



**HOUSING AUTHORITY
OF THE CITY OF FRESNO**

BASIC FINANCIAL STATEMENTS

Year Ended December 31, 2013
(Including Auditors' Report Thereon)

(This page intentionally left blank)

HOUSING AUTHORITY OF THE CITY OF FRESNO

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Financial Statements:	
Statement of Net Position	15
Statement of Revenue, Expenses and Changes in Net Position	17
Statement of Cash Flows	18
Notes to the Basic Financial Statements	21
Supplemental Information:	
Financial Data Schedule	57
Conventional Program SF-195:	
Schedule Modernization Cost for Completed Projects	107
Single Audit Reports and Related Schedules:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	111
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133	113
Schedule of Expenditures of Federal Awards	117
Notes to Schedule of Expenditures of Federal Awards	118
Schedule of Findings and Questioned Costs	119
Summary Schedule of Prior Audit Findings	123

(This page intentionally left blank)



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, 2013, 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
**HOUSING AUTHORITY OF
THE CITY OF FRESNO**
Page two

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, 2013, 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.

Emphasis of Matter

As described further in note 23 to the financial statements, during the year ended December 31, 2013, the Housing Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 65. Our opinion is not modified with respect to this matter.

Other Matters

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.

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 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 schedule is 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 is not a required part of the basic financial statements. Further, the Schedule of Actual Modernization Cost Certificates is also presented for additional analyses in accordance with filing requirements with the U.S. Department of Housing and Urban Development.

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

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 July 15, 2014 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.

Margaret Hutcheon Melam P.C.

Irvine, California
July 15, 2014

(This page intentionally left blank)

Housing Authority of the City of Fresno Management’s Discussion and Analysis December 31, 2013

Introduction

This narrative overview and analysis of the Housing Authority of the City of Fresno’s (the “Agency”) performance through December 31, 2013 is provided as a supplement to the Agency’s year-end financial statements. Please read it in conjunction with the basic financial statements and the notes to the basic financial statements.

As required under U.S. generally accepted accounting principles (GAAP), the Agency uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation, are recognized in the period in which they are incurred. GAAP also requires the inclusion of three basic financial statements: the statement of net position (the balance sheet); the statement of revenues, expenses and changes in net position (the income statement); and the statement of cash flows. All assets and liabilities associated with the operation of the Agency are included in the statement of net position. In addition, GAAP requires the inclusion of this management’s discussion and analysis (MD&A) section as required supplementary information.

The management’s discussion and analysis is presented in conformance with the Government Accounting Standards Board (GASB) financial reporting model as set forth in GASB Statement No. 34, Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments, as amended by GASB Statement No. 37, Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments: Omnibus.

Overview of the Basic Financial Statements

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

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

The Agency, like other governmental and quasi-governmental entities, uses fund accounting to ensure and demonstrate compliance with funding-related requirements. The funds are combined in a Proprietary Fund, which 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. The Proprietary Fund presents the activities of the Agency as a whole.

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

- The **Statement of Net Position** includes all of the Agency’s assets and liabilities, with the difference between the two reported as the net position. Assets and liabilities are presented in the order of liquidity and are classified as “current” (convertible to cash within one year) and “non-current”. This statement also provides a basis of measuring 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.
- The **Statement of Revenues, Expenses, and Changes in Net Position** reports the Agency’s revenues by source and its expenses by category to substantiate the changes in net position for the year. This statement measures the success of the Agency’s operations over the past year.
- The **Statement of Cash Flows** reports how the Agency’s cash was provided and used during the year. It also provides information about the Agency’s operating, investing, and financing activities, and can be used to reconcile cash balances at December 31, 2013 and 2012. Fundamentally, this statement shows where cash came from, how cash was used, and what the change in cash was during the year.
- The **Notes to Basic Financial Statements** provides additional information that is integral to a full understanding of the Basic Financial Statements. The Notes to the Basic Financial Statements can be found in this report after the Basic Financial Statements.
- **Supplemental Information** includes 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. It also includes the 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 rent at an approved rental unit. Participants pay 30% of their adjusted gross income to the landlord for rent and the balance is paid by the Housing Assistance Payments (HAP) the Agency’s receives 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.

Low Rent Public Housing. The Agency’s Public Housing Program includes approximately 800 public housing units 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 which HUD considers adequate to manage and maintain each property.

Public Housing Capital Fund. The Agency administers HUD's Capital Fund Program (CFP) which provides funding for modernization and improvement, new construction, and the 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
- Permanent Supportive Housing
- Shelter Plus Care
- Housing Counseling Assistance
- Home Ownership Opportunities and Training
- Mainstream Voucher
- Resident Opportunities and Self Sufficiency
- Family Self Sufficiency
- Neighborhood Stabilization Program
- Affordable Housing
- Special Needs Assistance
- Homeless Management Information Systems
- Homeless Management Information Systems Expansion Grant
- Resident Services
- Fresno First Steps Home
- Housing Opportunities for Persons with AIDS
- Project Phoenix

Financial Analysis

Statement of Net Position

The purpose of the statement of net position is to give the financial statement readers a snapshot of the fiscal condition of the Agency at a certain point in time. It presents end of the year data for assets, liabilities and net position (assets minus liabilities).

Statement of Net Position is summarized in the table below:

ASSETS	2013	2012	Increase (Decrease)	%
Current assets	\$ 8,890,198	\$ 10,764,000	\$ (1,873,803)	-17.41%
Restricted assets	2,566,537	3,024,482	(457,945)	-15.14%
Capital assets, net	22,517,725	24,968,983	(2,451,258)	-9.82%
Other assets	56,822,460	43,940,944	12,881,516	29.32%
Total Assets	<u>\$ 90,796,920</u>	<u>\$ 82,698,409</u>	<u>\$ 8,098,510</u>	<u>9.79%</u>
Deferred Outflow of Resources	0	130,638	(130,638)	-100.00%
Total Assets and Deferred Outflows	<u>\$ 90,796,919</u>	<u>\$ 82,829,047</u>	<u>\$ 7,967,872</u>	<u>-90.21%</u>
LIABILITIES				
Current liabilities	13,476,495	7,451,805	6,024,689	80.85%
Non-current liabilities	6,476,188	12,888,505	(6,412,317)	-49.75%
Total liabilities	<u>19,952,682</u>	<u>20,340,310</u>	<u>(387,628)</u>	<u>-1.91%</u>
NET POSITION				
Invested in capital assets, net of related debt	11,572,071	11,846,561	(274,490)	-2.32%
Restricted	2,262,085	2,594,427	(332,342)	-12.81%
Unrestricted	57,010,081	48,047,749	8,962,332	18.65%
Total Net Position	<u>70,844,237</u>	<u>62,488,737</u>	<u>8,355,500</u>	<u>13.37%</u>

Total assets of the Agency at December 31, 2013 and 2012 amounted to \$90.8 million and \$82.7 million, respectively. The significant components of current assets are cash, short term investments, and receivables from tenants and related parties. Restricted assets are cash and investments that are restricted for explicit purposes, like federal programs or project-specific reserves. Capital assets include land, land improvements, leasehold improvements, structures, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation. Other assets include long-term notes receivables, interest receivable, assets held for sale and investments in joint ventures. The principal changes in assets from December 31, 2012 to December 31, 2013 were increases in other assets, specifically in notes receivable from related parties and our investment in joint ventures. This is mainly attributable to development activities, including the conversion of two public housing properties to the Rental Assistance Demonstration program. The Agency made a significant investment in this project, including a large seller carry-back loan. The Agency's investment in joint ventures also

increased significantly from 2012 due to increased loan activity to related party developments from the lending arm of the Agency, the Housing Relinquished Fund Corporation.

Total liabilities of the Agency were \$20 million and \$20.3 million at December 31, 2013 and 2012, respectively. Current liabilities include short-term accounts payable, accrued liabilities, current portions of long-term debt, and unearned revenue. Current liabilities have increased due to a rise in the current portion of long-term debt, primarily due to the maturation of three mortgages related to our Affordable Housing complexes. These loans matured in 2014, hence the recognition of the entire loan balance in 2013, and were subsequently paid off in early 2014. The increase in the current liabilities is offset by the decrease in the non-current liabilities for a net decrease in total liabilities. Non-current liabilities are primarily made up of the long-term portion of notes and interest payable. This amount decreased from 2012 due to the maturation and payment of several loans.

Net position represents the Agency's equity, a portion of which is restricted for 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.
- **Restricted net position:** These are assets subject to external limitations, and can be based on use, purpose, and/or time.
- **Unrestricted net position:** These resources are available for any use that is lawful and prudent based on the Agency's stated mission, and/or strategic plans.

The Agency's net position increased by 13.4% during the year, from \$62.5 million in 2012 to \$70.8 million in 2013. The increase in net position represents an increase in long-term notes receivables for development projects, and increases in our investments in joint ventures.

Statement of Revenues, Expenses and Changes in Net Position

The purpose of the statement of revenues, expenses, and changes in net position is to present the operating and non-operating revenues earned by the Agency, the operating and non-operating expenses incurred, and other gains or losses of the Agency. This statement presents a snap shot of the financial activity that happened from January 1, 2013 to December 31, 2013.

Operating revenues are the amounts received for providing housing services. This revenue can either come from tenants as rental payments, subsidy from the U.S. Department of Housing and Urban Development (HUD), Developer Fees for development activities, or as grant revenue from another funding source. Non-operating revenues/expenses are earned/incurred when goods or services are not provided, for example, interest income or interest expense. Operating expenses are those costs incurred to maintain the housing units or to provide other services to our clientele. Capital contributions represent revenues earned from HUD for public housing capital repairs and rehabilitation.

Statement of Revenues, Expenses and Changes in Net Position is summarized in the table below:

	2013	2012	Increase (Decrease)	%
<u>OPERATING REVENUES</u>				
Rental revenue	\$ 3,109,755	\$ 3,322,010	\$ (212,255)	-6.39%
HUD grants	51,303,231	50,352,740	950,491	1.89%
Other	3,093,928	2,838,880	255,048	8.98%
Total operating revenues	59,506,914	56,513,630	2,993,284	5.30%
<u>OPERATING EXPENSES</u>				
Administrative	9,873,691	9,813,039	60,652	0.62%
Housing assistance payments	44,955,037	44,541,851	413,186	0.93%
Other	5,334,905	5,477,987	(143,082)	-2.61%
Amortization and depreciation	1,847,309	1,990,047	(142,738)	-7.17%
Total operating expenses	62,010,942	61,822,924	188,018	0.30%
Operating income (loss)	(2,504,028)	(5,309,294)	2,805,266	-52.84%
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Interest revenue	703,293	29,101	682,697	3661.16%
Interest expense	(449,878)	(682,439)	232,561	-34.08%
Other	1,632,287	941,011	691,276	73.46%
Gain (loss) on disposition of capital assets	8,753,616	(182,333)	8,935,949	-4900.90%
Total non-operating income	10,639,318	105,340	10,533,978	9999.98%
Net income before contributions	8,135,290	(5,203,954)	13,339,224	-256.33%
Capital contributions - capital grants	220,211	1,242,381	(1,022,170)	-82.28%
Increase (decrease) in net position	8,355,501	(3,961,573)	12,317,074	-310.91%
Net Position at beginning of year - restated	62,488,737	66,450,310	(3,961,573)	-5.96%
Net Position - end of year	\$ 70,844,237	\$ 62,488,737	\$ 8,355,501	13.37%

The statement of revenues, expenses and changes in net position, which preceded this section, reflects the year ended December 31, 2013 compared to the year ended December 31, 2012. Overall, operating revenues increased by 5.3%, or \$2.9 million, from 2012 to 2013; operating expenses increased by 0.3%, or \$188 thousand for the year; non-operating revenues increased by \$10.5 million from 2012 to 2013; and capital contributions decreased by \$1 million from prior year. These changes lead to a total increase in net

position of \$8.4 million from December 31, 2012 to December 31, 2013. Explanations of the primary reasons for these changes are as follows.

The primary reason for the favorable increase in operating revenues in 2013 is attributable to slight increases in both HUD grants and grants from other governments. While total proration levels for federal grants were less favorable in 2013 due to sequestration, actual funding levels were higher than the previous year because of the HUD-mandated, reserve recapture in the Housing Choice Voucher and Public Housing programs that occurred in 2012. Basically, in order to reduce program reserves, HUD funded these two programs at significantly lower levels in 2012, so the Agency would be forced to spend down its reserves. While funding increased in 2013 compared to 2012, grant revenue from HUD was still much lower than what the Agency was actually eligible to receive because of sequestration. The revenue from other government grants is higher in 2013 compared to 2012 due to new grant funding received from Fresno First Steps Home and the Supportive Housing Program.

While operating expenses increased slightly overall, the Agency noticed a slight decrease in other expenses, which is mainly due to reductions in maintenance and repairs costs. The Agency recently renegotiated several contracts including landscaping, janitorial, and general trade services, and consequently the Agency has been able to realize some nominal savings. Housing Assistance Payments increased by \$413 thousand due to increased voucher utilization, and increased per unit cost.

Non-operating revenues grew significantly from 2012 to 2013 due to an increase in asset disposition. More specifically, the Agency recorded the sale of three public housing assets, Parc Grove Commons (AMP 7), Cedar Courts (AMP 4), and Inyo Terrace (AMP 4), and one non-public housing building, Kerr Rug, during the course of 2013. These four transactions resulted in an \$8.7 million dollar gain on the disposition of the assets.

Capital contributions for the year ended December 31, 2013 decreased by \$1 million, or -82.3% compared to 2012. This decrease was attributable to asset disposition related to the conversion of two public housing projects to the Rental Assistance Demonstration program and resulting reduction in capital expenditures. \$2 million in Capital Funds were used to support this conversion; however they did not result in the addition of capital assets to the balance sheet and therefore did not meet the definition of a capital contribution.

Capital Assets

The table below shows the Agency's capital assets, net of accumulated depreciation and amortization, at December 31, 2013 and December 31, 2012.

	2013	2012	Increase (Decrease)	%
Land	\$ 3,955,126	\$ 3,960,008	\$ (4,882)	-0.12%
Structures	12,692,550	14,481,724	(1,789,174)	-12.35%
Equipment	248,214	489,451	(241,237)	-49.29%
Construction in progress	5,621,835	6,037,800	(415,965)	-6.89%
Total capital assets, net	\$ 22,517,725	\$ 24,968,983	\$ (2,451,258)	-9.82%

Overall, the Agency reduced capital assets by \$2.4 million during 2013. At the beginning of 2013, the Agency changed its capitalization policy to only capitalize assets that cost more than \$5,000, whereas previously, it was recording items over \$2,500 as capital assets. This change resulted in a net \$1.3 million dollar write-off. The remaining \$1.1 million reduction in assets is attributable to the two public housing sites that were sold as part of the Rental Assistance Demonstration program. See Note 8 in the Notes to the Basic Financial Statements for more information.

Debt Administration

The table below shows the Agency's outstanding debt at December 31, 2013 and 2012. Short term borrowings include inter-fund loans between programs, between the City & County Housing Authority, or between component units of the Agency. Notes payable- Non-related Parties include loans and mortgages with external entities. Notes payable- Related parties includes loans from joint ventures and Agency-sponsored limited partnership.

	2013	2012	Increase (Decrease)	%
Short Term Borrowings	\$ 1,834,077	\$ 2,209,592	\$ (375,515)	-16.99%
Notes Payable- Non-related Parties	9,708,287	9,479,452	228,836	2.41%
Notes Payable- Related Parties	3,866,813	5,961,340	(2,094,527)	-35.14%
Total debt	\$ 15,409,178	\$ 17,650,384	\$ (2,241,206)	-12.70%

Most significantly, the Notes Payable- Related Parties decreased by \$2.2 million during the year. This is mainly attributable to the repayment of several loans to the Housing Relinquished Fund Corporation, a joint venture, made to the Agency for pre-development activities. These pre-development activities are reimbursed when the project is sold to a limited partnership.

Economic Factors Affecting the Agency's Future

The majority of the Agency's funding comes from the U.S. Department of Housing and Urban Development in the form of Section 8 housing assistance payments, public housing operating subsidies, capital fund grants, and other smaller grants. Over the past several years, Congress and the federal government continue to cut housing subsidies due to changes in budget priorities. These funding reductions continue to have an impact on the Agency's economic position because federal subsidies make up a majority of the revenue for the Agency (88% of total operating revenue). The Agency continues to explore alternative funding options to lessen our federal dependency through development activities and pursuit of other grants; however, HUD will most likely continue to be a major funding source over the foreseeable future.

The Agency has been swift to respond to changes in federal limitations, both programmatically and financially. We have responded by implementing changes designed to reduce costs with the least effect on services. We have been adamant that despite funding cuts, we would continue to maintain housing for existing residents and voucher participants, and in some cases, possibly serve more low-income clients. The Agency has implemented several measures to reduce staffing costs by changing our business practices to gain efficiencies while minimizing reductions in services. As a result, the Agency is better poised to weather additional funding cuts without further capacity reductions.

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, affordable housing that promotes safe, vibrant communities. Our residents continue to be the most vulnerable segment of the population as the recession lingers and unemployment rates in Fresno County hover at 11%. Job cuts, declining work hours, and slow growth in job creation has decreased personal income across Fresno County, thus increasing the need for our services but decreasing the revenue received by the Agency.

While we acknowledge the aforementioned challenges and face these political and economic realities head-on, we remain committed more than ever to our mission of creating and sustaining vibrant communities across Fresno County. Our strategy for accomplishing this includes: developing and maintaining quality affordable housing for low-income individuals throughout the City and County of Fresno; implementing exceptional programs that invests in our residents; encouraging partnerships with local, regional and national organizations to build the Fresno community; and generating public will to address the housing needs of low-income individuals. We are confident our strategy will allow us to attain these goals and strengthen the Agency's ability to address the housing and quality-of-life challenges facing Fresno, both now and in the future.

(This page intentionally left blank)

HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF NET POSITION
December 31, 2013

ASSETS	2013
Current Assets	
Cash and Investments	\$ 5,476,031
Accrued Interest Receivable	610,615
Accounts Receivable - Other, Net of Allowance for Doubtful	1,087,775
Accounts of \$456,788	
Due From Other Governments	1,297,727
Prepaid Expenses	191,982
Assets Held For Sale	226,068
Total Current Assets	8,890,198
Restricted Assets	
Restricted Cash	2,566,537
Total Restricted Assets	2,566,537
Non-Current Assets	
Capital Assets	
Capital Assets - Not being depreciated	9,576,961
Capital Assets - Depreciable	12,940,764
Total Capital Assets, Net	22,517,725
Other Non-Current Assets	
Notes Receivable From Related Parties	20,403,819
Notes Receivable From Non-Related Parties	1,000,000
Interest Receivable - Related Parties	245,165
Interest Receivable - Non-Related Parties	293,870
Investments In Joint Ventures	32,968,436
Assets Held For Sale	1,911,170
Total Other Non-Current Assets	56,822,460
Total Assets	\$ 90,796,920

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF NET POSITION
December 31, 2013
(continued)

LIABILITIES AND NET POSITION	2013
Current Liabilities	
Vendors and Contractors Payable	\$ 445,477
Accrued Salaries	316,242
Accrued Compensated Absences	141,551
Accrued Interest Payable	635,228
Resident Security Deposits	302,537
Due To Other Governments	525,420
Other Current Liabilities - Related Parties	2,293,263
Other Current Liabilities - Non-Related Parties	838,459
Notes Payable - Related Parties	1,315,962
Notes Payable - Non-Related Parties	6,379,806
Unearned Revenue	282,550
Total Current Liabilities	13,476,495
Non-Current Liabilities	
Notes Payable - Related Parties	2,550,851
Notes Payable - Non-Related Parties	3,328,482
Accrued Compensated Absences	264,705
Other Accrued Non-Current Liabilities	314,208
Family Self-Sufficiency Escrow	17,942
Total Non-Current Liabilities	6,476,188
Total Liabilities	19,952,683
Net Position	
Net Investment in Capital Assets	11,572,071
Restricted for:	
Housing Assistance Payments	841,311
Affordable Housing Reserves	917,278
Other Externally Required Reserves	503,496
Unrestricted	57,010,081
Total Net Position	70,844,237
Total Liabilities and Net Position	\$ 90,796,920

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, 2013

	2013
Operating Revenues	
Rental Revenue	\$ 3,109,755
Fee Revenue	97,098
HUD Grants	53,303,231
Other Governmental Grants	1,175,526
Other Revenue	1,821,304
Total Operating Revenues	59,506,914
Operating Expenses	
Administrative Expense	9,873,691
Tenant Services Expense	70,885
Utilities Expense	708,841
Maintenance and Operations Expense	2,465,561
Protective Services Expense	76,789
Insurance Expense	477,656
General Expense	1,535,173
Housing Assistance Payments	44,955,037
Depreciation	1,847,309
Total Operating Expenses	62,010,942
Operating Income (Loss)	(2,504,028)
Non-Operating Revenues (Expenses)	
Interest Revenue, Unrestricted	701,344
Interest Revenue, Restricted	1,949
Interest Expense	(449,878)
Fraud Recovery	5,950
Share of Joint Venture Net Income	256,540
Developer Fees	1,369,797
Gain/(Loss) on Disposal of Capital Assets	8,753,616
Total Non-Operating Revenues	10,639,318
Income (Loss) Before Capital Contributions	8,135,290
Capital Contributions	220,211
Increase (Decrease) in Net Position	8,355,501
Net Position, Beginning of Year	62,488,737
Net Position, End of Year	\$ 70,844,237

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, 2013

	2013
Cash Flows from Operating Activities:	
Cash received from tenants	\$ 3,137,066
Cash received from others	2,800,014
Proceeds from the sale of assets held for sale	1,765,139
Cash paid to acquire assets held for sale	-
Cash paid for issuance of notes receivable	(649,759)
Repayments and interest received on notes receivable	2,102,753
Cash paid to joint ventures	(8,311,586)
Cash paid to employees for services	(4,255,348)
Cash paid to suppliers for goods and services	(9,474,903)
Cash received from operating grants	53,720,084
Cash paid for housing assistance	(45,060,546)
Net cash used by operating activities	(4,227,086)
Cash Flows from Noncapital Financing Activities:	
Cash received from developers	1,369,797
Cash received from draws on line of credit	-
Cash paid for repayment of line of credit	-
Issuance of notes payable	1,622,647
Principal payments on long term debt	(1,021,833)
Net cash provided by noncapital financing activities	1,970,611
Cash Flows From Capital Financing Activities:	
Grants received to acquire/construct capital assets	220,211
Acquisition of capital assets	(6,528,812)
Proceeds from sale of capital assets	9,509,374
Issuance of notes payable to related parties	4,964,107
Principal paid on long term debt	(7,430,612)
Interest paid on long term debt	(267,483)
Net cash used by capital financing activities	466,785
Cash Flows From Investing Activities:	
Interest received from investments	701,345
Interest on restricted cash	1,949
Net cash provided by investing activities	703,294
Net increase (decrease) to cash	(1,086,396)
Cash at beginning of year	9,128,964
Cash at end of year	\$ 8,042,568

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, 2013
(Continued)

Reconciliation of Change in Net Position to Net	<u>2013</u>
Cash Provided By (Used For) Operating Activities:	
Operating income (loss)	\$ (2,504,028)
Adjustments to reconcile change in net position to net cash provided by (used for) operating activities:	
Depreciation	1,847,309
Transfers from other related entities	-
Changes in joint ventures	256,540
Gain (loss) on sale/disposition of capital assets	-
Fraud recovery	5,950
(Increase) decrease in accounts receivable - tenants	31,379
(Increase) decrease in accounts receivable - other	881,612
(Increase) decrease in due from other governments	(880,392)
(Increase) decrease in prepaid insurance	58,230
(Increase) decrease in other noncurrent receivables	-
(Increase) decrease in investment in joint venture	(8,568,126)
(Increase) decrease in notes receivable	1,543,433
(Increase) decrease in assets held for resale	1,765,139
(Increase) decrease in interest receivable	(90,439)
Increase (decrease) in accounts payable - vendors	44,339
Increase (decrease) in due to related parties	1,226,674
Increase (decrease) in accrued salaries	81,687
Increase (decrease) in accounts payable - other governments	259,155
Increase (decrease) in deferred revenue	115,769
Increase (decrease) in other current liabilities	(191,740)
Increase (decrease) in FSS liabilities	(105,509)
Increase (decrease) in tenant security deposits payable	<u>(4,068)</u>
 Net cash provided by (used for) operating activities	 <u><u>\$ (4,227,086)</u></u>

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

Cash and investments	\$ 5,476,031
Restricted cash	<u>2,566,537</u>
Cash at end of year	<u><u>\$ 8,042,568</u></u>

There were no significant noncash investing, capital or financing activities for the year ended December 31, 2013, except for the sale of certain real property for a \$6,377,000 note.

See accompanying notes to the basic financial statements

(This page intentionally left blank)

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

(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 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 Agency 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 appointed by the Mayor of the City of Fresno, where five members are appointed to four year terms, and two members, also residents of the agency housing programs, are appointed to two year terms.

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

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

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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. Separate financial statements are not issued for Pacific Gardens Enterprises, Inc.

(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.

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 have reached maturity and are reported at zero value on the financial statements. The changes in fair value of hedging derivative investments do not affect investment revenue but are reported as deferrals. As of December 31, 2013, these deferrals have been reduced to zero.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(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 homeownership programs. Assets held for sale consist of housing units set aside by the Agency for these homeownership 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

The Agency's Board of Commissioners adopted a revised Fixed Asset Capitalization Policy in 2013. Capital assets are defined by the Agency as assets with an initial, individual cost of \$5,000 and having an estimated useful life of greater than one year. All capital assets 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.

(I) Allowance for Doubtful Accounts

Accounts receivable are stated net of an allowance for doubtful accounts. The Agency estimates an allowance based on an analysis of specific tenants, and landlord participants taking into consideration past due accounts and an assessment of the debtor's general ability to pay.

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 has substantial doubt as to their collectability.

(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.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(K) Operating Revenue and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary finds. 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.

(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.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

(2) Cash and Investments

Cash and investments held by the Agency at December 31, 2013 are classified as follows in the accompanying Statement of Net Position:

Cash and investments as of December 31, 2013, are classified in the accompanying financial statements as follows:

Cash and investments	\$ 5,476,031
Restricted cash	<u>2,566,537</u>
Total cash and investments	<u>\$ 8,042,568</u>

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

The two tables below identify the investment types as authorized by California Government Code and HUD notice PIH 02-13. Some investments while allowable by California Government Code and/or HUD notice PIH 02-13 may not be authorized by the Agency's Board of Commissioners. HUD funds are subject to different investment restrictions and therefore may be handled differently when it comes to specific investment elections. 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
YEAR ENDED DECEMBER 31, 2013**

<u>Investment Types</u> <u>Authorized by State Law</u>	<u>Authorized By</u> <u>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	Yes	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	No	180 days	40%	30%
Commercial Paper	No	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20%	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Time Certificates of Deposit	Yes	5 years	30%	None
Money Market Mutual Funds	No	N/A	20%	10%
Mortgage Pass-Through Securities	No	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)	Yes	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive. For situations where the California Government Code investment requirements differ from those of the Federal Government, the requirements that are more restrictive will be followed.

<u>Investment Types</u> <u>Authorized by HUD Notice PIH 02-13</u>	<u>Authorized By</u> <u>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	Not Specified	None	None
U.S. Treasury Obligations	Yes	Not Specified	None	None
U.S. Agency Securities, Including GNMA				
Mortgage-Backed Securities	Yes	Not Specified	None	None
Securities of Gov-Sponsored Agencies	Yes	Not Specified	None	None
Demand & Savings Deposits	Yes	Not Specified	None	None
Money Market Deposit Accounts	Yes	N/A	None	None
Local Government Investment Pool (with a perfected security interest)	No	N/A	None	None
Super NOW Accounts	No	N/A	None	None
Certificates of Deposit	Yes	Not Specified	None	None
Certificates of Deposit (in excess of \$250,000)	Yes	90 days	None	None
Repurchase Agreements	No	Not Specified	None	None
Reverse Repurchase Agreements	No	Not Specified	None	None
Separate Trading of Registered Interest and Principal of Securities (STRIPS)	No	Not Specified	None	None
Mutual Funds	No	Not Specified	None	None

* Based on the requirements set forth in HUD Notice PIH 96-33 extended by Notice PIH 02-13 or investment policy requirements, whichever is more restrictive. For situations where Federal Government investment requirements differ from those of the California Government Code, the requirements that are more restrictive will be followed.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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.

For the year ended December 31, 2013 the Agency did not maintain a significant equity position in investment pool activities.

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.

Although for the year ended December 31, 2013 the Agency did not maintain a significant equity position in investment pool activities, it is the policy of the Agency to invest only in highly rated securities to the extent practicable and where applicable by law.

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

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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, 2013 \$76,437 of the Agency's deposits held with the California Housing Finance Agency (CHFA) were uncollateralized. This amount is inclusive of tenant security deposits.

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 As of December 31, 2013 the Agency did not maintain a significant equity position in its investment pool.

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.

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. Details of restricted cash are as follows:

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

	<u>Cash Restriction</u>	<u>In Liabilities</u>	<u>In Restricted Net Assets</u>
Cash Restricted For:			
California Housing Finance Agency (CHFA)	\$ 76,437	\$ -	\$ 76,437
USDA projects	408,820	-	408,820
Tenant Security Deposits	286,510	286,510	-
Section 8 Housing Assistance Payments	841,311	-	841,311
Family Self-sufficiency Escrows	17,942	17,942	-
Affordable Housing	917,278	-	917,278
Other - Flex Benefit Plan	18,239	-	18,239
Total	<u>\$ 2,566,537</u>	<u>\$ 304,452</u>	<u>\$ 2,262,085</u>

(4) Accounts Receivable

Accounts Receivable consists of the following balances for the year ending December 31, 2013:

Related parties for short-term activities	\$ 864,456
Other program balances	137,560
Section 8 Landlords (net of allowance for doubtful accounts of \$60,086)	38,010
Tenants (net of allowance for doubtful accounts of \$16,357)	47,749
NSP program (net of allowance for doubtful accounts of \$380,345)	-
	<u>\$ 1,087,775</u>

(5) Due from Other Governments

Due from Other Governments consists of the following:

U.S. Department of HUD	\$ 1,037,338
Due from Other Housing Authorities	2,400
Other Governments (i.e. CHFA, USDA, City of Fresno)	257,989
	<u>\$ 1,297,727</u>

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

(6) Notes Receivable

The following is a summary of changes in notes receivable as of December 31, 2013:

Notes Receivable - Non-Related Parties	Balance 12/31/12	Additions	Payments Received	Balance 12/31/2013
City of Clovis	\$ 500,000	\$ -	\$ -	\$ 500,000
Fresno Canyon Springs LP	500,000	-	-	500,000
Total due from nonrelated parties	1,000,000	-	-	1,000,000
Notes Receivable - Related Parties				
Better Opportunity Builders	125,000	-	-	125,000
Limited Partnerships:				-
Renaissance at Trinity	400,000	-	-	400,000
Renaissance at Trinity - AHP Loan	-	200,000	-	200,000
Alta Monte	360,000	40,000	-	400,000
Santa Clara	360,000	40,000	-	400,000
Parc Grove Commons II	5,322,730	-	(2,193,192)	3,129,538
YEC Limited	6,258,336	-	-	6,258,336
Fresno Pacific Gardens LP	2,738,430	-	-	2,738,430
Parc Grove Northwest	-	369,759	-	369,759
Southeast Fresno RAD	-	6,377,000	-	6,377,000
Joint Ventures:				
Silvercrest	-	-	-	-
Villa Del Mar	5,756	-	-	5,756
Total due from related parties	15,570,252	7,026,759	(2,193,192)	20,403,819
Totals	\$ 16,570,252	\$ 7,026,759	\$ (2,193,192)	\$ 21,403,819

See additional disclosures for related party transactions at notes 9, 18 and 19.

Locally Held Soft Second Mortgages

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 \$2,529,277 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 \$2,529,277.

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.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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 \$72,500 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, 2013. No payments have been received on this loan. The outstanding balance due at December 31, 2013 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 \$221,370 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, 2013. No payments have been received on this loan. The outstanding balance due at December 31, 2013 is \$500,000.

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, 2013, \$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 equal to the principal amount of the loans. (see note 1I).

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, 2013 is \$125,000.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Fresno Renaissance at Trinity, LP

On December 1, 2010 the Agency 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 bears no interest with payments due on or 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, 2013 is \$400,000.

The Agency has entered into a loan agreement with Fresno Renaissance at Trinity, LP, a related party to the Housing Authority of the City of Fresno. The Agency was awarded a grant through the Affordable Housing Program (AHP) and these funds were in turn loaned to the Reedley Kings River Commons development. The note bears no interest with principal payable upon completion of the project. The outstanding balance of the loan due from Fresno Renaissance at Trinity, LP at December 31, 2013 is \$200,000.

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, 2013, the outstanding principal balance was \$400,000. Accrued interest totals \$41,802. For the period, interest expense on the loan was \$21,558, of which \$12,609 was capitalized.

1555 Santa Clara Street, LP

On December 1, 2010, 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 (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, 2013, the outstanding principal balance on the FHA Loan was \$400,000 and accrued interest was \$50,538. For the period, interest expense on the loan was \$38,307, of which \$12,276 was capitalized.

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 principal and interest balances due at December 31, 2013 are \$3,129,538 and \$324,733 respectively. Interest expense for the year was \$361,606.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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 \$245,165. Interest expense for the year was \$105,814.

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, 2013 the outstanding balance for this loan is \$4,905,352.

The outstanding balance due for all three loans at December 31, 2013 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.

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 principal and accrued interest balances at December 31, 2013 are \$1,588,656 and \$86,288 respectively. Interest expense for the year was \$79,575.

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 principal and accrued interest balances due at December 31, 2013 are \$599,774 and \$45,205 respectively. Interest expense for the year was \$31,069.

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 principal and

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

accrued interest balances due at December 31, 2013 are \$550,000 and \$61,765 respectively. Interest expense for the year was \$31,435.

The outstanding principal balance due for all three loans at December 31, 2013 was \$2,738,430.

Parc Grove Northwest, LP

In June 2006, the Agency approved a loan from the City Relinquished Fund for the development of Parc Grove Northwest. This note bears 0% interest with principal payable in upon sale. In February 2013, the sale of this development was completed and the property was transferred to Parc Grove Northwest, LP. This note was reclassified from an interfund loan to a Related Party Notes from Parc Grove Commons NW, LP upon conversion of the property. The outstanding balance at December 31, 2013 was \$369,759.

Southeast Fresno RAD, LP

On December 18, 2013, the Agency entered into a loan agreement with Southeast Fresno, a related party to the Housing Authority of Fresno County, for \$6,377,000 for the purpose of financing a 191-unit low-income multi-family project. The note bears an interest rate of 3.32% compounded annually, with principal and interest payable monthly commencing January 1, 2016 from available cash flow, as defined in the Partnership Agreement. The outstanding balance due at December 31, 2013 is \$6,377,000.

(7) 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	\$ 108,634	\$ -	\$ 108,634
CalHFA Program	-	1,315,430	1,315,430
City Public Housing Program	-	595,740	595,740
Planning and Community Development	44,448	-	44,448
Neighborhood Stabilization Program	72,986	-	72,986
Total Assets Held for Sale	<u>\$ 226,068</u>	<u>\$ 1,911,170</u>	<u>\$ 2,137,238</u>

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. As of December 31, 2013 the Agency is carrying one house in assets held for sale at a value of \$108,635.

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

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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, 2013 and is listed in assets held for sale.

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 the Helm Home through loans from the Housing Relinquished Fund Corporation, a joint venture of the Agency. As of December 31, 2013 the carrying value of this property was \$44,448.

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. During 2013 six of these properties were sold. As of December 31, 2013 the carrying value of remaining homes held for sale is \$72,986.

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. These homes were sold during 2013 and their value has been removed from the Assets Held For Sale account as of December 31, 2013.

(8) Capital Assets

	Balance at 12/31/2012	Additions	Deletions	Balance at 12/31/2013
Capital assets not being depreciated:				
Land	\$ 3,960,008	\$ 106,690	\$ (111,572)	\$ 3,955,126
Construction in progress	6,037,800	6,422,122	(6,838,087)	5,621,835
Total capital assets not being depreciated	9,997,808	6,528,812	(6,949,659)	9,576,961
Capital assets being depreciated:				
Buildings	65,764,672	1,028,310	(5,247,998)	61,544,984
Equipment	5,355,075	1,039	(3,114,128)	2,241,986
Total capital assets being depreciated	71,119,747	1,029,349	(8,362,126)	63,786,970
Less accumulated depreciation for:				
Buildings	(51,282,948)	(1,707,422)	4,137,936	(48,852,434)
Equipment	(4,865,624)	(139,886)	3,011,738	(1,993,772)
Total accumulated depreciation	(56,148,572)	(1,847,308)	7,149,674	(50,846,206)
Total capital assets being depreciated, net	14,971,175	(817,959)	(1,212,452)	12,940,764
Total capital assets, net	<u>\$ 24,968,983</u>	<u>\$ 5,710,853</u>	<u>\$ (8,162,111)</u>	<u>\$ 22,517,725</u>

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

(9) Investment in Joint Ventures

As of December 31, 2013, the Agency's investment in joint ventures is comprised of the following:

Joint Venture	Investment
Housing Relinquished Fund Corp	\$ 27,017,520
Silvercrest, Inc.	5,208,778
Housing Self-Insurance Corp	740,726
Villa Del Mar, Inc.	1,412
Total investments in joint ventures	<u><u>\$ 32,968,436</u></u>

Change in Investment in Joint Venture	
Balance December 31, 2012	\$ 24,400,310
Joint Venture Net Income	8,568,126
Balance December 31, 2013	<u><u>\$ 32,968,436</u></u>

Reconciliation of Net Income to Change in Joint Venture	
Joint Venture Net Income	\$ 8,568,126
Less: Net Income Reported as Gain on Sale	2,185,386
Less: Transfer Out for City Affordable Housing Contribution	1,126,200
Less: Transfer Out for RAD Development	5,000,000
Investment In Joint Venture Net Income Reported	<u><u>\$ 256,540</u></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 Commissioners. The Agency has a 75.87% 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 Agency has a 82.32% equity interest in HSIC. HSIC does not issue separate financial statements.

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 Agency has a 42.99% equity interest in Silvercrest, Inc. 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.

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 Commissioners. The Agency has a 50% equity interest in Villa Del Mar, Inc. 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
YEAR ENDED DECEMBER 31, 2013**

(10) Long-Term Liabilities

Changes in long-term liabilities for the year ended December 31, 2013 are as follows:

	<u>Balance 12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/13</u>	<u>Due Within One Year</u>
Notes payable - non-related parties:					
U.S. Department of Agriculture	\$ 799,711	\$ -	\$ (96,202)	\$ 703,509	\$ 97,168
California Housing Finance Agency				-	
Garland Gardens	1,294,673	-	(114,241)	1,180,432	125,380
HELP Program	1,393,035		(77,605)	1,315,430	1,315,430
City of Fresno NSP	988,669		(944,228)	44,441	-
City of Fresno NSP 3	-	1,622,647	-	1,622,647	
Mortgages:					
El Cortez Apartments	975,162		(40,707)	934,455	934,455
Dayton Square	1,330,878		(55,441)	1,275,437	1,275,436
Woodside Apartments	1,569,047		(65,387)	1,503,660	1,503,660
Line of Credit	1,128,277		-	1,128,277	1,128,277
Total notes payable - non-related parties	9,479,452	1,622,647	(1,393,811)	9,708,288	6,379,806
Net Pension Obligation	41,584		(41,584)	-	-
Net OPEB Obligation	52,800		(52,800)	-	-
Derivative instrument rate swap	130,638	-	(130,638)	-	-
Family Self-Sufficiency	123,450	-	(105,508)	17,942	-
Compensated Absences	431,903	-	(25,647)	406,256	141,551
Interest payable	438,560	661,393	(197,698)	902,255	635,228
Homebuyers earned payments	41,741	5,440	-	47,181	-
	10,740,128	2,289,480	(1,947,686)	11,081,922	7,156,585
Related parties:					
Better Opportunity Builders:					
To BOB from Parc Grove I	310,379	-	(310,379)	-	-
HA of the County of Fresno	544,177	-	(544,177)	-	-
Joint Ventures:					
P&CD to HRFC	2,608,804	-	(615,719)	1,993,085	-
P&CD to HRFC	1,996,789	4,804,206	(5,485,033)	1,315,962	1,315,962
Various to HRFC	5,000	-	-	5,000	-
Various to HRFC	103,326	-	(103,326)	-	-
Various to HRFC	238,865	-	-	238,865	-
Office building to HRFC	154,000	-	-	154,000	-
San Ramon (NSP Prg) to HRFC	-	159,901	-	159,901	-
	5,961,340	4,964,107	(7,058,634)	3,866,813	1,315,962
Totals	\$ 16,701,468	\$ 7,253,587	\$ (9,006,320)	\$ 14,948,734	\$ 8,472,547

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

The following is a schedule of debt payment requirements to maturity for notes and mortgages payable.

Year ending	Notes		Mortgages		Total
	Principal	Interest	Principal	Interest	
December 31st					
2014	\$3,982,218	\$868,157	\$3,713,550	\$19,144	\$8,583,069
2015	235,750	111,566	-	-	347,316
2016	250,153	98,364	-	-	348,517
2017	250,567	83,961	-	-	334,528
2018	257,377	68,280	-	-	325,657
2019-2023	667,548	51,344	-	-	718,892
2024-2028	1,054,485	573,337	-	-	1,627,822
2029-2033	1,054,485	263,621	-	-	1,318,106
2034-2038	1,054,485	263,621	-	-	1,318,106
2039-2043	1,054,483	278,577	-	-	1,333,060
	\$9,861,551	\$2,660,828	\$3,713,550	\$19,144	\$16,255,073

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 on April 2, 2033. At December 31, 2013 the outstanding balance for the notes is \$703,512.

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, 2013 the outstanding balance is \$1,180,431.

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:

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

Loan Date	Interest		Available	Drawn	Interest
	Rate	Due Date			Accrued
2/5/2003	3%	N/A	\$ 627,605	\$ -	\$ -
2/17/2004	3%	2/17/2014	1,600,000	1,315,430	267,027
			\$ 2,227,605	\$ 1,315,430	\$ 267,027

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, 2013 the outstanding balance is \$44,441.

City of Fresno NSP 3 note

In March 2013, the Agency entered into a Loan Agreement with the City of Fresno to administer the Neighborhood Stabilization Program 3 (NSP 3), a federal program funded by HUD. This loan is intended for the construction, rehabilitation, and/or preservation of project units and affordable housing units. This note carries a 2% simple annual interest rate. Current payment terms are based upon residual cash flow of the properties being funded with principal and interest payable 30 years from origination date. As of December 31, 2013, the current outstanding balance of this note is \$1,622,647.

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, 2013 was 2.46%. The total market values of the interest rate swaps as of December 31, 2013 are discussed in more detail in footnote 9. The amount owed on these loans as of December 31, 2013 was \$3,713,552.

In January 2014 the Agency was granted an extension on the maturity of these notes in order to begin the refinancing process. This process was subsequently completed on April 30, 2014.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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, 2013, 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, 2013 total \$17,942

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, 2013, accrued vacation and vested sick leave have been valued by the Agency at \$406,256.

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 was transferred to a limited partnership during the course of the year and has no balance as of December 31, 2013.

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. This loan was paid off during the course of the year.

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 carried an interest rate of 5% per annum and was paid off on June 2, 2013. The

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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 the remaining loan and accrued interest at December 31, 2013 is \$607,743 and \$122,583 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 upon sale or refinance of the complex. The outstanding balance and accrued interest payable balances at December 31, 2013 are \$1,340,894 and \$284,985 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 balances of the loan and accrued interest payable at December 31, 2013 are \$61,583 and \$103,446 respectively.

During the year ended December 31, 2013, the Agency received a loan from HRFC for \$274,890 for the Bowman-Droge building purchase. The loan accrued interest at 1% per annum. The loan was paid off in 2013 and therefore has no balance at December 31, 2013.

The total outstanding balance of various loans related to development activities payable to HRFC at the beginning of the year was \$2,608,804. The Agency repaid \$615,718 of these loans during the course of the year. At December 31, 2013 the outstanding balance is \$1,993,085.

Predevelopment loans are made throughout the year. Payments are to be made from the sale of the properties. The outstanding balance of these loans at the beginning of the year was \$1,996,789. During the course of the year the Agency transferred \$20,403 worth of loans, issued \$4,804,206 in new loans, and repaid various loans totaling \$5,464,630. The outstanding balance at December 31, 2013 is \$1,315,962.

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.

(11) Due to Other Governments

Due to Other Governments consists of the following:

PILOT Payable to Local Governments	\$ 368,224
Payable to HUD	140,467
Other	16,729
	<u>\$ 525,420</u>

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

(12) Other Current Liabilities

Other current liabilities at December 31, 2013 consist of the following:

Due to HRFC	\$ 1,075,000
Due to HSIC	1,045,411
Contract Rentention Payable	127,458
Other	<u>45,394</u>
Total Due to Related Parties	<u>\$ 2,293,263</u>
NSP 3	\$ 493,623
SPC unclaimed refunds	187,189
PERS payable	86,919
Other	<u>70,727</u>
Total Due to Non-Related Parties	<u>\$ 838,458</u>

(13) Unearned Revenues

Unearned revenues consist of prepaid annual contributions from the Section 8 program, prepaid rents received from tenants, and unearned revenues received for a multi-year service contract between Comcast and the Agency, as well as other miscellaneous receipts.

Prepaid Annual Contributions	\$ 190,583
Prepaid Rents	14,666
Comcast service contract	50,848
Other	<u>26,453</u>
	<u>\$ 282,550</u>

(14) 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.

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.

(15) 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

**HOUSING AUTHORITY OF THE CITY OF FRESNO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2013**

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.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect, requiring that a public employer's contribution to a defined benefit plan, in combination with employee contributions to that defined benefit plan, shall not be less than the normal cost rate. Beginning July 1, 2013, this means that some plans with surplus will be paying more than they otherwise would. For more information on PEPRA, please refer to the CalPERS website.

Participants are required to contribute approximately 7% of their annual covered salary. Under PEPRA the Agency may make the contributions required of the Agency's employees only for those employees that meet the definition of a "classic" CalPERS employee. All other employees not enrolled in CalPERS before January 1, 2013, or do not otherwise meet the definition of a "classic" CalPERS employee, are prohibited from receiving this benefit. Benefit provisions and all other requirements are established by state statute and 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 July 1, 2012 to June 30, 2013 has been determined by an actuarial valuation of the plan as of June 30, 2010. The unadjusted GASB compliant contribution rate for the indicated period is 5.427 percent of payroll. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2013, this contribution rate, less any employee cost sharing, as modified by any amendments for the year, would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2012 to June 30, 2013. The employer and the employer's auditor are responsible for determining the NPO and the APC.

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

Retirement Program

Valuation Date	June 30, 2010
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	64 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Discount Rate	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 3.00% and an annual production growth of 0.25%.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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 30-year rolling period, which results in an amortization of about 6 percent 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 accrued liability, actuarial value of assets, their relationship and the relationship of the unfunded actuarial accrued liability to payroll.

*Schedule of Funding Progress
City 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>
6/30/10	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%)
6/30/12	28,517,261	28,493,386	23,875	99.9%	5,121,545	.5%

*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>
12/31/11	\$193,147	100%	-
12/31/12	248,342	100%	-
12/31/13	284,783	100%	-

(16) Other Post Employment Health Benefit Plan

Plan Description: For the period covered by the accompanying financial statements, the Agency administered a single-employer defined benefit plan which provided lifetime medical healthcare benefits to retirees and their dependents that were at least 50 years of age when they retired and that worked a minimum of five years of service. Retirees were eligible for a health insurance stipend of approximately \$225 per month, except for former Executive Directors, who received the actual costs of their health benefits. This program provided a voluntary non-vested benefit to eligible retirees participating under the CalPERS Public Employees' Medical and Hospital Care Act. When initially established, the Board of Commissioners retained the right to significantly change (or terminate) the level of contributions under this program.

In March 2013, the Board of Commissioners passed a resolution terminating this benefit program for retirees.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

(17) Insurance Coverage

HARRP

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, 2013. The relationship between the Agency and HARRP is such that HARRP is not a component unit of the Agency for financial reporting purposes.

The Agency paid premiums totaling approximately \$86,018 during the year ended December 31, 2013. 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.

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 \$550,000 workers' compensation coverage and \$550,000 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 \$5,000,000 per occurrence.

(18) 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

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

the Investment Limited Partner and Columbia Housing SLP Corporation as the Special Limited Partner.

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 6 for descriptions of any related party transactions between the Agency and the partnership.

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 6 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,

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

California 93776-1985. See note 6 for descriptions of any related party transactions between the Agency and the partnership.

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. See note 6 for descriptions of any related party transactions between the Agency and the partnership.

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. See note 6 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
YEAR ENDED DECEMBER 31, 2013

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. See note 6 for descriptions of any related party transactions between the Agency and the partnership.

Bridges at Florence, LP

Bridges at Florence LP, a California Limited Liability Company, was formed to acquire, construct, and operate Bridges at Florence, a 34 unit affordable-housing complex and community resource building located in Fresno, California. The project received low-income housing tax credits through the California Tax Credit Allocation Committee. The purpose of this project is to expand availability of long-term housing for low-income persons residing in the City of Fresno, California.

The partnership was originally formed on April 12, 2012, by Bridges at Florence 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 April 4, 2013 to admit PNC Bank, National Association as the Investor Limited Partner, and Colombia Housing SLP Corporation as the Special Limited Partner.

Silvercrest, Inc., as Managing General Partner, is allocated 0.005% interest of all net profits (or net losses) of the partnership. Bridges at Florence AGP, LLC, as Administrative General Partner, is allocated 0.005% 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 6 for descriptions of any related party transactions between the Agency and the partnership.

Parc Grove Commons Northwest, LP

Parc Grove Commons Northwest LP, was formed to acquire, construct, and operate Parc Grove Commons Northwest, a 148 unit affordable-housing complex and community resource building. The project received low-income housing tax credits through the California Tax Credit Allocation Committee. The purpose of this project is to expand

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

availability of long-term housing for low income persons residing in the City of Fresno, California.

The partnership was originally formed on March 1, 2012, by Parc Grove Commons Northwest 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 February 13, 2013 to admit Wells Fargo Affordable Housing Community Development Corporation as the Investor Limited Partner, and to-be-designated entity as the Special Limited Partner.

Silvercrest Inc. is the Managing General Partner and the Withdrawing Limited Partner. Parc Grove Commons Northwest AGP, LLC, is the Administrative General Partner. Each of those two entities is allocated 0.005% 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 6 for descriptions of any related party transactions between the Agency and the partnership.

802 Van Ness Avenue, LP

802 Van Ness LP, was formed to acquire, construct, and operate an affordable-housing complex, community resource building, and commercial space 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 October 17, 2013, by 802 Van Ness Avenue 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. PNC Real Estate Tax Credit Capital Institutional Fund 52 Limited Partnership is the Investor Limited Partner, and Columbia Housing SLP Corporation is the Special Limited Partner.

As the Managing General Partner and Administrative General Partner, Silvercrest, Inc. and 802 Van Ness Avenue AGP, LLC, respectively, are allocated 0.005% 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 6 for descriptions of any related party transactions between the Agency and the partnership.

Reedley Kings River Commons, LP

Reedley Kings River Commons LP, was formed to acquire, construct, and operate an affordable-housing complex and community resource building in Reedley, California. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on December 1, 2013, by Reedley Kings River Commons 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. R4 FR Acquisition LLC is the Investor Limited Partner, and Silvercrest, Inc. is the Withdrawing Special Limited Partner.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

Net profits or losses of the partnership are allocated 0.01% to the General Partners. 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 6 for descriptions of any related party transactions between the Agency and the partnership.

Southeast Fresno RAD, LP

Southeast Fresno RAD, LP was formed to acquire, construct and/or rehabilitate, and operate a scattered site affordable-housing development and community resource building in Fresno, California. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on December 1, 2013, by Southeast Fresno RAD 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. R4 FR Acquisition LLC is the Investor Limited Partner, and Silvercrest, Inc. is the Withdrawing Special Limited Partner.

Net profits or losses of the partnership are allocated 0.005% to each of the two General Partners, Silvercrest Inc. and Southeast Fresno RAD AGP, LLC. 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 6 for descriptions of any related party transactions between the Agency and the partnership.

Mendota RAD, LP

Mendota RAD, LP was formed to acquire, construct and/or rehabilitate, and operate a scattered site affordable-housing development and community resource building in Mendota, California. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on December 20, 2013, by Mendota RAD 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. PNC Bank, National Association is the Investor Limited Partner, and Columbia Housing SLP Corporation is the Special Limited Partner.

Net profits or losses of the partnership are allocated 0.005% to each of the two General Partners, Silvercrest Inc. and Mendota RAD AGP, LLC. 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 6 for descriptions of any related party transactions between the Agency and the partnership.

Orange Cove RAD, LP

Orange Cove RAD, LP was formed to acquire, construct and/or rehabilitate, and operate a scattered site affordable-housing development and community resource building in Orange Cove, California. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

The partnership was originally formed on December 20, 2013, by Orange Cove RAD 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. PNC Bank, National Association is the Investor Limited Partner, and Columbia Housing SLP Corporation is the Special Limited Partner.

Net profits or losses of the partnership are allocated 0.005% to each of the two General Partners, Silvercrest Inc. and Orange Cove RAD AGP, LLC. 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 6 for descriptions of any related party transactions between the Agency and the partnership.

(19) Other Related Parties

Better Opportunities Builders, Inc.

The Executive Director of the Agency serves as the Secretary-Treasurer of Better Opportunities Builders, Inc. (BOB). The Agency's Chief Financial Officer serves as the Chief Executive Officer of BOB. One of the Agency's Commissioners serves on the Board of Directors of BOB. The remaining Board of Directors selected by other affiliated agencies. 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 2013. 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.

The budget document for the jointly managed operations is approved by both Boards. If one Board amends budgetary data subject to its jurisdiction, executive staff of the Authorities amends the joint budget as necessary to accommodate such changes. Although each Board takes action to approve its portion of the budget, the budget adoption process reflects considerable interplay between the two Boards and is essentially a single process managed by the shared management and staff of the two Authorities.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

(20) Interfund and Interagency Activity

The following is a summary of changes in interfund loans as of December 31, 2013:

	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/13</u>	<u>Due within</u> <u>One Year</u>
Receivables:					
City RF from NSP	\$1,128,277	-	-	1,128,277	1,128,277
City RF from Parc Grove NW	369,759	-	(369,759)	-	-
City RF from Villa Del Mar	5,756	-	(5,756)	-	-
City RF from El Cortez	205,800	-	-	205,800	-
City RF from P&CD	<u>500,000</u>	-	-	<u>500,000</u>	<u>-</u>
Total Receivables	\$ 2,209,592	-	\$(375,515)	\$1,834,077	1,128,277
Payables:					
City RF from NSP	\$1,128,277	-	-	1,128,277	1,128,277
City RF from Parc Grove NW	369,759	-	(369,759)	-	-
Villa Del Mar to City RF	5,756	-	(5,756)	-	-
City RF from El Cortez	205,800	-	-	205,800	-
City RF from P&CD	<u>500,000</u>	-	-	<u>500,000</u>	<u>-</u>
Total Payables	\$ 2,209,592	-	\$(375,515)	\$1,834,077	1,128,277

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 (RF) to the Planning and Community Development (P&CD) 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.

(21) 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
 YEAR ENDED DECEMBER 31, 2013**

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.

(22) 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	\$ 1,758,589
USDA projects	408,820
California Housing Finance Agency (CHFA)	76,437
Other	18,239
Total	<u><u>\$ 2,262,085</u></u>

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(23) Implementation of New Accounting Standard

In March 2012, the GASB issued *GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities* (GASB 65). This statement provided clarifying guidance on either (a) classification of items that were previously reported as assets and liabilities but are now reported as deferred outflows and inflows, or (b) recognizing certain items that were previously reported as assets and liabilities but are now recognized as outflows of resources (expenses or expenditures) or inflows (revenues). GASB 65 is effective for periods beginning after December 15, 2012. GASB 65 is effective for PHAs with fiscal year ends of December 31, 2013 and after.

In accordance with this new pronouncement, all unamortized loan costs previously recorded as other assets were expensed in the current year.

SUPPLEMENTAL INFORMATION

(This page intentionally left blank)

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	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	\$2,533,698	\$5,226	\$855	\$383,697	\$2,335
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted					\$408,820
114 Cash - Tenant Security Deposits	\$153,697				\$15,222
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$2,687,395	\$5,226	\$855	\$383,697	\$426,377
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$150,467	\$4,902			
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous			\$10,609	\$380,345	
126 Accounts Receivable - Tenants	\$52,800				\$98
126.1 Allowance for Doubtful Accounts - Tenants	-\$13,813				\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	-\$380,345	
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$517,990				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$707,444	\$4,902	\$10,609	\$0	\$98
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets					
143 Inventories					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	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					
144 Inter Program Due From					
145 Assets Held for Sale	\$595,740			\$72,986	
150 Total Current Assets	\$3,990,579	\$10,128	\$11,464	\$456,683	\$426,475
161 Land	\$1,175,342				\$119,742
162 Buildings	\$43,920,848				\$2,408,871
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration	\$924,711				\$279
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$39,112,215				-\$1,819,871
167 Construction in Progress	\$2,525,273				
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$9,433,959	\$0	\$0	\$0	\$709,021
171 Notes, Loans and Mortgages Receivable - Non-Current	\$6,230,953				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures	\$6,163,881				
180 Total Non-Current Assets	\$21,828,793	\$0	\$0	\$0	\$709,021
190 Total Assets	\$25,819,372	\$10,128	\$11,464	\$456,683	\$1,135,496
200 Deferred Outflow of Resources					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	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
290 Total Assets and Deferred Outflow of Resources	\$25,819,372	\$10,128	\$11,464	\$456,683	\$1,135,496
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$89,620		\$3,327	\$68	\$2,722
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$24,788			\$1,855	\$692
322 Accrued Compensated Absences - Current Portion	\$22,575				\$4,507
324 Accrued Contingency Liability					
325 Accrued Interest Payable	\$14,689			\$170,653	
331 Accounts Payable - HUD PHA Programs	\$25,048				
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$368,224		\$7,904		\$719
341 Tenant Security Deposits	\$153,697				\$15,220
342 Unearned Revenue	\$10,289				\$1,306
343 Current Portion of Long-term Debt - Capital					\$97,169
344 Current Portion of Long-term Debt - Operating Borrowings				\$1,128,277	
345 Other Current Liabilities	\$1,086				
346 Accrued Liabilities - Other					
347 Inter Program - Due To	\$35,660	\$10,106	\$219	\$227	\$40,240
348 Loan Liability - Current					
310 Total Current Liabilities	\$745,676	\$10,106	\$11,450	\$1,301,080	\$162,575
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$98,097				\$606,343
352 Long-term Debt, Net of Current - Operating Borrowings				\$44,441	
353 Non-current Liabilities - Other	\$205,890				
354 Accrued Compensated Absences - Non Current	\$41,608				\$8,174

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	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
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$345,595	\$0	\$0	\$44,441	\$614,517
300 Total Liabilities	\$1,091,271	\$10,106	\$11,450	\$1,345,521	\$777,092
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$9,335,862				\$5,509
511.4 Restricted Net Position					\$408,820
512.4 Unrestricted Net Position	\$15,392,239	\$22	\$14	-\$888,838	-\$55,925
513 Total Equity - Net Assets / Position	\$24,728,101	\$22	\$14	-\$888,838	\$358,404
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets /	\$25,819,372	\$10,128	\$11,464	\$456,683	\$1,135,496

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
111 Cash - Unrestricted	\$4,625	\$9,497	\$7,637		\$1,201,559
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted			\$841,311		
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$4,625	\$9,497	\$848,948	\$0	\$1,201,559
121 Accounts Receivable - PHA Projects			\$2,400		
122 Accounts Receivable - HUD Other Projects		\$89,751			
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous			\$98,095		\$1,760
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts - Tenants					
126.2 Allowance for Doubtful Accounts - Other		\$0	-\$60,086		-\$2,419,812
127 Notes, Loans, & Mortgages Receivable - Current					\$2,419,812
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$89,751	\$40,409	\$0	\$1,760
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: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
144 Inter Program Due From		\$31,662			
145 Assets Held for Sale					\$108,635
150 Total Current Assets	\$4,625	\$130,910	\$889,357	\$0	\$1,311,954
161 Land					
162 Buildings					\$2,343,060
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration			\$484,552	\$9,316	\$5,394
165 Leasehold Improvements					
166 Accumulated Depreciation			-\$484,552	-\$9,316	-\$474,006
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$1,874,448
171 Notes, Loans and Mortgages Receivable - Non-Current					\$4,905,351
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$6,779,799
190 Total Assets	\$4,625	\$130,910	\$889,357	\$0	\$8,091,753
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$4,625	\$130,910	\$889,357	\$0	\$8,091,753

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$10		\$5,607		\$265
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$3,421	\$227	\$53,548		
322 Accrued Compensated Absences - Current Portion	\$2,433		\$46,591		
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs			\$96,671		
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue			\$190,583		
343 Current Portion of Long-term Debt - Capital					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities	\$1,400				
346 Accrued Liabilities - Other					
347 Inter Program - Due To	\$130,536	\$130,000	\$140,472		\$153
348 Loan Liability - Current					
310 Total Current Liabilities	\$137,800	\$130,227	\$533,472	\$0	\$418
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	\$4,446	\$2,622	\$84,938		
355 Loan Liability - Non Current					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$4,446	\$2,622	\$84,938	\$0	\$0
300 Total Liabilities	\$142,246	\$132,849	\$618,410	\$0	\$418
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets					\$1,874,448
511.4 Restricted Net Position			\$841,311		
512.4 Unrestricted Net Position	-\$137,621	-\$1,939	-\$570,364	\$0	\$6,216,887
513 Total Equity - Net Assets / Position	-\$137,621	-\$1,939	\$270,947	\$0	\$8,091,335
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets /	\$4,625	\$130,910	\$889,357	\$0	\$8,091,753

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.185 Hope III	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
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$6,689	\$102,931	\$33,113	\$587,339	\$159,844
161 Land		\$158,970			
162 Buildings		\$2,636,849			
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration	\$279	\$32,814			\$4,715
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$279	-\$2,595,321			-\$4,715
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$233,312	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$233,312	\$0	\$0	\$0
190 Total Assets	\$6,689	\$336,243	\$33,113	\$587,339	\$159,844
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$6,689	\$336,243	\$33,113	\$587,339	\$159,844

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.185 Hope III	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
311 Bank Overdraft					
312 Accounts Payable <= 90 Days		\$5,234			\$9,011
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable		\$1,690		\$1,645	\$277
322 Accrued Compensated Absences - Current Portion		\$3,645		\$1,347	\$3,511
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs			\$18,748		
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$3,060	\$5,127			
341 Tenant Security Deposits		\$12,799			
342 Unearned Revenue		\$3,071			
343 Current Portion of Long-term Debt - Capital		\$125,380			
344 Current Portion of Long-term Debt - Operating Borrowings				\$187,189	
345 Other Current Liabilities					
346 Accrued Liabilities - Other					
347 Inter Program - Due To		\$120,242		\$626,925	\$335
348 Loan Liability - Current					
310 Total Current Liabilities	\$3,060	\$277,188	\$18,748	\$817,106	\$13,134
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$1,055,051			
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current		\$5,625		\$3,062	\$6,539
355 Loan Liability - Non Current					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.185 Hope III	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
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$0	\$1,060,676	\$0	\$3,062	\$6,539
300 Total Liabilities	\$3,060	\$1,337,864	\$18,748	\$820,168	\$19,673
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets					
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	\$3,629	-\$130,939	\$14,365	-\$232,829	\$140,171
513 Total Equity - Net Assets / Position	\$3,629	-\$1,001,621	\$14,365	-\$232,829	\$140,171
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets /	\$6,689	\$336,243	\$33,113	\$587,339	\$159,844

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	COCC	Subtotal
111 Cash - Unrestricted	\$17,550	\$37,978	\$98,433	\$1,027,818	\$5,476,033
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted			\$917,278	\$18,239	\$2,262,085
114 Cash - Tenant Security Deposits		\$8,099	\$114,100		\$304,453
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$17,550	\$46,077	\$1,129,811	\$1,046,057	\$8,042,571
121 Accounts Receivable - PHA Projects					\$2,400
122 Accounts Receivable - HUD Other Projects	\$213,593				\$1,037,339
124 Accounts Receivable - Other Government		\$188,530			\$257,988
125 Accounts Receivable - Miscellaneous	\$29,230	\$37,548	\$315,512	\$607,357	\$1,480,456
126 Accounts Receivable - Tenants			\$1,729		\$64,107
126.1 Allowance for Doubtful Accounts - Tenants		\$0	\$0		-\$16,358
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	-\$2,969,707
127 Notes, Loans, & Mortgages Receivable - Current			\$1,128,277		\$3,657,553
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$92,625		\$170,653		\$781,268
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$335,448	\$226,078	\$1,616,171	\$607,357	\$4,295,046
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets				\$191,981	\$191,981
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: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	COCC	Subtotal
144 Inter Program Due From		\$126,682	\$1,267,524	\$712,611	\$2,138,479
145 Assets Held for Sale		\$1,315,430	\$44,448		\$2,137,239
150 Total Current Assets	\$352,998	\$1,714,267	\$4,057,954	\$2,558,006	\$16,805,316
161 Land		\$106,690	\$2,070,152	\$324,229	\$3,955,125
162 Buildings		\$1,028,310	\$5,596,439	\$3,610,608	\$61,544,985
163 Furniture, Equipment & Machinery - Dwellings			\$13,201	\$417	\$417
164 Furniture, Equipment & Machinery - Administration	\$82,631			\$693,666	\$2,251,558
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$82,631	\$0	-\$3,173,760	-\$3,099,528	-\$50,856,194
167 Construction in Progress		\$1,413,193	\$1,683,369		\$5,621,835
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$2,548,193	\$6,189,401	\$1,529,392	\$22,517,726
171 Notes, Loans and Mortgages Receivable - Non-Current	\$1,200,000	\$1,990,000	\$7,783,315		\$22,109,619
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets		\$539,034	\$71,191		\$610,225
176 Investments in Joint Ventures			\$26,804,555		\$32,968,436
180 Total Non-Current Assets	\$1,200,000	\$5,077,227	\$40,848,462	\$1,529,392	\$78,206,006
190 Total Assets	\$1,552,998	\$6,791,494	\$44,906,416	\$4,087,398	\$95,011,322
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$1,552,998	\$6,791,494	\$44,906,416	\$4,087,398	\$95,011,322

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	COCC	Subtotal
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$28,007	\$97,840	\$203,767		\$445,478
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$2,962	\$6,248	\$13,075	\$204,213	\$314,641
322 Accrued Compensated Absences - Current Portion	\$762	\$4,475	\$13,428	\$39,876	\$143,150
324 Accrued Contingency Liability					
325 Accrued Interest Payable		\$267	\$620,273		\$805,882
331 Accounts Payable - HUD PHA Programs					\$140,467
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					\$385,034
341 Tenant Security Deposits	\$8,099	\$112,642	\$302,457		\$302,457
342 Unearned Revenue	\$8,953	\$17,500	\$282,550	\$50,848	\$282,550
343 Current Portion of Long-term Debt - Capital	\$1,315,430	\$3,713,551	\$5,251,530		\$5,251,530
344 Current Portion of Long-term Debt - Operating Borrowings		\$2,444,239	\$3,572,516		\$3,572,516
345 Other Current Liabilities	\$94,928	\$1,169,143	\$2,637,756	\$1,184,010	\$2,637,756
346 Accrued Liabilities - Other	\$493,623	\$343	\$493,966		\$493,966
347 Inter Program - Due To	\$360,434	\$275,679	\$2,138,479	\$17,048	\$2,138,479
348 Loan Liability - Current					
310 Total Current Liabilities	\$250,203	\$2,311,511	\$8,477,370	\$1,700,105	\$16,913,906
	\$262,880				
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$1,782,547	\$1,998,086	\$5,694,124	\$154,000	\$5,694,124
352 Long-term Debt, Net of Current - Operating Borrowings		\$705,800	\$750,241		\$750,241
353 Non-current Liabilities - Other	\$267,027	\$71,191	\$544,108		\$544,108
354 Accrued Compensated Absences - Non Current	\$3,063	\$8,084	\$23,057	\$73,487	\$264,705
355 Loan Liability - Non Current					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	COCC	Subtotal
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$3,063	\$2,057,658	\$2,798,134	\$227,487	\$7,253,178
300 Total Liabilities	\$265,943	\$4,369,169	\$11,275,504	\$1,927,592	\$24,167,084
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets					
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	\$1,287,055	\$2,972,109	\$32,235,870	\$766,175	\$57,010,081
513 Total Equity - Net Assets / Position	\$1,287,055	\$2,422,325	\$33,630,912	\$2,159,806	\$70,844,238
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets /	\$1,552,998	\$6,791,494	\$44,906,416	\$4,087,398	\$95,011,322

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	ELIM	Total
111 Cash - Unrestricted		\$5,476,033
112 Cash - Restricted - Modernization and Development		
113 Cash - Other Restricted		\$2,262,085
114 Cash - Tenant Security Deposits		\$304,453
115 Cash - Restricted for Payment of Current Liabilities		
100 Total Cash	\$0	\$8,042,571
121 Accounts Receivable - PHA Projects		\$2,400
122 Accounts Receivable - HUD Other Projects		\$1,037,339
124 Accounts Receivable - Other Government		\$257,988
125 Accounts Receivable - Miscellaneous		\$1,480,456
126 Accounts Receivable - Tenants		\$64,107
126.1 Allowance for Doubtful Accounts -Tenants		-\$16,358
126.2 Allowance for Doubtful Accounts - Other		-\$2,969,707
127 Notes, Loans, & Mortgages Receivable - Current		
128 Fraud Recovery	-\$1,128,277	\$2,529,276
128.1 Allowance for Doubtful Accounts - Fraud		
129 Accrued Interest Receivable	-\$170,653	\$610,615
120 Total Receivables, Net of Allowances for Doubtful Accounts	-\$1,298,930	\$2,996,116
131 Investments - Unrestricted		
132 Investments - Restricted		
135 Investments - Restricted for Payment of Current Liability		
142 Prepaid Expenses and Other Assets		
143 Inventories		\$191,981
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: 12/31/2013

	ELIM	Total
144 Inter Program Due From	-\$2,138,479	\$0
145 Assets Held for Sale		\$2,137,239
150 Total Current Assets	-\$3,437,409	\$13,367,907
161 Land		\$3,955,125
162 Buildings		\$61,544,985
163 Furniture, Equipment & Machinery - Dwellings		\$417
164 Furniture, Equipment & Machinery - Administration		\$2,251,558
165 Leasehold Improvements		
166 Accumulated Depreciation		-\$50,856,194
167 Construction in Progress		\$5,621,835
168 Infrastructure		
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$22,517,726
171 Notes, Loans and Mortgages Receivable - Non-Current	-\$705,800	\$21,403,819
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		
173 Grants Receivable - Non Current		
174 Other Assets	-\$71,191	\$539,034
176 Investments in Joint Ventures		\$32,968,436
180 Total Non-Current Assets	-\$776,991	\$77,429,015
190 Total Assets	-\$4,214,400	\$90,796,922
200 Deferred Outflow of Resources		
290 Total Assets and Deferred Outflow of Resources	-\$4,214,400	\$90,796,922

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	ELIM	Total
311 Bank Overdraft		
312 Accounts Payable <= 90 Days		\$445,478
313 Accounts Payable >90 Days Past Due		
321 Accrued Wage/Payroll Taxes Payable		\$314,641
322 Accrued Compensated Absences - Current Portion		\$143,150
324 Accrued Contingency Liability		
325 Accrued Interest Payable	-\$170,653	\$635,229
331 Accounts Payable - HUD PHA Programs		\$140,467
332 Account Payable - PHA Projects		
333 Accounts Payable - Other Government		\$385,034
341 Tenant Security Deposits		\$302,457
342 Unearned Revenue		\$282,550
343 Current Portion of Long-term Debt - Capital		\$5,251,530
344 Current Portion of Long-term Debt - Operating Borrowings	-\$1,128,277	\$2,444,239
345 Other Current Liabilities		\$2,637,756
346 Accrued Liabilities - Other		\$493,966
347 Inter Program - Due To	-\$2,138,479	\$0
348 Loan Liability - Current		
310 Total Current Liabilities	-\$3,437,409	\$13,476,497
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$5,694,124
352 Long-term Debt, Net of Current - Operating Borrowings	-\$705,800	\$44,441
353 Non-current Liabilities - Other	-\$71,191	\$472,917
354 Accrued Compensated Absences - Non Current		\$264,705
355 Loan Liability - Non Current		

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

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	ELIM	Total
356 FASB 5 Liabilities		
357 Accrued Pension and OPEB Liabilities		
350 Total Non-Current Liabilities	-\$776,991	\$6,476,187
300 Total Liabilities	-\$4,214,400	\$19,952,684
400 Deferred Inflow of Resources		
508.4 Net Investment in Capital Assets		\$11,572,072
511.4 Restricted Net Position		\$2,262,085
512.4 Unrestricted Net Position		\$57,010,081
513 Total Equity - Net Assets / Position	\$0	\$70,844,238
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets /	-\$4,214,400	\$90,796,922

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	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	\$1,488,042				\$188,091
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$1,488,042	\$0	\$0	\$0	\$188,091
70600 HUD PHA Operating Grants	\$5,087,192	\$20,750			
70610 Capital Grants	\$140,211				
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	\$20				\$110,033
71100 Investment Income - Unrestricted					\$13
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale				\$647,000	
71310 Cost of Sale of Assets				-\$672,749	
71400 Fraud Recovery					
71500 Other Revenue	\$683,888	\$128	\$4,800	\$2,889	\$5,679
71600 Gain or Loss on Sale of Capital Assets	\$2,185,386				
72000 Investment Income - Restricted					\$362
70000 Total Revenue	\$9,584,739	\$20,878	\$4,800	-\$22,860	\$304,178
91100 Administrative Salaries	\$342,590	\$14,307		\$928	\$12,941

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	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	\$12,207				\$623
91300 Management Fee	\$639,019				\$7,500
91310 Book-keeping Fee	\$58,043				\$4,800
91400 Advertising and Marketing	\$67				\$307
91500 Employee Benefit contributions - Administrative	\$255,323	\$4,579		\$424	\$14,920
91600 Office Expenses	\$26,558			\$274,381	\$1,861
91700 Legal Expense	\$12,573				
91800 Travel	\$120				
91810 Allocated Overhead					
91900 Other	\$1,061,895	\$1,370		\$88	\$8,973
91000 Total Operating - Administrative	\$2,408,395	\$20,256	\$0	\$275,821	\$51,925
92000 Asset Management Fee	\$49,800				
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	\$161,501				\$10,921
93200 Electricity	\$83,513				\$384
93300 Gas	\$5,890				\$138
93400 Fuel					
93500 Labor					
93600 Sewer	\$144,510				\$9,225
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: 12/31/2013

	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	\$395,414	\$0	\$0	\$0	\$20,668
94100 Ordinary Maintenance and Operations - Labor	\$294,025				\$22,139
94200 Ordinary Maintenance and Operations - Materials and	\$415,825				\$28,250
94300 Ordinary Maintenance and Operations Contracts	\$437,064			\$234	\$19,982
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$1,146,914	\$0	\$0	\$234	\$70,371
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$7,171				\$1,205
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$7,171	\$0	\$0	\$0	\$1,205
96110 Property Insurance	\$35,629				\$2,384
96120 Liability Insurance	\$4,941				\$322
96130 Workmen's Compensation	\$48,363	\$494			\$3,575
96140 All Other Insurance	\$52,636				\$3,211
96100 Total insurance Premiums	\$141,569	\$494	\$0	\$0	\$9,492
96200 Other General Expenses	\$4,011			\$444	\$45
96210 Compensated Absences	\$78,709			\$352	\$7,264
96300 Payments in Lieu of Taxes	\$109,884				
96400 Bad debt - Tenant Rents	\$42,564				\$6
96500 Bad debt - Mortgages					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	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					
96800 Severance Expense					
96000 Total Other General Expenses	\$235,168	\$0	\$0	\$796	\$7,315
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)	\$9,760			\$58,435	\$7,557
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$9,760	\$0	\$0	\$58,435	\$7,557
96900 Total Operating Expenses	\$4,394,191	\$20,750	\$0	\$335,286	\$168,533
97000 Excess of Operating Revenue over Operating Expenses	\$5,190,548	\$128	\$4,800	-\$358,146	\$135,645
97100 Extraordinary Maintenance	\$5,736				
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense	\$1,244,978				\$81,334
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$5,644,905	\$20,750	\$0	\$335,286	\$249,867
10010 Operating Transfer In					
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: 12/31/2013

	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					
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	\$4,876,049				
10094 Transfers between Project and Program - Out	-\$4,876,049				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$3,939,834	\$128	\$4,800	-\$358,146	\$54,311
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$103,400
11030 Beginning Equity	\$27,398,231	-\$106	-\$4,786	-\$530,692	\$304,093
11040 Prior Period Adjustments, Equity Transfers and Correction	-\$6,609,964				
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					
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: 12/31/2013

	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	9480				480
11210 Number of Unit Months Leased	9183				472
11270 Excess Cash	\$2,315,353				
11610 Land Purchases	\$0				
11620 Building Purchases	\$97,238				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$16,158				
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: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$89,751	\$46,971,540		
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					
71100 Investment Income - Unrestricted					
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery			\$11,900		
71500 Other Revenue	\$64,498	\$367	\$498,354		\$23,584
71600 Gain or Loss on Sale of Capital Assets			\$1,065		
72000 Investment Income - Restricted					
70000 Total Revenue	\$64,498	\$90,118	\$47,482,859	\$0	\$23,584
91100 Administrative Salaries	\$85,596	\$44,760	\$1,611,144		\$500
91200 Auditing Fees			\$26,582		

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
91300 Management Fee			\$996,324		
91310 Book-keeping Fee			\$622,703		
91400 Advertising and Marketing			\$2,471		
91500 Employee Benefit contributions - Administrative	\$33,084	\$16,898	\$694,209		\$53
91600 Office Expenses	\$642	\$403	\$70,010		
91700 Legal Expense					\$850
91800 Travel			\$7,519		
91810 Allocated Overhead					
91900 Other	\$30,881	\$16,344	\$716,974		\$12
91000 Total Operating - Administrative	\$150,203	\$78,405	\$4,747,936	\$0	\$1,415
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					\$54
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: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
93000 Total Utilities	\$0	\$0	\$0	\$0	\$54
94100 Ordinary Maintenance and Operations - Labor			\$16,439		
94200 Ordinary Maintenance and Operations - Materials and			\$13,950	\$471	\$575
94300 Ordinary Maintenance and Operations Contracts	\$1,718	\$545	\$71,733		\$1,111
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$1,718	\$545	\$102,122	\$471	\$1,686
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					\$111
96120 Liability Insurance					\$15
96130 Workmen's Compensation	\$2,020	\$597	\$32,797		
96140 All Other Insurance	\$4,978	\$2,192	\$87,358		\$29
96100 Total insurance Premiums	\$6,998	\$2,789	\$120,155	\$0	\$155
96200 Other General Expenses	\$55		\$43,931		\$10,964
96210 Compensated Absences	\$9,980	\$9,932	\$171,592		
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other			\$51,378		

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
96800 Severance Expense					
96000 Total Other General Expenses	\$10,035	\$9,932	\$266,901	\$0	\$10,964
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	\$168,954	\$91,671	\$5,237,114	\$471	\$14,274
97000 Excess of Operating Revenue over Operating Expenses	-\$104,456	-\$1,553	\$42,245,745	-\$471	\$9,310
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments			\$44,235,735		
97350 HAP Portability-In			\$115,285		
97400 Depreciation Expense			\$1,199		\$78,102
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$168,954	\$91,671	\$49,589,333	\$471	\$92,376
10010 Operating Transfer In			\$4,748		
10020 Operating transfer Out			-\$4,748		
10030 Operating Transfers from/to Primary Government					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
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	-\$104,456	-\$1,553	-\$2,106,474	-\$471	-\$68,792
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	-\$33,165	-\$386	\$2,377,421	\$471	\$8,160,127
11040 Prior Period Adjustments, Equity Transfers and Correction					
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					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			-\$570,364		
11180 Housing Assistance Payments Equity			\$841,311		
11190 Unit Months Available			83088		

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.875 Public Housing Neighborhood Networks Grants	14.866 Revitalization of Severely Distressed Public Housing
11210 Number of Unit Months Leased			83027		
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)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.185 Hope III	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
70300 Net Tenant Rental Revenue		\$128,605			
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$128,605	\$0	\$0	\$0
70600 HUD PHA Operating Grants			\$194,751	\$779,401	
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		\$338,410			\$277,832
71100 Investment Income - Unrestricted					
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	\$3,059	\$5,996		\$3,834	\$2,925
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted		\$143			
70000 Total Revenue	\$3,059	\$473,154	\$194,751	\$783,235	\$280,757
91100 Administrative Salaries		\$17,166		\$24,689	\$40,437
91200 Auditing Fees		\$5,000			\$498

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.185 Hope III	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
91300 Management Fee		\$24,000			
91310 Book-keeping Fee					
91400 Advertising and Marketing		\$118			
91500 Employee Benefit contributions - Administrative		\$22,849		\$10,850	\$24,048
91600 Office Expenses		\$1,437		\$6	\$871
91700 Legal Expense		\$205			
91800 Travel				\$300	
91810 Allocated Overhead					
91900 Other		\$9,909	\$34,534	\$8,225	\$10,166
91000 Total Operating - Administrative	\$0	\$80,684	\$34,534	\$44,070	\$76,020
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		\$8,314			\$3,240
93200 Electricity		\$4,990			\$21,707
93300 Gas		\$707			\$12,160
93400 Fuel					
93500 Labor					
93600 Sewer		\$10,871			\$7,353
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: 12/31/2013

	14.185 Hope III	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
93000 Total Utilities	\$0	\$24,882	\$0	\$0	\$44,460
94100 Ordinary Maintenance and Operations - Labor		\$32,331			\$17,782
94200 Ordinary Maintenance and Operations - Materials and		\$46,418			\$35,515
94300 Ordinary Maintenance and Operations Contracts		\$36,285		\$1,093	\$12,677
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$0	\$115,034	\$0	\$1,093	\$65,974
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs		\$360			\$39,730
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$360	\$0	\$0	\$39,730
96110 Property Insurance		\$31,121			\$1,456
96120 Liability Insurance		\$405			\$202
96130 Workmen's Compensation		\$5,576		\$606	\$3,760
96140 All Other Insurance		\$4,581		\$1,345	\$4,261
96100 Total insurance Premiums	\$0	\$41,683	\$0	\$1,951	\$9,679
96200 Other General Expenses		\$9,277			
96210 Compensated Absences		\$11,865		\$2,878	\$1,031
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents		\$2,245			
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.185 Hope III	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
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$23,387	\$0	\$2,878	\$1,031
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)		\$116,114			
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$116,114	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$402,144	\$34,534	\$49,992	\$236,894
97000 Excess of Operating Revenue over Operating Expenses	\$3,059	\$71,010	\$160,217	\$733,243	\$43,863
97100 Extraordinary Maintenance					\$2,914
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments			\$186,959	\$765,874	
97350 HAP Portability-In					
97400 Depreciation Expense		\$9,604			
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$0	\$411,748	\$221,493	\$815,866	\$239,808
10010 Operating Transfer In					
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.185 Hope III	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
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	\$3,059	\$61,406	-\$26,742	-\$32,631	\$40,949
11020 Required Annual Debt Principal Payments	\$0	\$104,092	\$0	\$0	\$0
11030 Beginning Equity	\$570	-\$1,063,027	\$41,107	-\$200,198	\$99,222
11040 Prior Period Adjustments, Equity Transfers and Correction					
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					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available		612		1920	

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.185 Hope III	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
11210 Number of Unit Months Leased		601		1367	
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)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	COCC	Subtotal
70300 Net Tenant Rental Revenue		\$85,882	\$1,461,356		\$3,351,976
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$85,882	\$1,461,356	\$0	\$3,351,976
70600 HUD PHA Operating Grants	\$159,848				\$53,303,233
70610 Capital Grants	\$80,000				\$220,211
70710 Management Fee				\$1,666,843	\$1,666,843
70720 Asset Management Fee				\$49,800	\$49,800
70730 Book Keeping Fee				\$685,546	\$685,546
70740 Front Line Service Fee					
70750 Other Fees				\$173,185	\$173,185
70700 Total Fee Revenue				\$2,575,374	\$2,575,374
70800 Other Government Grants	\$138,779	\$302,887		\$7,566	\$1,175,527
71100 Investment Income - Unrestricted			\$1,307	\$3,411	\$4,731
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale			\$436,823		\$1,083,823
71310 Cost of Sale of Assets			-\$111,234		-\$783,983
71400 Fraud Recovery					\$11,900
71500 Other Revenue	\$68,591	\$380,456	\$3,371,131	\$1,509,743	\$6,629,922
71600 Gain or Loss on Sale of Capital Assets			\$6,267,324		\$8,453,775
72000 Investment Income - Restricted			\$1,444		\$1,949
70000 Total Revenue	\$447,218	\$769,225	\$11,428,151	\$4,096,094	\$76,028,438
91100 Administrative Salaries	\$89,385	\$180,525	\$524,064	\$1,498,357	\$4,487,389
91200 Auditing Fees			\$2,900	\$9,016	\$56,826

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	COCC	Subtotal
91300 Management Fee					\$1,666,843
91310 Book-keeping Fee					\$685,546
91400 Advertising and Marketing		\$102	\$3,127	\$524	\$6,716
91500 Employee Benefit contributions - Administrative	\$30,189	\$49,502	\$151,061	\$500,584	\$1,808,573
91600 Office Expenses	\$64	\$26,592	\$40,550	\$120,686	\$564,061
91700 Legal Expense		\$36,838	\$54,549	\$89,613	\$194,628
91800 Travel	\$541	\$894	\$4,411	\$51,131	\$64,916
91810 Allocated Overhead					
91900 Other	\$92,884	\$240,063	\$589,947	\$1,129,795	\$3,952,060
91000 Total Operating - Administrative	\$213,063	\$534,516	\$1,370,609	\$3,399,706	\$13,487,558
92000 Asset Management Fee					\$49,800
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$46,828			\$24,057	\$70,885
92500 Total Tenant Services	\$46,828	\$0	\$0	\$24,057	\$70,885
93100 Water		\$5,842	\$22,335	\$3,132	\$215,339
93200 Electricity		\$18,130	\$32,939	\$80,998	\$242,661
93300 Gas		\$5,922	\$3,742	\$5,168	\$33,727
93400 Fuel					
93500 Labor					
93600 Sewer		\$5,688	\$36,815	\$2,654	\$217,116
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: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	COCC	Subtotal
93000 Total Utilities	\$0	\$35,582	\$95,831	\$91,952	\$708,843
94100 Ordinary Maintenance and Operations - Labor		\$5,903	\$3,513	\$16	\$392,148
94200 Ordinary Maintenance and Operations - Materials and		\$10,795	\$23,988	\$147,983	\$723,770
94300 Ordinary Maintenance and Operations Contracts	\$26,350	\$22,179	\$480,256	\$227,933	\$1,339,160
94500 Employee Benefit Contributions - Ordinary Maintenance		\$1,830			\$1,830
94000 Total Maintenance	\$26,350	\$40,707	\$507,757	\$375,932	\$2,456,908
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs		\$2,400	\$2,184	\$23,739	\$76,789
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$2,400	\$2,184	\$23,739	\$76,789
96110 Property Insurance		\$184	\$6,592	\$2,818	\$80,295
96120 Liability Insurance		\$26		\$2,270	\$8,181
96130 Workmen's Compensation	\$1,525	\$2,179	\$6,359	\$29,426	\$137,277
96140 All Other Insurance	\$4,386	\$4,824	\$19,073	\$63,204	\$252,078
96100 Total insurance Premiums	\$5,911	\$7,213	\$32,024	\$97,718	\$477,831
96200 Other General Expenses		\$64,207	\$418,565	\$184,806	\$736,305
96210 Compensated Absences	\$6,045	\$22,862	\$70,251	\$183,629	\$576,390
96300 Payments in Lieu of Taxes					\$109,884
96400 Bad debt - Tenant Rents					\$44,815
96500 Bad debt - Mortgages					
96600 Bad debt - Other					\$51,378

Housing Authority City of Fresno (CA006)
 FRESNO, CA
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	COCC	Subtotal
96800 Severance Expense				\$16,227	\$16,227
96000 Total Other General Expenses	\$6,045	\$87,069	\$488,816	\$384,662	\$1,534,999
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)		\$39,707	\$291,740		\$523,313
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$39,707	\$291,740	\$0	\$523,313
96900 Total Operating Expenses	\$298,197	\$747,194	\$2,788,961	\$4,397,766	\$19,386,926
97000 Excess of Operating Revenue over Operating Expenses	\$149,021	\$22,031	\$8,639,190	-\$301,672	\$56,641,512
97100 Extraordinary Maintenance				\$2	\$8,652
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					\$45,188,568
97350 HAP Portability-In					\$115,285
97400 Depreciation Expense	\$10,125		\$182,470	\$239,493	\$1,847,305
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$308,322	\$747,194	\$2,971,431	\$4,637,261	\$66,546,736
10010 Operating Transfer In					\$4,748
10020 Operating transfer Out					-\$4,748
10030 Operating Transfers from/to Primary Government					

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	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					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					\$4,876,049
10094 Transfers between Project and Program - Out					-\$4,876,049
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$138,896	\$22,031	\$8,456,720	-\$541,167	\$9,481,702
11020 Required Annual Debt Principal Payments	\$0	\$0	\$153,270	\$0	\$360,762
11030 Beginning Equity	\$1,148,159	\$25,017,802	\$770,131	-\$996,238	\$62,488,736
11040 Prior Period Adjustments, Equity Transfers and Correction		-\$22,617,508	\$24,404,061	\$3,697,211	-\$1,126,200
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					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					-\$570,364
11180 Housing Assistance Payments Equity					\$841,311
11190 Unit Months Available			2280	0	97860

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	14.235 Supportive Housing Program	2 State/Local	1 Business Activities	COCC	Subtotal
11210 Number of Unit Months Leased			2210	0	96860
11270 Excess Cash					\$2,315,353
11610 Land Purchases				\$0	\$0
11620 Building Purchases				\$0	\$97,238
11630 Furniture & Equipment - Dwelling Purchases				\$0	\$0
11640 Furniture & Equipment - Administrative Purchases				\$0	\$16,158
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: 12/31/2013

	ELIM	Total
70300 Net Tenant Rental Revenue	-\$242,222	\$3,109,754
70400 Tenant Revenue - Other		
70500 Total Tenant Revenue	-\$242,222	\$3,109,754
70600 HUD PHA Operating Grants		\$53,303,233
70610 Capital Grants		\$220,211
70710 Management Fee	-\$1,666,843	\$0
70720 Asset Management Fee	-\$49,800	\$0
70730 Book Keeping Fee	-\$685,546	\$0
70740 Front Line Service Fee		
70750 Other Fees	-\$76,687	\$96,498
70700 Total Fee Revenue	-\$2,478,876	\$96,498
70800 Other Government Grants		\$1,175,527
71100 Investment Income - Unrestricted		\$4,731
71200 Mortgage Interest Income		
71300 Proceeds from Disposition of Assets Held for Sale		\$1,083,823
71310 Cost of Sale of Assets		-\$783,983
71400 Fraud Recovery		\$11,900
71500 Other Revenue	-\$1,258,225	\$5,371,697
71600 Gain or Loss on Sale of Capital Assets		\$8,453,775
72000 Investment Income - Restricted		\$1,949
70000 Total Revenue	-\$3,979,323	\$72,049,115
91100 Administrative Salaries		\$4,487,389
91200 Auditing Fees		\$56,826

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	ELIM	Total
91300 Management Fee	-\$1,666,843	\$0
91310 Book-keeping Fee	-\$685,546	\$0
91400 Advertising and Marketing		\$6,716
91500 Employee Benefit contributions - Administrative		\$1,808,573
91600 Office Expenses		\$564,061
91700 Legal Expense		\$194,628
91800 Travel		\$64,916
91810 Allocated Overhead		
91900 Other	-\$1,261,477	\$2,690,583
91000 Total Operating - Administrative	-\$3,613,866	\$9,873,692
92000 Asset Management Fee	-\$49,800	\$0
92100 Tenant Services - Salaries		
92200 Relocation Costs		
92300 Employee Benefit Contributions - Tenant Services		
92400 Tenant Services - Other		\$70,885
92500 Total Tenant Services	\$0	\$70,885
93100 Water		\$215,339
93200 Electricity		\$242,661
93300 Gas		\$33,727
93400 Fuel		
93500 Labor		
93600 Sewer		\$217,116
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: 12/31/2013

	ELIM	Total
93000 Total Utilities	\$0	\$708,843
94100 Ordinary Maintenance and Operations - Labor		\$392,148
94200 Ordinary Maintenance and Operations - Materials and		\$723,770
94300 Ordinary Maintenance and Operations Contracts		\$1,339,160
94500 Employee Benefit Contributions - Ordinary Maintenance		\$1,830
94000 Total Maintenance	\$0	\$2,456,908
95100 Protective Services - Labor		
95200 Protective Services - Other Contract Costs		\$76,789
95300 Protective Services - Other		
95500 Employee Benefit Contributions - Protective Services		
95000 Total Protective Services	\$0	\$76,789
96110 Property Insurance		\$80,295
96120 Liability Insurance		\$8,181
96130 Workmen's Compensation		\$137,277
96140 All Other Insurance		\$252,078
96100 Total insurance Premiums	\$0	\$477,831
96200 Other General Expenses		\$736,305
96210 Compensated Absences		\$576,390
96300 Payments in Lieu of Taxes		\$109,884
96400 Bad debt - Tenant Rents		\$44,815
96500 Bad debt - Mortgages		
96600 Bad debt - Other		\$51,378

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	ELIM	Total
96800 Severance Expense		\$16,227
96000 Total Other General Expenses	\$0	\$1,534,999
96710 Interest of Mortgage (or Bonds) Payable		
96720 Interest on Notes Payable (Short and Long Term)	-\$73,435	\$449,878
96730 Amortization of Bond Issue Costs		
96700 Total Interest Expense and Amortization Cost	-\$73,435	\$449,878
96900 Total Operating Expenses	-\$3,737,101	\$15,649,825
97000 Excess of Operating Revenue over Operating Expenses	-\$242,222	\$56,399,290
97100 Extraordinary Maintenance		\$8,652
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments	-\$242,222	\$44,946,346
97350 HAP Portability-In		\$115,285
97400 Depreciation Expense		\$1,847,305
97500 Fraud Losses		
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		
90000 Total Expenses	-\$3,979,323	\$62,567,413
10010 Operating Transfer In		\$4,748
10020 Operating transfer Out		-\$4,748
10030 Operating Transfers from/to Primary Government		

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	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		
10092 Inter Project Excess Cash Transfer Out		
10093 Transfers between Program and Project - In		\$4,876,049
10094 Transfers between Project and Program - Out		-\$4,876,049
10100 Total Other financing Sources (Uses)	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$9,481,702
11020 Required Annual Debt Principal Payments		\$360,762
11030 Beginning Equity		\$62,488,736
11040 Prior Period Adjustments, Equity Transfers and Correction		-\$1,126,200
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		
11100 Changes in Allowance for Doubtful Accounts - Other		
11170 Administrative Fee Equity		-\$570,364
11180 Housing Assistance Payments Equity		\$841,311
11190 Unit Months Available		97860

Housing Authority City of Fresno (CA006)

FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2013

	ELIM	Total
11210 Number of Unit Months Leased		96860
11270 Excess Cash		\$2,315,353
11610 Land Purchases		\$0
11620 Building Purchases		\$97,238
11630 Furniture & Equipment - Dwelling Purchases		\$0
11640 Furniture & Equipment - Administrative Purchases		\$16,158
11650 Leasehold Improvements Purchases		\$0
11660 Infrastructure Purchases		\$0
13510 CFFP Debt Service Payments		\$0
13901 Replacement Housing Factor Funds		\$0

HOUSING AUTHORITY OF THE CITY OF FRESNO
Schedule of Modernization Costs for Completed Projects
Year ended December 31, 2013

<u>Grant Number</u>	<u>Funds Approved</u>	<u>Funds Expended</u>	<u>Excess</u>
CA39P006501-09	\$ 1,662,474	\$ 1,662,474	-

(See accompanying Independent Auditors' Report)

(This page intentionally left blank)

SINGLE AUDIT REPORTS AND RELATED SCHEDULES

(This page intentionally left blank)



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, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 15, 2014.

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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is defined to be 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 identified as item 2013-01 in the accompanying schedule of findings and questioned costs conforms to this definition.

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

Compliance and Other Matters

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

Authority's Responses to Findings

The Housing Authority's response to the finding identified in our audit is 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 the response.

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.

Megan Hoffmann Melara P.C.

Irvine, California
July 15, 2014



Mayer Hoffman McCann P.C.
An Independent CPA Firm

2301 Dupont Drive, Suite 200 ■ Irvine, California 92612
Main: 949.474.2020 ■ Fax: 949.263.5520 ■ www.mhmcpa.com

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, 2013. 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, 2013.

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 defined to be 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. The matter described in the accompanying schedule of findings and questioned costs as item 2013-02 conforms to this definition.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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, 2013, and have issued our report thereon dated July 15, 2014. 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 McInnis P.C.

Irvine, California
July 15, 2014

(This page intentionally left blank)

HOUSING AUTHORITY OF THE CITY OF FRESNO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal Domestic Assistance Number	Program Identification Number	Program Expenditures
Department of Agriculture:			
Direct Assistance:			
Rural Rental Housing (rental assistance)	10.427		\$ 103,983
Farm labor housing Loans and Grants (loans)	10.405		703,512
Subtotal - Department of Agriculture			<u>807,495</u>
Department of Housing and Urban Development:			
Direct Assistance:			
Housing Counseling Assistance Program	14.169		20,750
Special Needs Assistance (SNAP)	14.235		345,141
Shelter Plus Care Program	14.238		779,401
Public and Indian Housing	14.850	Contract # SF-170	2,708,511
Section 8 Housing Voucher Program	14.871	Contract # SF-472	47,166,290
Public Housing Capital Funds Program	14.872	Contract # SF-170	2,518,891
Public Housing Family Self-Sufficiency Under Resident Opportunity and Supportive Services	14.870		89,751
Passed through the State of California Housing Finance Agency:			
Section 8 New Construction and Sub Rehab	14.182	CHFA # 76-54-N	338,410
Passed through the City of Fresno:			
Community Development Block Grant (Home sales proceeds)	14.256	NSP Grant	647,000
Subtotal - U.S. Department of HUD			<u>54,614,145</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		277,832
Total expenditures of federal awards			<u><u>\$ 55,699,472</u></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, 2013

(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, 2013, 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, 2013 the outstanding balance for the notes is \$799,714.

HOUSING AUTHORITY OF THE CITY OF FRESNO

Schedule of Findings and Questioned Costs

Year Ended December 31, 2013

(A) **Summary of Auditor's Results**

1. An unmodified report was issued by the auditors on the financial statements of the auditee.
2. No material weaknesses 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 reported.
3. The audit disclosed no reported noncompliance which is material to the financial statements of the auditee.
4. No material weaknesses and one significant deficiency in internal control over major programs of the auditee were reported.
5. An unmodified report was issued by the auditors on compliance for major programs.
6. The audit disclosed one audit finding 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. 14.850 U.S. Department of Housing and Urban Development – Public and Indian Housing,
 - CFDA No. 14.871 U.S. Department of Housing and Urban Development – Section 8 Housing Choice Vouchers, and
 - CFDA No. 14.872 U.S. Department of Housing and Urban Development – Public Housing Capital Fund
8. The dollar threshold used to distinguish Type A and Type B programs was \$1,670,984.
9. The Authority was not considered to be a low risk auditee for the year ended December 31, 2013 for purposes of major program determination.

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

There was one auditors' finding required to be reported in accordance with GAGAS.

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)

(2013-01) General Ledger Cash Reconciliation

The Authorities have numerous bank accounts and other cash and investments with financial institutions. Each month the Authorities will reconcile these cash and investments to the general ledger. It was noted that some of the individual bank account reconciliations had not been properly prepared. This resulted in certain audit adjustments being proposed to correctly account for certain reconciling items. Also, it was noted when the audit began that the pooled cash reconciliation had an unreconciled variance between cash and investments by institution and cash and investments per the general ledger. The Authority subsequently reconciled the amounts. However, efforts need to be made to ensure that these reconciliations are prepared correctly, which is part of the Authorities' monthly closing process. These efforts need to ensure that these pooled cash reconciliations and other bank account reconciliations are performed timely throughout the year and reviewed for completeness.

Recommendation

We recommend that the Authority implement the proper procedures to ensure that bank reconciliations are properly completed and subjected to reviews as considered necessary.

Management's Corrective Actions Planned

We concur with this finding and the Auditor's recommendation. We have implemented control processes which will result in accurate and timely reconciliations of all cash accounts to the general ledger on a monthly basis. Currently we have completed reconciliations through May 2014. We expect to be fully current by August 20, 2014, which would be the target date for completion of the July 2014 reconciliation within the standard monthly closing process. The Agency's Accounting Manager is responsible for ensuring the fulfillment of this internal control plan.

HOUSING AUTHORITY OF THE CITY OF FRESNO

Schedule of Findings and Questioned Costs

(Continued)

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

There was one auditors' finding required to be reported in accordance with Paragraph .510(a) at OMB Circular A-133.

(2013-02) Federal Compliance Requirement – LIPH Waiting List

FEDERAL AGENCY: U.S. Department of Housing and Urban Development

CFDA NO.: 14.850

FEDERAL PROGRAM NAME: Public and Indian Housing

FEDERAL AWARD PROGRAM NO.: Contract #SF-170

FEDERAL AWARD YEAR: 2013

CONTROL CATEGORY: Special Tests and Provisions

QUESTIONED COSTS: \$0

Condition:

In accordance with Federal requirements, the City Housing Authority's Low Income Public Housing (LIPH) Program was tested as a major program during the current year. Federal guidance requires that certain audit procedures be performed with respect to the LIPH waiting list. We noted that the documentation retained by the City Housing Authority did not provide for the ability to test a sample of applicants added to the waiting list and to test a sample of new tenants to ascertain if they were selected from the waiting list in accordance with the PHA's tenant selection policies. The PHA does not retain the waiting list documentation necessary to demonstrate compliance with its own policies and procedures.

Criteria:

24 CFR, Sections 960.202 through 960.206, indicate that PHAs must establish and adopt written policies for admission of tenants. The PHA tenant selection policies must include requirements for applications and waiting lists, description of the policies for selection of applicants from the waiting lists, and policies for verification and documentation of information relevant to acceptance or rejections of an applicant.

Cause:

The Federal guidance requires the auditors to perform audit procedures to determine whether the PHA is following its own tenant selection policies in placing applicants on the waiting list in selecting applicants from the waiting list to become tenants. The documentation retained by the City Housing Authority did not provide for the ability to test a sample of applicants added to the waiting list and to test a sample of new tenants to ascertain if they were selected from the waiting list in accordance with the PHA's tenant selection policies.

HOUSING AUTHORITY OF THE CITY OF FRESNO

Schedule of Findings and Questioned Costs

(Continued)

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

(2012-02) Federal Compliance Requirement – LIPH Waiting List, (Continued)

Effect:

Not retaining such documentation makes it difficult for the PHA to demonstrate compliance with its own policies and procedures with respect to use of the waiting list.

Recommendation:

Failure to retain this documentation reduces our ability to effectively test the waiting list for compliance during the audit period. Effort should be made to ensure that documentation is retained indicating that established tenant selection policies have been followed. In addition, the Authority should evaluate controls to ensure the integrity of the list.

Management's Corrective Actions Planned

Management agrees with the recommendation to retain documentation that clearly demonstrates compliance. While Management is confident in staff's compliance with tenant selection policies, additional procedures have been put in place to ensure adequate data is captured and available to demonstrate such compliance on an ongoing basis.

In April 2014, the Agency implemented a control process whereby the waiting list on the last day of each month is archived and made available for retrieval in support of unit leasing order. This completed action fully resolves this issue. For further information you may contact the Chief Operations Officer, Housing Programs.

HOUSING AUTHORITY OF THE CITY OF FRESNO

Summary Schedule of Prior Audit Findings

Year ended December 31, 2013

There were two audit findings identified in the prior year audit report requiring follow up.

(2012-01) Prior Period Adjustments

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.

Status

This finding is considered resolved.

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

Status

This finding is considered resolved.

(This page intentionally left blank)



Mayer
Hoffman
McCann P.C.
An Independent CPA Firm

www.mhmcpa.com

our **roots** run deep™



A member of Kreston International | A global network of independent accounting firms
www.kreston.com

