

**HOUSING AUTHORITY
OF THE CITY OF FRESNO**

BASIC FINANCIAL STATEMENTS

Year Ended December 31, 2014
(Including Auditors' Report Thereon)

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HOUSING AUTHORITY OF THE CITY OF FRESNO

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

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Fresno, California, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Commissioners
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THE CITY OF FRESNO**

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Fresno, California, as of December 31, 2014, 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

The financial statements for the year ended December 31, 2014 reflect a certain prior period adjustment as described further in Note 23 to the financial statements. 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.

To the Board of Commissioners
**HOUSING AUTHORITY OF
THE CITY OF FRESNO**
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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 May 29, 2015 on our consideration of the Housing Authority of the City of Fresno's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Fresno's internal control over financial reporting and compliance.

Mayer Hoffman McCamb, P.C.

Irvine, California
May 29, 2015

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Housing Authority of the City of Fresno Management's Discussion and Analysis December 31, 2014

Introduction

This narrative overview and analysis of the Housing Authority of the City of Fresno's (the "Agency") performance through December 31, 2014 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, 2014 and 2013. 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 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 | 2014 | As Restated 2013 | Increase (Decrease) | % |
|--|----------------|---------------------|------------------------|----------------|
| | Current assets | \$ 7,441,063 | \$ 8,890,198 | \$ (1,449,135) |
| Restricted assets | 2,362,800 | 2,566,537 | (203,737) | -7.94% |
| Capital assets, net | 21,950,301 | 22,517,725 | (567,424) | -2.52% |
| Other assets | 60,429,769 | 56,822,460 | 3,607,309 | 6.35% |
| Total Assets | \$ 92,183,933 | \$ 90,796,920 | \$ 1,387,013 | 1.53% |
| LIABILITIES | | | | |
| Current liabilities | 5,463,393 | 13,476,495 | (8,013,102) | -59.46% |
| Non-current liabilities | 14,604,557 | 6,000,622 | 8,603,935 | 143.38% |
| Total liabilities | 20,067,950 | 19,477,117 | 590,833 | 3.03% |
| NET POSITION | | | | |
| Invested in capital assets, net of related debt | 6,028,575 | 12,047,637 | (6,019,062) | -49.96% |
| Restricted | 2,079,758 | 2,262,085 | (182,327) | -8.06% |
| Unrestricted | 64,007,650 | 57,010,081 | 6,997,569 | 12.27% |
| Total Net Position | 72,115,983 | 71,319,803 | 796,180 | 1.12% |
| Total Liabilities and Net Position | \$ 92,183,933 | \$ 90,796,920 | \$ 1,387,013 | 1.53% |

Total assets of the Agency at December 31, 2014 and 2013 amounted to \$92.2 million and \$90.8 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, 2013 to December 31, 2014 were increases in other assets, specifically in notes receivable from related parties. This is mainly attributable to loans issued for development activity through our joint ventures Kingsburg Marion Villas, LP and Viking Village RAD, LP.

Total liabilities of the Agency were \$20.1 million and \$19.5 million at December 31, 2014 and 2013, respectively. Current liabilities include short-term accounts payable, accrued liabilities, current portions of long-term debt, and unearned revenue. Current liabilities have decreased due to a fall in the current portion of long term debt, primarily from paying down pre-development loans. The decrease in the current liabilities is offset by the increase in the non-current liabilities for a net increase in total liabilities. Non-current liabilities are primarily made up of the long-term portion of notes and interest payable. This amount increased from \$6 million to \$14.6 million due to both the re-financing of loans classified as current into long term notes and from entering into new loans for the rehabilitation of San Ramon Courts.

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 1.12% during the year, from \$71.3 million in 2013 to \$72.1 million in 2014. 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 glimpse into the financial activity that occurred from January 1, 2014 to December 31, 2014.

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 a part of normal business activity, 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:

| | 2014 | As Restated 2013 | Increase (Decrease) | % |
|--|---------------|---------------------|------------------------|----------|
| <u>OPERATING REVENUES</u> | | | | |
| Rental revenue | \$ 2,894,035 | \$ 3,109,755 | \$ (215,720) | -6.94% |
| HUD grants | 53,508,904 | 53,303,231 | 205,673 | 0.39% |
| Other | 2,753,817 | 3,093,928 | (340,111) | -10.99% |
| Total operating revenues | 59,156,756 | 59,506,914 | (350,158) | -0.59% |
| <u>OPERATING EXPENSES</u> | | | | |
| Administrative | 10,900,220 | 9,873,691 | 1,026,529 | 10.40% |
| Housing assistance payments | 45,052,228 | 44,955,037 | 97,191 | 0.22% |
| Other | 4,020,705 | 5,334,905 | (1,314,200) | -24.63% |
| Amortization and depreciation | 1,118,368 | 1,847,309 | (728,941) | -39.46% |
| Total operating expenses | 61,091,521 | 62,010,942 | (919,421) | -1.48% |
| Operating income (loss) | (1,934,765) | (2,504,028) | 569,263 | -22.73% |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | | | |
| Interest revenue | 437,066 | 703,293 | (266,227) | -37.85% |
| Interest expense | (462,390) | (449,878) | (12,512) | 2.78% |
| Other | 2,265,936 | 2,107,852 | 158,084 | 7.50% |
| Gain (loss) on disposition of capital assets | 490,335 | 8,753,616 | (8,263,281) | -94.40% |
| Total nonoperating income | 2,730,947 | 11,114,883 | (8,383,936) | -75.43% |
| Net income before contributions | 796,182 | 8,610,855 | (7,814,673) | -90.75% |
| Capital contributions - capital grants | - | 220,211 | (220,211) | -100.00% |
| Increase (decrease) in net position | 796,182 | 8,831,066 | (8,034,884) | -90.98% |
| Net Position at beginning of year | 71,319,803 | 62,488,737 | 8,831,066 | 14.13% |
| Net Position - end of year | \$ 72,115,984 | \$ 71,319,803 | \$ 796,182 | 1.12% |

The statement of revenues, expenses and changes in net position, which preceded this section, reflects the year ended December 31, 2014 compared to the year ended December 31, 2013. Overall, operating revenues decrease by 0.59%, or \$350 thousand, from 2013 to 2014; operating expenses decreased by 1.48%, or \$919 thousand for the year; non-operating revenues decreased by \$7.9 million from 2013 to 2014; and capital contributions decreased by \$220 thousand from prior year. These changes lead to a total increase in net position of \$1.3 million from December 31, 2013 to December 31, 2014. Explanations of the primary reasons for these changes are as follows.

The primary reason for the decrease in operating revenues in 2014 is attributable to a slight decrease in both HUD grants and grants from other governments.

Operating expenses decreased slightly overall due to the removal of RAD properties from the Agency's portfolio which reduced the maintenance and repair costs required in 2014. Also, the Agency executed a strategic reduction of costs in its development and administration departments.

Non-operating revenues decreased significantly from 2013 to 2014 due to the sale of LIPH properties that occurred in 2013.

Capital contributions for the year ended December 31, 2014 decreased by \$220 thousand, or 100% compared to 2013 because there was zero Capital Fund Project activity for the City in 2014.

Capital Assets

The table below shows the Agency's capital assets, net of accumulated depreciation and amortization, at December 31, 2014 and December 31, 2013.

| | 2014 | As Restated 2013 | Increase (Decrease) | % |
|---------------------------|---------------|---------------------|------------------------|---------|
| Land | \$ 3,302,164 | \$ 3,955,126 | \$ (652,962) | -16.51% |
| Structures | 11,732,786 | 12,692,550 | (1,009,764) | -7.95% |
| Equipment | 19,351 | 248,214 | (228,863) | -92.20% |
| Construction in progress | 6,946,000 | 5,621,835 | 1,324,165 | 23.55% |
| Total capital assets, net | \$ 21,950,301 | \$ 22,517,725 | \$ (567,424) | -2.52% |

Overall, the Agency decreased capital assets by \$567,424 during 2014. The Agency only capitalizes assets that cost more than \$5,000, whereas previously, it was recording items over \$2,500 as capital assets. 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, 2014 and 2013. Short term borrowings include inter-fund loans between programs, between the City & County Housing Authorities, 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.

| | 2014 | As Restated 2013 | Increase (Decrease) | % |
|------------------------------------|----------------------|---------------------|------------------------|---------------|
| Short Term Borrowings (Interfund) | \$ 1,834,077 | \$1,834,077 | \$ - | 0.00% |
| Notes Payable- Non-related Parties | 12,063,185 | 9,708,288 | 2,354,897 | 24.26% |
| Notes Payable- Related Parties | 4,574,369 | 3,391,721 | 1,182,648 | 34.87% |
| Total debt | \$18,471, 631 | \$14,934,086 | \$3,537,545 | 23.69% |

Most significantly, the Notes Payable- Non-Related Parties increased by \$2.4 million during the year due to increased borrowing used to finance the finalization of construction at San Ramon Court.

Other Significant Events

In 2014, the Agency converted 40 low-rent public housing units at Viking Village into a project-based rental assistance subsidy under the Rental Assistance Demonstration (RAD). Due to years of under-funding the Capital Fund Program and Public Housing Operating Fund, low-rent public housing across the nation, and at Viking Village particularly, have been suffering due to the lack of funding needed to make repairs. This conversion under RAD would allow for the property to receive tax credit equity and private debt as a financing source to make the needed upgrades and repairs in order to keep the property as a viable part of the community. In March of 2015, the Viking Village property was sold to a limited partnership for a gain on sale of \$1.4 million dollars, which is shown on the Statement of Revenues, Expenses and Changes in Net Position under Non-operating Revenues (Expenses).

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 (85% 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 12.6%. 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.

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HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF NET POSITION
DECEMBER 31, 2014

ASSETS

Current Assets

| | | |
|--|----|-------------------------|
| Cash and Investments | \$ | 4,980,363 |
| Accrued Interest Receivable | | 986,380 |
| Accounts Receivable - Tenants, Net of Allowance for Doubtful Accounts of \$22,381 | | 41,112 |
| Accounts Receivable, Net of Allowance for Doubtful Accounts of \$440,431 | | 691,039 |
| Due From Other Governments | | 438,578 |
| Notes and Mortgages Receivable, Net of Allowance for Doubtful Accounts of \$2,505,033 | | 5,756 |
| Prepaid Expenses | | 224,674 |
| Assets Held For Sale | | 73,161 |
| Total Current Assets | | <u>7,441,063</u> |

Restricted Assets

| | | |
|--------------------------------|--|-------------------------|
| Restricted Cash | | 2,362,800 |
| Total Restricted Assets | | <u>2,362,800</u> |

Non-Current Assets

Capital Assets

| | | |
|--|--|--------------------------|
| Capital Assets - Not being depreciated | | 10,248,164 |
| Capital Assets - Depreciable | | 11,702,137 |
| Total Capital Assets, Net | | <u>21,950,301</u> |

Other Non-Current Assets

| | | |
|---|--|--------------------------|
| Notes Receivable From Related Parties | | 26,852,878 |
| Notes Receivable From Non-Related Parties | | 1,000,000 |
| Interest Receivable - Related Parties | | 388,575 |
| Interest Receivable - Non-Related Parties | | 293,870 |
| Investment In Joint Ventures | | 29,983,276 |
| Assets Held For Sale | | 1,911,170 |
| Total Other Non-Current Assets | | <u>60,429,769</u> |

| | | |
|---|--|-----------------------------|
| Total Assets and Deferred Outflows | | <u>\$ 92,183,933</u> |
|---|--|-----------------------------|

HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF NET POSITION
DECEMBER 31, 2014
(continued)

LIABILITIES AND NET POSITION

Current Liabilities

| | |
|---|-------------------------|
| Vendors and Contractors Payable | \$ 472,424 |
| Accrued Salaries | 164,167 |
| Accrued Compensated Absences | 163,216 |
| Accrued Interest Payable | 771,264 |
| Tenant Security Deposits | 283,042 |
| Due To Other Governments | 275,217 |
| Other Current Liabilities - Related Parties | 538,345 |
| Other Current Liabilities - Non-Related Parties | 320,906 |
| Notes Payable - Related Parties | 293,002 |
| Notes Payable - Non-Related Parties | 2,096,402 |
| Unearned Revenue | 85,408 |
| Total Current Liabilities | <u>5,463,393</u> |

Non-Current Liabilities

| | |
|---------------------------------------|--------------------------|
| Notes Payable - Related Parties | 4,281,367 |
| Notes Payable - Non-Related Parties | 9,966,783 |
| Accrued Compensated Absences | 296,315 |
| Other Accrued Non-Current Liabilities | 53,466 |
| Family Self-Sufficiency Escrow | 6,626 |
| Total Non-Current Liabilities | <u>14,604,557</u> |

Total Liabilities and Deferred Inflows **20,067,950**

Net Position

| | |
|------------------------------------|--------------------------|
| Net Investment in Capital Assets | 6,028,575 |
| Restricted for: | |
| Housing Assistance Payments | 48,135 |
| Affordable Housing Reserves | 1,429,028 |
| Other Externally Required Reserves | 602,595 |
| Unrestricted | 64,007,650 |
| Total Net Position | <u>72,115,983</u> |

Total Liabilities and Net Position **\$ 92,183,933**

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, 2014

| | |
|---|------------------------------------|
| Operating Revenues | |
| Rental Revenue | \$ 2,894,035 |
| Fee Revenue | 476,859 |
| HUD Grants | 53,508,904 |
| Other Governmental Grants | 1,075,842 |
| Other Revenue | 1,201,116 |
| Total Operating Revenues | <u>59,156,756</u> |
| Operating Expenses | |
| Administrative Expense | 10,900,220 |
| Tenant Services Expense | 153,454 |
| Utilities Expense | 628,874 |
| Maintenance and Operations Expense | 1,891,255 |
| Protective Services Expense | 87,103 |
| Insurance Expense | 265,620 |
| General Expense | 994,399 |
| Housing Assistance Payments | 45,052,228 |
| Depreciation | 1,118,368 |
| Total Operating Expenses | <u>61,091,521</u> |
| Operating Income (Loss) | <u>(1,934,765)</u> |
| Non-Operating Revenues (Expenses) | |
| Interest Revenue, Unrestricted | 30,755 |
| Interest Revenue, Restricted | 6,276 |
| Interest Revenue on Notes Receivable | 400,035 |
| Interest Expense | (462,390) |
| Fraud Recovery | 1,768 |
| Share of Joint Venture Net Income | 523,505 |
| Developer Fees | 1,740,661 |
| Gain/(Loss) Disposition of Capital Assets | 490,335 |
| Total Non-Operating Revenues | <u>2,730,945</u> |
| Increase (Decrease) in Net Position | <u>796,180</u> |
| Net Position, Beginning of Year | <u>70,844,237</u> |
| Prior Period Adjustment | 475,566 |
| Adjusted Net Position, Beginning of Year | <u>71,319,803</u> |
| Net Position, End of Year | <u><u>\$ 72,115,983</u></u> |

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, 2014

| | <u>2014</u> |
|---|---------------------|
| Cash Flows from Operating Activities: | |
| Cash received from tenants | \$ 3,312,055 |
| Cash received from others | 1,400,710 |
| Proceeds from the sale of assets held for sale | 152,907 |
| Cash paid for issuance of notes receivable | (917,408) |
| Repayments and interest received on notes receivable | 175,319 |
| Cash paid to joint ventures | (2,802,191) |
| Cash paid to employees for services | (4,859,277) |
| Cash paid to suppliers for goods and services | (11,692,219) |
| Cash received from operating grants | 55,432,579 |
| Cash paid for housing assistance | <u>(45,052,228)</u> |
| Net cash used by operating activities | <u>(4,849,753)</u> |
| Cash Flows from Noncapital Financing Activities: | |
| Cash received from developers | 1,740,661 |
| Issuance of notes payable | 701,136 |
| Principal payments on long term debt | <u>(315,292)</u> |
| Net cash provided by noncapital financing activities | <u>2,126,505</u> |
| Cash Flows From Capital Financing Activities: | |
| Acquisition of capital assets | (3,113,026) |
| Proceeds from sale of capital assets | 1,287,312 |
| Issuance of notes payable | 4,661,623 |
| Principal paid on long term debt | (576,209) |
| Interest paid on long term debt | <u>(272,888)</u> |
| Net cash used by capital financing activities | <u>1,986,812</u> |
| Cash Flows From Investing Activities: | |
| Interest received from investments | 30,755 |
| Interest on restricted cash | <u>6,276</u> |
| Net cash provided by investing activities | <u>37,031</u> |
| Net increase (decrease) to cash | (699,405) |
| Cash at beginning of year | <u>8,042,568</u> |
| Cash at end of year | <u>\$ 7,343,163</u> |

See accompanying notes to basic financial statements

HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California

STATEMENT OF CASH FLOWS
(Continued)

Reconciliation of Change in Net Position to Net

Cash Provided By (Used For) Operating Activities:

| | |
|--|----------------------------------|
| Operating income (loss) | \$ (1,934,765) |
| Adjustments to reconcile change in net position to net cash provided by (used for) operating activities: | |
| Depreciation | 1,118,368 |
| Changes in joint ventures | 523,505 |
| Interest received on notes receivable | 400,035 |
| Fraud recovery | 1,768 |
| (Increase) decrease in accounts receivable - tenants | (41,112) |
| (Increase) decrease in accounts receivable - other | 396,736 |
| (Increase) decrease in due from other governments | 859,149 |
| (Increase) decrease in prepaid insurance | (32,692) |
| (Increase) decrease in investment in joint venture | (2,014,840) |
| (Increase) decrease in notes receivable | (622,949) |
| (Increase) decrease in assets held for resale | 152,907 |
| (Increase) decrease in interest receivable | (519,175) |
| Increase (decrease) in accounts payable - vendors | 26,947 |
| Increase (decrease) in due to related parties | (1,754,918) |
| Increase (decrease) in due to non related parties | (838,459) |
| Increase (decrease) in accrued salaries | (152,075) |
| Increase (decrease) in accrued compensated absences | 53,275 |
| Increase (decrease) in other accrued liabilities | 6,698 |
| Increase (decrease) in accounts payable - other governments | (250,203) |
| Increase (decrease) in deferred revenue | (197,142) |
| Increase (decrease) in FSS liabilities | (11,316) |
| Increase (decrease) in tenant security deposits payable | <u>(19,495)</u> |
| Net cash provided by (used for) operating activities | <u><u>\$ (4,849,753)</u></u> |

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

| | |
|----------------------|----------------------------|
| Cash and investments | \$ 4,980,363 |
| Restricted cash | <u>2,362,800</u> |
| Cash at end of year | <u><u>\$ 7,343,163</u></u> |

Significant noncash transactions:

| | |
|--|--------------|
| Refinancing of certain mortgages | \$ 3,793,638 |
| Sale of property in exchange for a note receivable | \$ 831,866 |
| Transfer of a capital asset and offsetting liability | \$ 933,239 |

See accompanying notes to basic financial statements

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**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

(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 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.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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) 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.

(F) 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 7 for further discussion.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

(G) 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 purchased 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.

(H) 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.

(I) Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt 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.

(J) Operating Revenue and Expenses

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

(K) Income Taxes

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

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

(L) 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.

(M) 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.

(N) 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.

(2) Cash and Investments

Cash and investments held by the Agency at December 31, 2014 are classified as follows in the accompanying Statement of Net Position:

| | |
|----------------------------|---------------------|
| Cash and investments | \$ 4,980,363 |
| Restricted cash | <u>2,362,800</u> |
| Total cash and investments | <u>\$ 7,343,163</u> |

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.

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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, 2014 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 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, 2014 \$97,990 of the Agency's deposits held with the California Housing Finance Agency (CHFA) were uncollateralized. This amount is inclusive of tenant security deposits.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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.

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.

As of December 31, 2014 the Agency has no holdings in the Local Agency Investment Fund. All Agency equity positions previously held by LAIF were closed out in early 2014 and returned to the Agency's pooled cash balance.

(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:

| | Cash Restriction | In Liabilities | In Restricted Net Assets |
|--|-----------------------------|---------------------------|-------------------------------------|
| Cash Restricted For: | | | |
| Section 8 Housing Assistance Payments | \$ 48,135 | \$ - | \$ 48,135 |
| USDA Projects | 436,366 | - | 436,366 |
| California Housing Finance Agency (CHFA) | 97,990 | - | 97,990 |
| Tenant Security Deposits | 283,042 | 283,042 | - |
| Affordable Housing | 1,429,028 | - | 1,429,028 |
| Other - Flex Benefit Plan | 18,239 | - | 18,239 |
| Held in Escrow | 50,000 | - | 50,000 |
| Total | <u>\$ 2,362,800</u> | <u>\$ 283,042</u> | <u>\$ 2,079,758</u> |

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

(4) Accounts Receivable

The Agency's accounts receivable consist of related party receivables, grant program receivables, overpayment to landlords and tenant rent receivables. Accounts receivables are carried at amortized costs, net of allowance for doubtful accounts. Provisions for losses are charged to operations in amounts sufficient to maintain an allowance for losses at a level considered adequate to cover probable losses inherent to The Agency's accounts receivable. The allowance for losses is based on management's evaluation of the collectability of the receivables and historical loss experience.

The accounts receivable balance as of December 31, 2014 is detailed below.

| | |
|---|--------------------------|
| Related parties for short-term activities | \$ 410,263 |
| Other program balances | 219,112 |
| NSP Program & Section 8 Landlords (net of allowance of \$440,431) | 61,664 |
| Total accounts receivable | <u><u>\$ 691,039</u></u> |
| | |
| Tenants (net of allowance for doubtful accounts of \$22,381) | 41,112 |
| Total accounts receivable - tenants | <u><u>\$ 41,112</u></u> |

(5) Due from Other Governments

Due from Other Governments consists of the following:

| | |
|---|--------------------------|
| U.S. Department of HUD | \$ 405,470 |
| Due from Other Housing Authorities | 1,830 |
| Other Governments (i.e. CHFA, USDA, City of Fresno) | 31,278 |
| | <u><u>\$ 438,578</u></u> |

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

(6) Notes Receivable

The following is a summary of changes in notes receivable as of December 31, 2014:

| | Balance as Restated | | Payments | Balance | Due Within | Interest |
|--|--------------------------------|---------------------|---------------------|----------------------|-------------------|---------------------|
| <u>Non-Related Parties</u> | 12/31/13 | Additions | Received | 12/31/14 | One Year | Receivable |
| City of Clovis | \$ 500,000 | \$ - | \$ - | \$ 500,000 | - | 72,500 |
| Fresno Canyon Springs LP | 500,000 | - | - | 500,000 | - | 221,370 |
| Total due from nonrelated parties | 1,000,000 | - | - | 1,000,000 | - | 293,870 |
| <u>Related Parties</u> | | | | | | |
| 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 | 400,000 | - | - | 400,000 | - | 59,587 |
| Santa Clara | 400,000 | - | - | 400,000 | - | 76,792 |
| Parc Grove Commons II (CFRC, CFRG) | 3,129,538 | - | - | 3,129,538 | - | 585,241 |
| YEC Limited | 6,258,336 | - | - | 6,258,336 | - | 301,736 |
| Fresno Pacific Gardens LP | 2,738,430 | - | - | 2,738,430 | - | 264,760 |
| Parc Grove Northwest | 369,759 | - | (294,459) | 75,300 | - | - |
| Southeast Fresno RAD* | 11,377,000 | - | - | 11,377,000 | - | 81,969 |
| Viking Village RAD | - | 1,749,274 | - | 1,749,274 | - | 4,870 |
| <u>Joint Ventures:</u> | | | | | | |
| Villa Del Mar | 5,756 | - | - | 5,756 | 5,756 | - |
| Total due from related parties | 25,403,819 | 1,749,274 | (294,459) | 26,858,634 | 5,756 | 1,374,955 |
| Totals | \$ 26,403,819 | \$ 1,749,274 | \$ (294,459) | \$ 27,858,634 | \$ 5,756 | \$ 1,668,825 |

The beginning balance was increased by \$5 million to properly reflect the Southeast Fresno RAD balance as of December 31, 2013. This amount was included within the investment in joint venture in the prior year.

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 \$2,395,568 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 \$2,395,568.

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, 2014**

The HOPE 3 program carried loans similar to those described above for the HOPE VI program. These secondary loans, totaling \$109,464 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 \$109,464.

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.

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. No payments have been received on this loan. The outstanding principal and interest balances due at December 31, 2014 are \$500,000 and \$72,500, respectively.

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. No payments have been received on this loan. The outstanding principal and interest balances due at December 31, 2014 are \$500,000 and \$221,370, respectively.

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, 2014, \$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.

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, 2014 is \$125,000.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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, 2014 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, 2014 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, 2014, the outstanding principal balance was \$400,000. Accrued interest totals \$59,587. For the period, interest revenue on the loan was \$17,785.

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, 2014, the outstanding principal balance on the FHA Loan was \$400,000 and accrued interest was \$76,792. For the period, interest revenue on the loan was \$26,254.

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, 2014 are \$3,129,538 and \$585,241, respectively. Interest revenue for the year was \$260,510.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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 \$301,736.

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, 2014 the outstanding balance for this loan is \$4,905,352.

The outstanding balance due for all three loans at December 31, 2014 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, 2014 are \$1,588,656 and \$94,693 respectively. Interest revenue for the year was \$84,212.

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, 2014 are \$599,774 and \$77,544 respectively. Interest revenue for the year was \$32,339

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 accrued interest balances due at December 31, 2014 are \$550,000 and \$92,523 respectively. Interest revenue for the year was \$30,758

The outstanding principal balance due for all three loans at December 31, 2014 was \$2,738,430.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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, 2014 was \$75,300.

Southeast Fresno RAD, LP

On December 18, 2013, the Agency entered into a loan agreement with Southeast Fresno RAD, LP for \$6,377,000 to purchase (3) former public housing sites and rehabilitate into 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, 2014 is \$6,377,000.

On December 18, 2013, the Agency entered into a second loan agreement with Southeast Fresno RAD, LP for \$5,000,000 for the purpose of redevelopment and rehabilitation of (3) former public housing sites into (2) sites that will consist of the 191-unit low-income housing. The note bears an interest rate of 4.0% compounded annually. Principal and interest payment will commence on January 1, 2015 from available Cash Flow as defined in the Partnership Agreement. This note is reflected as a beginning balance restatement marked (*) on the schedule. See Investment in Joint Ventures for related disclosure.

The outstanding principle and accrued interest balances due for both loans at December 31, 2014 are \$11,377,000 and \$81,969, respectively.

Viking Village RAD, LP

On March 18, 2014, the Agency entered into a Purchase Loan agreement with Viking Village Fresno RAD, LP for \$831,866 to purchase a certain property to rehabilitate into low income housing units. The note bears a 3.32% interest compounded annually and with a maturity date of March 18, 2069. Principal is payable upon maturity and interest is payable in monthly installments.

On March 18, 2014, the Agency entered into a second loan agreement with Viking Village for \$917,387 for the rehabilitation into thirty nine (39) rental units of the above mentioned property. The note bears a 3.36% interest compounded annually and with a maturity of March 18, 2069. Principal is payable upon maturity and interest is payable in monthly installments.

The outstanding principal balance due for the two loans at December 31, 2014 was \$1,749,273 and accrued interest was \$4,870.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(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> |
|------------------------------------|------------------------|---------------------------|---------------------------|
| CalHFA Program | \$ - | \$ 1,315,430 | \$ 1,315,430 |
| City Public Housing Program | - | 595,740 | 595,740 |
| Neighborhood Stabilization Program | 73,161 | - | 73,161 |
| Total Assets Held for Sale | <u>\$73,161</u> | <u>\$1,911,170</u> | <u>\$1,984,331</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. In May 2014, the Agency sold the last remaining unit and the value of the asset has been removed from Asset Held for Sale as of December 31, 2014.

The Agency used a portion of loans from the California Housing Finance Agency (CalHFA) HELP Program to purchase properties for use in future developments or for the future sale to program participants. The Agency purchased a parcel of land at a total cost of \$1,037,878 to be used for future development. The Agency also purchased two condominiums at a total cost of \$277,552 to be sold to participants in one of their programs. The total value of these three properties is \$1,315,430 at December 31, 2014.

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. During 2014, the property has been reclassified from Assets Held for Sale to Capital Assets.

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 was funded by HUD, with the funds passed through the City of Fresno. As of December 31, 2014 the carrying value of remaining homes held for sale is \$73,161.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

(8) Capital Assets

| | Restated Balance at 12/31/2013 | Additions | Deletions | Transfers | Balance at 12/31/2014 |
|---|---|----------------------------|------------------------------|--------------------|----------------------------------|
| Capital assets not depreciated | | | | | |
| Land | \$ 3,955,126 | \$ 44,448 | \$ (336,798) | \$ (360,612) | \$ 3,302,164 |
| Construction in progress | 5,621,835 | 2,916,143 | (1,591,978) | | 6,946,000 |
| Total Capital Assets non-depreciable | <u>9,576,961</u> | <u>2,960,591</u> | <u>(1,928,776)</u> | <u>(360,612)</u> | <u>10,248,164</u> |
| Capital assets being depreciated | | | | | |
| Buildings | 61,544,984 | 5,040 | (13,039,689) | 360,612 | 48,870,947 |
| Equipments | 2,241,986 | 147,396 | (448,445) | | 1,940,937 |
| Total capital assets being depreciated | <u>63,786,970</u> | <u>152,436</u> | <u>(13,488,134)</u> | <u>360,612</u> | <u>50,811,884</u> |
| Less Accumulated Depreciation for: | | | | | |
| Buildings | (48,852,434) | (1,007,315) | 12,671,588 | - | (37,188,161) |
| Equipments | (1,993,772) | (111,053) | 183,239 | - | (1,921,586) |
| Total accumulated depreciation | <u>(50,846,206)</u> | <u>(1,118,368)</u> | <u>12,854,827</u> | <u>-</u> | <u>(39,109,747)</u> |
| Total capital assets being depreciated, net | <u>12,940,764</u> | <u>(965,932)</u> | <u>(633,307)</u> | <u>360,612</u> | <u>11,702,137</u> |
| Total capital assets, net | <u>\$ 22,517,725</u> | <u>\$ 1,994,659</u> | <u>\$ (2,562,083)</u> | <u>\$ -</u> | <u>\$ 21,950,301</u> |

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

(9) Investment in Joint Ventures

As of December 31, 2014, the Agency's investment in joint ventures is comprised of the following:

| Joint Venture | Investment |
|--|------------------------------------|
| Housing Relinquished Fund Corp | \$ 29,289,966 |
| Silvercrest, Inc. | 22,467 |
| Housing Self-Insurance Corp | 669,840 |
| Villa Del Mar, Inc. | 1,003 |
| Total investments in joint ventures | <u><u>\$ 29,983,276</u></u> |

| Change in Investment in Joint Venture | |
|--|------------------------------------|
| Balance December 31, 2013 as Restated | \$ 27,968,436 |
| Change in Investment in Joint Venture | 2,014,840 |
| Balance December 31, 2014 | <u><u>\$ 29,983,276</u></u> |

| Reconciliation of Net Income to Change in Joint Venture | |
|--|---------------------------------|
| Change in Investment in Joint Venture | \$ 2,014,840 |
| Less: Current year capital contributions | (1,491,335) |
| Investment In Joint Venture Net Income Reported | <u><u>\$ 523,505</u></u> |

The December 31, 2013 beginning balance for the Agency investment in joint venture has been restated. A note held by Silvercrest, Inc. was restated to be recognized as held by the Agency. This note was originally issued to Southeast Fresno RAD, LP as a part of the Rental Assistance Demonstration project conversion. The restatement represents a net reduction to the beginning balance of this account of \$5 million. Refer to the notes receivable disclosure for additional details on the restatement of these notes.

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 64.74% 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 82.39% equity interest in HSIC. HSIC does not issue separate financial statements.

HOUSING AUTHORITY OF THE CITY OF FRESNO
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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 50% 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.

On September 24th, 2014 the Board of Commissioner's passed a resolution transferring certain sales proceeds to HRFC that were generated from the sale of land and buildings for the Southeast Fresno Rental Assistance Demonstration project. These proceeds totaled \$1,491,335 and are not considered revenue to HRFC and are instead reported as a direct equity contribution thereby increasing the Agency's ownership position within this joint venture.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

(11) Long-Term Liabilities

Changes in long-term liabilities for the year ended December 31, 2014 are as follows:

| | Balance as Restated 12/31/13 | Additions | Payments/ Deletions | Balance 12/31/14 | Due Within One Year |
|--|---|---------------------|--------------------------------|-----------------------------|--------------------------------|
| Notes Payable - Non-related Parties: | | | | | |
| U.S. Department of Agriculture | \$ 703,509 | \$ - | \$ (98,783) | \$ 604,726 | \$ 96,527 |
| California Housing Finance Agency | | | | | |
| Garland Gardens | 1,180,432 | - | (125,381) | 1,055,051 | 137,605 |
| HELP Program | 1,315,430 | - | (44,688) | 1,270,742 | 598,952 |
| City of Fresno NSP | 44,441 | - | - | 44,441 | - |
| City of Fresno NSP 3 | 1,622,647 | 1,377,389 | - | 3,000,036 | - |
| Mortgages: | | | | | |
| El Cortez Apartments | 934,455 | 1,370,000 | (956,438) | 1,348,017 | 37,197 |
| Dayton Square | 1,275,437 | 1,720,000 | (1,302,745) | 1,692,692 | 48,306 |
| Woodside Apartments | 1,503,660 | 1,950,000 | (1,534,457) | 1,919,203 | 49,538 |
| Line of Credit | 1,128,277 | | | 1,128,277 | 1,128,277 |
| Total notes payable - non-related parties | 9,708,288 | 6,417,389 | (4,062,492) | 12,063,185 | 2,096,402 |
| Notes Payable - Related Parties: | | | | | |
| P&CD (Kerr Rug) to HRFC | 607,744 | - | - | 607,744 | - |
| P&CD (Pacific Garden) to HRFC | 1,340,894 | - | - | 1,340,894 | - |
| P&CD (Various pre-dev) to HRFC* | 840,870 | 701,137 | (1,249,005) | 293,002 | 293,002 |
| Helm Home to HRFC | 44,448 | 947,772 | - | 992,220 | - |
| Relinquished Fund (Elderberry) to HRFC | 5,000 | - | - | 5,000 | - |
| Office building to HRFC | 154,000 | - | - | 154,000 | - |
| Capital Fund (Pacific Gardens) to BOB | 140,767 | - | (140,767) | - | - |
| LIPH (Townsend) to HRFC | 98,097 | - | - | 98,097 | - |
| San Ramon to HRFC | 159,901 | 1,090,100 | (166,589) | 1,083,412 | - |
| Total notes payable - related parties | 3,391,721 | 2,739,009 | (1,556,361) | 4,574,369 | 293,002 |
| Other liabilities: | | | | | |
| Interest payable | 902,255 | 94,955 | (225,946) | 771,264 | 771,264 |
| Family Self-Sufficiency | 17,942 | - | (11,316) | 6,626 | - |
| Compensated Absences | 406,256 | 304,797 | (251,522) | 459,531 | 163,216 |
| Homebuyers earned payments | 47,181 | 6,285 | - | 53,466 | - |
| Total other liabilities | 1,373,634 | 406,037 | (488,784) | 1,290,887 | 934,480 |
| Total notes payable and other liabilities | \$ 14,473,643 | \$ 9,562,435 | \$ (6,107,637) | \$ 17,928,441 | \$ 3,323,884 |

The beginning balance for P&CD (Various pre-dev) to HRFC was adjusted by \$475,092 to properly reflect the outstanding balance as of the beginning of the year.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
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YEAR ENDED DECEMBER 31, 2014**

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

| Year Ending December 31 | Notes | | |
|------------------------------------|---------------------|--------------------|---------------------|
| | Principal | Interest | Total |
| 2015 | \$ 2,389,404 | \$ 1,252,222 | \$ 3,641,626 |
| 2016 | 1,089,709 | 503,438 | 1,593,147 |
| 2017 | 379,555 | 482,100 | 861,655 |
| 2018 | 397,849 | 453,680 | 851,529 |
| 2019 | 424,150 | 427,380 | 851,530 |
| 2020-2024 | 3,907,886 | 1,157,651 | 5,065,537 |
| 2025-2029 | 2,627,283 | 958,573 | 3,585,856 |
| 2030-2034 | 2,805,151 | 2,003,275 | 4,808,426 |
| 2035-2038 | 2,616,567 | 671,653 | 3,288,220 |
| | \$16,637,554 | \$7,909,972 | \$24,547,526 |

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, 2014 the outstanding balance for the notes is \$604,726.

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, 2014 the outstanding balance is \$1,055,051 and \$137,605 is payable in 2015.

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. During 2014, the Agency paid \$317,086 of which \$272,398 and \$44,688 were applied to accrued interest and principal, respectively. As of December 31, 2014 the outstanding principal balance is \$1,270,742 and \$598,952 is payable in 2015.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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, 2014 the outstanding balance is \$44,441.

City of Fresno NSP note

In March 2013, the Agency entered into a Loan Agreement with the City of Fresno for \$1,800,000 to administer the Neighborhood Stabilization Program, a federal program funded by HUD. This loan is intended for the construction, rehabilitation, and/or preservation of project units and affordable housing units. In March 2014, an Amendment to the Agreement was made to increase the loan amount to \$3,000,000. 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, 2014, the current outstanding balance of this note is \$3,000,036.

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. On March 20, 2014, the three mortgages were re-financed at 4.25% and set to mature on January 5, 2024. As of December 31, 2014 the balances are the following:

| | Principal | Monthly Payment | Due within one year |
|---------------------|------------------|------------------------|----------------------------|
| El Cortez | \$1,348,017 | \$7,470 | \$37,197 |
| Dayton Square | \$1,692,692 | \$9,378 | \$48,306 |
| Woodside Apartments | \$1,919,203 | \$10,632 | \$49,358 |

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, 2014, the Agency had an outstanding balance of \$1,128,277.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
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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 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 Kerr Rug. The outstanding balance of the remaining loan at December 31, 2014 is \$607,744.

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 at December 31, 2014 is \$1,340,894.

Predevelopment loans are made throughout the year. Payments are to be made from the sale of the properties. The restated balance of these loans at the beginning of the year was \$840,870 as marked (*) on the schedule after restatement from \$1,315,962. During the year, the \$1,249,005 was transferred and \$701,137 was added. The outstanding balance at December 31, 2014 is \$293,002.

The Helm Home is located at 1749 L Street in Fresno, was purchased in March 2010 and is on the local register of Historical sites. During 2014 an additional predevelopment advance totaling was \$947,772 made to support the renovation of the Helm Home. The loan carries an interest rate of 5% per annum and is due upon sale or refinance of the complex. The outstanding balance at December 31, 2014 is \$992,220.

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.

On October 1, 2006 the Agency obtained a loan from HRFC for the purchase of the property at 3129 E. Townsend properties for \$98,097. The note bears no interest and the principal is payable upon sale of property. This property is currently in Assets Held for Sale.

On August 28, 2013, the Board approved a \$1.25 million loan from HRFC for the San Ramon Court project for the rehabilitation of 32 multi-family housing units located at 1328 and 1346 E. San Ramon, Fresno. The note bears a simple interest of 4.0% per annum with a maturity date of August 27, 2068. Payment shall be from residual receipts of the property. As of December 31, 2014, the total outstanding loan balance is \$1,083,412.

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, 2014 total \$6,626.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
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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, 2014, accrued vacation and vested sick leave have been valued by the Agency at \$459,531.

(12) Due to Other Governments

Due to Other Governments consists of the following:

| | |
|------------------------------------|-------------------|
| PILOT Payable to Local Governments | \$ 77,401 |
| Payable to HUD | 192,714 |
| Other | 5,102 |
| | <u>\$ 275,217</u> |

(13) Other Current Liabilities

Other current liabilities at December 31, 2014 consist of the following:

| | |
|---|--------------------------|
| Due to HRFC | \$ 246,144 |
| Due to HSIC | 192,721 |
| Contract retention payable | 59,382 |
| Other | 40,098 |
| Total Due to Related Parties | <u>\$ 538,345</u> |
| SPC unclaimed refunds | \$ 139,429 |
| PERS payable | 86,715 |
| Other | 94,762 |
| Total Due to Non-Related Parties | <u>\$ 320,906</u> |

(14) Unearned Revenues

Unearned revenues consist of the following:

| | |
|---------------|-------------------------|
| Prepaid rents | \$ 13,555 |
| Contracts | 50,848 |
| Other | 21,005 |
| | <u>\$ 85,408</u> |

HOUSING AUTHORITY OF THE CITY OF FRESNO
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(15) 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 Mass Mutual 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.

(16) Defined Benefit Pension Plan

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

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, 2013 to June 30, 2014 has been determined by an actuarial valuation of the plan as of June 30, 2011. The unadjusted GASB compliant contribution rate for the indicated period is 6.189% percent of payroll. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2014, 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, 2013 to June 30, 2014.

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

| <i>Retirement Program</i> | |
|----------------------------------|--|
| Valuation Date | June 30, 2011 |
| Actuarial Cost Method | Entry Age Actuarial Cost Method |
| Amortization Method | Level Percent of Payroll |
| Average Remaining Period | 22 Years as of the Valuation Date |
| Asset Valuation Method | 15 Year Smoothed Market |
| Actuarial Assumptions | |
| Discount Rate | 7.50% (net of administrative expenses) |
| Projected Salary Increases | 3.30% to 14.20% depending on Age, Service, and type of Employment |
| Inflation | 2.75% |
| Payroll Growth | 3.00% |
| Individual Salary Growth | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%. |

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

The Schedule of Funding Progress below shows the recent history of the actuarial 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**

| Valuation Date | Entry Age Normal Accrued Liability | Actuarial Value of Assets | Unfunded Liability (UAAL) / Excess Assets | Funded Status | Annual Covered Payroll | UAAL As a % of Payroll |
|-----------------------|---|----------------------------------|--|----------------------|-------------------------------|-------------------------------|
| 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 | 0.5% |
| 6/30/13 | 29,301,437 | 25,743,077 | 3,558,360 | 87.9% | 4,890,184 | 72.8% |

**Three Year Trend Information
Annual Pension Cost**

| Fiscal Year Ended | Employer Contribution | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|------------------------------|--------------------------------------|-------------------------------|
| 12/31/2012 | \$ 248,342 | 100% | - |
| 12/31/2013 | 284,783 | 100% | - |
| 12/31/2014 | 318,164 | 100% | - |

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(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, 2014. 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 \$89,441 during the year ended December 31, 2014. 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 day to day operations of the partnership are controlled by the Managing General Partner. This agreement was later amended to admit Columbia Housing/PNC Institutional Fund XLI Limited Partnership as the Investment Limited Partner and Columbia Housing SLP Corporation as the Special Limited Partner.

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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. The day to day operations of the partnership are controlled by the Managing 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 day to day operations of the partnership are controlled by the Managing General Partner. The agreement was later amended as of December 1, 2010 to admit PNC Real Estate Tax Credit Capital Institutional Fund 47 Limited Partnership as the Investment Limited Partner, and Colombia Housing SLP Corporation as the Special Limited Partner.

Together, the two General Partners (Fresno Renaissance at Trinity LLC and Silvercrest Inc.) are allocated 0.01% interest of all net profits (or net losses) of the partnership. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985. See note 6 for descriptions of any related party transactions between the Agency and the partnership.

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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 day to day operations of the partnership are controlled by 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 day to day operations of the partnership are controlled by 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.

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.

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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 day to day operations of the partnership are controlled by 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 day to day operations of the partnership are controlled by 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 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 day to day operations of the partnership are controlled by 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.

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Silvercrest Inc. is the Managing General Partner and the Withdrawing Limited Partner. Parc Grove Commons Northwest AGP, LCC, 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. The day to day operations of the partnership are controlled by 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. The day to day operations of the partnership are controlled by 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 0.01% 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.

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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. The day to day operations of the partnership are controlled by 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. The day to day operations of the partnership are controlled by 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.

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. The day to day operations of the partnership are controlled by 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.

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Viking Village Fresno RAD, LP

Viking Village Fresno RAD, LP was formed to acquire, construct and/or rehabilitate, and operate an 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 March 18, 2014, by Viking Village 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. The day to day operations of the partnership are controlled by the Managing General Partner. PNC Bank National Association is the Investor Limited Partner, PNC Real Estate Tax Credit Capital Fund 47 is the State Limited Partner and Columbia Housing SLP Corporation as 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 Viking Village Fresno RAD AGP, LLC. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the Fresno County, 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.

Kingsburg Marion Villas, LP

Kingsburg Marion Villas, LP was formed to acquire, construct, and operate Kingsburg Marion Villas, a 45 unit affordable-senior housing complex and community resource building in Kingsburg, California. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on March 18, 2014, by Kingsburg Marion Villas 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 day to day operations of the partnership are controlled by the Managing General Partner. PNC Bank National Association is the Investor Limited Partner, , PNC Real Estate Tax Credit Capital Fund 47 is the State Limited Partner and Columbia Housing SLP Corporation as 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 Kingsburg Marion Villas AGP, LLC. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the Fresno County, 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.

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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 2014. 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.

(20) Interfund and Interagency Activity

The following is a summary of changes in Interfund loans as of December 31, 2014:

| | Balance 12/31/13 | Additions | Deletions | Balance 12/31/14 | Due within One Year |
|--------------------------|-----------------------------|------------------|------------------|-----------------------------|--------------------------------|
| Receivables: | | | | | |
| City RF from NSP | \$ 1,128,277 | - | - | \$ 1,128,277 | \$ 1,128,277 |
| City RF from El Cortez | 205,800 | - | - | 205,800 | - |
| City RF from P&CD | 500,000 | - | - | 500,000 | - |
| Total Receivables | <u>\$1,834,077</u> | <u>-</u> | <u>-</u> | <u>\$1,834,077</u> | <u>\$ 1,128,277</u> |
| Payables: | | | | | |
| City RF from NSP | \$ 1,128,277 | - | - | \$ 1,128,277 | \$ 1,128,277 |
| City RF from El Cortez | 205,800 | - | - | 205,800 | - |
| City RF from P&CD | 500,000 | - | - | 500,000 | - |
| Total Payables | <u>\$1,834,077</u> | <u>-</u> | <u>-</u> | <u>\$1,834,077</u> | <u>\$ 1,128,277</u> |

The Agency has made various Interfund loans. Interfund balances have been eliminated in the Statement of Net Assets. One loan carries 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, 2014 is \$500,000 and \$80,885 respectively.

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(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 may be 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.

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 restrictions:

| | |
|--|----------------------------|
| Housing Assistance Payments | \$ 48,135 |
| Affordable Housing | 1,429,028 |
| USDA projects | 436,366 |
| California Housing Finance Agency (CHFA) | 97,990 |
| Other | 68,239 |
| Total | <u>\$ 2,079,758</u> |

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(23) Prior Year Restatement

During the year ended December 31, 2014, the Agency made certain adjustments to beginning equity as a result of a material reclassification of notes payable and other immaterial audit adjustments.

In the prior year the Agency financial statements included a predevelopment loan of \$475,092 incurred on behalf of the Parc Grove Commons Northwest, LP (PGNW). The related predevelopment activity was previously held by the Agency, until the formation of the Parc Grove Commons Northwest Limited Partnership, and successful acquisition of the property and all related debt completed in 2013. In our review of subsequent activity it was determined that the predevelopment loan had not been properly recorded during the transition to new ownership, and therefore restatement was needed.

The following schedule summarizes the effect of these restatements:

| | |
|---|------------------------------------|
| Net Position at Beginning of Year, as Previously Reported | \$ 70,844,237 |
| Adjustment to Reclassify PGNW Note | 475,092 |
| Other Immaterial Adjustments | 474 |
| Net Position at Beginning of Year, as Restated | <u><u>\$ 71,319,803</u></u> |

SUPPLEMENTAL INFORMATION

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Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | 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 | \$2,133,597 | \$3 | \$2,049 | \$381,372 | \$8,473 |
| 112 Cash - Restricted - Modernization and Development | | | | | |
| 113 Cash - Other Restricted | | | | | \$436,366 |
| 114 Cash - Tenant Security Deposits | \$100,733 | | | | \$15,568 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | | |
| 100 Total Cash | \$2,234,330 | \$3 | \$2,049 | \$381,372 | \$460,407 |
| 121 Accounts Receivable - PHA Projects | | | | | |
| 122 Accounts Receivable - HUD Other Projects | | | | | |
| 124 Accounts Receivable - Other Government | | | | | |
| 125 Accounts Receivable - Miscellaneous | \$234 | | \$814 | \$380,345 | \$1,154 |
| 126 Accounts Receivable - Tenants | \$36,211 | | | | \$0 |
| 126.1 Allowance for Doubtful Accounts -Tenants | -\$19,836 | | | | \$0 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | | \$0 | -\$380,345 | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | | | |
| 128 Fraud Recovery | | | | | |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | | | |
| 129 Accrued Interest Receivable | \$850,001 | | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$866,610 | \$0 | \$814 | \$0 | \$1,154 |
| 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: 12/31/2014

| | | | | | |
|---|---------------|-----|---------|-----------|--------------|
| 143.1 Allowance for Obsolete Inventories | | | | | |
| 144 Inter Program Due From | \$43,745 | | | | |
| 145 Assets Held for Sale | | | | \$73,161 | |
| 150 Total Current Assets | \$3,144,685 | \$3 | \$2,863 | \$454,533 | \$461,561 |
| 161 Land | \$838,544 | | | | \$119,742 |
| 162 Buildings | \$30,881,159 | | | | \$2,408,871 |
| 163 Furniture, Equipment & Machinery - Dwellings | | | | | |
| 164 Furniture, Equipment & Machinery - Administration | \$608,083 | | | | \$279 |
| 165 Leasehold Improvements | | | | | |
| 166 Accumulated Depreciation | -\$27,058,115 | | | | -\$1,901,205 |
| 167 Construction in Progress | \$1,866,720 | | | | |
| 168 Infrastructure | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$7,136,391 | \$0 | \$0 | \$0 | \$627,687 |
| 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 | \$595,740 | | | | |
| 176 Investments in Joint Ventures | \$6,163,881 | | | | |
| 180 Total Non-Current Assets | \$20,126,965 | \$0 | \$0 | \$0 | \$627,687 |
| 200 Deferred Outflow of Resources | | | | | |
| 290 Total Assets and Deferred Outflow of Resources | \$23,271,650 | \$3 | \$2,863 | \$454,533 | \$1,089,248 |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | 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 |
|--|---------------|--|---|---|---|
| 311 Bank Overdraft | | | | | |
| 312 Accounts Payable <= 90 Days | \$100,394 | | \$3,327 | | \$5,806 |
| 313 Accounts Payable >90 Days Past Due | | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | \$53 | | | | |
| 322 Accrued Compensated Absences - Current Portion | \$15,149 | | | | |
| 324 Accrued Contingency Liability | | | | | |
| 325 Accrued Interest Payable | | | | \$222,163 | |
| 331 Accounts Payable - HUD PHA Programs | | | | | \$0 |
| 332 Account Payable - PHA Projects | | | | | |
| 333 Accounts Payable - Other Government | \$77,401 | | | | \$2,043 |
| 341 Tenant Security Deposits | \$100,733 | | | | \$15,568 |
| 342 Unearned Revenue | \$7,998 | | | | \$1,094 |
| 343 Current Portion of Long-term Debt - Capital | | | | | \$96,527 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | | \$1,128,277 | |
| 345 Other Current Liabilities | \$7,650 | | | | |
| 346 Accrued Liabilities - Other | | | | | |
| 347 Inter Program - Due To | | | | | |
| 348 Loan Liability - Current | | | | | |
| 310 Total Current Liabilities | \$309,378 | \$0 | \$3,327 | \$1,350,440 | \$121,038 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage | | | | \$44,441 | \$508,199 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | | | |
| 353 Non-current Liabilities - Other | \$60,093 | | | | |
| 354 Accrued Compensated Absences - Non Current | \$28,597 | | | | |
| 355 Loan Liability - Non Current | | | | | |
| 356 FASB 5 Liabilities | | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | 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 |
|---|---------------|--|---|---|---|
| 357 Accrued Pension and OPEB Liabilities | | | | | |
| 350 Total Non-Current Liabilities | \$186,787 | \$0 | \$0 | \$44,441 | \$508,199 |
| 300 Total Liabilities | \$496,165 | \$0 | \$3,327 | \$1,394,881 | \$629,237 |
| 400 Deferred Inflow of Resources | | | | | |
| 508.4 Net Investment in Capital Assets | \$7,038,294 | | | -\$44,441 | \$22,961 |
| 511.4 Restricted Net Position | \$0 | \$0 | | \$0 | \$436,366 |
| 512.4 Unrestricted Net Position | \$15,737,191 | \$3 | -\$464 | -\$895,907 | \$684 |
| 513 Total Equity - Net Assets / Position | \$22,775,485 | \$3 | -\$464 | -\$940,348 | \$460,011 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - | \$23,271,650 | \$3 | \$2,863 | \$454,533 | \$1,089,248 |

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | | | |
|-------|--|--|---|--------------------------------|--|------------------------------|----------|
| 111 | Cash - Unrestricted | 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 | 6.2 Component Unit - Blended | \$58,180 |
| 112 | Cash - Restricted - Modernization and Development | | | | | | |
| 113 | Cash - Other Restricted | | | \$48,135 | | | |
| 114 | Cash - Tenant Security Deposits | | | | | | |
| 115 | Cash - Restricted for Payment of Current Liabilities | | | | | | |
| 100 | Total Cash | \$0 | \$0 | \$48,135 | \$0 | | \$58,180 |
| 121 | Accounts Receivable - PHA Projects | | | \$1,830 | | | |
| 122 | Accounts Receivable - HUD Other Projects | | \$44,142 | \$96,839 | | | |
| 124 | Accounts Receivable - Other Government | | | | | | |
| 125 | Accounts Receivable - Miscellaneous | | | \$121,750 | | | \$78,629 |
| 126 | Accounts Receivable - Tenants | | | | | | |
| 126.1 | Allowance for Doubtful Accounts -Tenants | | \$0 | | | | |
| 126.2 | Allowance for Doubtful Accounts - Other | | \$0 | -\$60,086 | | | \$0 |
| 127 | Notes, Loans, & Mortgages Receivable - Current | | | | | | |
| 128 | Fraud Recovery | | | | | | |
| 128.1 | Allowance for Doubtful Accounts - Fraud | | | | | | |
| 129 | Accrued Interest Receivable | | | | | | |
| 120 | Total Receivables, Net of Allowances for Doubtful Accounts | \$0 | \$44,142 | \$160,333 | \$0 | | \$78,629 |
| 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: 12/31/2014

| | | | | | | |
|-----|---|--|---|--------------------------------|--|------------------------------|
| 144 | Inter Program Due From | 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 | 6.2 Component Unit - Blended |
| 145 | Assets Held for Sale | | \$4,593 | \$212,890 | | \$6,559 |
| 150 | Total Current Assets | \$0 | \$48,735 | \$421,358 | \$0 | \$143,368 |
| 161 | Land | | | | | |
| 162 | Buildings | | | | | |
| 163 | Furniture, Equipment & Machinery - Dwellings | | | | | |
| 164 | Furniture, Equipment & Machinery - Administration | | | \$475,315 | | |
| 165 | Leasehold Improvements | | | -\$440,044 | | |
| 166 | Accumulated Depreciation | | | | | |
| 167 | Construction in Progress | | | | | |
| 168 | Infrastructure | | | | | |
| 160 | Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$0 | \$35,271 | \$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 | \$0 | \$35,271 | \$0 | \$0 |
| 200 | Deferred Outflow of Resources | | | | | |
| 290 | Total Assets and Deferred Outflow of Resources | \$0 | \$48,735 | \$456,629 | \$0 | \$143,368 |
| 311 | Bank Overdraft | | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | | | |
|-----|--|-----------|----------|-------------|-----|--|----------|
| 312 | Accounts Payable <= 90 Days | | | | | | |
| 313 | Accounts Payable >90 Days Past Due | | | | | | |
| 321 | Accrued Wage/Payroll Taxes Payable | | | | | | |
| 322 | Accrued Compensated Absences - Current Portion | | \$1,579 | \$75,426 | | | \$2,255 |
| 324 | Accrued Contingency Liability | | | | | | |
| 325 | Accrued Interest Payable | | | | | | |
| 331 | Accounts Payable - HUD PHA Programs | | | \$173,966 | | | |
| 332 | Account Payable - PHA Projects | | | | | | |
| 333 | Accounts Payable - Other Government | | | | | | |
| 341 | Tenant Security Deposits | | | | | | |
| 342 | Unearned Revenue | | | | | | \$17,500 |
| 343 | Current Portion of Long-term Debt - Capital | | | | | | |
| 344 | Current Portion of Long-term Debt - Operating Borrowings | | | | | | |
| 345 | Other Current Liabilities | | | | | | \$3,742 |
| 346 | Accrued Liabilities - Other | | | | | | |
| 347 | Inter Program - Due To | \$244,517 | \$44,142 | \$1,308,967 | | | |
| 348 | Loan Liability - Current | | | | | | |
| 310 | Total Current Liabilities | \$244,573 | \$45,721 | \$1,589,297 | \$0 | | \$23,497 |
| 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 | | \$3,014 | \$137,463 | | | \$4,304 |
| 355 | Loan Liability - Non Current | | | | | | |
| 356 | FASB 5 Liabilities | | | | | | |
| 357 | Accrued Pension and OPEB Liabilities | | | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | |
|---|--|---|--------------------------------|--|------------------------------|
| 350 Total Non-Current Liabilities | 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 | 6.2 Component Unit - Blended |
| | \$0 | \$3,014 | \$137,463 | \$0 | \$4,304 |
| 300 Total Liabilities | \$244,573 | \$48,735 | \$1,726,760 | \$0 | \$27,801 |
| 400 Deferred Inflow of Resources | | | | | |
| 508.4 Net Investment in Capital Assets | | | \$35,271 | | |
| 511.4 Restricted Net Position | | | \$48,135 | | \$0 |
| 512.4 Unrestricted Net Position | -\$244,573 | \$0 | -\$1,353,537 | \$0 | \$115,567 |
| 513 Total Equity - Net Assets / Position | -\$244,573 | \$0 | -\$1,270,131 | \$0 | \$115,567 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - | \$0 | \$48,735 | \$456,629 | \$0 | \$143,368 |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | | |
|-------|--|---|-----------------|-----------------------------------|---|--------------------------|
| 111 | Cash - Unrestricted | 14,866 Revitalization of Severely Distressed Public Housing | 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 |
| 112 | Cash - Restricted - Modernization and Development | | | | | |
| 113 | Cash - Other Restricted | | | \$97,990 | | |
| 114 | Cash - Tenant Security Deposits | | | \$13,340 | | |
| 115 | Cash - Restricted for Payment of Current Liabilities | | | | | |
| 100 | Total Cash | \$1,325,990 | \$6,689 | \$111,330 | \$49,686 | \$0 |
| 121 | Accounts Receivable - PHA Projects | | | | | |
| 122 | Accounts Receivable - HUD Other Projects | | | | | \$105,786 |
| 124 | Accounts Receivable - Other Government | | | | | |
| 125 | Accounts Receivable - Miscellaneous | \$1,760 | | | | |
| 126 | Accounts Receivable - Tenants | | | \$8,161 | | |
| 126.1 | Allowance for Doubtful Accounts -Tenants | | | -\$2,545 | | \$0 |
| 126.2 | Allowance for Doubtful Accounts - Other | -\$2,395,568 | -\$109,464 | | | \$0 |
| 127 | Notes, Loans, & Mortgages Receivable - Current | \$2,395,568 | \$109,464 | | | |
| 128 | Fraud Recovery | | | | | |
| 128.1 | Allowance for Doubtful Accounts - Fraud | | | | | |
| 129 | Accrued Interest Receivable | | | | | |
| 120 | Total Receivables, Net of Allowances for Doubtful Accounts | \$1,760 | \$0 | \$5,616 | \$0 | \$105,786 |
| 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: 12/31/2014

| | | | | | |
|-----|---|-----------------|-----------------------------------|---|--------------------------|
| | 14.866 Revitalization of Severely Distressed Public Housing | 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 |
| 144 | Inter Program Due From | | \$7,527 | | \$654 |
| 145 | Assets Held for Sale | | | | |
| | \$0 | | | | |
| 150 | Total Current Assets | \$6,689 | \$124,473 | \$49,686 | \$106,440 |
| | | | | | |
| 161 | Land | | \$158,970 | | |
| 162 | Buildings | | \$2,636,849 | | |
| 163 | Furniture, Equipment & Machinery - Dwellings | | | | |
| 164 | Furniture, Equipment & Machinery - Administration | | \$32,814 | | |
| 165 | Leasehold Improvements | | | | |
| 166 | Accumulated Depreciation | | -\$2,604,925 | | |
| 167 | Construction in Progress | | | | |
| 168 | Infrastructure | | | | |
| 160 | Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$223,708 | \$0 | \$0 |
| | | | | | |
| 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 | \$6,701,752 | \$0 | \$0 | \$0 |
| | | | | | |
| 200 | Deferred Outflow of Resources | | | | |
| | | | | | |
| 290 | Total Assets and Deferred Outflow of Resources | \$8,029,502 | \$6,689 | \$348,181 | \$49,686 |
| | | | | | |
| 311 | Bank Overdraft | | | | |
| | | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | | |
|-----|--|--|---------|-----------|----------|-----------|
| 312 | Accounts Payable <= 90 Days | | | | | |
| 313 | Accounts Payable >90 Days Past Due | | | | | |
| 321 | Accrued Wage/Payroll Taxes Payable | | | \$15 | | |
| 322 | Accrued Compensated Absences - Current Portion | | | \$2,954 | | \$251 |
| 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 | | | |
| 341 | Tenant Security Deposits | | | \$13,340 | | |
| 342 | Unearned Revenue | | | \$3,927 | \$2,451 | |
| 343 | Current Portion of Long-term Debt - Capital | | | \$137,605 | | |
| 344 | Current Portion of Long-term Debt - Operating Borrowings | | | | | |
| 345 | Other Current Liabilities | | | | | \$139,429 |
| 346 | Accrued Liabilities - Other | | | | | |
| 347 | Inter Program - Due To | | | \$121,462 | | \$259,408 |
| 348 | Loan Liability - Current | | | | | |
| 310 | Total Current Liabilities | | \$0 | \$283,729 | \$21,199 | \$399,088 |
| 351 | Long-term Debt, Net of Current - Capital Projects/Mortgage | | | \$917,445 | | |
| 352 | Long-term Debt, Net of Current - Operating Borrowings | | | | | |
| 353 | Non-current Liabilities - Other | | | | | |
| 354 | Accrued Compensated Absences - Non Current | | | \$4,573 | | \$402 |
| 355 | Loan Liability - Non Current | | | | | |
| 356 | FASB 5 Liabilities | | | | | |
| 357 | Accrued Pension and OPEB Liabilities | | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | |
|---|---|-----------------|-----------------------------------|---|--------------------------|
| | 14.866 Revitalization of Severely Distressed Public Housing | 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 |
| 350 Total Non-Current Liabilities | \$0 | \$0 | \$922,018 | \$0 | \$402 |
| 300 Total Liabilities | \$0 | \$3,060 | \$1,205,747 | \$21,199 | \$399,490 |
| 400 Deferred Inflow of Resources | | | | | |
| 508.4 Net Investment in Capital Assets | \$1,796,401 | | -\$831,342 | | |
| 511.4 Restricted Net Position | \$0 | | \$97,990 | | |
| 512.4 Unrestricted Net Position | \$6,233,101 | \$3,629 | -\$124,214 | \$28,487 | -\$293,050 |
| 513 Total Equity - Net Assets / Position | \$8,029,502 | \$3,629 | -\$857,566 | \$28,487 | -\$293,050 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - | \$8,029,502 | \$6,689 | \$348,181 | \$49,686 | \$106,440 |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | | | |
|-------|--|--|-----------|-----------|-------------|-------------|---------|
| 111 | Cash - Unrestricted | 93,645 Child Welfare Services_State Grants | | | | \$258,767 | |
| 112 | Cash - Restricted - Modernization and Development | | | | | | |
| 113 | Cash - Other Restricted | | | | | \$1,479,028 | |
| 114 | Cash - Tenant Security Deposits | | | | \$18,700 | \$134,701 | |
| 115 | Cash - Restricted for Payment of Current Liabilities | | | | | | |
| 100 | Total Cash | \$165,234 | \$0 | \$18,700 | \$1,872,496 | \$0 | |
| 121 | Accounts Receivable - PHA Projects | | | | | | |
| 122 | Accounts Receivable - HUD Other Projects | | \$158,703 | | | | |
| 124 | Accounts Receivable - Other Government | \$23,153 | | \$6,530 | | | \$1,596 |
| 125 | Accounts Receivable - Miscellaneous | | | \$148,981 | \$79,876 | | |
| 126 | Accounts Receivable - Tenants | | | \$16,238 | \$1,730 | | |
| 126.1 | Allowance for Doubtful Accounts -Tenants | \$0 | | \$0 | \$0 | | |
| 126.2 | Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 | \$0 | | \$0 |
| 127 | Notes, Loans, & Mortgages Receivable - Current | | | | \$1,134,033 | | |
| 128 | Fraud Recovery | | | | | | |
| 128.1 | Allowance for Doubtful Accounts - Fraud | | | | | | |
| 129 | Accrued Interest Receivable | | \$136,379 | | | \$222,163 | |
| 120 | Total Receivables, Net of Allowances for Doubtful Accounts | \$23,153 | \$295,082 | \$171,749 | \$1,437,802 | \$1,596 | |
| 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: 12/31/2014

| | | | | | |
|---|--|-----------------------------------|---------------|-----------------------|---|
| | 93.645 Child Welfare Services_State Grants | 14.235 Supportive Housing Program | 2 State/Local | 1 Business Activities | 14.239 HOME Investment Partnerships Program |
| 144 Inter Program Due From | \$7,940 | \$3,435 | \$11,447 | \$1,206,242 | |
| 145 Assets Held for Sale | | | | | |
| 150 Total Current Assets | \$196,327 | \$298,517 | \$201,896 | \$4,516,540 | \$1,596 |
| 161 Land | | | \$106,690 | \$2,114,600 | |
| 162 Buildings | | | \$1,033,295 | \$5,596,439 | |
| 163 Furniture, Equipment & Machinery - Dwellings | | | | | |
| 164 Furniture, Equipment & Machinery - Administration | | \$82,631 | \$1,140 | \$111,541 | |
| 165 Leasehold Improvements | | | | | |
| 166 Accumulated Depreciation | | -\$82,631 | \$0 | -\$3,249,377 | |
| 167 Construction in Progress | | | \$2,906,523 | \$2,172,757 | |
| 168 Infrastructure | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$0 | \$4,047,648 | \$6,745,960 | \$0 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | \$1,200,000 | \$1,990,000 | \$14,232,374 | |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past | | | | | |
| 173 Grants Receivable - Non Current | | | | | |
| 174 Other Assets | | | \$1,911,036 | \$173,030 | |
| 176 Investments in Joint Ventures | | | | \$23,819,395 | |
| 180 Total Non-Current Assets | \$0 | \$1,200,000 | \$7,948,684 | \$44,970,759 | \$0 |
| 200 Deferred Outflow of Resources | | | | | |
| 290 Total Assets and Deferred Outflow of Resources | \$196,327 | \$1,498,517 | \$8,150,580 | \$49,487,299 | \$1,596 |
| 311 Bank Overdraft | | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | | |
|-----|--|--|-----------------------------------|---------------|-----------------------|---|
| 312 | Accounts Payable <= 90 Days | 93,645 Child Welfare Services_State Grants | 14,235 Supportive Housing Program | 2 State/Local | 1 Business Activities | 14,239 HOME Investment Partnerships Program |
| 313 | Accounts Payable >90 Days Past Due | \$12,741 | \$11,282 | \$28,278 | \$50,298 | |
| 321 | Accrued Wage/Payroll Taxes Payable | | | | | |
| 322 | Accrued Compensated Absences - Current Portion | \$2,686 | \$1,152 | \$4,036 | | |
| 324 | Accrued Contingency Liability | | | | | |
| 325 | Accrued Interest Payable | | | \$42,524 | \$729,091 | |
| 331 | Accounts Payable - HUD PHA Programs | | | | | |
| 332 | Account Payable - PHA Projects | | | | | |
| 333 | Accounts Payable - Other Government | | | | | |
| 341 | Tenant Security Deposits | | | \$18,700 | \$134,701 | |
| 342 | Unearned Revenue | | | \$1,591 | | |
| 343 | Current Portion of Long-term Debt - Capital | | | \$598,952 | \$134,689 | |
| 344 | Current Portion of Long-term Debt - Operating Borrowings | | | | \$1,421,279 | |
| 345 | Other Current Liabilities | | | \$946 | \$62,751 | |
| 346 | Accrued Liabilities - Other | | | | | |
| 347 | Inter Program - Due To | | \$265,351 | \$407,014 | \$942 | \$1,596 |
| 348 | Loan Liability - Current | | | | | |
| 310 | Total Current Liabilities | \$15,427 | \$277,785 | \$1,102,041 | \$2,533,751 | \$1,596 |
| 351 | Long-term Debt, Net of Current - Capital Projects/Mortgage | | | \$4,755,237 | \$8,476,532 | |
| 352 | Long-term Debt, Net of Current - Operating Borrowings | | | | | |
| 353 | Non-current Liabilities - Other | | | | \$86,191 | |
| 354 | Accrued Compensated Absences - Non Current | \$5,254 | \$2,283 | \$7,411 | | |
| 355 | Loan Liability - Non Current | | | | | |
| 356 | FASB 5 Liabilities | | | | | |
| 357 | Accrued Pension and OPEB Liabilities | | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | |
|---|--|-----------------------------------|---------------|-----------------------|---|
| | 93.645 Child Welfare Services_State Grants | 14.235 Supportive Housing Program | 2 State/Local | 1 Business Activities | 14.239 HOME Investment Partnerships Program |
| 350 Total Non-Current Liabilities | \$5,254 | \$2,283 | \$4,762,648 | \$8,562,723 | \$0 |
| 300 Total Liabilities | \$20,681 | \$280,068 | \$5,864,689 | \$11,096,474 | \$1,596 |
| 400 Deferred Inflow of Resources | | | | | |
| 508.4 Net Investment in Capital Assets | | | -\$1,306,541 | -\$1,865,261 | |
| 511.4 Restricted Net Position | | \$0 | \$0 | \$1,479,028 | |
| 512.4 Unrestricted Net Position | \$175,646 | \$1,218,449 | \$3,592,432 | \$38,777,058 | \$0 |
| 513 Total Equity - Net Assets / Position | \$175,646 | \$1,218,449 | \$2,285,891 | \$38,390,825 | \$0 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - | \$196,327 | \$1,498,517 | \$8,150,580 | \$49,487,299 | \$1,596 |

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | COCC | Subtotal | ELIM | Total |
|--|-----------|--------------|--------------|--------------|
| 111 Cash - Unrestricted | \$590,324 | \$4,980,364 | | \$4,980,364 |
| 112 Cash - Restricted - Modernization and Development | | | | |
| 113 Cash - Other Restricted | \$18,239 | \$2,079,758 | | \$2,079,758 |
| 114 Cash - Tenant Security Deposits | | \$283,042 | | \$283,042 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | |
| 100 Total Cash | \$608,563 | \$7,343,164 | \$0 | \$7,343,164 |
| | | | | |
| 121 Accounts Receivable - PHA Projects | | \$1,830 | | \$1,830 |
| 122 Accounts Receivable - HUD Other Projects | | \$405,470 | | \$405,470 |
| 124 Accounts Receivable - Other Government | | \$31,279 | | \$31,279 |
| 125 Accounts Receivable - Miscellaneous | \$319,082 | \$1,131,471 | | \$1,131,471 |
| 126 Accounts Receivable - Tenants | | \$63,494 | | \$63,494 |
| 126.1 Allowance for Doubtful Accounts -Tenants | | -\$22,381 | | -\$22,381 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | -\$2,945,463 | | -\$2,945,463 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | \$3,639,065 | -\$1,128,277 | \$2,510,788 |
| 128 Fraud Recovery | | | | |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | | |
| 129 Accrued Interest Receivable | \$0 | \$1,208,543 | -\$222,163 | \$986,380 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$319,082 | \$3,513,308 | -\$1,350,440 | \$2,162,868 |
| | | | | |
| 131 Investments - Unrestricted | | | | |
| 132 Investments - Restricted | | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | | |
| 142 Prepaid Expenses and Other Assets | \$224,673 | \$224,673 | | \$224,673 |
| 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: 12/31/2014

| | COCC | Subtotal | ELIM | Total |
|---|--------------|---------------|--------------|---------------|
| 144 Inter Program Due From | \$1,610,565 | \$3,115,597 | -\$3,115,597 | \$0 |
| 145 Assets Held for Sale | | \$73,161 | | \$73,161 |
| 150 Total Current Assets | \$2,762,883 | \$14,269,903 | -\$4,466,037 | \$9,803,866 |
| 161 Land | \$324,229 | \$3,662,775 | | \$3,662,775 |
| 162 Buildings | \$3,610,608 | \$48,510,336 | | \$48,510,336 |
| 163 Furniture, Equipment & Machinery - Dwellings | | | | |
| 164 Furniture, Equipment & Machinery - Administration | \$623,739 | \$1,940,936 | | \$1,940,936 |
| 165 Leasehold Improvements | | | | |
| 166 Accumulated Depreciation | -\$3,221,343 | -\$39,109,748 | | -\$39,109,748 |
| 167 Construction in Progress | | \$6,946,000 | | \$6,946,000 |
| 168 Infrastructure | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$1,337,233 | \$21,950,299 | \$0 | \$21,950,299 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | \$28,558,678 | -\$705,800 | \$27,852,878 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past | | | | |
| 173 Grants Receivable - Non Current | | | | |
| 174 Other Assets | | \$2,679,806 | -\$66,191 | \$2,593,615 |
| 176 Investments in Joint Ventures | | \$29,983,276 | | \$29,983,276 |
| 180 Total Non-Current Assets | \$1,337,233 | \$83,172,059 | -\$791,991 | \$82,380,068 |
| 200 Deferred Outflow of Resources | | | | |
| 290 Total Assets and Deferred Outflow of Resources | \$4,100,116 | \$97,441,962 | -\$5,258,028 | \$92,183,934 |
| 311 Bank Overdraft | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | COCC | Subtotal | ELIM | Total |
|--|-------------|--------------|--------------|--------------|
| 312 Accounts Payable <= 90 Days | \$224,879 | \$472,425 | | \$472,425 |
| 313 Accounts Payable >90 Days Past Due | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | \$164,098 | \$164,166 | | \$164,166 |
| 322 Accrued Compensated Absences - Current Portion | \$57,726 | \$163,214 | | \$163,214 |
| 324 Accrued Contingency Liability | | | | |
| 325 Accrued Interest Payable | | \$993,778 | -\$222,163 | \$771,615 |
| 331 Accounts Payable - HUD PHA Programs | | \$192,714 | | \$192,714 |
| 332 Account Payable - PHA Projects | | | | |
| 333 Accounts Payable - Other Government | | \$82,504 | | \$82,504 |
| 341 Tenant Security Deposits | | \$283,042 | | \$283,042 |
| 342 Unearned Revenue | \$50,848 | \$85,409 | | \$85,409 |
| 343 Current Portion of Long-term Debt - Capital | | \$967,773 | | \$967,773 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | \$2,549,556 | -\$1,128,277 | \$1,421,279 |
| 345 Other Current Liabilities | \$644,389 | \$858,907 | | \$858,907 |
| 346 Accrued Liabilities - Other | \$343 | \$343 | | \$343 |
| 347 Inter Program - Due To | \$462,198 | \$3,115,597 | -\$3,115,597 | \$0 |
| 348 Loan Liability - Current | | | | |
| 310 Total Current Liabilities | \$1,604,481 | \$9,929,428 | -\$4,466,037 | \$5,463,391 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage | \$154,000 | \$14,953,951 | -\$705,800 | \$14,248,151 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | | |
| 353 Non-current Liabilities - Other | | \$146,284 | -\$86,191 | \$60,093 |
| 354 Accrued Compensated Absences - Non Current | \$103,014 | \$296,315 | | \$296,315 |
| 355 Loan Liability - Non Current | | | | |
| 356 FASB 5 Liabilities | | | | |
| 357 Accrued Pension and OPEB Liabilities | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | COCC | Subtotal | ELIM | Total |
|---|-------------|--------------|--------------|--------------|
| 350 Total Non-Current Liabilities | \$257,014 | \$15,396,550 | -\$791,991 | \$14,604,559 |
| 300 Total Liabilities | \$1,861,495 | \$25,325,978 | -\$5,258,028 | \$20,067,950 |
| 400 Deferred Inflow of Resources | | | | |
| 508.4 Net Investment in Capital Assets | \$1,183,233 | \$6,028,575 | | \$6,028,575 |
| 511.4 Restricted Net Position | \$18,239 | \$2,079,758 | | \$2,079,758 |
| 512.4 Unrestricted Net Position | \$1,037,149 | \$64,007,651 | | \$64,007,651 |
| 513 Total Equity - Net Assets / Position | \$2,238,621 | \$72,115,984 | \$0 | \$72,115,984 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - | \$4,100,116 | \$97,441,962 | -\$5,258,028 | \$92,183,934 |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | 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 | \$1,064,345 | | \$0 | | \$216,540 |
| 70400 Tenant Revenue - Other | | | | | |
| 70500 Total Tenant Revenue | \$1,064,345 | \$0 | \$0 | \$0 | \$216,540 |
| 70600 HUD PHA Operating Grants | \$3,910,710 | \$15,022 | | | |
| 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 | \$20 | | | | \$80,409 |
| 71100 Investment Income - Unrestricted | \$39 | | | | \$14 |
| 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 | \$425,299 | | | | \$7,350 |
| 71600 Gain or Loss on Sale of Capital Assets | | | | | |
| 72000 Investment Income - Restricted | | | | | \$381 |
| 70000 Total Revenue | \$5,400,413 | \$15,022 | \$0 | \$0 | \$304,694 |
| 91100 Administrative Salaries | \$262,807 | \$9,823 | | | \$10,387 |

**Housing Authority City of Fresno (CA006)
FRESNO, CA**

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | 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 | \$4,184 | \$19 | | | \$275 |
| 91300 Management Fee | \$420,693 | | | | |
| 91310 Book-keeping Fee | \$38,333 | | | | |
| 91400 Advertising and Marketing | \$185 | | | | \$666 |
| 91500 Employee Benefit contributions - Administrative | \$175,293 | \$3,354 | | | \$10,328 |
| 91600 Office Expenses | \$42,210 | | | | \$1,032 |
| 91700 Legal Expense | \$7,698 | | | | \$4 |
| 91800 Travel | \$196 | | \$478 | | \$1,064 |
| 91810 Allocated Overhead | | | | | |
| 91900 Other | \$1,746,156 | \$979 | | | \$3,692 |
| 91000 Total Operating - Administrative | \$2,697,755 | \$14,175 | \$478 | \$0 | \$27,448 |
| 92000 Asset Management Fee | \$53,100 | | | | |
| 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 | \$125,574 | | | | \$11,979 |
| 93200 Electricity | \$53,610 | | | | \$368 |
| 93300 Gas | \$3,000 | | | | \$42 |
| 93400 Fuel | | | | | |
| 93500 Labor | | | | | |
| 93600 Sewer | \$95,908 | | | | \$9,132 |
| 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: 12/31/2014

| | 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 | \$278,092 | \$0 | \$0 | \$0 | \$21,521 |
| 94100 Ordinary Maintenance and Operations - Labor | \$211,553 | | | | \$9,038 |
| 94200 Ordinary Maintenance and Operations - Materials and | \$354,349 | | | | \$26,025 |
| 94300 Ordinary Maintenance and Operations Contracts | \$247,146 | | | | \$19,026 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | | | | |
| 94000 Total Maintenance | \$813,048 | \$0 | \$0 | \$0 | \$54,089 |
| 95100 Protective Services - Labor | | | | | |
| 95200 Protective Services - Other Contract Costs | \$7,497 | | | | \$1,437 |
| 95300 Protective Services - Other | | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | | |
| 95000 Total Protective Services | \$7,497 | \$0 | \$0 | \$0 | \$1,437 |
| 96110 Property Insurance | \$25,362 | | | | \$2,633 |
| 96120 Liability Insurance | \$2,522 | | | | \$259 |
| 96130 Workmen's Compensation | \$43,236 | \$161 | | | \$1,690 |
| 96140 All Other Insurance | \$6,851 | | | | \$427 |
| 96100 Total Insurance Premiums | \$77,971 | \$161 | \$0 | \$0 | \$5,009 |
| 96200 Other General Expenses | \$11,243 | | | | \$1,233 |
| 96210 Compensated Absences | \$45,256 | \$705 | | | \$1,697 |
| 96300 Payments in Lieu of Taxes | \$77,443 | | | | |
| 96400 Bad debt - Tenant Rents | \$31,910 | | | | |
| 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: 12/31/2014

| | | | | | | | |
|-------|---|-------------|----------|--------|-----------|-----------|--|
| 96600 | Bad debt - Other | | | | | | |
| 96800 | Severance Expense | | | | | | |
| 96000 | Total Other General Expenses | \$165,852 | \$705 | \$0 | \$0 | \$2,930 | |
| 96710 | Interest of Mortgage (or Bonds) Payable | | | | | | |
| 96720 | Interest on Notes Payable (Short and Long Term) | \$3,848 | | | | \$4,973 | |
| 96730 | Amortization of Bond Issue Costs | | | | | | |
| 96700 | Total Interest Expense and Amortization Cost | \$3,848 | \$0 | \$0 | \$51,510 | \$4,973 | |
| 96900 | Total Operating Expenses | \$4,097,163 | \$15,041 | \$478 | \$51,510 | \$117,407 | |
| 97000 | Excess of Operating Revenue over Operating Expenses | \$1,303,250 | -\$19 | -\$478 | -\$51,510 | \$187,287 | |
| 97100 | Extraordinary Maintenance | \$1,109 | | | | \$4,346 | |
| 97200 | Casualty Losses - Non-capitalized | | | | | | |
| 97300 | Housing Assistance Payments | \$339,617 | | | | | |
| 97350 | HAP Portability-In | | | | | | |
| 97400 | Depreciation Expense | \$730,830 | | | | \$81,334 | |
| 97500 | Fraud Losses | | | | | | |
| 97600 | Capital Outlays - Governmental Funds | | | | | | |
| 97700 | Debt Principal Payment - Governmental Funds | | | | | | |
| 97800 | Dwelling Units Rent Expense | | | | | | |
| 90000 | Total Expenses | \$5,168,719 | \$15,041 | \$478 | \$51,510 | \$203,087 | |
| 10010 | Operating Transfer In | \$0 | | | | | |
| 10020 | Operating transfer Out | \$0 | | | | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | 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 | \$0 | | | | |
| 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) | -\$2,184,310 | | | | |
| 10091 Inter Project Excess Cash Transfer In | \$78,854 | | | | |
| 10092 Inter Project Excess Cash Transfer Out | -\$78,854 | | | | |
| 10093 Transfers between Program and Project - In | \$149,253 | | | | |
| 10094 Transfers between Project and Program - Out | -\$149,253 | | | | |
| 10100 Total Other financing Sources (Uses) | -\$2,184,310 | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total | -\$1,952,616 | -\$19 | -\$478 | -\$51,510 | \$101,607 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$24,728,101 | \$22 | \$14 | -\$888,838 | \$358,404 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction | \$0 | | | | |
| 11050 Changes in Compensated Absence Balance | | | | | |
| 11060 Changes in Contingent Liability Balance | | | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling | | | | | |
| 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: 12/31/2014

| | 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 | 5232 | | | | 480 |
| 11210 Number of Unit Months Leased | 5111 | | | | 480 |
| 11270 Excess Cash | \$2,500,344 | | | | |
| 11610 Land Purchases | \$0 | | | | |
| 11620 Building Purchases | \$0 | | | | |
| 11630 Furniture & Equipment - Dwelling Purchases | \$0 | | | | |
| 11640 Furniture & Equipment - Administrative Purchases | \$0 | | | | |
| 11650 Leasehold Improvements Purchases | \$0 | | | | |
| 11660 Infrastructure Purchases | \$0 | | | | |
| 13510 CFFP Debt Service Payments | \$0 | | | | |
| 13901 Replacement Housing Factor Funds | \$0 | | | | |

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | | |
|-------|---|----------|-----------|--------------|-----|----------|
| 70300 | Net Tenant Rental Revenue | | | | | |
| 70400 | Tenant Revenue - Other | | | \$226 | | |
| 70500 | Total Tenant Revenue | \$0 | \$0 | \$226 | \$0 | \$0 |
| 70600 | HUD PHA Operating Grants | \$50,000 | \$82,726 | \$47,660,165 | | |
| 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 | | | \$0 | | |
| 71200 | Mortgage Interest Income | | | | | |
| 71300 | Proceeds from Disposition of Assets Held for Sale | | | | | |
| 71310 | Cost of Sale of Assets | | | | | |
| 71400 | Fraud Recovery | | | \$3,537 | | |
| 71500 | Other Revenue | \$13,175 | \$21,166 | \$28,421 | | \$40,000 |
| 71600 | Gain or Loss on Sale of Capital Assets | | | \$2,847 | | |
| 72000 | Investment Income - Restricted | | | \$5,570 | | |
| 70000 | Total Revenue | \$63,175 | \$103,892 | \$47,700,766 | \$0 | \$40,000 |
| 91100 | Administrative Salaries | \$91,618 | \$57,512 | \$1,750,466 | | |
| 91200 | Auditing Fees | \$154 | \$84 | \$47,788 | | |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | |
|--|-----------|----------|-------------|-----|-------|
| 91300 Management Fee | | | | | |
| 91310 Book-keeping Fee | | | \$994,644 | | |
| 91400 Advertising and Marketing | | | \$621,652 | | |
| 91500 Employee Benefit contributions - Administrative | | | \$1,212 | | |
| 91600 Office Expenses | \$31,628 | \$16,288 | \$636,348 | | |
| 91700 Legal Expense | \$1,088 | \$515 | \$82,495 | | |
| 91800 Travel | | \$1,559 | \$281 | | |
| 91810 Allocated Overhead | | | \$18,057 | | |
| 91900 Other | \$31,192 | \$18,274 | \$894,941 | | \$169 |
| 91000 Total Operating - Administrative | \$155,680 | \$94,232 | \$5,047,884 | \$0 | \$169 |
| 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 | | | | | |
| 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: 12/31/2014

| | | | | | | | | |
|-------|---|--|---|--------------------------------|--|------------------------------|--|-----|
| 93000 | Total Utilities | | | | | | | |
| | | 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 | 6.2 Component Unit - Blended | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 |
| 94100 | Ordinary Maintenance and Operations - Labor | \$1,052 | | \$19,254 | | | | |
| 94200 | Ordinary Maintenance and Operations - Materials and | | | \$12,950 | | | | |
| 94300 | Ordinary Maintenance and Operations Contracts | \$1,760 | \$527 | \$48,943 | | | | |
| 94500 | Employee Benefit Contributions - Ordinary Maintenance | | | | | | | |
| 94000 | Total Maintenance | \$2,812 | \$527 | \$81,147 | \$0 | | | \$0 |
| 95100 | Protective Services - Labor | | | | | | | |
| 95200 | Protective Services - Other Contract Costs | | | | | | | |
| 95300 | Protective Services - Other | | | | | | | |
| 95500 | Employee Benefit Contributions - Protective Services | | | | | | | |
| 95000 | Total Protective Services | \$0 | \$0 | \$0 | \$0 | | | \$0 |
| 96110 | Property Insurance | | | | | | | |
| 96120 | Liability Insurance | | | | | | | |
| 96130 | Workmen's Compensation | \$3,299 | \$1,064 | \$42,597 | | | | |
| 96140 | All Other Insurance | \$496 | \$260 | \$11,701 | | | | |
| 96100 | Total Insurance Premiums | \$3,795 | \$1,324 | \$54,298 | \$0 | | | \$0 |
| 96200 | Other General Expenses | \$10 | \$596 | \$28,159 | | | | |
| 96210 | Compensated Absences | \$7,830 | \$5,274 | \$153,169 | | | | |
| 96300 | Payments in Lieu of Taxes | | | | | | | |
| 96400 | Bad debt - Tenant Rents | | | | | | | |
| 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: 12/31/2014

| | | | | | | |
|-------|---|------------|-----------|--------------|-----|----------|
| 96800 | Severance Expense | | | | | |
| 96000 | Total Other General Expenses | \$7,840 | \$5,870 | \$181,328 | \$0 | \$0 |
| 96710 | Interest of Mortgage (or Bonds) Payable | | | | | |
| 96720 | Interest on Notes Payable (Short and Long Term) | | | \$9,654 | | |
| 96730 | Amortization of Bond Issue Costs | | | | | |
| 96700 | Total Interest Expense and Amortization Cost | \$0 | \$0 | \$9,654 | \$0 | \$0 |
| 96900 | Total Operating Expenses | \$170,127 | \$101,953 | \$5,374,311 | \$0 | \$169 |
| 97000 | Excess of Operating Revenue over Operating Expenses | -\$106,952 | \$1,939 | \$42,326,455 | \$0 | \$39,831 |
| 97100 | Extraordinary Maintenance | | | | | |
| 97200 | Casualty Losses - Non-capitalized | | | | | |
| 97300 | Housing Assistance Payments | | | \$43,857,911 | | |
| 97350 | HAP Portability-In | | | | | |
| 97400 | Depreciation Expense | | | \$9,622 | | |
| 97500 | Fraud Losses | | | | | |
| 97600 | Capital Outlays - Governmental Funds | | | | | |
| 97700 | Debt Principal Payment - Governmental Funds | | | | | |
| 97800 | Dwelling Units Rent Expense | | | | | |
| 90000 | Total Expenses | \$170,127 | \$101,953 | \$49,241,844 | \$0 | \$169 |
| 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: 12/31/2014

| | | | | | | |
|-------|---|--|---|--------------------------------|--|------------------------------|
| 10040 | Operating Transfers from/to Component Unit | 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 | 6.2 Component Unit - Blended |
| 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 | -\$106,952 | \$1,939 | -\$1,541,078 | \$0 | \$39,831 |
| 11020 | Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11030 | Beginning Equity | -\$137,621 | -\$1,939 | \$270,947 | \$0 | \$75,736 |
| 11040 | Prior Period Adjustments, Equity Transfers and Correction | | | \$0 | | |
| 11050 | Changes in Compensated Absence Balance | | | | | |
| 11060 | Changes in Contingent Liability Balance | | | | | |
| 11070 | Changes in Unrecognized Pension Transition Liability | | | | | |
| 11080 | Changes in Special Term/Severance Benefits Liability | | | | | |
| 11090 | Changes in Allowance for Doubtful Accounts - Dwelling | | | | | |
| 11100 | Changes in Allowance for Doubtful Accounts - Other | | | | | |
| 11170 | Administrative Fee Equity | | | -\$1,318,266 | | |
| 11180 | Housing Assistance Payments Equity | | | \$48,135 | | |
| 11190 | Unit Months Available | | | 0 | | |

**Housing Authority City of Fresno (CA006)
FRESNO, CA**

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | 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 | 6.2 Component Unit - Blended |
|--|--|---|--------------------------------|--|------------------------------|
| 11210 Number of Unit Months Leased | | | 0 | | |
| 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: 12/31/2014

| | 14.866 Revitalization of Severely Distressed Public Housing | 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 |
|---|--|-----------------|--------------------------------------|---|-----------------------------|
| 70300 Net Tenant Rental Revenue | | | \$129,278 | | |
| 70400 Tenant Revenue - Other | | | | | |
| 70500 Total Tenant Revenue | \$0 | \$0 | \$129,278 | \$0 | \$0 |
| 70600 HUD PHA Operating Grants | | | \$351,435 | \$219,674 | \$945,513 |
| 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 | | | | \$3,180 | |
| 71200 Mortgage Interest Income | | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | \$125,148 | | | | |
| 71310 Cost of Sale of Assets | -\$114,815 | | | | |
| 71400 Fraud Recovery | | | | | |
| 71500 Other Revenue | \$8,488 | | \$3,814 | | |
| 71600 Gain or Loss on Sale of Capital Assets | | | | | |
| 72000 Investment Income - Restricted | | | \$217 | | |
| 70000 Total Revenue | \$18,821 | \$0 | \$484,744 | \$222,854 | \$945,513 |
| 91100 Administrative Salaries | \$115 | | \$34,368 | | \$44,330 |
| 91200 Auditing Fees | \$82 | | \$4,500 | \$206 | \$756 |

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | 14.866 Revitalization of Severely Distressed Public Housing | 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 |
|--|---|-----------------|-----------------------------------|---|--------------------------|
| 91300 Management Fee | | | \$24,000 | \$25,708 | |
| 91310 Book-keeping Fee | | | | | |
| 91400 Advertising and Marketing | | | | | |
| 91500 Employee Benefit contributions - Administrative | \$29 | | \$20,380 | | \$15,469 |
| 91600 Office Expenses | | | \$1,198 | | \$8 |
| 91700 Legal Expense | | | \$684 | | |
| 91800 Travel | | | | | |
| 91810 Allocated Overhead | | | | | |
| 91900 Other | \$11 | | \$17,417 | | \$16,300 |
| 91000 Total Operating - Administrative | \$237 | \$0 | \$102,547 | \$25,914 | \$76,863 |
| 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 | | | \$11,345 | | |
| 93200 Electricity | | | \$3,357 | | |
| 93300 Gas | | | \$976 | | |
| 93400 Fuel | | | | | |
| 93500 Labor | | | | | |
| 93600 Sewer | | | \$9,576 | | |
| 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: 12/31/2014

| | 14.866 Revitalization of Severely Distressed Public Housing | 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 |
|---|--|-----------------|--------------------------------------|---|-----------------------------|
| 93000 Total Utilities | \$0 | \$0 | \$25,254 | \$0 | \$0 |
| 94100 Ordinary Maintenance and Operations - Labor | | | \$20,616 | | |
| 94200 Ordinary Maintenance and Operations - Materials and | | | \$29,272 | | |
| 94300 Ordinary Maintenance and Operations Contracts | \$880 | | \$14,036 | \$196 | \$1,289 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | | | | |
| 94000 Total Maintenance | \$880 | \$0 | \$63,924 | \$196 | \$1,289 |
| 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 | \$37 | | \$12,336 | | |
| 96120 Liability Insurance | \$6 | | \$507 | | |
| 96130 Workmen's Compensation | \$2 | | \$4,861 | | \$1,248 |
| 96140 All Other Insurance | | | \$675 | | \$248 |
| 96100 Total Insurance Premiums | \$45 | \$0 | \$18,379 | \$0 | \$1,496 |
| 96200 Other General Expenses | \$1,390 | | \$10,939 | | |
| 96210 Compensated Absences | | | \$5,517 | | \$3,428 |
| 96300 Payments in Lieu of Taxes | | | | | |
| 96400 Bad debt - Tenant Rents | | | \$24 | | |
| 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: 12/31/2014

| | 14.866 Revitalization of Severely Distressed Public Housing | 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 |
|---|--|-----------------|--------------------------------------|---|-----------------------------|
| 96800 Severance Expense | | | | | |
| 96000 Total Other General Expenses | \$1,390 | \$0 | \$16,480 | \$0 | \$3,428 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | \$104,975 | | |
| 96730 Amortization of Bond Issue Costs | | | | | |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$104,975 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$2,552 | \$0 | \$331,559 | \$26,110 | \$83,076 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$16,269 | \$0 | \$153,185 | \$196,744 | \$862,437 |
| 97100 Extraordinary Maintenance | | | | | |
| 97200 Casualty Losses - Non-capitalized | | | | | |
| 97300 Housing Assistance Payments | | | | \$182,622 | \$922,658 |
| 97350 HAP Portability-In | | | | | |
| 97400 Depreciation Expense | \$78,102 | | \$9,604 | | |
| 97500 Fraud Losses | | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | |
| 97800 Dwelling Units Rent Expense | | | | | |
| 90000 Total Expenses | \$80,654 | \$0 | \$341,163 | \$208,732 | \$1,005,734 |
| 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: 12/31/2014

| | 14.866 Revitalization of Severely Distressed Public Housing | 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 |
|---|---|-----------------|-----------------------------------|---|--------------------------|
| 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 | -\$61,833 | \$0 | \$143,581 | \$14,122 | -\$60,221 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$125,380 | \$0 | \$0 |
| 11030 Beginning Equity | \$8,091,335 | \$3,629 | -\$1,001,621 | \$14,365 | -\$232,829 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction | | | \$474 | | |
| 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 | | |

**Housing Authority City of Fresno (CA006)
FRESNO, CA**

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | 14.866 Revitalization of Severely Distressed Public Housing | 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 |
|--|--|-----------------|--------------------------------------|---|-----------------------------|
| 11210 Number of Unit Months Leased | | | 601 | | |
| 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: 12/31/2014

| | | | | | |
|---|--|-----------------------------------|---------------|-----------------------|---|
| | 93.645 Child Welfare Services_State Grants | 14.235 Supportive Housing Program | 2 State/Local | 1 Business Activities | 14.239 HOME Investment Partnerships Program |
| 70300 Net Tenant Rental Revenue | | | \$234,762 | \$1,501,486 | |
| 70400 Tenant Revenue - Other | | | | | |
| 70500 Total Tenant Revenue | \$0 | \$0 | \$234,762 | \$1,501,486 | \$0 |
| 70600 HUD PHA Operating Grants | | \$272,063 | | | \$1,596 |
| 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 | \$277,832 | | \$341,852 | \$375,727 | |
| 71100 Investment Income - Unrestricted | | | | \$774 | |
| 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 | | \$49,439 | \$335,798 | \$3,422,934 | |
| 71600 Gain or Loss on Sale of Capital Assets | | | | \$471,070 | |
| 72000 Investment Income - Restricted | | | | \$108 | |
| 70000 Total Revenue | \$277,832 | \$321,502 | \$912,412 | \$5,772,099 | \$1,596 |
| 91100 Administrative Salaries | \$41,229 | \$134,781 | \$220,556 | \$544,481 | \$924 |
| 91200 Auditing Fees | \$256 | \$283 | | \$8,122 | |

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | | |
|--|----------|-----------|-----------|-------------|---------|--|
| 91300 Management Fee | | | | | | |
| 91310 Book-keeping Fee | | | | | | |
| 91400 Advertising and Marketing | | | | | | |
| 91500 Employee Benefit contributions - Administrative | \$19,385 | \$35,851 | \$57,522 | \$171,235 | \$314 | |
| 91600 Office Expenses | \$2,292 | \$368 | \$50,804 | \$49,371 | | |
| 91700 Legal Expense | \$4 | | \$45,003 | \$21,517 | | |
| 91800 Travel | | \$1,013 | \$196 | \$9,624 | | |
| 91810 Allocated Overhead | | | | | | |
| 91900 Other | \$11,062 | \$113,037 | \$336,979 | \$517,793 | \$314 | |
| 91000 Total Operating - Administrative | \$74,228 | \$285,333 | \$717,195 | \$1,325,116 | \$1,552 | |
| 92000 Asset Management Fee | | | | | | |
| 92100 Tenant Services - Salaries | | | | | | |
| 92200 Relocation Costs | | | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | | | | |
| 92400 Tenant Services - Other | | \$26,431 | \$103,931 | | | |
| 92500 Total Tenant Services | \$0 | \$26,431 | \$103,931 | \$0 | \$0 | |
| 93100 Water | \$4,231 | | \$10,592 | \$23,693 | | |
| 93200 Electricity | \$18,260 | | \$35,139 | \$29,803 | | |
| 93300 Gas | \$12,090 | | \$10,086 | \$5,164 | | |
| 93400 Fuel | | | | | | |
| 93500 Labor | | | | | | |
| 93600 Sewer | \$7,328 | | \$1,657 | \$40,200 | | |
| 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: 12/31/2014

| | | | | | |
|---|--|-----------------------------------|---------------|-----------------------|---|
| 93000 Total Utilities | 93,645 Child Welfare Services_State Grants | 14,235 Supportive Housing Program | 2 State/Local | 1 Business Activities | 14,239 HOME Investment Partnerships Program |
| | \$41,909 | \$0 | \$57,474 | \$98,860 | \$0 |
| 94100 Ordinary Maintenance and Operations - Labor | \$18,022 | | \$14,153 | \$3,769 | |
| 94200 Ordinary Maintenance and Operations - Materials and | \$41,877 | | \$12,119 | \$27,444 | |
| 94300 Ordinary Maintenance and Operations Contracts | \$10,956 | \$22,203 | \$20,247 | \$401,959 | |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | | | | |
| 94000 Total Maintenance | \$70,855 | \$22,203 | \$46,519 | \$433,172 | \$0 |
| 95100 Protective Services - Labor | | | | | |
| 95200 Protective Services - Other Contract Costs | \$42,978 | | \$7,444 | \$1,056 | |
| 95300 Protective Services - Other | | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | | |
| 95000 Total Protective Services | \$42,978 | \$0 | \$7,444 | \$1,056 | \$0 |
| 96110 Property Insurance | \$1,632 | | \$630 | \$20,537 | |
| 96120 Liability Insurance | \$161 | -\$13 | \$106 | | |
| 96130 Workmen's Compensation | \$4,568 | \$2,195 | \$3,238 | \$7,696 | \$22 |
| 96140 All Other Insurance | \$610 | \$545 | \$913 | \$3,015 | |
| 96100 Total Insurance Premiums | \$6,971 | \$2,727 | \$4,887 | \$31,248 | \$22 |
| 96200 Other General Expenses | | \$875 | \$13,584 | \$34,742 | |
| 96210 Compensated Absences | \$5,416 | \$11,488 | \$18,110 | \$49,358 | \$22 |
| 96300 Payments in Lieu of Taxes | | | | | |
| 96400 Bad debt - Tenant Rents | | | | | |
| 96500 Bad debt - Mortgages | | | | | |
| 96600 Bad debt - Other | | \$41,051 | \$24,039 | | |

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | | | |
|-------|---|-----------|-----------|-------------|-------------|---------|--|
| 96800 | Severance Expense | | | | | | |
| 96000 | Total Other General Expenses | \$5,416 | \$53,414 | \$55,733 | \$84,100 | \$22 | |
| 96710 | Interest of Mortgage (or Bonds) Payable | | | | | | |
| 96720 | Interest on Notes Payable (Short and Long Term) | | | \$53,866 | \$249,758 | | |
| 96730 | Amortization of Bond Issue Costs | | | | | | |
| 96700 | Total Interest Expense and Amortization Cost | \$0 | \$0 | \$53,866 | \$249,758 | \$0 | |
| 96900 | Total Operating Expenses | \$242,357 | \$390,108 | \$1,047,049 | \$2,223,310 | \$1,596 | |
| 97000 | Excess of Operating Revenue over Operating Expenses | \$35,475 | -\$68,606 | -\$134,637 | \$3,548,789 | \$0 | |
| 97100 | Extraordinary Maintenance | | | | | | |
| 97200 | Casualty Losses - Non-capitalized | | | | | | |
| 97300 | Housing Assistance Payments | | | \$1,797 | | | |
| 97350 | HAP Portability-In | | | | | | |
| 97400 | Depreciation Expense | | | | \$25,507 | | |
| 97500 | Fraud Losses | | | | | | |
| 97600 | Capital Outlays - Governmental Funds | | | | | | |
| 97700 | Debt Principal Payment - Governmental Funds | | | | | | |
| 97800 | Dwelling Units Rent Expense | | | | | | |
| 90000 | Total Expenses | \$242,357 | \$390,108 | \$1,048,846 | \$2,248,817 | \$1,596 | |
| 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: 12/31/2014

| | | | | | | |
|-------|---|--|-----------------------------------|---------------|-----------------------|---|
| 10040 | Operating Transfers from/to Component Unit | 93,645 Child Welfare Services_State Grants | 14,235 Supportive Housing Program | 2 State/Local | 1 Business Activities | 14,239 HOME Investment Partnerships Program |
| 10050 | Proceeds from Notes, Loans and Bonds | | | | | |
| 10060 | Proceeds from Property Sales | | | | | |
| 10070 | Extraordinary Items, Net Gain/Loss | | | | | |
| 10080 | Special Items (Net Gain/Loss) | | | | \$2,184,310 | |
| 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 | \$2,184,310 | \$0 |
| 10000 | Excess (Deficiency) of Total Revenue Over (Under) Total | \$35,475 | -\$68,606 | -\$136,434 | \$5,707,592 | \$0 |
| 11020 | Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$75,611 | \$0 |
| 11030 | Beginning Equity | \$140,171 | \$1,287,055 | \$2,422,325 | \$33,555,176 | \$0 |
| 11040 | Prior Period Adjustments, Equity Transfers and Correction | | | | -\$871,943 | |
| 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 | | | | 2280 | |

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | | | | | |
|-------|--|-----------------------------------|---------------|-----------------------|---|
| | 93.645 Child Welfare Services_State Grants | 14.235 Supportive Housing Program | 2 State/Local | 1 Business Activities | 14.239 HOME Investment Partnerships Program |
| 11210 | Number of Unit Months Leased | | | 2199 | |
| 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: 12/31/2014

| | COCC | Subtotal | ELIM | Total |
|---|-------------|--------------|--------------|--------------|
| 70300 Net Tenant Rental Revenue | | \$3,146,411 | -\$252,376 | \$2,894,035 |
| 70400 Tenant Revenue - Other | | \$226 | | \$226 |
| 70500 Total Tenant Revenue | \$0 | \$3,146,637 | -\$252,376 | \$2,894,261 |
| 70600 HUD PHA Operating Grants | \$0 | \$53,508,904 | | \$53,508,904 |
| 70610 Capital Grants | | | | |
| 70710 Management Fee | \$1,465,045 | \$1,465,045 | -\$1,465,045 | \$0 |
| 70720 Asset Management Fee | \$53,100 | \$53,100 | -\$53,100 | \$0 |
| 70730 Book Keeping Fee | \$659,985 | \$659,985 | -\$659,985 | \$0 |
| 70740 Front Line Service Fee | | | | |
| 70750 Other Fees | \$588,278 | \$588,278 | -\$113,414 | \$474,864 |
| 70700 Total Fee Revenue | \$2,766,408 | \$2,766,408 | -\$2,291,544 | \$474,864 |
| 70800 Other Government Grants | | \$1,075,840 | | \$1,075,840 |
| 71100 Investment Income - Unrestricted | \$26,750 | \$30,757 | | \$30,757 |
| 71200 Mortgage Interest Income | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | \$125,148 | | \$125,148 |
| 71310 Cost of Sale of Assets | | -\$114,815 | | -\$114,815 |
| 71400 Fraud Recovery | | \$3,537 | | \$3,537 |
| 71500 Other Revenue | \$725,100 | \$5,080,984 | -\$1,215,664 | \$3,865,320 |
| 71600 Gain or Loss on Sale of Capital Assets | \$6,085 | \$480,002 | | \$480,002 |
| 72000 Investment Income - Restricted | | \$6,276 | | \$6,276 |
| 70000 Total Revenue | \$3,524,343 | \$66,109,678 | -\$3,759,584 | \$62,350,094 |
| 91100 Administrative Salaries | \$1,557,083 | \$4,760,480 | | \$4,760,480 |
| 91200 Auditing Fees | \$5,435 | \$72,144 | | \$72,144 |

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | COCC | Subtotal | ELIM | Total |
|--|-------------|--------------|--------------|--------------|
| 91300 Management Fee | | \$1,465,045 | -\$1,465,045 | \$0 |
| 91310 Book-keeping Fee | | \$659,985 | -\$659,985 | \$0 |
| 91400 Advertising and Marketing | \$1,394 | \$12,565 | | \$12,565 |
| 91500 Employee Benefit contributions - Administrative | \$545,122 | \$1,738,546 | | \$1,738,546 |
| 91600 Office Expenses | \$180,846 | \$412,227 | | \$412,227 |
| 91700 Legal Expense | \$140,135 | \$215,326 | | \$215,326 |
| 91800 Travel | \$68,286 | \$100,473 | | \$100,473 |
| 91810 Allocated Overhead | | | | |
| 91900 Other | \$1,142,713 | \$4,851,029 | -\$1,262,568 | \$3,588,461 |
| 91000 Total Operating - Administrative | \$3,641,014 | \$14,287,820 | -\$3,387,598 | \$10,900,222 |
| 92000 Asset Management Fee | | \$53,100 | -\$53,100 | \$0 |
| 92100 Tenant Services - Salaries | | | | |
| 92200 Relocation Costs | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | | |
| 92400 Tenant Services - Other | \$23,092 | \$153,454 | | \$153,454 |
| 92500 Total Tenant Services | \$23,092 | \$153,454 | \$0 | \$153,454 |
| 93100 Water | \$2,381 | \$189,795 | | \$189,795 |
| 93200 Electricity | \$98,262 | \$238,799 | | \$238,799 |
| 93300 Gas | \$3,839 | \$35,197 | | \$35,197 |
| 93400 Fuel | | | | |
| 93500 Labor | | | | |
| 93600 Sewer | \$1,284 | \$165,085 | | \$165,085 |
| 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: 12/31/2014

| | COCC | Subtotal | ELIM | Total |
|---|-----------|-------------|------|-------------|
| 93000 Total Utilities | \$105,766 | \$628,876 | \$0 | \$628,876 |
| 94100 Ordinary Maintenance and Operations - Labor | \$12,443 | \$309,900 | | \$309,900 |
| 94200 Ordinary Maintenance and Operations - Materials and | \$108,668 | \$612,704 | | \$612,704 |
| 94300 Ordinary Maintenance and Operations Contracts | \$174,026 | \$963,194 | | \$963,194 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | | | |
| 94000 Total Maintenance | \$295,137 | \$1,885,798 | \$0 | \$1,885,798 |
| 95100 Protective Services - Labor | | | | |
| 95200 Protective Services - Other Contract Costs | \$26,691 | \$87,103 | | \$87,103 |
| 95300 Protective Services - Other | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | |
| 95000 Total Protective Services | \$26,691 | \$87,103 | \$0 | \$87,103 |
| 96110 Property Insurance | \$4,015 | \$67,182 | | \$67,182 |
| 96120 Liability Insurance | \$368 | \$3,916 | | \$3,916 |
| 96130 Workmen's Compensation | \$42,132 | \$158,009 | | \$158,009 |
| 96140 All Other Insurance | \$10,769 | \$36,510 | | \$36,510 |
| 96100 Total Insurance Premiums | \$57,284 | \$265,617 | \$0 | \$265,617 |
| 96200 Other General Expenses | \$263,379 | \$366,150 | | \$366,150 |
| 96210 Compensated Absences | \$141,370 | \$448,640 | | \$448,640 |
| 96300 Payments in Lieu of Taxes | | \$77,443 | | \$77,443 |
| 96400 Bad debt - Tenant Rents | \$954 | \$32,888 | | \$32,888 |
| 96500 Bad debt - Mortgages | | | | |
| 96600 Bad debt - Other | | \$65,090 | | \$65,090 |

Housing Authority City of Fresno (CA006)
FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | COCC | Subtotal | ELIM | Total |
|---|--------------|--------------|--------------|--------------|
| 96800 Severance Expense | \$4,191 | \$4,191 | | \$4,191 |
| 96000 Total Other General Expenses | \$409,894 | \$994,402 | \$0 | \$994,402 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | \$50,315 | \$528,899 | -\$66,510 | \$462,389 |
| 96730 Amortization of Bond Issue Costs | | | | |
| 96700 Total Interest Expense and Amortization Cost | \$50,315 | \$528,899 | -\$66,510 | \$462,389 |
| 96900 Total Operating Expenses | \$4,609,193 | \$18,885,069 | -\$3,507,208 | \$15,377,861 |
| 97000 Excess of Operating Revenue over Operating Expenses | -\$1,084,850 | \$47,224,609 | -\$252,376 | \$46,972,233 |
| 97100 Extraordinary Maintenance | | \$5,455 | | \$5,455 |
| 97200 Casualty Losses - Non-capitalized | | | | |
| 97300 Housing Assistance Payments | | \$45,304,605 | -\$252,376 | \$45,052,229 |
| 97350 HAP Portability-In | | | | |
| 97400 Depreciation Expense | \$183,370 | \$1,118,369 | | \$1,118,369 |
| 97500 Fraud Losses | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | |
| 97800 Dwelling Units Rent Expense | | | | |
| 90000 Total Expenses | \$4,792,563 | \$65,313,498 | -\$3,759,584 | \$61,553,914 |
| 10010 Operating Transfer In | | \$0 | | \$0 |
| 10020 Operating transfer Out | | \$0 | | \$0 |
| 10030 Operating Transfers from/to Primary Government | | \$0 | | \$0 |

**Housing Authority City of Fresno (CA006)
FRESNO, CA**

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | COCC | Subtotal | 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) | | \$0 | | \$0 |
| 10091 Inter Project Excess Cash Transfer In | | \$78,854 | | \$78,854 |
| 10092 Inter Project Excess Cash Transfer Out | | -\$78,854 | | -\$78,854 |
| 10093 Transfers between Program and Project - In | | \$149,253 | | \$149,253 |
| 10094 Transfers between Project and Program - Out | | -\$149,253 | | -\$149,253 |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total | -\$1,268,220 | \$796,180 | \$0 | \$796,180 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$200,991 | | \$200,991 |
| 11030 Beginning Equity | \$2,159,806 | \$70,844,238 | | \$70,844,238 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction | \$1,347,035 | \$475,566 | | \$475,566 |
| 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 | | -\$1,318,266 | | -\$1,318,266 |
| 11180 Housing Assistance Payments Equity | | \$48,135 | | \$48,135 |
| 11190 Unit Months Available | | 8604 | | 8604 |

Housing Authority City of Fresno (CA006)
 FRESNO, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

| | COCC | Subtotal | ELIM | Total |
|--|------|-------------|------|-------------|
| 11210 Number of Unit Months Leased | | 8391 | | 8391 |
| 11270 Excess Cash | | \$2,500,344 | | \$2,500,344 |
| 11610 Land Purchases | \$0 | \$0 | | \$0 |
| 11620 Building Purchases | \$0 | \$0 | | \$0 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$0 | \$0 | | \$0 |
| 11640 Furniture & Equipment - Administrative Purchases | \$0 | \$0 | | \$0 |
| 11650 Leasehold Improvements Purchases | \$0 | \$0 | | \$0 |
| 11660 Infrastructure Purchases | \$0 | \$0 | | \$0 |
| 13510 CFFP Debt Service Payments | \$0 | \$0 | | \$0 |
| 13901 Replacement Housing Factor Funds | \$0 | \$0 | | \$0 |

SINGLE AUDIT REPORTS AND RELATED SCHEDULES

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

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

Independent Auditor's Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Fresno, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

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 may exist that have not been identified. We did identify a certain deficiency in internal control, described as Item 2014-001 in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency.

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.

Mayer Hoffman Morgan P.C.

Irvine, California
May 29, 2015



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, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

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

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Authority as of and for the year ended December 31, 2014, and have issued our report thereon dated May 29, 2015. 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.

Maya Hoffman Melann P. Li

Irvine, California
May 29, 2015

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**HOUSING AUTHORITY OF THE CITY OF FRESNO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014**

| 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 | | \$ 80,409 |
| Farm labor housing Loans and Grants (loans) | 10.405 | | 604,726 |
| Subtotal - Department of Agriculture | | | <u>685,135</u> |
| Department of Housing and Urban Development: | | | |
| Direct Assistance: | | | |
| Housing Counseling Assistance Program | 14.169 | | 15,022 |
| Supportive Housing of Persons with Disabilities | 14.181 | | 219,674 |
| Community Development Block Grants/Entitlement Grants | 14.218 | | 50,000 |
| Special Needs Assistance (SNAP) | 14.235 | | 272,063 |
| Shelter Plus Care Program | 14.238 | | 945,513 |
| Home Investment Partnerships Program | 14.239 | | 1,596 |
| Public and Indian Housing | 14.850 | Contract # SF-170 | 2,732,667 |
| Public Housing Family Self-Sufficiency Under Resident Opportunity and Supportive Services | 14.870 | CA006RFS015A007 | 82,726 |
| Section 8 Housing Voucher Program | 14.871 | Contract # SF-472 | 47,660,165 |
| Public Housing Capital Funds Program | 14.872 | Contract # SF-170 | 1,178,063 |
| Total Direct Assistance | | | <u>53,157,489</u> |
| Passed through the State of California Housing Finance Agency: | | | |
| Section 8 New Construction and Sub Rehab | 14.182 | CHFA # 76-54-N | 351,435 |
| Passed through the City of Fresno: | | | |
| Neighborhood Stabilization Program (loan) | 14.218 | | <u>3,000,036</u> |
| Subtotal - U.S. Department of Housing and Urban Development | | | <u>56,508,960</u> |
| Department of Health and Human Services (HHS) | | | |
| Passed through the Fresno county Social Services Department: | | | |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | | <u>277,832</u> |
| Total expenditures of federal awards | | | <u><u>\$ 57,471,927</u></u> |

HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

(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, 2014, 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, 2014 the outstanding balance for the notes is \$604,726.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014**

(E) Neighborhood Stabilization Program

In March 2013, Agency entered into a Loan Agreement with the City of Fresno to administer the Neighborhood Stabilization Program, 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, 2014, the current outstanding balance of this note is \$3,000,036.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

(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 no significant deficiencies 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 no audit findings required by the auditors to be reported under paragraph .510(a) of OMB Circular A-133.
7. The major programs of the auditee were:
 - CFDA No. 14.850 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. 14.218 U.S. Department of Housing and Urban Development – Community Development Block Grants / Entitlement Grants
8. The dollar threshold used to distinguish Type A and Type B programs was \$1,724,158.
9. The Authority was not considered to be a low risk auditee for the year ended December 31, 2014 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:

(2014-001) Prior Period Restatement

The Agency recorded a prior period adjustment to properly account for a predevelopment loan liability that should have been included in the prior year entry that transitioned certain property and related liabilities to a third party (HRFC). Auditing standards require the communication of these types of restatements.

**HOUSING AUTHORITY OF THE CITY OF FRESNO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

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

(2014-001) Prior Period Restatement, (Continued)

To minimize the reporting of prior period adjustments, the Agency 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 Agency's accounting procedures will properly identify adjustment in a subsequent period. In addition, since the original loan to the Agency was not evidenced by a specific promissory note, we recommend that the Agency and HRFC begin a practice of executing promissory notes to memorialize the obligations between the parties. Any releases of such obligation should also be properly evidenced by a legal release or transfer to appropriate third parties.

Management's Response Regarding Corrective Actions Planned:

We concur with this finding and the auditor's recommendation. The Agency will continue to refine its accounting processes, including the adjustment, reporting and reconciliation of accounts with the goal of eliminating the need for prior period adjustments. Additionally, we acknowledge the necessity to support all arms-length transactions with proper legal documentation. Therefore the Agency will immediately establish the recommended practice of executing promissory notes for all new obligations between the Agency and its affiliates.

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

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

**HOUSING AUTHORITY OF THE CITY OF FRESNO
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

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

(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 also reviewed completeness.

Status

This finding is considered resolved.

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

In accordance with Federal requirements, the County Housing Authority's Low Income Public Housing (LIPH) Program was tested 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 County 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 did not retain the waiting list documentation necessary to demonstrate compliance with its own policies and procedures.

Status

This finding is resolved. 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.