968		\$143	\$5,170	\$11,258
313 Accounts Payable >90 Days Past Due					

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
321 Accrued Wage/Payroll Taxes Payable	\$1,615		\$464	\$1,698	\$1,217
322 Accrued Compensated Absences - Current Portion	\$548		\$860	\$6,658	\$2,369
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	\$13,330				
342 Deferred Revenues	\$2,194				\$8,953
343 Current Portion of Long-term Debt - Capital Projects/Mortgage	\$114,241				
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities			\$187,189		
346 Accrued Liabilities - Other					
347 Inter Program - Due To	\$100,427		\$203,843	\$335	\$30,263
348 Loan Liability - Current					
310 Total Current Liabilities	\$236,323	\$0	\$392,499	\$13,861	\$54,060
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$1,180,431				
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	\$4,524		\$3,382	\$9,446	\$1,722
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$1,184,955	\$0	\$3,382	\$9,446	\$1,722

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
300 Total Liabilities	\$1,421,278	\$0	\$395,881	\$23,307	\$55,782
508.1 Invested In Capital Assets, Net of Related Debt	-\$1,037,486			\$9,636	\$10,126
511.1 Restricted Net Assets	\$87,276				
512.1 Unrestricted Net Assets	-\$112,817	\$41,107	-\$200,198	\$89,586	\$1,138,033
513 Total Equity/Net Assets	-\$1,063,027	\$41,107	-\$200,198	\$99,222	\$1,148,159
600 Total Liabilities and Equity/Net Assets	\$358,251	\$41,107	\$195,683	\$122,529	\$1,203,941

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
111 Cash - Unrestricted	\$43,206	\$1,193,698			\$6,104,506
112 Cash - Restricted - Modernization and Development					\$0
113 Cash - Other Restricted	\$20,186				\$2,717,853
114 Cash - Tenant Security Deposits		\$118,042			\$306,606
115 Cash - Restricted for Payment of Current Liabilities					\$0
100 Total Cash	\$63,392	\$1,311,740	\$0	\$0	\$9,128,965
121 Accounts Receivable - PHA Projects					\$2,047
122 Accounts Receivable - HUD Other Projects					\$322,031
124 Accounts Receivable - Other Government	\$341				\$93,257
125 Accounts Receivable - Miscellaneous	\$774,926			\$934,967	\$2,108,755
126 Accounts Receivable - Tenants		\$1,729			\$36,413
126.1 Allowance for Doubtful Accounts - Tenants		\$0			-\$5,033
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	-\$139,368
127 Notes, Loans, & Mortgages Receivable - Current	\$1,128,277				\$1,128,277
128 Fraud Recovery					\$0
128.1 Allowance for Doubtful Accounts - Fraud					\$0
129 Accrued Interest Receivable	\$112,219				\$112,219
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,015,763	\$1,729	\$0	\$934,967	\$3,658,598
131 Investments - Unrestricted					\$0
132 Investments - Restricted					\$0
135 Investments - Restricted for Payment of Current Liability					\$0
142 Prepaid Expenses and Other Assets	\$250,211				\$250,211
143 Inventories					\$0
143.1 Allowance for Obsolete Inventories					\$0

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
144 Inter Program Due From	\$850,711	\$614,982			\$1,465,693
145 Assets Held for Sale	\$126,739			\$640,361	\$1,991,208
150 Total Current Assets	\$3,306,816	\$1,928,451	\$0	\$1,575,328	\$6,810,595
161 Land		\$1,140,893		\$1,225,611	\$4,320,622
162 Buildings		\$5,166,955		\$4,033,272	\$65,764,709
163 Furniture, Equipment & Machinery - Dwellings				\$564	\$1,208,271
164 Furniture, Equipment & Machinery - Administration	\$13,476		\$25,126	\$1,439,420	\$4,146,805
165 Leasehold Improvements					\$0
166 Accumulated Depreciation	-\$13,476	-\$2,936,573	-\$24,655	-\$3,586,129	-\$56,148,612
167 Construction in Progress		\$1,303,787		\$1,988,337	\$5,677,188
168 Infrastructure					\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$4,675,062	\$471	\$5,101,075	\$24,968,983
171 Notes, Loans and Mortgages Receivable - Non-Current	\$3,196,315				\$17,755,274
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					\$0
173 Grants Receivable - Non Current					\$0
174 Other Assets	\$1,774,536	\$144,830		\$11,908	\$2,991,558
176 Investments in Joint Ventures	\$24,400,310				\$24,400,310
180 Total Non-Current Assets	\$29,371,161	\$4,819,892	\$471	\$5,112,983	\$70,116,125
190 Total Assets	\$32,677,977	\$6,748,343	\$471	\$6,688,311	\$86,610,800
311 Bank Overdraft					\$0
312 Accounts Payable <= 90 Days	\$48,125	\$36,351		\$232,912	\$401,139
313 Accounts Payable >90 Days Past Due					\$0

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
321 Accrued Wage/Payroll Taxes Payable	\$98,598			\$57,248	\$234,555
322 Accrued Compensated Absences - Current Portion	\$2,354			\$37,619	\$118,651
324 Accrued Contingency Liability					\$0
325 Accrued Interest Payable	\$6,814	\$19,143		\$421,946	\$565,051
331 Accounts Payable - HUD PHA Programs					\$0
332 Account Payable - PHA Projects					\$0
333 Accounts Payable - Other Government					\$266,265
341 Tenant Security Deposits		\$118,042			\$306,606
342 Deferred Revenues				\$79,647	\$166,781
343 Current Portion of Long-term Debt - Capital Projects/Mortgage		\$161,535		\$1,996,789	\$2,368,327
344 Current Portion of Long-term Debt - Operating Borrowings	\$1,231,604				\$2,359,881
345 Other Current Liabilities	\$516,185	\$367		\$1,104,094	\$1,810,321
346 Accrued Liabilities - Other	\$94,727				\$94,727
347 Inter Program - Due To	\$45,852	\$268,013		\$239,868	\$1,465,693
348 Loan Liability - Current					\$0
310 Total Current Liabilities	\$2,044,259	\$603,451	\$0	\$4,170,123	\$10,157,997
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$1,398,035	\$4,568,106		\$2,762,804	\$10,754,096
352 Long-term Debt, Net of Current - Operating Borrowings		\$575,559		\$500,000	\$2,162,324
353 Non-current Liabilities - Other	\$239,386	\$231,096		\$98,717	\$734,391
354 Accrued Compensated Absences - Non Current				\$152,905	\$313,256
355 Loan Liability - Non Current					\$0
356 FASB 5 Liabilities					\$0
357 Accrued Pension and OPEB Liabilities					\$0
350 Total Non-Current Liabilities	\$1,637,421	\$5,374,761	\$0	\$3,514,426	\$13,964,067

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
300 Total Liabilities	\$3,681,680	\$5,978,212	\$0	\$7,684,549	\$24,122,064
508.1 Invested In Capital Assets, Net of Related Debt	-\$1,398,035	-\$54,579	\$471	\$341,482	\$11,846,560
511.1 Restricted Net Assets	\$20,186		\$0		\$2,594,450
512.1 Unrestricted Net Assets	\$30,374,146	\$824,710	\$0	-\$1,337,720	\$48,047,726
513 Total Equity/Net Assets	\$28,996,297	\$770,131	\$471	-\$996,238	\$62,488,736
600 Total Liabilities and Equity/Net Assets	\$32,677,977	\$6,748,343	\$471	\$6,688,311	\$86,610,800

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
111 Cash - Unrestricted		\$6,104,506
112 Cash - Restricted - Modernization and Development		\$0
113 Cash - Other Restricted		\$2,717,853
114 Cash - Tenant Security Deposits		\$306,606
115 Cash - Restricted for Payment of Current Liabilities		\$0
100 Total Cash	\$0	\$9,128,965
121 Accounts Receivable - PHA Projects		\$2,047
122 Accounts Receivable - HUD Other Projects		\$322,031
124 Accounts Receivable - Other Government		\$93,257
125 Accounts Receivable - Miscellaneous		\$2,108,755
126 Accounts Receivable - Tenants		\$36,413
126.1 Allowance for Doubtful Accounts - Tenants		-\$5,033
126.2 Allowance for Doubtful Accounts - Other		-\$139,368
127 Notes, Loans, & Mortgages Receivable - Current	-\$1,128,277	\$0
128 Fraud Recovery		\$0
128.1 Allowance for Doubtful Accounts - Fraud		\$0
129 Accrued Interest Receivable	-\$112,219	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	-\$1,240,496	\$2,418,102
131 Investments - Unrestricted		\$0
132 Investments - Restricted		\$0
135 Investments - Restricted for Payment of Current Liability		\$0
142 Prepaid Expenses and Other Assets		\$250,211
143 Inventories		\$0
143.1 Allowance for Obsolete Inventories		\$0

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
144 Inter Program Due From	-\$1,465,693	\$0
145 Assets Held for Sale		\$1,991,208
150 Total Current Assets	-\$2,706,189	\$13,788,486
161 Land		\$4,320,622
162 Buildings		\$65,764,709
163 Furniture, Equipment & Machinery - Dwellings		\$1,208,271
164 Furniture, Equipment & Machinery - Administration		\$4,146,805
165 Leasehold Improvements		\$0
166 Accumulated Depreciation		-\$56,148,612
167 Construction in Progress		\$5,677,188
168 Infrastructure		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$24,968,983
171 Notes, Loans and Mortgages Receivable - Non-Current	-\$1,075,559	\$16,679,715
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		\$0
173 Grants Receivable - Non Current		\$0
174 Other Assets		\$2,991,558
176 Investments in Joint Ventures		\$24,400,310
180 Total Non-Current Assets	-\$1,075,559	\$69,040,566
190 Total Assets	-\$3,781,748	\$82,829,052
311 Bank Overdraft		\$0
312 Accounts Payable <= 90 Days		\$401,139
313 Accounts Payable >90 Days Past Due		\$0

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
321 Accrued Wage/Payroll Taxes Payable		\$234,555
322 Accrued Compensated Absences - Current Portion		\$118,651
324 Accrued Contingency Liability		\$0
325 Accrued Interest Payable	-\$112,219	\$452,832
331 Accounts Payable - HUD PHA Programs		\$0
332 Account Payable - PHA Projects		\$0
333 Accounts Payable - Other Government		\$266,265
341 Tenant Security Deposits		\$306,606
342 Deferred Revenues		\$166,781
343 Current Portion of Long-term Debt - Capital Projects/Mortgage		\$2,368,327
344 Current Portion of Long-term Debt - Operating Borrowings	-\$1,128,277	\$1,231,604
345 Other Current Liabilities		\$1,810,321
346 Accrued Liabilities - Other		\$94,727
347 Inter Program - Due To	-\$1,465,693	\$0
348 Loan Liability - Current		\$0
310 Total Current Liabilities	-\$2,706,189	\$7,451,808
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$10,754,096
352 Long-term Debt, Net of Current - Operating Borrowings	-\$1,075,559	\$1,086,765
353 Non-current Liabilities - Other		\$734,391
354 Accrued Compensated Absences - Non Current		\$313,256
355 Loan Liability - Non Current		\$0
356 FASB 5 Liabilities		\$0
357 Accrued Pension and OPEB Liabilities		\$0
350 Total Non-Current Liabilities	-\$1,075,559	\$12,888,508

Housing Authority City of Fresno (CA006)
 FRESNO, CA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
300 Total Liabilities	-\$3,781,748	\$20,340,316
508.1 Invested In Capital Assets, Net of Related Debt		\$11,846,560
511.1 Restricted Net Assets		\$2,594,450
512.1 Unrestricted Net Assets		\$48,047,726
513 Total Equity/Net Assets	\$0	\$62,488,736
600 Total Liabilities and Equity/Net Assets	-\$3,781,748	\$82,829,052

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
70300 Net Tenant Rental Revenue	\$1,599,681				\$171,497
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$1,599,681	\$0	\$0	\$0	\$171,497
70600 HUD PHA Operating Grants	\$1,865,285	\$32,483	\$124,283		
70610 Capital Grants	\$1,242,381				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$1,149				\$105,397
71100 Investment Income - Unrestricted	\$7,502				\$13
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale				\$1,398,895	
71310 Cost of Sale of Assets				-\$1,315,697	
71400 Fraud Recovery					
71500 Other Revenue	\$438,264	\$0			\$7,169
71600 Gain or Loss on Sale of Capital Assets	\$21,984				
72000 Investment Income - Restricted					\$381
70000 Total Revenue	\$5,176,246	\$32,483	\$124,283	\$83,198	\$284,457
91100 Administrative Salaries	\$326,798	\$18,095	\$37,406	\$38,741	\$18,043

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
91200 Auditing Fees	\$12,258				\$614
91300 Management Fee	\$651,436				\$7,500
91310 Book-keeping Fee	\$58,686				\$4,800
91400 Advertising and Marketing	\$4,215			\$42	\$632
91500 Employee Benefit contributions - Administrative	\$219,051	\$5,910	\$6,263	\$11,750	\$6,826
91600 Office Expenses	\$29,826	\$245	\$46	\$2,197	\$1,190
91700 Legal Expense	\$7,807			\$5,113	\$49
91800 Travel		\$106			\$561
91810 Allocated Overhead					
91900 Other	\$783,451	\$5,751	\$60,798	\$6,227	\$12,597
91000 Total Operating - Administrative	\$2,093,528	\$30,107	\$104,513	\$64,070	\$52,812
92000 Asset Management Fee	\$79,920				
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100 Water	\$131,202				\$8,465
93200 Electricity	\$79,754				\$656
93300 Gas	\$4,013				\$201
93400 Fuel					
93500 Labor					
93600 Sewer	\$139,170				\$8,430
93700 Employee Benefit Contributions - Utilities					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
93800 Other Utilities Expense					
93000 Total Utilities	\$354,139	\$0	\$0	\$0	\$17,752
94100 Ordinary Maintenance and Operations - Labor	\$306,741				\$22,791
94200 Ordinary Maintenance and Operations - Materials and Other	\$388,103	\$0			\$26,725
94300 Ordinary Maintenance and Operations Contracts	\$507,061	\$0		\$339	\$29,723
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0				\$6,870
94000 Total Maintenance	\$1,201,905	\$0	\$0	\$339	\$86,109
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$3,429				\$1,549
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					\$0
95000 Total Protective Services	\$3,429	\$0	\$0	\$0	\$1,549
96110 Property Insurance	\$34,876				\$2,185
96120 Liability Insurance	\$5,473				\$343
96130 Workmen's Compensation	\$48,331	\$581	\$567	\$885	\$3,790
96140 All Other Insurance	\$52,491	\$0	\$152	\$613	\$3,028
96100 Total insurance Premiums	\$141,171	\$581	\$719	\$1,498	\$9,346
96200 Other General Expenses	\$332,591	\$0	\$19,918		\$402
96210 Compensated Absences	\$61,581	\$1,901	\$1,849	\$420	\$4,608
96300 Payments in Lieu of Taxes	\$132,931				
96400 Bad debt - Tenant Rents	\$34,612				
96500 Bad debt - Mortgages	\$0				

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
96600 Bad debt - Other	\$0	\$0			
96800 Severance Expense	\$0				
96000 Total Other General Expenses	\$561,715	\$1,901	\$21,767	\$420	\$5,010
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)	\$14,664			\$43,467	\$9,036
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$14,664	\$0	\$0	\$43,467	\$9,036
96900 Total Operating Expenses	\$4,450,471	\$32,589	\$126,999	\$109,794	\$181,614
97000 Excess of Operating Revenue over Operating Expenses	\$725,775	-\$106	-\$2,716	-\$26,596	\$102,843
97100 Extraordinary Maintenance	\$589,532				\$40,319
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments			\$2,070		
97350 HAP Portability-In					
97400 Depreciation Expense	\$1,291,377				\$82,272
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$6,331,380	\$32,589	\$129,069	\$109,794	\$304,205
10010 Operating Transfer In	\$0				
10020 Operating transfer Out					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
10030 Operating Transfers from/to Primary Government	-\$3,978,495				
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In	\$56,578				
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In	\$0				
10094 Transfers between Project and Program - Out	-\$56,578				
10100 Total Other financing Sources (Uses)	-\$3,978,495	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$5,133,629	-\$106	-\$4,786	-\$26,596	-\$19,748
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$29,026,562	\$0	\$0	-\$504,096	\$296,680
11040 Prior Period Adjustments, Equity Transfers and Correction of	-\$473,197				\$27,161
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					
11180 Housing Assistance Payments Equity					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	Project Total	14.169 Housing Counseling Assistance Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments
11190 Unit Months Available	9360				480
11210 Number of Unit Months Leased	9273				457
11270 Excess Cash	\$1,805,243				
11610 Land Purchases	\$0				
11620 Building Purchases	\$5,974				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$137,770	\$46,010,303		
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants		\$2,087			
71100 Investment Income - Unrestricted			\$0	\$2,501	\$1
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale				\$115,000	
71310 Cost of Sale of Assets				-\$185,856	
71400 Fraud Recovery			\$59,468		
71500 Other Revenue	\$139,060		\$123,647	\$10,000	
71600 Gain or Loss on Sale of Capital Assets			\$13,840		
72000 Investment Income - Restricted			\$9,655		
70000 Total Revenue	\$139,060	\$139,857	\$46,216,913	-\$58,355	\$1
91100 Administrative Salaries	\$91,392	\$48,607	\$1,779,464	\$25,997	
91200 Auditing Fees			\$29,336		

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
91300 Management Fee			\$979,704		
91310 Book-keeping Fee			\$612,318		
91400 Advertising and Marketing			\$1,345		
91500 Employee Benefit contributions - Administrative	\$33,060	\$14,962	\$602,744	\$8,114	
91600 Office Expenses	\$2,823	\$4,474	\$103,678	\$493	
91700 Legal Expense				\$1,899	
91800 Travel	\$458		\$4,779		
91810 Allocated Overhead					
91900 Other	\$29,790	\$64,560	\$691,046	\$7,419	
91000 Total Operating - Administrative	\$157,523	\$132,603	\$4,804,414	\$43,922	\$0
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100 Water				\$325	
93200 Electricity					
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
93000 Total Utilities	\$0	\$0	\$0	\$325	\$0
94100 Ordinary Maintenance and Operations - Labor			\$5,668		
94200 Ordinary Maintenance and Operations - Materials and Other	\$269		\$17,002	-\$309	
94300 Ordinary Maintenance and Operations Contracts	\$931		\$45,129	\$21,708	
94500 Employee Benefit Contributions - Ordinary Maintenance			\$0		
94000 Total Maintenance	\$1,200	\$0	\$67,799	\$21,399	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance				\$59	
96120 Liability Insurance				\$9	
96130 Workmen's Compensation	\$3,261	\$1,196	\$45,974	\$844	
96140 All Other Insurance	\$5,050	\$2,193	\$89,329	\$522	
96100 Total insurance Premiums	\$8,311	\$3,389	\$135,303	\$1,434	\$0
96200 Other General Expenses	\$15	\$34	\$25,671	\$10,358	
96210 Compensated Absences	\$9,571	\$4,217	\$185,734	\$2,601	
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other	\$50		\$27,883	\$66,828	

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
96800 Severance Expense					
96000 Total Other General Expenses	\$9,636	\$4,251	\$239,288	\$79,787	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$176,670	\$140,243	\$5,246,804	\$146,867	\$0
97000 Excess of Operating Revenue over Operating Expenses	-\$37,610	-\$386	\$40,970,109	-\$205,222	\$1
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments			\$43,516,203		
97350 HAP Portability-In					
97400 Depreciation Expense			\$2,085	\$78,713	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$176,670	\$140,243	\$48,765,092	\$225,580	\$0
10010 Operating Transfer In			\$26,616		
10020 Operating transfer Out			-\$26,616		
10030 Operating Transfers from/to Primary Government					

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$37,610	-\$386	-\$2,548,179	-\$283,935	\$1
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$4,445	\$0	\$4,925,600	\$8,444,062	\$569
11040 Prior Period Adjustments, Equity Transfers and Correction of			\$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			\$159,861		
11180 Housing Assistance Payments Equity			\$2,217,560		
11190 Unit Months Available			82938		

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.185 Hope III
11210 Number of Unit Months Leased			81649		
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
70300 Net Tenant Rental Revenue	\$110,582				
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$110,582	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$369,368	\$253,236	\$721,052		\$838,960
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants				\$273,746	\$4,419
71100 Investment Income - Unrestricted		\$59		\$145	\$11
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue	\$1,572				\$37,875
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted	\$298				
70000 Total Revenue	\$481,820	\$253,295	\$721,052	\$273,891	\$881,265
91100 Administrative Salaries	\$23,885		\$41,409	\$38,528	\$34,722
91200 Auditing Fees	\$4,850			\$491	

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
91300 Management Fee	\$24,000	\$34,363			
91310 Book-keeping Fee					\$2,346
91400 Advertising and Marketing	\$249				
91500 Employee Benefit contributions - Administrative	\$12,132		\$14,176	\$14,368	\$6,135
91600 Office Expenses	\$2,014		\$133	\$1,400	\$112
91700 Legal Expense					
91800 Travel					\$3,305
91810 Allocated Overhead					
91900 Other	\$11,859		\$12,803	\$10,130	\$63,371
91000 Total Operating - Administrative	\$78,989	\$34,363	\$68,521	\$64,917	\$109,991
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					\$27,290
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$27,290
93100 Water	\$7,788			\$3,157	
93200 Electricity	\$3,489			\$19,282	
93300 Gas	\$442			\$12,480	
93400 Fuel					
93500 Labor					
93600 Sewer	\$10,821			\$6,764	
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
93000 Total Utilities	\$22,540	\$0	\$0	\$41,683	\$0
94100 Ordinary Maintenance and Operations - Labor	\$17,406			\$18,583	
94200 Ordinary Maintenance and Operations - Materials and Other	\$31,551			\$41,162	\$523
94300 Ordinary Maintenance and Operations Contracts	\$41,431		\$1,008	\$10,905	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$7,267			\$5,937	
94000 Total Maintenance	\$97,655	\$0	\$1,008	\$76,587	\$523
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$8,800			\$47,099	
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$8,800	\$0	\$0	\$47,099	\$0
96110 Property Insurance	\$10,373			\$1,432	
96120 Liability Insurance	\$411			\$225	
96130 Workmen's Compensation	\$3,613		\$680	\$3,770	\$574
96140 All Other Insurance	\$4,353		\$1,485	\$3,889	\$1,486
96100 Total insurance Premiums	\$18,750	\$0	\$2,165	\$9,316	\$2,060
96200 Other General Expenses	\$356			\$51	\$722
96210 Compensated Absences	\$4,923		\$3,904	\$6,447	\$2,451
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents	\$4,331				
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
96800 Severance Expense					
96000 Total Other General Expenses	\$9,610	\$0	\$3,904	\$6,498	\$3,173
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)	\$126,263				
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$126,263	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$362,607	\$34,363	\$75,598	\$246,100	\$143,037
97000 Excess of Operating Revenue over Operating Expenses	\$119,213	\$218,932	\$645,454	\$27,791	\$738,228
97100 Extraordinary Maintenance				\$3,900	
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$192,066	\$694,052		
97350 HAP Portability-In					
97400 Depreciation Expense	\$18,143			\$3,157	\$572
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$380,750	\$226,429	\$769,650	\$253,157	\$143,609
10010 Operating Transfer In					
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$101,070	\$26,866	-\$48,598	\$20,734	\$737,656
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	-\$1,164,097	\$14,241	-\$151,600	\$78,488	\$410,503
11040 Prior Period Adjustments, Equity Transfers and Correction of					
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					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	612	504	1920		

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	14.182 N/C S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	93.645 Child Welfare Services_State Grants	14.235 Supportive Housing Program
11210 Number of Unit Months Leased	612	462	1195		
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
70300 Net Tenant Rental Revenue		\$1,440,250			\$3,322,010
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$1,440,250	\$0	\$0	\$3,322,010
70600 HUD PHA Operating Grants					\$50,352,740
70610 Capital Grants					\$1,242,381
70710 Management Fee				\$1,943,120	\$1,943,120
70720 Asset Management Fee				\$79,920	\$79,920
70730 Book Keeping Fee				\$685,146	\$685,146
70740 Front Line Service Fee					
70750 Other Fees				\$26,043	\$26,043
70700 Total Fee Revenue				\$2,734,229	\$2,734,229
70800 Other Government Grants	\$94,895				\$481,693
71100 Investment Income - Unrestricted	\$1,752	\$1,261		\$5,402	\$18,647
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale				\$352,398	\$1,866,293
71310 Cost of Sale of Assets				-\$582,915	-\$2,084,468
71400 Fraud Recovery					\$59,468
71500 Other Revenue	\$337,271	\$27,426		\$1,602,991	\$2,725,275
71600 Gain or Loss on Sale of Capital Assets				\$19	\$35,843
72000 Investment Income - Restricted		\$120			\$10,454
70000 Total Revenue	\$433,918	\$1,469,057	\$0	\$4,112,124	\$60,764,565
91100 Administrative Salaries	\$81,443	\$82,218		\$1,917,266	\$4,604,014
91200 Auditing Fees		\$1,330		\$13,217	\$62,096

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
91300 Management Fee	\$4,200	\$66,378			\$1,767,581
91310 Book-keeping Fee					\$678,150
91400 Advertising and Marketing		\$1,219		\$4,651	\$12,353
91500 Employee Benefit contributions - Administrative	\$54,609			\$591,115	\$1,601,215
91600 Office Expenses	\$9,186	\$27,103		\$152,555	\$337,475
91700 Legal Expense		\$8,864		\$135,155	\$158,887
91800 Travel	\$460			\$51,511	\$61,180
91810 Allocated Overhead					
91900 Other	\$27,651	\$17,501		\$1,491,459	\$3,296,413
91000 Total Operating - Administrative	\$177,549	\$204,613	\$0	\$4,356,929	\$12,579,364
92000 Asset Management Fee					\$79,920
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$68			\$21,263	\$48,621
92500 Total Tenant Services	\$68	\$0	\$0	\$21,263	\$48,621
93100 Water	\$1,766	\$50,602		\$1,921	\$205,226
93200 Electricity	\$4,219	\$30,627		\$81,704	\$219,731
93300 Gas	\$755	\$4,118		\$6,082	\$28,091
93400 Fuel					
93500 Labor					
93600 Sewer	\$1,808	\$6,694		\$1,614	\$175,301
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
93000 Total Utilities	\$8,548	\$92,041	\$0	\$91,321	\$628,349
94100 Ordinary Maintenance and Operations - Labor		\$1,264			\$372,453
94200 Ordinary Maintenance and Operations - Materials and Other	\$4,072	\$18,665		\$74,552	\$602,315
94300 Ordinary Maintenance and Operations Contracts	\$8,836	\$262,140		\$244,667	\$1,173,878
94500 Employee Benefit Contributions - Ordinary Maintenance					\$20,074
94000 Total Maintenance	\$12,908	\$282,069	\$0	\$319,219	\$2,168,720
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$0			\$23,475	\$84,352
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					\$0
95000 Total Protective Services	\$0	\$0	\$0	\$23,475	\$84,352
96110 Property Insurance	\$548	\$13,170		\$2,576	\$65,219
96120 Liability Insurance	\$99			\$404	\$6,964
96130 Workmen's Compensation	\$2,043	\$490		\$48,200	\$164,799
96140 All Other Insurance	\$4,694	\$1,815		\$84,172	\$255,272
96100 Total insurance Premiums	\$7,384	\$15,475	\$0	\$135,352	\$492,254
96200 Other General Expenses	\$13,725	\$281		\$234,676	\$638,800
96210 Compensated Absences	\$6,598			\$210,552	\$507,357
96300 Payments in Lieu of Taxes					\$132,931
96400 Bad debt - Tenant Rents					\$38,943
96500 Bad debt - Mortgages					\$0
96600 Bad debt - Other					\$94,761

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
96800 Severance Expense				\$6,247	\$6,247
96000 Total Other General Expenses	\$20,323	\$281	\$0	\$451,475	\$1,419,039
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)	\$73,265	\$240,582		\$171,970	\$679,247
96730 Amortization of Bond Issue Costs		\$3,192			\$3,192
96700 Total Interest Expense and Amortization Cost	\$73,265	\$243,774	\$0	\$171,970	\$682,439
96900 Total Operating Expenses	\$300,045	\$838,253	\$0	\$5,571,004	\$18,183,058
97000 Excess of Operating Revenue over Operating Expenses	\$133,873	\$630,804	\$0	-\$1,458,880	\$42,581,507
97100 Extraordinary Maintenance	\$0			\$5,291	\$639,042
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments	\$137,460				\$44,541,851
97350 HAP Portability-In					
97400 Depreciation Expense		\$178,839	\$3,570	\$331,318	\$1,990,046
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$437,505	\$1,017,092	\$3,570	\$5,907,613	\$65,353,997
10010 Operating Transfer In	\$9,800				\$36,416
10020 Operating transfer Out				-\$9,800	-\$36,416
10030 Operating Transfers from/to Primary Government	\$4,252,724				\$274,229

Housing Authority City of Fresno (CA006)

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					\$56,578
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					\$0
10094 Transfers between Project and Program - Out					-\$56,578
10100 Total Other financing Sources (Uses)	\$4,262,524	\$0	\$0	-\$9,800	\$274,229
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$4,258,937	\$451,965	-\$3,570	-\$1,805,289	-\$4,315,203
11020 Required Annual Debt Principal Payments	\$0	\$153,270	\$0	\$0	\$153,270
11030 Beginning Equity	\$26,315,263	\$318,166	\$4,041	-\$3,417,964	\$64,600,863
11040 Prior Period Adjustments, Equity Transfers and Correction of	-\$1,577,903			\$4,227,015	\$2,203,076
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					\$159,861
11180 Housing Assistance Payments Equity					\$2,217,560
11190 Unit Months Available		2472			98286

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	2 State/Local	1 Business Activities	14.875 Public Housing Neighborhood Networks Grants	COCC	Subtotal
11210 Number of Unit Months Leased		2400			96048
11270 Excess Cash					\$1,805,243
11610 Land Purchases				\$0	\$0
11620 Building Purchases				\$0	\$5,974
11630 Furniture & Equipment - Dwelling Purchases				\$0	\$0
11640 Furniture & Equipment - Administrative Purchases				\$0	\$0
11650 Leasehold Improvements Purchases				\$0	\$0
11660 Infrastructure Purchases				\$0	\$0
13510 CFFP Debt Service Payments				\$0	\$0
13901 Replacement Housing Factor Funds				\$0	\$0

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
70300 Net Tenant Rental Revenue		\$3,322,010
70400 Tenant Revenue - Other		
70500 Total Tenant Revenue	\$0	\$3,322,010
70600 HUD PHA Operating Grants		\$50,352,740
70610 Capital Grants		\$1,242,381
70710 Management Fee	-\$1,767,581	\$175,539
70720 Asset Management Fee	-\$79,920	\$0
70730 Book Keeping Fee	-\$678,151	\$6,995
70740 Front Line Service Fee		
70750 Other Fees		\$26,043
70700 Total Fee Revenue	-\$2,525,652	\$208,577
70800 Other Government Grants		\$481,693
71100 Investment Income - Unrestricted		\$18,647
71200 Mortgage Interest Income		
71300 Proceeds from Disposition of Assets Held for Sale		\$1,866,293
71310 Cost of Sale of Assets		-\$2,084,468
71400 Fraud Recovery		\$59,468
71500 Other Revenue	-\$322,980	\$2,402,295
71600 Gain or Loss on Sale of Capital Assets		\$35,843
72000 Investment Income - Restricted		\$10,454
70000 Total Revenue	-\$2,848,632	\$57,915,933
91100 Administrative Salaries		\$4,604,014
91200 Auditing Fees		\$62,096

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
91300 Management Fee	-\$1,767,581	\$0
91310 Book-keeping Fee	-\$678,151	-\$1
91400 Advertising and Marketing		\$12,353
91500 Employee Benefit contributions - Administrative		\$1,601,215
91600 Office Expenses		\$337,475
91700 Legal Expense		\$158,887
91800 Travel		\$61,180
91810 Allocated Overhead		
91900 Other	-\$322,980	\$2,973,433
91000 Total Operating - Administrative	-\$2,768,712	\$9,810,652
92000 Asset Management Fee	-\$79,920	\$0
92100 Tenant Services - Salaries		
92200 Relocation Costs		
92300 Employee Benefit Contributions - Tenant Services		
92400 Tenant Services - Other		\$48,621
92500 Total Tenant Services	\$0	\$48,621
93100 Water		\$205,226
93200 Electricity		\$219,731
93300 Gas		\$28,091
93400 Fuel		
93500 Labor		
93600 Sewer		\$175,301
93700 Employee Benefit Contributions - Utilities		
93800 Other Utilities Expense		

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
93000 Total Utilities	\$0	\$628,349
94100 Ordinary Maintenance and Operations - Labor		\$372,453
94200 Ordinary Maintenance and Operations - Materials and Other		\$602,315
94300 Ordinary Maintenance and Operations Contracts		\$1,173,878
94500 Employee Benefit Contributions - Ordinary Maintenance		\$20,074
94000 Total Maintenance	\$0	\$2,168,720
95100 Protective Services - Labor		
95200 Protective Services - Other Contract Costs		\$84,352
95300 Protective Services - Other		
95500 Employee Benefit Contributions - Protective Services		\$0
95000 Total Protective Services	\$0	\$84,352
96110 Property Insurance		\$65,219
96120 Liability Insurance		\$6,964
96130 Workmen's Compensation		\$164,799
96140 All Other Insurance		\$255,272
96100 Total insurance Premiums	\$0	\$492,254
96200 Other General Expenses		\$638,800
96210 Compensated Absences		\$507,357
96300 Payments in Lieu of Taxes		\$132,931
96400 Bad debt - Tenant Rents		\$38,943
96500 Bad debt - Mortgages		\$0
96600 Bad debt - Other		\$94,761

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
96800 Severance Expense		\$6,247
96000 Total Other General Expenses	\$0	\$1,419,039
96710 Interest of Mortgage (or Bonds) Payable		
96720 Interest on Notes Payable (Short and Long Term)		\$679,247
96730 Amortization of Bond Issue Costs		\$3,192
96700 Total Interest Expense and Amortization Cost	\$0	\$682,439
96900 Total Operating Expenses	-\$2,848,632	\$15,334,426
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$42,581,507
97100 Extraordinary Maintenance		\$639,042
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments		\$44,541,851
97350 HAP Portability-In		
97400 Depreciation Expense		\$1,990,046
97500 Fraud Losses		
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		
90000 Total Expenses	-\$2,848,632	\$62,505,365
10010 Operating Transfer In		\$36,416
10020 Operating transfer Out		-\$36,416
10030 Operating Transfers from/to Primary Government		\$274,229

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
10040 Operating Transfers from/to Component Unit		
10050 Proceeds from Notes, Loans and Bonds		
10060 Proceeds from Property Sales		
10070 Extraordinary Items, Net Gain/Loss		
10080 Special Items (Net Gain/Loss)		
10091 Inter Project Excess Cash Transfer In		\$56,578
10092 Inter Project Excess Cash Transfer Out		
10093 Transfers between Program and Project - In		\$0
10094 Transfers between Project and Program - Out		-\$56,578
10100 Total Other financing Sources (Uses)	\$0	\$274,229
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	-\$4,315,203
11020 Required Annual Debt Principal Payments		\$153,270
11030 Beginning Equity		\$64,600,863
11040 Prior Period Adjustments, Equity Transfers and Correction of		\$2,203,076
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		\$159,861
11180 Housing Assistance Payments Equity		\$2,217,560
11190 Unit Months Available		98286

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2012

	ELIM	Total
11210 Number of Unit Months Leased		96048
11270 Excess Cash		\$1,805,243
11610 Land Purchases		\$0
11620 Building Purchases		\$5,974
11630 Furniture & Equipment - Dwelling Purchases		\$0
11640 Furniture & Equipment - Administrative Purchases		\$0
11650 Leasehold Improvements Purchases		\$0
11660 Infrastructure Purchases		\$0
13510 CFFP Debt Service Payments		\$0
13901 Replacement Housing Factor Funds		\$0

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SCHEDULE OF ACTUAL MODERNIZATION COST FOR COMPLETED PROJECTS

HOUSING AUTHORITY OF THE CITY OF FRESNO
 Schedule of Modernization Costs for Completed Projects
 Year ended December 31, 2012

<u>Grant Number</u>	<u>Funds Approved</u>	<u>Funds Expended</u>	<u>Excess</u>
<u>City:</u>			
CA39P006501-08	\$ 1,377,856	1,377,856	-
CA39R006501-08	362,984	362,984	-
CA39R006501-09	347,033	347,033	-
CA39R006502-09	42,518	42,518	-
CA39R006501-10	474,477	474,477	-
CA39R006502-10	28,283	28,283	-
CA39R006501-11	361,021	361,021	-
CA39R006502-11	29,056	29,056	-
CA006000006-09E	1,742,921	1,742,921	-
CA006000007-09F	2,500,000	2,500,000	-
CA39URD0061103*	20,000,000	20,000,000	-

*The Cost Certificate for this Hope VI Revitalization Grant was approved by the U.S. Department of Housing and Urban Development on March 7, 2013.

(See accompanying Independent Auditors' Report)

SINGLE AUDIT REPORTS AND RELATED SCHEDULES



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

**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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Fresno, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 16, 2013.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. The matter described in the accompanying schedule of findings and questioned costs as item 2012-01 conforms to this definition.

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. The matter described in the accompanying schedule of findings and questioned costs as item 2012-02 conforms to this definition.

We noted certain immaterial matters regarding internal control over financial reporting that we reported to the management of the Housing Authority in a separate letter dated September 16, 2013.

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*.

Authority's Responses to Findings

The Housing Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Mayor Stephen Malcom P.C.

Irvine, California
September 16, 2013



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

**Report on Compliance For Each Major Federal Program; Report on Internal Control
Over Compliance; and Report on the Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133**

Independent Auditor's Report

Report on Compliance for Each Major Program

We have audited the Housing Authority of the City of Fresno's 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 December 31, 2012. 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 December 31, 2012.

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 Example Entity'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.

Board of Commissioners
Housing Authority of the City of Fresno
Page three

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Authority as of and for the year ended December 31, 2012, and have issued our report thereon dated September 16, 2013. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mayer Hoffman Melman P.C.

Irvine, California
September 16, 2013

HOUSING AUTHORITY OF THE CITY OF FRESNO
Schedule of Expenditures of Federal Awards
Year ended December 31, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Domestic Assistance Number</u>	<u>Program Identification Number</u>	<u>Program Expenditures</u>
Department of Agriculture:			
Direct Assistance:			
Rural Rental Assistance Payments	10.427		\$ 105,397
Farm Labor Housing Loans and Grants (loans)	10.405		<u>799,714</u>
Subtotal - Department of Agriculture			<u>905,111</u>
Department of Housing and Urban Development:			
Direct Assistance:			
Housing Counseling Assistance Program	14.169		32,483
Supportive Housing for Persons with Disabilities	14.181		253,236
Supportive Housing Program	14.235		838,960
Shelter Plus Care	14.238		721,052
Public and Indian Housing	14.850	Contract #SF-170	1,417,814
Section 8 Housing Choice Vouchers	14.871	Contract #SF-472	46,010,303
Public Housing Capital Fund	14.872	Contract #SF-170	1,689,852
Public Housing Family Self-Sufficiency under Resident Opportunity and Supportive Services	14.877	CA006RFS015A007	137,771
Passed through the State of California Housing Finance Agency:			
Section 8 New Construction and Substantial Rehabilitation	14.182	CHFA #76-54-N	369,368
Passed through the City of Fresno:			
Community Development Block Grant (loans)	14.218	NSP Grant	1,398,895
Homeless Prevention and Rapid Re-Housing Program	14.257		<u>124,283</u>
Subtotal - Department of Housing and Urban Development			<u>52,994,017</u>
Department of Health and Human Services (HHS)			
Passed through the Fresno County Social Services Department:			
Stephanie Tubbs Jones Child Welfare Services Program	93.645		<u>273,746</u>
Total expenditures of federal awards			<u>\$ 54,172,874</u>

See accompanying notes to the schedule of expenditures of federal awards

HOUSING AUTHORITY OF THE CITY OF FRESNO

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2012

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

(a) Scope of Presentation

The accompanying schedule presents only the expenditures incurred (and related awards received) by the Housing Authority of the City of Fresno (Authority) that are reimbursable under federal programs of federal agencies providing financial assistance. For the purposes of this schedule, financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the Authority from a non-federal agency or other organization. Only the portions of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other nonfederal funds are excluded from the accompanying schedule.

(b) Basis of Accounting

The expenditures included in the accompanying schedule were reported on a regulatory basis in accordance with the U.S. Department of Housing and Urban Development (HUD). Expenditures are recognized in the accounting period in which the related liability is incurred. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

(c) Subrecipients

During the fiscal year ended December 31, 2012, the Authority disbursed no federal funds to subrecipients.

(d) U.S. Department of Agriculture Notes

The Authority entered into two notes with the United States Department of Agriculture Farmer Homes Administration under the Farm Labor Housing Union Loan program. In accordance with the notes the Authority used the funds for the acquisition and development of four multi-unit rental housing developments. The notes accrue interest at 1% per annum. The notes mature at various dates beginning on January 6, 2014 and ending on April 2, 2035. At December 31, 2012 the outstanding balance for the notes is \$799,711.

HOUSING AUTHORITY OF THE CITY OF FRESNO

Schedule of Findings and Questioned Costs

Year Ended December 31, 2012

(A) Summary of Auditor's Results

1. An unqualified report was issued by the auditors on the financial statements of the auditee.
2. One material weakness in internal control over financial reporting based on our audit of the financial statements of the auditee was reported. One significant deficiency in internal control over financial reporting was also reported.
3. The audit disclosed no reported noncompliance which is material to the financial statements of the auditee.
4. No material weaknesses and no significant deficiencies in internal control over major programs of the auditee were reported.
5. An unqualified report was issued by the auditors on compliance for major programs.
6. The audit disclosed no audit findings required by the auditors to be reported under paragraph .510(a) of OMB Circular A-133.
7. The major programs of the auditee were:
 - CFDA No. 14.871 U.S. Department of Housing and Urban Development – Section 8 Housing Choice Vouchers
8. The dollar threshold used to distinguish Type A and Type B programs was \$1,625,186.
9. The Authority was not considered as a low risk auditee for the year ended December 31, 2012 for purposes of major program determination.

(B) Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS

There were two auditors' findings required to be reported in accordance with GAGAS.

(2012-01) Prior Period Adjustments

Auditing standards require the communication of prior period adjustments when they involve material dollar amounts. The adjustments described below were identified by the accounting personnel of the Authority when analyzing the financial activity of the Authority for this year's audit:

HOUSING AUTHORITY OF THE CITY OF FRESNO

Schedule of Findings and Questioned Costs

(Continued)

(B) Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS, (Continued)

(2012-01) Prior Period Adjustments, (Continued)

- The Housing Authority has one Central Office Cost Center (COCC) Fund that reflects activity of both the Fresno City Housing Authority and the Fresno County Housing Authority. 2011 was the first year that separate Financial Statements were prepared for each of the entities. When allocating the COCC activity between the City and County Housing Authorities this year, Authority personnel noted that certain allocations were incorrectly made in the prior year. As a result, the Housing Authority has restated the opening equities of the City and County Housing Authorities to reallocate approximately \$1,292,863 of assets and liabilities from the County Housing Authority to the City Housing Authority.
- The Housing Authority enters into certain developer type agreements whereby the Housing Authority will earn fees associated with these developments. A \$556,588 management fee earned by the City Housing Authority prior to 2012 had not been recorded as a receivable in the prior year. As a result, opening equity has been restated to reflect this receivable as of December 31, 2011.

To minimize the reporting of prior period adjustments, the Housing Authority should establish procedures to, whenever possible, identify adjustments in the reporting period in which the related transactions occurred. It is recognized that this is not always possible and on occasion the Housing Authority's accounting procedures will properly identify adjustments in a subsequent period.

Management's Corrective Actions Planned

The Agency has continued to refine the procedures necessary to allocate certain financial transactions required for the preparation of separate Financial Statements. Such procedures will need to be updated on an annual and ongoing basis to ensure the statements appropriately reflect the financial operations of each Housing Authority. Management agrees with the goal of identifying adjustments during the reporting period in which the related transactions occurred and will make every effort to do so.

(2012-02) Distribution of Accumulated OPEB Cash Balances

In March 2013, the Board of Commissioners passed a resolution dissolving the Housing Authorities' Other Post Employment Benefits (OPEB) Plans. In prior years, the City and County Housing Authorities had made cash payments to the Housing Self Insurance Corporation (a joint venture that serves both the City and the County Housing Authorities) for the purposes of pre-funding their OPEB obligation. During those prior years, the cash paid to the Corporation had been recorded as a charge against the federal programs of each Housing Authority.

HOUSING AUTHORITY OF THE CITY OF FRESNO

Schedule of Findings and Questioned Costs

(Continued)

(B) Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS, (Continued)

(2012-02) Distribution of Accumulated OPEB Cash Balances, (Continued)

However, federal regulations only allow pre-funding to be charged to federal programs if the pre-funding has been paid into an OPEB trust in accordance with generally accepted accounting principles. A joint venture under the joint control of the City and County Housing Authority Boards does not qualify as a trust under generally accepted accounting principles.

As a result, the Authority has removed any OPEB charges to federal program expenditures reported for the 2012 fiscal year.

In addition, as a result of the Board action that was taken in March 2013, the Authority has made plans to distribute the remaining OPEB cash balances that are held in the Housing Self Insurance Corporation to the various federal programs of the Authority prior to the end of the 2013 fiscal year, as required by federal regulations.

Recommendation

We recommend that the Authority proceed with its plans to return the unexpended OPEB funding to the federal programs.

Management's Corrective Actions Planned

Management has analyzed the composition of the OPEB cash balance and identified each federal program's share of the ensuing distribution. As approved by the Agency's Board of Commissioners, the funds will be returned to each program in direct proportion to the original charges and the Fiscal Year 2013 financial statements will reflect the transfers.

(C) Findings and Questioned Costs for Federal Awards as Defined in Paragraph .510(a) at OMB Circular A-133

There were no auditors' finding required to be reported in accordance with Paragraph .510(a) at OMB Circular A-133.

HOUSING AUTHORITY OF THE CITY OF FRESNO

Summary Schedule of Prior Audit Findings

Year ended December 31, 2012

There were no audit findings identified in the prior year audit report requiring follow up.