# HOUSING AUTHORITY
# OF THE CITY OF FRESNO

BASIC FINANCIAL STATEMENTS

Year Ended December 31, 2018
(Including Auditors' Report Thereon)

**THIS PAGE INTENTIONALLY LEFT BLANK**

HOUSING AUTHORITY OF THE CITY OF FRESNO
Fresno, California
Basic Financial Statements
Year Ended December 31, 2018

TABLE OF CONTENTS

**THIS PAGE INTENTIONALLY LEFT BLANK**

Davis Farr LLP
2301 Dupont Drive | Suite 200 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

# INDEPENDENT AUDITOR'S REPORT

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

## Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Fresno, California (the "Agency"), as of and for the year ended December 31, 2018, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2018, 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, 2018 reflect certain prior period adjustments as described further in Note 24 to the financial statements. Our opinion is not modified with respect to these matters.

***Report on Summarized Comparative Information***

We have previously audited the Agency's 2017 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 17, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, the Schedule of Change in Net Pension Liability and Related Ratios, and the Schedule of Plan Contributions* 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 an opinion on the financial statements that comprise the Agency's basic 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 ("HUD") and is not a required part of the basic financial statements. This supplementary 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 August 16, 2019 on our consideration of the Agency'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 Agency's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
August 16, 2019

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Housing Authority of the City of Fresno**
**Management's Discussion and Analysis**
**Year Ended December 31, 2018**

### *Introduction*

This narrative overview and analysis of the Housing Authority of the City of Fresno's (the "Agency") performance through December 31, 2018, 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.

### Overview of the Basic Financial Statements

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

– Statement of Net Position
– Statement of Revenues, Expenses and Changes in Net Position
– 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, 2018 and 2017. 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 provide 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 2 CFR 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance). It also includes the Financial Data Schedules, which are submitted to HUD's Real Estate Assessment Center (REAC) online system.

**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:

| | December 31, | | Increase | Percentage |
|---|---|---|---|---|
| Assets | 2018 | 2017 | (Decrease) | Change |
| Current Assets | $ 8,337,834 | $ 8,318,609 | $ 19,225 | 0.23% |
| Restricted Assets | 1,456,118 | 2,600,850 | (1,144,732) | -44.01% |
| Capital Assets, Net of Accumulated Depreciation | 16,867,346 | 18,210,630 | (1,343,284) | -7.38% |
| Other Assets | 71,660,008 | 68,629,962 | 3,030,046 | 4.42% |
| Deferred Outflows | 1,903,922 | 2,297,818 | (393,896) | -17.14% |
| Total Assets | $ 100,225,228 | $ 100,057,869 | $ 167,359 | 0.17% |
| | | | | |
| Liabilities | | | | |
| Current Liabilities | $ 5,141,186 | $ 4,855,558 | $ 285,628 | 5.88% |
| Non-Current Liabilities | 20,907,373 | 20,350,232 | 557,141 | 2.74% |
| Total Liabilities | 26,048,559 | 25,205,790 | 842,769 | 3.34% |
| Deferred Inflows | 277,755 | 299,172 | (21,417) | -7.16% |
| Total Liabilities and Deferred Inflows | 26,326,314 | 25,504,962 | 821,352 | 3.22% |
| Net Position | | | | |
| Net Investment in Capital Assets | 3,560,130 | 3,919,932 | (359,802) | -9.18% |
| Restricted Net Position | 1,174,748 | 2,320,388 | (1,145,640) | -49.37% |
| Unrestricted Net Position | 69,164,036 | 68,312,587 | 851,449 | 1.25% |
| Total Net Position | 73,898,914 | 74,552,907 | (653,993) | -0.88% |
| Total Liabilities, Deferred Inflows, and Net Position | $ 100,225,228 | $ 100,057,869 | $ 167,359 | 0.17% |

Total assets of the Agency at December 31, 2018, and 2017 amounted to $100.2 million and $100.06 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, 2017 to December 31, 2018 were increases in other assets, decreases in restricted cash, and decreases in capital assets. The increase in other assets was largely due to increases in investments in joint ventures tied to proceeds from a 2012 HUD lawsuit, cash transfers to the Housing Relinquished Fund Corporation (HRFC) tied to the sales proceeds from Viking Village RAD and Parc Grove Commons II, and interest revenue to the Housing Relinquished Fund Corporation (HRFC). The decrease in restricted cash was due to reduced Housing Assistance Payments (HAP) funds from HUD, which is in alignment with the Housing Choice Voucher (HCV) program's cash management procedures. Capital assets decreased by about $1.3 million, from 2017 to 2018, mostly due to increase in accumulated depreciation.

Total liabilities of the Agency were $26.3 million and $25.5 million at December 31, 2018 and 2017, respectively. Current liabilities include short-term accounts payable, accrued liabilities, current portions of long-term debt, and unearned revenue. Non-current liabilities increased from $20.3 million in 2017 to $20.9 million in 2018 mainly due to the new GASB 68 requirements for accounting and reporting of pension liabilities. The pension liability represents the difference between the Agency's total pension liability and the current plan assets calculated at fair value. See Note 17 in the Notes to the Basic Financial Statements for more information.

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 decreased by 0.9% during the year from $74.6 million in 2017 to $73.9 million in 2018.

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, 2018 to December 31, 2018.

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 fee revenue, or as grant revenue from another funding sources. 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:

| | December 31, 2018 | December 31, 2017 | Increase (Decrease) | Percentage Change |
|---|---|---|---|---|
| Operating Revenues | $ 62,484,260 | $ 64,656,287 | $ (2,172,027) | -3.36% |
| Operating Expenses | 64,265,376 | 63,583,188 | 682,188 | 1.07% |
| Operating Income/(Loss) | (1,781,116) | 1,073,099 | (2,854,215) | -265.98% |
| Non-Operating Revenues/(Expenses) | 1,311,889 | 3,496,623 | (2,184,734) | -62.48% |
| Net Income/(Loss) before Capital Contributions | (469,227) | 4,569,722 | (5,038,949) | -110.27% |
| Capital & Equity Contributions/(Distributions) | 50,826 | 77,328 | (26,502) | -34.27% |
| Increase/(Decrease) in Net Position | (418,401) | 4,647,050 | (5,065,451) | -109.00% |
| Net Position, Beginning of Year | 74,552,907 | 69,913,079 | 4,639,828 | 6.64% |
| Prior Period Adjustment | (235,592) | (7,222) | (228,370) | 3162.14% |
| Net Position, Beginning of Year as Restated | 74,317,315 | 69,905,857 | 4,411,458 | 6.31% |
| Net Position, End of Year | $ 73,898,914 | $ 74,552,907 | $ (653,993) | -0.88% |

The preceding Statement of Revenues, Expenses and Changes in Net Position reflects the year ended December 31, 2018, compared to the year ended December 31, 2017. Overall, operating revenues decreased by 3.36%, or $2.1 million, from 2017 to 2018; operating expenses increased by 1.07%, or $682 thousand for the year; non-operating revenues decreased by $2.2 million from 2017 to 2018; and capital contributions decreased by $26 thousand from prior year. These changes lead to a total decrease in net position of $654 thousand from December 31, 2017 to December 31, 2018. Explanations of the primary reasons for these changes are as follows:

- The decrease in operating revenues is attributable to reduced drawdowns of Capital Fund Grants for the Low-Income Public Housing Program, decreased HAP revenue in the Housing Choice Voucher Program, and the absence of one-time funds from the State of California's Low-Income Weatherization Program, which ended in 2017.
- The increase in operating expenses was related to increases in HAP expenses and decreases in administrative expenses. HAP expenses for the Housing Choice Voucher program increased in 2018 due to an increase in the per unit costs (PUC) of each voucher, which indicates that the Agency is paying more subsidy for each voucher. When PUC increases, so do the total expenses for the year. Administrative expenses decreased mostly as a result of reduced one-time Subsidy Pass Through expenses tied to the aforementioned Low-Income Weatherization Program.
- The net decrease in non-operating revenues/ (expenses) was attributable to one-time proceeds from a 2012 HUD lawsuit, developer fee revenue, interest revenue on notes receivable, and write-offs of interest.

Capital Assets

The table below shows the Agency's capital assets, net of accumulated depreciation and amortization, at December 31, 2018, and 2017.

| | December 31, 2018 | December 31, 2017 | Increase (Decrease) | Percentage Change |
|---|---|---|---|---|
| Land | $ 2,670,600 | $ 2,670,600 | $ - | 0.00% |
| Structures | 11,324,453 | 10,949,196 | 375,257 | 3.43% |
| Equipment | 635,435 | 2,245,204 | (1,609,769) | -71.70% |
| Construction in Progress | 2,236,858 | 2,345,630 | (108,772) | -4.64% |
| Total Capital Assets, Net | $ 16,867,345 | $ 18,210,630 | $ (1,343,285) | -7.38% |

Overall, the Agency's capital assets decreased by $1.3 million during 2018, attributable to the increase in accumulated depreciation. See Note 7 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, 2018 and 2017. 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.

| | December 31, 2018 | December 31, 2017 | Increase (Decrease) | Percentage Change |
|---|---|---|---|---|
| Short Term Borrowings (Interfund) | $ 1,236,217 | $ 1,834,077 | $ (597,860) | -32.60% |
| Notes Payable - Non-Related Parties | 8,982,077 | 9,470,748 | (488,671) | -5.16% |
| Notes Payable - Related Parties | 5,163,978 | 4,819,950 | 344,028 | 7.14% |
| Total Debt | $ 15,382,272 | $ 16,124,775 | $ (742,503) | -4.60% |

Short Term Borrowings (Interfund) decreased by $598 thousand during the year due to payments of inter-fund loans.

**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 (HUD) 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 have continued 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 Agency's revenue and, there still is significant uncertainty about future funding levels. 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.

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 and vibrant communities. 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. As a result, the Agency is better poised to weather additional funding cuts without further capacity reductions.

While we acknowledge the challenges, and face 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 of Fresno; implementing exceptional programs that invest 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.

**Requests for Information**

This financial report is designed to provide a general overview of the Agency's finances to demonstrate the Agency's accountability for the money it receives. For questions about this report or requests for additional financial information, please contact the individual below.

Emily De La Guerra
Director of Finance & Administrative Services
1331 Fulton Street
Fresno, CA 93721
Phone: (559) 457-4266

**THIS PAGE INTENTIONALLY LEFT BLANK**

**HOUSING AUTHORITY OF THE CITY OF FRESNO**
**Fresno, California**

## STATEMENT OF NET POSITION
**December 31, 2018**
(With comparative information for the prior year)

| ASSETS AND DEFERRED OUTFLOWS | 2018 | 2017 |
|---|---|---|
| **Current Assets** | | |
| Cash & Investments | $ 4,516,196 | $ 5,060,952 |
| Accounts Receivable - Tenants, Net of Allowance for Doubtful Accounts of $7,108 | 50,729 | 39,506 |
| Miscellaneous Receivables, Net of Allowance for Uncollectable Accounts of $60,086 | 360,352 | 434,115 |
| Due From Other Governments | 891,788 | 572,560 |
| Due From Related Parties | 2,052,158 | 1,736,687 |
| Prepaid Expenses | 466,611 | 474,789 |
| **Total Current Assets** | **8,337,834** | **8,318,609** |
| **Restricted Assets** | | |
| Restricted Cash | 1,456,118 | 2,600,850 |
| **Total Restricted Assets** | **1,456,118** | **2,600,850** |
| **Non-Current Assets** | | |
| **Capital Assets** | | |
| Capital Assets - Not being depreciated | 4,907,458 | 5,016,230 |
| Capital Assets - Depreciable, Net of Accumulated Depreciation of $40,809,936 | 11,959,888 | 13,194,400 |
| **Total Capital Assets, Net** | **16,867,346** | **18,210,630** |
| **Other Non-Current Assets** | | |
| Notes Receivable From Related Parties, Net of allowance for doubtful accounts of $0 | 30,019,416 | 30,075,780 |
| Notes Receivable From Non-related Parties, Net of allowance for doubtful accounts of $0 | 407,033 | 1,000,000 |
| Interest Receivable From Related Parties, Net of allowance for doubtful accounts of $734,609 | 4,378,315 | 3,905,909 |
| Interest Receivable - Non-related Parties | - | 388,870 |
| Investments In Joint Ventures | 35,328,092 | 31,581,422 |
| Assets Held For Sale | 1,527,152 | 1,677,981 |
| **Total Other Non-Current Assets** | **71,660,008** | **68,629,962** |
| **Deferred Outflow of Resources - Pension Related** | 1,903,922 | 2,297,818 |
| **Total Deferred Outflow of Resources** | **1,903,922** | **2,297,818** |
| **Total Assets and Deferred Outflows** | **$ 100,225,228** | **$ 100,057,869** |

See accompanying notes to the basic financial statements

**HOUSING AUTHORITY OF THE CITY OF FRESNO**
**Fresno, California**

**STATEMENT OF NET POSITION**
**December 31, 2018**
(With comparative information for the prior year)
(continued)

| **LIABILITIES, DEFERRED INFLOWS AND NET POSITION** | **2018** | **2017** |
|---|---|---|
| **Current Liabilities** | | |
| Vendors & Contractors Payable | $ 549,110 | $ 429,709 |
| Accrued Salaries | 296,415 | 241,080 |
| Accrued Compensated Absences | 463,382 | 336,649 |
| Resident Security Deposits | 278,004 | 275,767 |
| Due To Other Governments | 89,398 | 201,507 |
| Due To Related Parties | 795,942 | 196,404 |
| Other Current Liabilities - Non-Related Parties | 491,390 | 1,091,458 |
| Notes Payable - Related Parties | 1,696,041 | 1,345,645 |
| Notes Payable - Non-Related Parties | 460,642 | 728,156 |
| Unearned Revenue | 20,862 | 9,183 |
| **Total Current Liabilities** | **5,141,186** | **4,855,558** |
| **Non-Current Liabilities** | | |
| Notes Payable - Related Parties | 3,467,937 | 3,474,305 |
| Notes Payable - Non-related Parties | 8,521,435 | 8,742,592 |
| Accrued Interest Payable | 908,203 | 591,720 |
| Accrued Compensated Absences | 237,492 | 183,026 |
| Other Accrued Non-current Liabilities | 75,255 | 69,193 |
| Family Self-Sufficiency Escrow | 5,994 | 5,994 |
| Net Pension Liability | 7,691,057 | 7,283,402 |
| **Total Non-Current Liabilities** | **20,907,373** | **20,350,232** |
| **Deferred Inflows of Resources - Pension Related** | 277,755 | 299,172 |
| **Total Deferred Inflows of Resources** | **277,755** | **299,172** |
| **Total Liabilities and Deferred Inflows** | **26,326,314** | **25,504,962** |
| **Net Position** | | |
| Net Investment in Capital Assets | 3,560,130 | 3,919,932 |
| Restricted for: | | |
| Housing Assistance Payments | 491,294 | 1,606,428 |
| Other Externally Required Reserves | 683,454 | 713,960 |
| Unrestricted | 69,164,036 | 68,312,587 |
| **Total Net Position** | **73,898,914** | **74,552,907** |
| **Total Liabilities and Deferred Inflows and Net Position** | **$ 100,225,228** | **$ 100,057,869** |

See accompanying notes to the basic financial statements

**THIS PAGE INTENTIONALLY LEFT BLANK**

**HOUSING AUTHORITY OF THE CITY OF FRESNO**
**Fresno, California**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**FOR THE YEAR ENDED DECEMBER 31, 2018**
(With comparative information for the prior year)

| | 2018 | 2017 |
|---|---|---|
| **Operating Revenues** | | |
| Rental Revenue | $ 3,487,986 | $ 3,258,298 |
| Fee Revenue | 729,316 | 552,747 |
| HUD Grants | 52,580,052 | 54,637,261 |
| Other Governmental Grants | 1,010,723 | 2,085,524 |
| Other Revenue | 2,644,984 | 2,447,587 |
| Developer Fee Revenue | 2,031,199 | 1,674,870 |
| **Total Operating Revenues** | **62,484,260** | **64,656,287** |
| **Operating Expenses** | | |
| Administrative Expense | 11,634,740 | 12,577,813 |
| Tenant Services Expense | 1,699,098 | 1,472,123 |
| Utilities Expense | 840,479 | 820,658 |
| Maintenance & Operations Expense | 2,146,495 | 2,058,131 |
| Protective Services Expense | 327,490 | 107,902 |
| Insurance Expense | 395,381 | 427,511 |
| General Expense | 1,654,261 | 1,819,057 |
| Housing Assistance Payments | 44,262,551 | 42,737,248 |
| Depreciation | 1,304,881 | 1,562,745 |
| **Total Operating Expenses** | **64,265,376** | **63,583,188** |
| **Operating Income (Loss)** | **(1,781,116)** | **1,073,099** |
| **Non-Operating Revenues (Expenses)** | | |
| Interest Revenue, Unrestricted | 6,081 | 3,292 |
| Interest Revenue, Restricted | 4,154 | 3,253 |
| Interest Revenue on Notes Receivable | 1,462,442 | 1,308,920 |
| Interest Expense | (354,980) | (389,987) |
| Fraud Recovery | 49,727 | 37,470 |
| Share of Joint Venture Net Income | 1,075,432 | 392,363 |
| Write Off in Interest Receivables | (1,035,979) | - |
| Transfer From/(To) Other Related Entity | (59,504) | (600) |
| Gain/(Loss) from Disposition of Capital Assets | (97,988) | 2,141,912 |
| **Total Non-Operating Revenues** | **1,049,385** | **3,496,623** |
| **Income (Loss) Before Contributions and Transfers** | **(731,731)** | **4,569,722** |
| **Capital Contributions** | 50,826 | 77,328 |
| **Increase (Decrease) in Net Position** | **(680,905)** | **4,647,050** |
| **Net Position, Beginning of Year** | 74,552,907 | 69,913,079 |
| Prior Period Adjustment | 26,912 | (7,222) |
| **Adjusted Net Position, Beginning of Year** | **74,579,819** | **69,905,857** |
| **Net Position, End of Year** | **$ 73,898,914** | **$ 74,552,907** |

See accompanying notes to the basic financial statements

**THIS PAGE INTENTIONALLY LEFT BLANK**

**HOUSING AUTHORITY OF THE CITY OF FRESNO**
**Fresno, California**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**
**(with comparative information for the prior year)**

| | 2018 | 2017 |
|---|---|---|
| **Cash Flows from Operating Activities:** | | |
| Cash received from tenants | $ 3,528,727 | $ 3,334,752 |
| Cash received from others | 5,163,791 | 4,591,048 |
| Cash paid for issuance of notes receivable | - | (1,800,000) |
| Repayments and interest received on notes receivable | 1,111,718 | 993,109 |
| Cash paid to joint ventures | (1,565,677) | - |
| Cash paid to employees for services | (7,713,734) | (7,570,970) |
| Cash paid to suppliers for goods and services | (10,662,282) | (10,198,592) |
| Cash received from operating grants | 53,283,226 | 53,023,151 |
| Cash paid for housing assistance | (44,262,551) | (42,824,247) |
| Net cash used for operating activities | (1,116,782) | (451,749) |
| **Cash Flows From Capital Financing Activities:** | | |
| Grants received to acquire/construct capital assets | 50,826 | 77,328 |
| Acquisition of capital assets | (1,184,772) | (1,163,287) |
| Issuance of notes payable | 1,475,583 | 3,650,682 |
| Principal paid on long term debt | (695,039) | (4,047,478) |
| Interest paid on long term debt | (229,539) | (239,549) |
| Net cash used for capital financing activities | (582,941) | (1,722,304) |
| **Cash Flows From Investing Activities:** | | |
| Interest received from investments | 10,235 | 6,545 |
| Net cash provided by investing activities | 10,235 | 6,545 |
| Net increase (decrease) to cash | (1,689,488) | (2,167,508) |
| Cash at beginning of year | 7,661,802 | 9,829,310 |
| Cash at end of year | $ 5,972,314 | $ 7,661,802 |

**HOUSING AUTHORITY OF THE CITY OF FRESNO**
**Fresno, California**

**STATEMENT OF CASH FLOWS**
**(Continued)**

| | | 2018 | | 2017 |
|---|---|---|---|---|
| **Reconciliation of Change in Net Position to Net Cash Provided By (Used For) Operating Activities:** | | | | |
| Operating income (loss) | $ | (1,781,116) | $ | 1,073,099 |
| Adjustments to reconcile change in net position to net cash provided by (used for) operating activities: | | | | |
| Depreciation | | 1,304,881 | | 1,562,745 |
| Changes in joint ventures | | 1,075,432 | | 392,363 |
| Interest earned on notes receivable, net of write off | | 426,463 | | 1,308,920 |
| Fraud recovery | | 49,727 | | 37,470 |
| Other expense | | (59,504) | | (600) |
| (Increase) decrease in accounts receivable - tenants | | (11,223) | | 42,579 |
| (Increase) decrease in accounts receivable - other | | 73,763 | | (196,090) |
| (Increase) decrease in due from other governments | | (319,228) | | 333,166 |
| (Increase) decrease in due from related parties | | (315,471) | | 111,934 |
| (Increase) decrease in prepaid insurance | | 8,178 | | (323,183) |
| (Increase) decrease in investment in joint venture | | (3,484,166) | | (392,363) |
| (Increase) decrease in notes receivable | | 649,331 | | (1,099,365) |
| (Increase) decrease in assets held for resale | | 150,829 | | - |
| (Increase) decrease in interest receivable | | 31,234 | | (1,016,446) |
| (Increase) decrease in deferred outflows | | 393,896 | | (508,213) |
| Increase (decrease) in accounts payable - vendors | | 119,401 | | 220,754 |
| Increase (decrease) in due to related parties | | 599,538 | | (278,890) |
| Increase (decrease) in accrued salaries | | 55,335 | | 75,299 |
| Increase (decrease) in accrued compensated absences | | 181,199 | | 35,370 |
| Increase (decrease) in other accrued liabilities | | (600,068) | | 942,807 |
| Increase (decrease) in accounts payable - other governments | | (71,429) | | 9,163 |
| Increase (decrease) in deferred revenue | | 11,679 | | (4,032,800) |
| Increase (decrease) in FSS liabilities | | 6,062 | | 15,727 |
| Increase (decrease) in tenant security deposits payable | | 2,237 | | (3,595) |
| Increase (decrease) in pension liability | | 407,655 | | 1,376,656 |
| Increase (decrease) in deferred inflows | | (21,417) | | (138,256) |
| Net cash used for operating activities | $ | (1,116,782) | $ | (451,749) |
| **Reconciliation of Cash Per Statement of Net Position to Cash Per Statement of Cash Flows:** | | | | |
| Cash and investments | $ | 4,516,196 | $ | 5,060,952 |
| Restricted cash | | 1,456,118 | | 2,600,850 |
| Cash at end of year | $ | 5,972,314 | $ | 7,661,802 |
| **Significant noncash transactions:** | | | | |
| Note received for the sale of property | $ | - | $ | 2,350,000 |
| Net capital assets sold for a note | $ | - | $ | 208,088 |
| Loan payable offset by construction actiivty | $ | 1,125,187 | $ | - |

See accompanying notes to the basic financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

## 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 certain housing programs and activities within the City of Fresno, California. The Agency provides housing to 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's 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.

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. In March 2011, the Agency entered into a Purchase and Sale Agreement with Pacific Garden, LP related to the building and improvements, and Ground Lease agreement related to the land and improvement. The Limited Partnership pays rent to the Corporation for the use of the land. 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 10 for further discussion.

**g) Capital Assets**

Capital assets are defined by the Agency as assets with an initial, individual cost of $5,000 or more 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 acquisition 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.

Major outlay for capital assets are capitalized as projects are constructed. For certain projects that are intended to be sold or transferred, construction in progress remains capitalized in the financial statements until such sale or transfer occurs.

**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.

**i) Net Position**

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

**j) Operating Revenue and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary finds. For the Agency, these revenues are typically rental charges, developer revenue and operating grants. Operating expenses are necessary costs that have been incurred in order to provide the good or service that are 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.

**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 may 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.

**o) Defined Benefit Pension Plan**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by Housing Authority of the City of Fresno. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

| | |
|---|---|
| Valuation Date (VD) | June 30, 2017 |
| Measurement Date (MD) | June 30, 2018 |
| Measurement Period (MP) | June 30, 2017 to June 30, 2018 |

**p) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until that time. The Agency has one item that qualifies for reporting in this category. Deferred Outflows- Pension Related relates to the recording of the pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has one item that qualifies for reporting in this category. Deferred Inflows- Pension Related is attributed to the recording of the pension liability.

## 2) Cash and Investments

Cash and investments held by the Agency at December 31, 2018, was classified as follows in the accompanying Statement of Net Position:

| | |
|---|---|
| Cash & Investments | $ 4,516,196 |
| Restricted Cash | 1,456,118 |
| **Total Cash** | $ 5,972,314 |

<u>Disclosure Related to Interest Rate Risk</u>

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.

<u>Disclosures Related to Credit Risk</u>

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.

For the year ended December 31, 2018, 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.

<u>Concentration of Credit Risk</u>

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.

The Agency executed a "General Depository Agreement" with Wells Fargo on April 21, 2014. This agreement states that any portion of the PHA funds not insured by a Federal insurance organization shall be fully (100%) 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.

At December 31, 2018, $148,382, of the Agency's deposits with the California Housing Finance Agency (CHFA) were held uncollateralized. This amount is inclusive of tenant security deposits.

Equity in Investment Pool

The Agency's cash and investments are pooled with the Housing Authority of the County of Fresno's cash and investments. Income from the investment of the pooled cash is allocated to each Agency's funds on a monthly basis, based on the average monthly balance of the fund as a percent of the average monthly total pooled cash balance.

## 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 at December 31, 2018 are as follows:

| Cash Restricted for: | Cash Restriction | In Liabilities | In Restricted Net Assets |
|---|---|---|---|
| USDA Project Reserves | $ 513,903 | $ 829 | $ 513,074 |
| CHFA | 148,382 | 2,537 | 145,845 |
| HAP Funding | 491,294 | - | 491,294 |
| Tenant Security Deposits | 278,004 | 278,004 | - |
| Other Federal/ State Funding | 24,535 | - | 24,535 |
| | **$ 1,456,118** | **$ 281,370** | **$ 1,174,748** |

## 4) Accounts Receivable

The Agency’s accounts receivable consists of related party receivables, grant program receivables, overpayment to landlords and tenant rent receivables. Accounts receivable 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.
Accounts receivable at December 31, 2018 consist of the following:

| | |
|---|---|
| Accounts Receivable -Tenants, Net of Allowance for Doubtful Accounts of $7,108 | $ 50,729 |
| Miscellaneous Receivables, Net of Allowance for Uncollectable Accounts of $60,086 | 50,072 |
| Other | 310,280 |
| | **$ 411,081** |

## 5) Due from Other Governments

At December 31, 2018, amounts due from Other Governments consists of the following:

| | |
|---|---|
| U.S. Department of HUD | $ 415,767 |
| Other | 476,021 |
| | **$ 891,788** |

## 6) Due from Related Parties

At December 31, 2018, amounts due from Related Parties consists of the following:

| | |
|---|---|
| Housing Authority of the County of Fresno | $ 774,834 |
| Housing Relinquished Fund Corporation | 60,341 |
| Limited Partnership | 872,442 |
| Silvercrest | 343,846 |
| Others | 695 |
| | **$ 2,052,158** |

## 7) Capital Assets

At December 31, 2018, changes in capital assets during the fiscal years were as follows:

| | Balance at 12/31/2017 | Additions | Deletions | Transfers | Balance at 12/31/2018 |
|---|---|---|---|---|---|
| Capital assets not depreciated: | | | | | |
| Land | $ 2,670,600 | $ - | $ - | $ - | $ 2,670,600 |
| Construction in progress | 2,345,630 | 1,257,472 | (1,366,244) | - | 2,236,858 |
| Total capital assets not depreciated | 5,016,230 | 1,257,472 | (1,366,244) | - | 4,907,458 |
| Capital assets being depreciated: | | | | | |
| Buildings & Improvements | 51,120,298 * | 221,715 | (30,267) | 24,911 | 51,336,657 |
| Equipment / Software | 2,432,052 * | 160,402 | (1,575,200) | 415,913 | 1,433,167 |
| Total capital assets being depreciated | 53,552,350 | 382,117 | (1,605,467) | 440,824 | 52,769,824 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (38,730,987) * | (1,206,913) | 48,677 | (19,524) | (39,908,747) |
| Equipment | (1,626,963) * | (97,968) | 1,220,568 | (396,826) | (901,189) |
| Total accumulated depreciation | (40,357,950) | (1,304,881) | 1,269,245 | (416,350) | (40,809,936) |
| Total capital assets being depreciated, net | 13,194,400 | (922,764) | (336,222) | 24,474 | 11,959,888 |
| **TOTAL** | **$ 18,210,630** | **$ 334,708** | **$(1,702,466)** | **$ 24,474** | **$ 16,867,346** |

* Restated to reflect correct amounts within capital asset classification. No change in the total.

## 8) Notes Receivable

The following are schedules of changes in notes receivable at December 31, 2018:

| | Balance 12/31/2017 | Additions | Payments | Balance 12/31/2018 | Interest Receivable |
|---|---|---|---|---|---|
| Non-Related Parties: | | | | | |
| City of Clovis | $ 500,000 | $ - | $ (92,967) | $ 407,033 | $ - |
| Fresno Canyon Springs LP | 500,000 | - | (500,000) | - | - |
| Total due from nonrelated parties | 1,000,000 | - | (592,967) | 407,033 | - |
| Related Parties: | | | | | |
| Better Opportunity Builders | 125,000 | - | - | 125,000 | - |
| Limited Partnerships: | | | | | |
| Fresno Edison II (Legacy Commons) | 4,150,000 | - | - | 4,150,000 | 96,833 |
| Fresno Pacific Gardens LP | 2,738,430 | - | - | 2,738,430 | 1,007,481 |
| Parc Grove Commons II | 3,129,538 | - | - | 3,129,538 | 1,831,438 |
| Renaissance at Alta Monte | 400,000 | - | - | 400,000 | - |
| Renaissance at Santa Clara | 400,000 | - | - | 400,000 | - |
| Renaissance at Santa Clara AHP | 638,839 | - | - | 638,839 | - |
| Renaissance at Trinity | 400,000 | - | - | 400,000 | - |
| Renaissance at Trinity - AHP Loan | 200,000 | - | - | 200,000 | - |
| Southeast Fresno RAD | 10,680,288 | - | (56,364) | 10,623,924 | 794,865 |
| Viking Village RAD | 955,349 | - | - | 955,349 | 67,416 |
| YEC Limited (HOPE VI) | 6,258,336 | - | - | 6,258,336 | 580,282 |
| Total due from related parties | 30,075,780 | - | (56,364) | 30,019,416 | 4,378,315 |
| **TOTAL** | **$ 31,075,780** | **$ -** | **$ (649,331)** | **$ 30,426,449** | **$ 4,378,315** |

### 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. At December 31, 2018, the outstanding principal balance was $407,033 with accrued interest of $0.

Fresno Canyon Springs, LP

The Agency has loaned $500,000 to Fresno Canyon Springs, L.P., 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, and 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. At December 31, 2018, the outstanding principal balances were $0 with accrued interest of $0. In 2018, the property was sold and the Agency received full payment on the principal and wrote off the interest.

Better Opportunities Builders, Inc.

On September 18, 2008, the Agency has made a loan of $125,000 to Better Opportunities Builders, Inc. (BOB). The loan is unsecured and interest free. No payments are due on this loan 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 principal balance at December 31, 2018 was $125,000.

Fresno Edison II, LP

On April 14, 2017, the Agency entered into two loan agreements with Fresno Edison II, LP to develop and construct Low-Income housing units. The first loan, Capital and Operating Fund Loan agreement for $1,800,000 bears an interest rate of 4.0% compounded annually and with a maturity date of April 14, 2072. Principal and interest payable annually commencing on June 1, 2019 from available cash flow.

The second loan, HACF Disposition Funds Loan Agreement for $2,350,000 bears an interest rate of 4.0% compounded annually with a maturity date of April 14, 2072 with principal and interest payable annually commencing on May 1, 2017 from available cash flow. The note is secured by, among other security, a subordinate lien mortgage covering the fee simple interest of the Partnership.

At December 31, 2018, the total outstanding principal balances for both loan, was $4,150,000 with accrued interest of $96,833, respectively.

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 55 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 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 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.

At December 31, 2018, the outstanding principal balance for all three loans, was $2,738,430 with accrued interest of $1,007,481.

Parc Grove Commons II, LP

On January 27, 2010, the Agency authorized a loan to Parc Grove Commons II, LP, 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. At December 31, 2018, the outstanding principal balance was $3,129,538 with accrued interest of $1,831,438.

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, 2018, the outstanding principal was $400,000 with accrued interest of $180,234. An allowance for doubtful accounts for the interest amount of $180,234 was recorded in 2018, resulting in a net interest receivable of $0.

Renaissance at 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 "FH Loan"). The loan bears interest on the outstanding balance at 8.75%. The FH 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, 2018, the outstanding principal balance on the FH Loan was $400,000 with accrued interest of $279,967. An allowance for doubtful accounts was recorded for the interest amount of $279,967 was recorded in 2018, resulting in a net interest receivable of $0.

On November 14, 2014, the Agency entered into an AHP loan agreement with Santa Clara, LP, for $638,839 with a maturity date of June 1, 2068. The loan bears interest at 8.75% per annum. As of December 31, 2018, the outstanding principal on the AHP Loan was $638,839 with accrued interest of $230,891. An allowance for doubtful accounts was recorded for the interest amount of $230,891 was recorded in 2018, resulting in a net interest receivable of $0.

The total principal recorded for both loans at December 31, 2018 was $1,038,839 with accrued interest of $510,858. In 2018, an allowance for doubtful accounts to accrued interest was recorded for $510,858.

Fresno Renaissance at Trinity, LP

On December 1, 2010, the Agency authorized a loan of $400,000 to Fresno Renaissance at Trinity, LP, a related party to the Housing Authority of the City of Fresno, 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 a 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 at December 31, 2018 was $400,000.

On December 1, 2010, the Agency entered into a loan agreement with Fresno Renaissance at Trinity, LP. The Agency was awarded a grant through the Affordable Housing Program (AHP) and these funds were in turn loaned to the Fresno Renaissance at Trinity, LP. 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, 2018 was $200,000.

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 three 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.

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 three former public housing sites into two sites that will consist of 191-units of 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.

The outstanding principal balances for the two loans at December 31, 2018, were $10,623,924 with accrued interest of $794,865.

Viking Village RAD, LP

On March 18, 2014, the Agency entered into a Purchase Loan agreement with Viking Village Fresno RAD, LP for $831,886 to sell 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 from available cash flow.

On March 18, 2014, the Agency entered into a second loan agreement with Viking Village for $917,387 for the rehabilitation 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 from available cash flow.

The outstanding principal balances for the two loans at December 31, 2018, was $955,349 with accrued interest of $67,416.

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 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 1, 2063.

At December 31, 2018, the outstanding principal balances for all three loans was $6,258,336 with accrued interest of $580,282.

## 9) Investment in Joint Ventures

As of December 31, 2018, the Agency's investment in joint ventures is comprised of the following:

| Joint Venture: | | |
|---|---|---|
| Housing Relinquished Fund Corp | $ | 34,881,006 |
| Housing Self-Inusrance Corp | | 2,549 |
| Silvercrest, Inc. | | 287,972 |
| Villa Del Mar, Inc. | | 156,565 |
| **Total Investment in Joint Venture** | **$** | **35,328,092** |

Housing Relinquished Fund Corporation (HRFC) – This entity was created as a steward for the Housing Authority of the City and County of Fresno's development and investment capital. HFRC's Board of Directors is comprised of two members of the City Housing Authorities and County Housing Authorities Board of Commissioners. The Agency has a 65% equity interest in HRFC. HRFC does not issue separate financial statements.

Housing Self Insurance Corporation (HSIC) – This entity was 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 of Directors is comprised of two members of the City Housing Authority and County Housing Authority's Board of Commissioners. The Agency has an 84% equity interest in HSIC. HSIC does not issue separate financial statements.

Silvercrest, Inc. - This entity is a California non-profit public benefit corporation. Silvercrest 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 of Directors is comprised of two members of the City Housing Authority and County Housing Authority Board of Commissioners. 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. – This entity was created 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 of Directors is comprised of two members of the City Housing Authority and County Housing Authority 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.

## 10) 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 as of December 31, 2018:

| | | |
|---|---|---|
| CalHFA Program | $ | 1,037,878 |
| City Public Housing Program | | 415,842 |
| Neighborhood Stabilization Program | | 73,432 |
| **Total Asset Held for Sale** | **$** | **1,527,152** |

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. At December 31, 2018, the carrying value of remaining asset held for sale was $1,037,878.

In accordance with Section 5 of the Public Housing Act, the Agency sells single family homes to qualified low-income residents. During 2018, the Agency sold two properties for $150,829. At December 31, 2018, the book value of homes held for sale were $415,842.

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, 2018, the carrying value of remaining homes held for sale was $73,432.

(This section intentionally left blank)

## 11) Long-Term Liabilities

Schedules of changes in long-term liabilities for the year ended December 31, 2018, was as follows:

| | Balance 12/31/17 | Additions | Payments/ Deletions | Balance 12/31/18 | Due Within One Year |
|---|---|---|---|---|---|
| **Notes payable - non-related parties:** | | | | | |
| U.S. Department of Agriculture | | | | | |
| Mariposa FLH | $ 318,031 | $ - | $ (94,858) | $ 223,173 | $ 76,227 |
| Garland Gardens | 600,675 | - | (181,909) | 418,766 | 199,646 |
| HELP Program | 279,068 | - | (279,068) | - | - |
| City of Fresno NSP | 44,441 | - | - | 44,441 | 44,441 |
| City of Fresno NSP 3 | 3,000,036 | - | - | 3,000,036 | - |
| Santa Clara-AHP | 638,839 | - | - | 638,839 | - |
| Trinity-AHP | 200,000 | - | - | 200,000 | - |
| Mortgages | | | | | - |
| El Cortez Apartments | 1,247,344 | - | (36,608) | 1,210,736 | 38,145 |
| Dayton Square | 1,566,334 | - | (45,944) | 1,520,390 | 47,888 |
| Woodside Apartments | 1,775,980 | - | (50,284) | 1,725,696 | 54,295 |
| | **9,670,748** | **-** | **(688,671)** | **8,982,077** | **460,642** |
| **Notes payable - related parties:** | | | | | |
| P&CD (Pacific Garden Enterp.) to HRFC | 1,340,894 | - | - | 1,340,894 | - |
| P&CD (Various pre-dev) to HRFC | 1,345,645 | 1,475,583 | (1,125,187) | 1,696,041 | 1,696,041 |
| Helm Home to HRFC | 872,040 | - | - | 872,040 | - |
| Office building to HRFC | 154,000 | - | - | 154,000 | - |
| LIPH (Townsend) to HRFC | 98,097 | - | - | 98,097 | - |
| San Ramon (NSP 3) to HRFC | 1,009,274 | - | (6,368) | 1,002,906 | - |
| | **4,819,950** | **1,475,583** | **(1,131,555)** | **5,163,978** | **1,696,041** |
| **Other Liabilities:** | | | | | |
| Interest payable | 818,933 * | 152,059 | (62,789) | 908,203 | - |
| Compensated Absences | 519,675 | 841,388 | (660,189) | 700,874 | 463,382 |
| Family Self-Sufficiency | 5,994 | - | - | 5,994 | - |
| Homebuyers earned payments | 69,193 | 6,062 | - | 75,255 | - |
| Net Pension Liability | 7,283,402 | 516,815 | (109,160) | 7,691,057 | - |
| | **8,697,197** | **1,516,324** | **(832,138)** | **9,381,383** | **463,382** |
| **TOTALS** | **$ 23,187,895** | **$ 2,991,907** | **$ (2,652,364)** | **$ 23,527,438** | **$ 2,620,065** |

* Restated to include pass-through AHP Loan in Feb 2013 and to reflect correct interest accrual for NSP 3 loan.

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

| | Notes | | |
|---|---|---|---|
| Year Ending December 31 | Principal | Interest | Total |
| 2019 | $ 2,156,683 | $ 726,975 | $ 2,883,658 |
| 2020 | 540,180 | 246,409 | 786,589 |
| 2021 | 557,904 | 177,637 | 735,541 |
| 2022 | 494,084 | 170,930 | 665,014 |
| 2023 | 653,955 | 164,771 | 818,726 |
| 2024-2028 | 2,343,772 | 712,311 | 3,056,083 |
| 2029-2033 | 2,543,059 | 1,094,607 | 3,637,666 |
| 2034-2038 | 2,172,363 | 826,464 | 2,998,827 |
| 2039-2043 | 2,684,055 | 607,866 | 3,291,921 |
| | **$ 14,146,055** | **$ 4,727,970** | **$ 18,874,025** |

U.S. Department of Agriculture Notes-Mariposa FLH

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, 2018, the outstanding principal balances for the note were $223,173.

Garland Gardens

The Agency entered into a note with the California Housing Finance Agency (Cal-HFA) 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, 2018, the outstanding principal balances were $418,766.

HELP Program

The Agency has entered into loan agreements with the California Housing Finance Agency (Cal-HFA). The purpose of the first loan is to establish a revolving source of funds to finance the acquisition, demolition and construction/rehabilitation costs for a 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. As of December 31, 2018, the outstanding principal balances of this loan were $0.

City of Fresno NSP (Neighborhood Stabilization Program)

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, 2018, the outstanding balance was $44,441.

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, 2018, outstanding balances of this note was $3,000,036.

Santa Clara-AHP

On November 14, 2014, the Agency entered into a promissory note with Mississippi Valley Company Bank in the amount of $ 638,839 (the “AHP Loan”) from funds provided by the Federal Home Loan Bank of San Francisco pursuant to the regulations governing the Affordable Housing Program (“AHP”). Under the terms of the agreement, the AHP Loan bears no interests. The Agency has loaned the proceeds to 1555 Santa Clara Street, LP, a related party. See Note 8 for the Notes Receivable from 1555 Santa Clara related to this AHP loan. As of December 31, 2018, the outstanding principal balance was $638,839.

Fresno Renaissance at Trinity-AHP

On February 25, 2013, the Agency entered into a promissory note with Bank of the West in the amount of $200,000 from funds provided by the Federal Home Loan Bank of San Francisco pursuant to the regulations governing the Affordable Housing Program (“AHP”). Under the terms of the agreement, the AHP Loan bears no interest. The Agency has loaned the proceeds to Fresno Renaissance at Trinity, LP, a related party. See Note 8 for the Notes Receivable from Fresno Renaissance at Trinity related to this AHP loan. As of December 31, 2018, the outstanding principal balance was $200,000.

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 each apartment complex. On March 20, 2014, the three mortgages were re-financed for $4,589,657 at 4.25% interest rate and set to mature on January 5, 2024. As of December 31, 2018, the balances were the following:

| | Principal | Monthly Payment | Due Within 1 Year |
|---|---|---|---|
| El Cortez | $ 1,210,736 | $ 7,470 | $ 38,145 |
| Dayton Square | 1,520,390 | 9,378 | 47,888 |
| Woodside Apartments | 1,725,696 | 10,632 | 54,295 |
| | **$4,456,822** | | **$ 140,328** |

Housing Relinquished Fund Corporation (HRFC)

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 principal balance at December 31, 2018 was $1,340,894.

The predevelopment loans are made throughout the year. Payments are to be made from the sale of the properties. The outstanding balance at December 31, 2018 was $1,696,041.

The Helm Home is located at 1749 L Street in Fresno, was purchased in March 2010 and is on the local register of historic sites. The loan carries an interest rate of 5% per annum and is due upon sale or refinance of the complex. The outstanding principal balance at December 31, 2018 was $872,040.

The Agency entered into a promissory agreement with 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 principal balance on this note at December 31, 2018 was $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. As of December 31, 2018, the total outstanding principal loan balances were $1,002,906.

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 upon retirement. Except for the Executive Director who is entitled to 100% of the value of their sick leave upon request, employees are paid 25% of the value of their unused sick leave upon voluntary separation, and 50% upon retirement or death.

Employees are paid 100% of unused vacation leave upon separation of employment as provided in the applicable collective bargaining agreement and in accordance with the law.

As of December 31, 2018, accrued vacation and vested sick leave has been valued by the Agency at $700,874, with the current portion due in the amount of $463,382.

Family Self Sufficiency

The Family Self Sufficiency (FSS) program provides supportive services that enable participating low and moderate-income families 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, 2018 was $5,994.

## 12) Due to Other Governments

At December 31, 2018, amounts due to Other Governments consists of the following:

| | | |
|---|---|---|
| Payments in Lieu of Taxes | $ | 70,297 |
| Other | | 19,101 |
| | **$** | **89,398** |

## 13) Due to Related Parties

At December 31, 2018, amounts due to Related Parties consist of the following:

| | | |
|---|---|---|
| Housing Authority of the County of Fresno | $ | 718,497 |
| Limited Partnerships | | 69,056 |
| Silvercrest | | 8,389 |
| | **$** | **795,942** |

## 14) Other Current Liabilities

Other current liabilities at December 31, 2018, consist of the following:

| | | |
|---|---|---|
| Payroll-Witholding Taxes, Benefits Payable | $ | 269,905 |
| Unclaimed Checks/ Refunds | | 155,247 |
| Accrued Expenses | | 25,486 |
| Others | | 40,752 |
| | **$** | **491,390** |

## 15) Unearned Revenues

Unearned revenues at December 31, 2018, consist of the following:

| | | |
|---|---|---|
| Prepaid tenant rents | $ | 10,432 |
| Other | | 10,430 |
| | **$** | **20,862** |

## 16) 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. Annual contributions by a participant may not exceed $19,000 established by IRS for 2018. Employees may also borrow against their deferred compensation account while employed under the deferred compensation loan program. The 401(a) Plan also provides an employer-matching contribution on amounts up to $900 per employee to defer into the 457 plan. The employer contribution to the 457 plan amounted to $72,423 for the year ended December 31, 2018. 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 Agency 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.

## 17) Defined Benefit Pension Plan

All qualified permanent and probationary employees are eligible to participate in the Local Government's Miscellaneous Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Plan's Major Benefit Options

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment.

Shown below is a summary of the major optional benefits for which the agency has contracted.

| Contract Package | | | |
|---|---|---|---|
| | Active Misc. | Active Misc. | Receiving Misc. |
| Benefit Provision | | | |
| Benefit Formula | 2.0% @ 60 | 2.0% @ 62 | |
| Social Security Coverage | Yes | Yes | |
| Full/Modified | Modified | Full | |
| Employee Contribution Rate | 7.00% | 6.25% | |
| Final Average Compensation Period | One Year | Three Year | |
| Sick Leave Credit | Yes | Yes | |
| Non-Industrial Disability | Standard | Standard | |
| Industrial Disability | No | No | |
| Pre-Retirement Death Benefits | | | |
| Optional Settlement 2W | No | No | |
| 1959 Survivor Benefit Level | No | No | |
| Special | No | No | |
| Alternate (firefighters) | No | No | |
| Post-Retirement Death Benefits | | | |
| Lump Sum | $500 | $500 | $500 |
| Survivor Allowance (PRSA) | No | No | No |
| COLA | 2% | 2% | 2% |

**Employees Covered:**

Summary of Valuation Data (Counts)

| | June 30, 2017 |
|---|---|
| 1 Active Members | 101 |
| 2 Transferred Members | 27 |
| 3 Terminated Members | 83 |
| 4 Retired Members and Beneficiaries | 109 |
| 5 Active to Retired Ratio [(1)/ (4)] | 0.93 |

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Average Annual Benefits represents benefit amounts payable by this plan only. Some members may have service with another agency and would therefore have a larger total benefit than would be included as part of the average shown here.

<u>Contribution Description</u>

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as to member contribution requirements are classified as plan member contributions.

For the measurement period ending June 30, 2018, the average active employee contribution rate was 6.25 percent of annual pay, and the average employer's contribution rate was 6.857 percent of annual payroll. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities in the June 30, 2018 actuarial valuation were determined using the following actuarial assumptions:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal in accordance with the requirements of GASB 68 |
| Actuarial Assumptions | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table [1] | Derived using CalPERS' Membership Data for all funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter |

[1] The Mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the Funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

| Asset Class[1] | Current Target Allocation | Real Return Year 1-10[2] | Real Return Years 11+ [3] |
|---|---|---|---|
| Global Equity | 50.00% | 4.80% | 5.98% |
| Global Fixed Income | 28.00% | 1.00% | 2.62% |
| Inflation Sensitive | 0.00% | 0.77% | 1.81% |
| Private Equity | 8.00% | 6.30% | 7.23% |
| Real Estate | 13.00% | 3.75% | 4.93% |
| Liquidity | 1.00% | 0.00% | -0.92% |

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(2) An expected inflation of 2.00% used for this period.
(3) An expected inflation of 2.92% used for this period.

Changes in Net Pension Liability

The changes in Net Pension Liability for the year ended June 30, 2018, were as follows:

| | Increase (Decrease) | | |
|---|---|---|---|
| | **Total Pension Liability** | **Plan Fiduciary Net Pension** | **Net Pension Liability** |
| **Balance at: 06/30/2017** | **$ 34,406,212** | **$ 27,122,810** | **$ 7,283,402** |
| **Changes recognized for the measurement period:** | | | |
| Service Cost | 807,945 | - | 807,945 |
| Interest on Total Pension Liability | 2,458,715 | - | 2,458,715 |
| Changes of Benefit Terms | - | - | - |
| Changes of Assumptions | (274,502) | - | (274,502) |
| Differences between Expected and Actual Experience | 611,470 | - | 611,470 |
| Net Plan to Plan Resource Movement | - | (66) | 66 |
| Contributions - Employer | - | 625,366 | (625,366) |
| Contributions - Employee | - | 425,542 | (425,542) |
| Net Investment Income | - | 2,268,066 | (2,268,066) |
| Benefit Payments, including Refunds of Employee Contributions | (1,748,538) | (1,748,538) | - |
| Administrative Expense | - | (42,406) | 42,406 |
| Other Miscellaneous Income | - | (80,529) | 80,529 |
| **Net Changes during 2017 - 2018** | **1,855,090** | **1,447,435** | **407,655** |
| **Balance at: 06/30/2018** | **$ 36,261,302** | **$ 28,570,245** | **$ 7,691,057** |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 7.15 percent, as well as the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate.

| | Discount Rate - 1% (6.15%) | Current Discount Rate (7.15%) | Discount Rate + 1% (8.15%) |
|---|---|---|---|
| Plan's Net Pension Liability/ (Asset) | $ 12,504,509 | $ 7,691,057 | $ 3,758,990 |

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

| | |
|---|---|
| Net Difference between projected and actual earnings on investments | 5-year straight-line amortization |
| All other amounts | Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period |

Expected Average Remaining Service Lifetime (EARSL)

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The EARSL for the Plan for the measurement period ending June 30, 2018 were 3.6 years, which was obtained by dividing the total service years of 1,145 (the sum of remaining service lifetimes of the active employees) by 320 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Deferred Outflows and Deferred Inflows of Resources

For the Measurement Period ending June 30, 2018, the Agency incurred a pension expense of $407,655.

As of June 30, 2018, the Housing Authority of the City of Fresno has deferred outflows and deferred inflows of resources related to pensions listed below. Contributions subsequent to the measurement date are also shown as a Deferred Outflow of Resources.

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|---|---|
| Changes of Assumptions | $ 908,371 | $ (208,691) |
| Differences between Expected and Actual Experience | 541,927 | (69,064) |
| Payment on pension contributions between measurement date and fiscal year end | 352,628 | - |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 100,996 | - |
| **Total** | **$ 1,903,922** | **$ (277,755)** |

The $352,628 in pension payments between June 30 and December 31, 2018, reported as deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Amortization of Deferred Outflows/(Inflows) of Resources

| | |
|---|---|
| December 31: | |
| 2019 | $ 963,636 |
| 2020 | 584,986 |
| 2021 | (203,732) |
| 2022 | (71,351) |
| 2023 | - |
| Thereafter | - |
| | **$ 1,273,539** |
| | $ 1,903,922 |
| | (277,755) |
| | 1,626,167 |
| Payment on pension contributions between measurement date and fiscal year end | $ (352,628) |

## 18) 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 liability, automobile liability and physical damage, fidelity, and errors and omissions, which includes employment practices and director's and officers' liability insurance to participants. 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's insurance expense were $395,381 for the year ended December 31, 2018. The loss limits for the various types of insurance are follows: individual structure stated value, with full replacement cost, for property with a deductible per occurrence of $10,000; $2,000,000 for general liability with no deductible; $2,000,000 for automobile liability, 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 employee 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 permissibly self-insured for workers' compensation claims through the California Housing Workers' Compensation Authority (CHWCA). Under this program, benefits are provided up to statutory levels when combined with the excess coverage provided through participation in the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) program.

## 19) 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.

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 8 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 8 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 8 and Note 11 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 8 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.

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

Fresno Pacific Gardens, LP

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

The partnership was originally formed on January 1, 2011, by Fresno Pacific Gardens AGP LLC, a California limited liability company, as the Administrative General Partner and Silvercrest Inc., a California nonprofit public benefit corporation, as the Managing General Partner. The 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 8 and Note 11 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.

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.

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.

Southeast Fresno RAD, LP

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

The partnership was originally formed on December 1, 2013, by Southeast Fresno RAD AGP, LLC, a California limited liability company, as the Administrative General Partner and Silvercrest Inc., a California nonprofit public benefit corporation, as the Managing General Partner. 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 8 for descriptions of any related party transactions between the Agency and the partnership.

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 8 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.

Fultonia West/Cedar Heights Scattered Site, LP

Fultonia West/Cedar Heights Scattered Site, 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 Partnership was formed for the purpose of developing and operating a 45-unit project located in Fresno, California. The project qualifies for federal low-income housing tax credit program as described in the Internal Revenue Code Section 42. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

The partnership was originally formed on June 27, 2014, by Fultonia West Scattered Site 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. BOAUSBLIHTC Fund 2015-1 is the Limited Partner and US Bancorp Community Development Corporation is the State Credit Partner.

Net profits or losses of the partnership are allocated 0.009% to the Administrative General Partner, 0.001% to the Managing General Partner, 98.99% to the Limited Partner and 1.0% to the State Credit Partner. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985.

Fresno Edison I Apartments, LP

Fresno Edison Apartments, 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 Partnership was formed for the purpose of developing and operating a 45-unit project located in Fresno, California. The project qualifies for federal low-income housing tax credit program as described in the Internal Revenue Code Section 42. The project received low-income housing tax credits through the California Tax Credit Allocation Committee.

Fresno Edison Apartments, L.P. was originally formed on February 1, 2015 and is a California limited partnership between Fresno Edison Apartments AGP, LLC as the Administrative General Partner, Silvercrest, Inc. as the Managing General Partner, PNC Real Estate Tax Credit Capital Institutional Fund 47, LP as the Original Investment Limited Partner, PNC Real Estate Tax Credit Capital Institutional Fund 53, LLC as the Investment Limited Partner and Columbia Housing SLP Corporation as the Special Limited Partner.

Net profits or losses of the partnership are allocated 0.005% to the Administrative General Partner, 0.005% to the Managing General Partner, 99.99% to the Investment Limited Partner and 0.0% to the Special Limited Partner. 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.

Lowell Neighborhood Project, LP

Lowell Neighborhood Project, LP was formed for the purpose of developing and operating a 30-unit project located in the City of Fresno, California.

Lowell Neighborhood Project, L.P. was originally formed on June 18, 2015 and is a California limited partnership between Lowell Neighborhood Project AGP, LLC as the Administrative General Partner, Silvercrest, Inc. as the Managing General Partner, and U.S. Bankcorp Community Development Corporation as the Limited Partner.

Net profits or losses of the partnership are allocated 0.005% to the Administrative General Partner, 0.005% to the Managing General Partner, and 99.99% to the Limited Partner. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985.

Fresno Edison II Apartments, LP

Fresno Edison Apartments, LP was formed in February 2015 to expand the development and availability of long-term housing for low-income persons residing in the City of Fresno, California.

Fresno Edison II, LP is a limited partnership between Fresno Edison Apartments II AGP, LLC (the Administrative General Partner), Silvercrest, Inc. (the Managing General Partner) and US Bankcorp Community Development Corporation (the Limited Partner). The partnership was formed for the purpose of developing a 64-unit project located in Fresno, California knows as Fresno Edison Apartments Phase II.

Net profits or losses of the partnership are allocated 0.005% to the Administrative General Partner, 0.005% to the Managing General Partner, and 99.99% to the Limited Partner. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985.

Parc Grove Commons III, LP

Parc Grove III, LP was formed in June 2016 to expand the development and availability of long-term housing for low-income persons residing in the City of Fresno, California.

Parc Grove Commons III, LP is a limited partnership between Renaissance Parc Grove AGP, LLC (the Administrative Partner), Silvercrest, Inc. (the Managing General Partner) and Wells Fargo Affordable Housing Community Development Corporation (the Investor Limited Partner). The Partnership was formed for the purpose of development and operating a 40-unit project located in Fresno, California known as Parc Grove Commons Northeast Veterans.

Net profits, losses or tax credits of the partnership are allocated 0.005% to the Administrative General Partner, 0.005% to the Managing General Partner, and 99.99% to the Limited Partner. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of the City of Fresno, at P.O. Box 11985, Fresno, California 93776-1985.

Fresno Mariposa Meadows, LP

Fresno Mariposa Meadows, LP was formed in October of 2018 to expand the development and availability of long-term housing for low-income persons residing in the City of Fresno, California, including the sale of low-income housing tax credits and entering into agreements for the financing, planning, construction and development, on real property located in the City of Fresno, County of Fresno, California, of an affordable-housing project, generally known as Mariposa Meadows, that is anticipated to include 40 units of multifamily housing. The project filed a notice to proceed with construction on Mary 10, 2019. As of December 31, 2018, there is no substantial activity to report.

## 20) 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 Director of Planning & Community Development 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 are selected by other agencies. BOB has agreed to be the Managing General Partner in several low-income housing projects within the City of Fresno. The Agency provides management and bookkeeping services for BOB, and the Agency is reimbursed 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 2018. 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.

## 21) Inter-fund and Interagency Activity

The following is a summary of changes in Inter-fund loans as of December 31, 2018:

| | Balance 12/31/17 | Additions | Deletions | Balance 12/31/18 | Interest |
|---|---|---|---|---|---|
| **Receivables:** | | | | | |
| City RF from NSP | $ 1,128,277 | $ - | $ - | $ 1,128,277 | $ 222,163 |
| City RF from El Cortez | 205,800 | - | (97,860) | 107,940 | - |
| City RF from P&CD | 500,000 | - | (500,000) | - | - |
| **Total Receivables** | **$ 1,834,077** | **$ -** | **$ (597,860)** | **$ 1,236,217** | **$ 222,163** |
| **Payables:** | | | | | |
| NSP To City RF | $ 1,128,277 | $ - | $ - | $ 1,128,277 | $ 222,163 |
| El Cortez to City RF | 205,800 | - | (97,860) | 107,940 | - |
| P&CD to City RF | 500,000 | - | (500,000) | - | - |
| **Total Payables** | **$ 1,834,077** | **$ -** | **$ (597,860)** | **$ 1,236,217** | **$ 222,163** |

The Agency has made various inter-fund loans. Inter-fund balances have been eliminated in the Statement of Net Position.

## 22) 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.

## 23) 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. At December 31, 2018, the Agency had reported the following as restricted net position:

| | | |
|---|---|---|
| Externally Required Restrictions: | | |
| Housing Choice Voucher | $ | 491,294 |
| CHFA | | 145,846 |
| USDA Programs | | 513,074 |
| Other Federal/ State Programs | | 24,534 |
| | **$** | **1,174,748** |

## 24) Prior Year Restatement

During the year ended December 31, 2018, the Agency made certain adjustments to beginning equity for activities related to the affordable housing program.

The following schedule summarizes the effect of these restatements:

| | | |
|---|---|---|
| Net Position at Beginning of Year, as Previously reported | $ | 74,552,907 |
| The prior period adjustment is primarily related to a restatement of various assets and liabilities | | (235,592) |
| **Net position at Beginning of Year, as Restated** | **$** | **74,317,315** |

THIS PAGE INTENTIONALLY LEFT BLANK

## REQUIRED SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE CITY OF FRESNO**

Schedule of Changes in Net Pension Liability and Related Ratios
for the Measurement Period (Miscellaneous Plan)
Year Ended December 31, 2018
(With comparative information for the last 10 years)*

| Measurement Date | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |
|---|---|---|---|---|---|
| TOTAL PENSION LIABILITY | | | | | |
| Service Cost | $807,945 | $734,975 | $631,345 | $631,110 | $627,365 |
| Interest on Total Pension Liability | 2,458,715 | 2,326,027 | 2,242,188 | 2,143,493 | 2,058,422 |
| Changes of Benefit Terms | - | - | 55,914 | - | - |
| Changes of Assumptions | (274,502) | 1,920,586 | - | (516,001) | - |
| Difference between Expected and Actual Experience | 611,470 | 15,516 | 22,974 | (122,369) | - |
| Benefit Payments, Including Refunds of Employee Contributions | (1,748,538) | (1,638,316) | (1,639,744) | (1,487,628) | (1,463,163) |
| Net Change in Total Pension Liability | 1,855,090 | 3,358,788 | 1,312,677 | 648,605 | 1,222,624 |
| Total Pension Liability - Beginning | 34,406,212 | 31,047,424 | 29,734,747 | 29,086,142 | 27,863,518 |
| Total Pension Liability - Ending (a) | 36,261,302 | 34,406,212 | 31,047,424 | 29,734,747 | 29,086,142 |
| PLAN FIDUCIATY NET POSITION | | | | | |
| Net Plan to Plan Resource Movement | (66) | - | - | - | - |
| Contributions - Employer | 625,366 | 515,021 | 412,060 | 340,596 | 313,597 |
| Contributions - Employee | 425,542 | 366,062 | 344,384 | 336,751 | 307,963 |
| Investment Income | 2,268,066 | 2,776,486 | 145,546 | 586,662 | 3,933,088 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,748,538) | (1,638,316) | (1,639,744) | (1,487,628) | (1,463,163) |
| Administrative Expense | (42,406) | (37,119) | (15,781) | (29,146) | - |
| Other Miscellaneous Income | (80,529) | - | - | - | - |
| Net Change in Fiduciary Net Position | 1,447,435 | 1,982,134 | (753,535) | (252,765) | 3,091,485 |
| Plan Fiduciary Net Position - Beginning | 27,122,810 | 25,140,676 | 25,894,211 | 26,146,976 | 23,055,491 |
| Plan Fiduciary Net Position - Ending (b) | 28,570,245 | 27,122,810 | 25,140,676 | 25,894,211 | 26,146,976 |
| Plan Net Pension Liability - Ending (a) - (b) | $7,691,057 | $7,283,402 | $5,906,748 | $3,840,536 | $2,939,166 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.79% | 78.83% | 80.98% | 87.08% | 89.89% |
| Covered Payroll | $ 5,751,118 | $ 5,215,616 | $ 5,007,615 | $ 4,869,500 | $ 4,707,335 |
| Plan Net Pension Liability as a Percentage of Covered Payroll | 133.73% | 139.65% | 117.96% | 78.87% | 62.44% |

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017, valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.15 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* The fiscal year ended December 31, 2014 was the first year of implementation. Information for the last 10 years is not available.

**HOUSING AUTHORITY OF THE CITY OF FRESNO**
Schedule of Changes in Net Pension Liability and Related Ratios
for the Measurement Period (Miscellaneous Plan)
Year Ended December 31, 2018
(With comparative information for the last 10 years)*

**Schedule of Plan Contributions for the Fiscal Years Ended December 31**

| Employer Fiscal Year End | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| Actuarially Determined Contribution | $ 425,659 | $ 455,851 | $ 469,586 | $ 371,354 | $ 325,829 |
| Contributions in Relation to the Actuarially Determined Contribution | (425,659) | (455,851) | (469,586) | (371,354) | (325,829) |
| Contribution Deficiency/(Excess) | $ - | $ - | $ - | $ - | $ - |
| Covered Payroll | $ 6,298,492 | $ 5,781,250 | $ 5,406,119 | $ 5,029,081 | $ 4,520,151 |
| Contributions as a Percentage of Covered Payroll | 6.76% | 7.88% | 8.69% | 7.38% | 7.21% |

**Notes to Schedule of Plan Contributions:**

The actuarial method and assumptions used to set the actuarially determined contributions for the Fiscal Year 2017-2018 were derived from the June 30, 2015 funding valuation report as follows:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method/Period | See note 17) Defined Benefit Pension Plan, for related information. The amortization method and periods are based on the June 30, 2014 Funding Valuation Report. |
| Asset Valuation Method | See note 17) Defined Benefit Pension Plan, for related information. The market value of assets are based on the June 30, 2014 Funding Valuation Report. |
| Inflation | 2.75% |
| Salary Increases | Varies by Entry Age and Service |
| Payroll Growth | 3% |
| Investment Rate of Return | 7.5% Net of Pension Plan Investment and Administrative Expenses; includes Inflation. |
| Retirement Age | The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. |
| Mortality | The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. |

* The fiscal year ended December 31, 2014 was the first year of implementation. Information for the last 10 years is not available.

Other information:
For changes to previous year's information, refer to past GASB 68 reports.

**THIS PAGE INTENTIONALLY LEFT BLANK**

SUPPLEMENTAL INFORMATION

FINANCIAL DATA SCHEDULES

The following schedule is presented in accordance with reporting requirements under the U. S. Department of HUD's Uniform Financial Reporting Standards

**Housing Authority City of Fresno (CA006)**
**Fresno, CA**
**Entity Wide Balance Sheet Summary**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 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) | 14.218 Community Development Block Grants/Entitlement Grants | 14.870 Resident Opportunity and Supportive Services | 14.871 Housing Choice Vouchers | 6.2 Component Unit - Blended | 14.866 Revitalization of Severely Distressed Public Housing | 14.185 Hope III | 14.182 N/C S/R Section 8 Programs |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 111 Cash - Unrestricted | $1,087,809 | | | | | | $300 | $72,824 | | | |
| 112 Cash - Restricted - Modernization and Development | | | | | | | | | | | |
| 113 Cash - Other Restricted | | | | | | | $491,294 | | | | |
| 114 Cash - Tenant Security Deposits | $95,338 | | | | | | | | | | $16,455 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | | | | | | | | |
| 100 Total Cash | $1,183,147 | $0 | $0 | $0 | $0 | $0 | $491,594 | $72,824 | $0 | $0 | $16,455 |
| | | | | | | | | | | | |
| 121 Accounts Receivable - PHA Projects | | | | | | | | | | | |
| 122 Accounts Receivable - HUD Other Projects | | | $43,731 | | | $8,825 | $172,094 | | | | |
| 124 Accounts Receivable - Other Government | | | | | | | $244,969 | | | | |
| 125 Accounts Receivable - Miscellaneous | $10,930 | | | | | | $125,725 | | | | $430 |
| 126 Accounts Receivable - Tenants | $41,862 | | $0 | | | $0 | | | | | $7,973 |
| 126.1 Allowance for Doubtful Accounts -Tenants | ($4,715) | | $0 | | | $0 | | | | | ($1,243) |
| 126.2 Allowance for Doubtful Accounts - Other | $0 | | $0 | | | $0 | ($60,086) | | | | $0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | | | | $0 | | | | | |
| 128 Fraud Recovery | | | | | | | $110,158 | | | | |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | | | | | $0 | | | | |
| 129 Accrued Interest Receivable | | | | | | | | | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | $48,077 | $0 | $43,731 | $0 | $0 | $8,825 | $592,860 | $0 | $0 | $0 | $7,160 |
| | | | | | | | | | | | |
| 131 Investments - Unrestricted | | | | | | | | | | | |
| 132 Investments - Restricted | | | | | | | | | | | $148,382 |
| 135 Investments - Restricted for Payment of Current Liability | | | | | | | | | | | |
| 142 Prepaid Expenses and Other Assets | $282 | | | | | | | | | | $58 |
| 143 Inventories | | | | | | | | | | | |
| 143.1 Allowance for Obsolete Inventories | | | | | | | | | | | |
| 144 Inter Program Due From | $153,597 | | | | | | | | | | $9,992 |
| 145 Assets Held for Sale | $415,842 | | | | | | | | | | |
| 150 Total Current Assets | $1,800,945 | $0 | $43,731 | $0 | $0 | $8,825 | $1,084,454 | $72,824 | $0 | $0 | $182,047 |
| | | | | | | | | | | | |
| 161 Land | $419,272 | | | | | | | $53,856 | | | $158,970 |
| 162 Buildings | $30,322,191 | | | | | | | | | | $2,636,849 |
| 163 Furniture, Equipment & Machinery - Dwellings | | | | | | | | | | | |
| 164 Furniture, Equipment & Machinery - Administration | $286,327 | | | | | | $125,505 | | | | $32,812 |
| 165 Leasehold Improvements | | | | | | | | | | | |
| 166 Accumulated Depreciation | ($26,720,052) | | | | | | ($93,126) | | | | ($2,643,769) |
| 167 Construction in Progress | $106,037 | | | | | | | | | | |
| 168 Infrastructure | | | | | | | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | $4,413,775 | $0 | $0 | $0 | $0 | $0 | $32,379 | $53,856 | $0 | $0 | $184,862 |
| | | | | | | | | | | | |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | $9,069,871 | | | | | | | | | | |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | | | | | | | | | | |
| 173 Grants Receivable - Non Current | | | | | | | | | | | |
| 174 Other Assets | | | | | | | | | | | |
| 176 Investments in Joint Ventures | $6,163,881 | | | | | | | | | | |
| 180 Total Non-Current Assets | $19,647,527 | $0 | $0 | $0 | $0 | $0 | $32,379 | $53,856 | $0 | $0 | $184,862 |
| | | | | | | | | | | | |
| 200 Deferred Outflow of Resources | $173,259 | | | | | | $727,298 | | | | |
| | | | | | | | | | | | |
| **290 Total Assets and Deferred Outflow of Resources** | **$21,621,731** | **$0** | **$43,731** | **$0** | **$0** | **$8,825** | **$1,844,131** | **$126,680** | **$0** | **$0** | **$366,909** |

**Housing Authority City of Fresno (CA006)**
**Fresno, CA**
**Entity Wide Balance Sheet Summary**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 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) | 14.218 Community Development Block Grants/Entitlement Grants | 14.870 Resident Opportunity and Supportive Services | 14.871 Housing Choice Vouchers | 6.2 Component Unit - Blended | 14.866 Revitalization of Severely Distressed Public Housing | 14.185 Hope III | 14.182 N/C S/R Section 8 Programs |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
| 311 Bank Overdraft | $52,538 | | | | | | | | | | $16,580 |
| 312 Accounts Payable <= 90 Days | $52,476 | | | | | | $33,160 | $2,250 | | | |
| 313 Accounts Payable >90 Days Past Due | | | | | | | | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | $11,769 | | $1,097 | | | $1,589 | $62,015 | | | | $1,892 |
| 322 Accrued Compensated Absences - Current Portion | $19,769 | | $1,263 | | | $2,381 | $100,675 | | | | $1,102 |
| 324 Accrued Contingency Liability | | | | | | | | | | | |
| 325 Accrued Interest Payable | | | | | | | | | | | |
| 331 Accounts Payable - HUD PHA Programs | | | | | | | | | | | |
| 332 Account Payable - PHA Projects | | | | | | | | | | | |
| 333 Accounts Payable - Other Government | $86,339 | | | | | | | | | | $1,731 |
| 341 Tenant Security Deposits | $95,338 | | | | | | | | | | $16,455 |
| 342 Unearned Revenue | $15,297 | | | | | | | | | | $2,536 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | | | | | | | | | | | $199,646 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | | | | | | | | | |
| 345 Other Current Liabilities | | | | | | | | | | | |
| 346 Accrued Liabilities - Other | $75,255 | | | | | | $86,498 | | | | |
| 347 Inter Program - Due To | $153,597 | | $81,922 | | $347,883 | $12,535 | $3,214,828 | $91 | $600 | | $354,770 |
| 348 Loan Liability - Current | | | | | | | | | | | |
| 310 Total Current Liabilities | $562,378 | $0 | $84,282 | $0 | $347,883 | $16,505 | $3,497,176 | $2,341 | $600 | $0 | $594,712 |
| | | | | | | | | | | | |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | $98,097 | | | | | | | | | | $219,120 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | | | | | | | | | |
| 353 Non-current Liabilities - Other | $5,994 | | | | | | | | | | |
| 354 Accrued Compensated Absences - Non Current | $10,097 | | $801 | | | $1,299 | $52,932 | | | | $655 |
| 355 Loan Liability - Non Current | | | | | | | | | | | |
| 356 FASB 5 Liabilities | | | | | | | | | | | |
| 357 Accrued Pension and OPEB Liabilities | $699,886 | | | | | | $2,937,984 | | | | |
| 350 Total Non-Current Liabilities | $814,074 | $0 | $801 | $0 | $0 | $1,299 | $2,990,916 | $0 | $0 | $0 | $219,775 |
| | | | | | | | | | | | |
| 300 Total Liabilities | $1,376,452 | $0 | $85,083 | $0 | $347,883 | $17,804 | $6,488,092 | $2,341 | $600 | $0 | $814,487 |
| | | | | | | | | | | | |
| 400 Deferred Inflow of Resources | $25,276 | | | | | | $106,102 | | | | |
| | | | | | | | | | | | |
| 508.4 Net Investment in Capital Assets | $4,315,678 | | $0 | | | | $32,380 | $53,856 | | | ($233,903) |
| 511.4 Restricted Net Position | $0 | | $0 | | | | $491,294 | | | | $145,846 |
| 512.4 Unrestricted Net Position | $15,904,325 | $0 | ($41,352) | $0 | ($347,883) | ($8,979) | ($5,273,737) | $70,483 | ($600) | $0 | ($359,521) |
| 513 Total Equity - Net Assets / Position | $20,220,003 | $0 | ($41,352) | $0 | ($347,883) | ($8,979) | ($4,750,063) | $124,339 | ($600) | $0 | ($447,578) |
| | | | | | | | | | | | |
| **600 Total Liabilities, Deferred Inflows of Resources and Equity - Net** | **$21,621,731** | **$0** | **$43,731** | **$0** | **$0** | **$8,825** | **$1,844,131** | **$126,680** | **$0** | **$0** | **$366,909** |

**Housing Authority City of Fresno (CA006)**
**Fresno, CA**
**Entity Wide Balance Sheet Summary**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 14.181 Supportive Housing for Persons with Disabilities | 14.238 Shelter Plus Care | 93.645 Child Welfare Services_State Grants | 14.235 Supportive Housing Program | 14.239 HOME Investment Partnerships Program | 2 State/Local | 1 Business Activities | 10.427 Rural Rental Assistance Payments | COCC | Subtotal | ELIM | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 111 Cash - Unrestricted | | | | | | $134,957 | $3,183,982 | $7 | $30,427 | $4,510,306 | | $4,510,306 |
| 112 Cash - Restricted - Modernization and Development | | | | | | | | | | | | |
| 113 Cash - Other Restricted | $24,349 | | | | | | | $513,903 | $185 | $1,029,731 | | $1,029,731 |
| 114 Cash - Tenant Security Deposits | | | | | | $16,665 | $133,159 | $16,388 | | $278,005 | | $278,005 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | | | | | | | | | |
| 100 Total Cash | $24,349 | $0 | $0 | $0 | $0 | $151,622 | $3,317,141 | $530,298 | $30,612 | $5,818,042 | $0 | $5,818,042 |
| | | | | | | | | | | | | |
| 121 Accounts Receivable - PHA Projects | | | | | | | | | | | | |
| 122 Accounts Receivable - HUD Other Projects | | $71,556 | | $28,026 | $83,934 | | $7,599 | | | $415,765 | | $415,765 |
| 124 Accounts Receivable - Other Government | | | | | | $74,837 | $576,034 | | | $895,840 | ($419,819) | $476,021 |
| 125 Accounts Receivable - Miscellaneous | | | | | $10,620 | $113,498 | $49,837 | | $2,057,290 | $2,368,330 | | $2,368,330 |
| 126 Accounts Receivable - Tenants | | $0 | | $0 | $0 | $3,157 | $523 | $4,323 | | $57,838 | | $57,838 |
| 126.1 Allowance for Doubtful Accounts -Tenants | | $0 | | $0 | $0 | ($1,150) | $0 | $0 | $0 | ($7,108) | | ($7,108) |
| 126.2 Allowance for Doubtful Accounts - Other | | $0 | | $0 | $0 | $0 | $0 | $0 | $0 | ($60,086) | | ($60,086) |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | | | | | $1,236,217 | $0 | | $1,236,217 | ($1,236,217) | $0 |
| 128 Fraud Recovery | | | | | | | | | | $110,158 | | $110,158 |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | | | | | | | | $0 | | $0 |
| 129 Accrued Interest Receivable | | | | | | | $222,163 | | | $222,163 | ($222,163) | $0 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | $0 | $71,556 | $0 | $28,026 | $94,554 | $190,342 | $2,092,373 | $4,323 | $2,057,290 | $5,239,117 | ($1,878,199) | $3,360,918 |
| | | | | | | | | | | | | |
| 131 Investments - Unrestricted | | | | | | | | | | | | |
| 132 Investments - Restricted | | | | | | | | | | $148,382 | | $148,382 |
| 135 Investments - Restricted for Payment of Current Liability | | | | | | | | | | | | |
| 142 Prepaid Expenses and Other Assets | | | | | | $3,333 | $1,428 | | $461,510 | $466,611 | | $466,611 |
| 143 Inventories | | | | | | | | | | | | |
| 143.1 Allowance for Obsolete Inventories | | | | | | | | | | | | |
| 144 Inter Program Due From | | | | | | | $8,266,076 | | $26,758 | $8,456,423 | ($8,456,424) | ($1) |
| 145 Assets Held for Sale | | | | | | $1,037,878 | $73,432 | | | $1,527,152 | | $1,527,152 |
| 150 Total Current Assets | $24,349 | $71,556 | $0 | $28,026 | $94,554 | $1,383,175 | $13,750,450 | $534,621 | $2,576,170 | $21,655,727 | ($10,334,623) | $11,321,104 |
| | | | | | | | | | | | | |
| 161 Land | | | | | | $106,690 | $1,612,800 | $119,742 | $199,270 | $2,670,600 | | $2,670,600 |
| 162 Buildings | | | | | | $3,935,080 | $9,035,339 | $2,408,871 | $2,998,326 | $51,336,656 | | $51,336,656 |
| 163 Furniture, Equipment & Machinery - Dwellings | | | | | | | | | | | | |
| 164 Furniture, Equipment & Machinery - Administration | | | | | | | $151,515 | $7,546 | $829,464 | $1,433,169 | | $1,433,169 |
| 165 Leasehold Improvements | | | | | | | | | | | | |
| 166 Accumulated Depreciation | | | | $0 | | ($551,233) | ($5,304,736) | ($2,227,651) | ($3,269,368) | ($40,809,935) | | ($40,809,935) |
| 167 Construction in Progress | | | | $10,128 | | | $2,120,692 | | | $2,236,857 | | $2,236,857 |
| 168 Infrastructure | | | | | | | | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | $0 | $0 | $0 | $10,128 | $0 | $3,490,537 | $7,615,610 | $308,508 | $757,692 | $16,867,347 | $0 | $16,867,347 |
| | | | | | | | | | | | | |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | | | $696,283 | | | $24,534,891 | | | $34,301,045 | | $34,301,045 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | | | | | | | | | | | |
| 173 Grants Receivable - Non Current | | | | | | | | | | | | |
| 174 Other Assets | | | | $503,717 | | | | | | $503,717 | | $503,717 |
| 176 Investments in Joint Ventures | | | | | | | $29,164,211 | | | $35,328,092 | | $35,328,092 |
| 180 Total Non-Current Assets | $0 | $0 | $0 | $1,210,128 | $0 | $3,490,537 | $61,314,712 | $308,508 | $757,692 | $87,000,201 | $0 | $87,000,201 |
| | | | | | | | | | | | | |
| 200 Deferred Outflow of Resources | | | | | | | $140,128 | | $863,238 | $1,903,923 | | $1,903,923 |
| | | | | | | | | | | | | |
| **290 Total Assets and Deferred Outflow of Resources** | **$24,349** | **$71,556** | **$0** | **$1,238,154** | **$94,554** | **$4,873,712** | **$75,205,290** | **$843,129** | **$4,197,100** | **$110,559,851** | **($10,334,623)** | **$100,225,228** |

**Housing Authority City of Fresno (CA006)**
**Fresno, CA**
**Entity Wide Balance Sheet Summary**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 14.181 Supportive Housing for Persons with Disabilities | 14.238 Shelter Plus Care | 93.645 Child Welfare Services_State Grants | 14.235 Supportive Housing Program | 14.239 HOME Investment Partnerships Program | 2 State/Local | 1 Business Activities | 10.427 Rural Rental Assistance Payments | COCC | Subtotal | ELIM | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 311 Bank Overdraft | | $361 | | | | | $236,840 | | | $306,319 | | $306,319 |
| 312 Accounts Payable <= 90 Days | | | | | | $11,234 | | $3,733 | $140,538 | $243,391 | | $243,391 |
| 313 Accounts Payable >90 Days Past Due | | | | | | | | | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | | $188 | | $4,972 | $264 | $10,737 | $25,879 | $976 | $175,985 | $297,363 | | $297,363 |
| 322 Accrued Compensated Absences - Current Portion | | $1,454 | | $4,633 | | $20,832 | $46,445 | $1,648 | $264,088 | $464,290 | | $464,290 |
| 324 Accrued Contingency Liability | | | | | | | | | | | | |
| 325 Accrued Interest Payable | | | | | | $71,860 | $572,479 | | | $644,339 | ($222,163) | $422,176 |
| 331 Accounts Payable - HUD PHA Programs | | | | | | | | | | | | |
| 332 Account Payable - PHA Projects | | | | | | | | | | | | |
| 333 Accounts Payable - Other Government | | | | | | $6,772 | $3,060 | | $16,983 | $114,885 | | $114,885 |
| 341 Tenant Security Deposits | | | | | | $16,665 | $133,159 | $16,388 | | $278,005 | | $278,005 |
| 342 Unearned Revenue | | | | | | $2,200 | | $829 | | $20,862 | | $20,862 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | | | | | | | $1,880,809 | $76,227 | | $2,156,682 | | $2,156,682 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | | | | | | | | | | |
| 345 Other Current Liabilities | | | | | | | $545,240 | | $306,121 | $851,361 | | $851,361 |
| 346 Accrued Liabilities - Other | | | | | | | | | $323,986 | $485,739 | | $485,739 |
| 347 Inter Program - Due To | | $447,360 | | $502,138 | $98,374 | $2,341,777 | $24,119 | $59,368 | $1,236,879 | $8,876,241 | ($8,876,243) | ($2) |
| 348 Loan Liability - Current | | | | | | | | | | | | |
| 310 Total Current Liabilities | $0 | $449,363 | $0 | $511,743 | $98,638 | $2,482,077 | $3,468,030 | $159,169 | $2,464,580 | $14,739,477 | ($9,098,406) | $5,641,071 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | | | | | $4,002,942 | $6,529,427 | $146,947 | $154,000 | $11,150,533 | | $11,150,533 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | | | | | $2,075,056 | | | $2,075,056 | ($1,236,217) | $838,839 |
| 353 Non-current Liabilities - Other | | | | | | $328,213 | $157,814 | | | $492,021 | | $492,021 |
| 354 Accrued Compensated Absences - Non Current | | $906 | | $2,271 | | $11,372 | $25,064 | $990 | $131,620 | $238,007 | | $238,007 |
| 355 Loan Liability - Non Current | | | | | | | | | | | | |
| 356 FASB 5 Liabilities | | | | | | | | | | | | |
| 357 Accrued Pension and OPEB Liabilities | | | | | | | $566,062 | | $3,487,125 | $7,691,057 | | $7,691,057 |
| 350 Total Non-Current Liabilities | $0 | $906 | $0 | $2,271 | $0 | $4,342,527 | $9,353,423 | $147,937 | $3,772,745 | $21,646,674 | ($1,236,217) | $20,410,457 |
| 300 Total Liabilities | $0 | $450,269 | $0 | $514,014 | $98,638 | $6,824,604 | $12,821,453 | $307,106 | $6,237,325 | $36,386,151 | ($10,334,623) | $26,051,528 |
| 400 Deferred Inflow of Resources | | | | | | | $20,443 | | $125,934 | $277,755 | | $277,755 |
| 508.4 Net Investment in Capital Assets | | | | $10,129 | | ($512,405) | ($794,628) | $85,333 | $603,691 | $3,560,131 | | $3,560,131 |
| 511.4 Restricted Net Position | $24,349 | | | | | | | $513,074 | $185 | $1,174,748 | | $1,174,748 |
| 512.4 Unrestricted Net Position | $0 | ($378,713) | $0 | $714,011 | ($4,084) | ($1,438,487) | $63,158,022 | ($62,384) | ($2,770,035) | $69,161,066 | | $69,161,066 |
| 513 Total Equity - Net Assets / Position | $24,349 | ($378,713) | $0 | $724,140 | ($4,084) | ($1,950,892) | $62,363,394 | $536,023 | ($2,166,159) | $73,895,945 | $0 | $73,895,945 |
| **600 Total Liabilities, Deferred Inflows of Resources and Equity - Net** | **$24,349** | **$71,556** | **$0** | **$1,238,154** | **$94,554** | **$4,873,712** | **$75,205,290** | **$843,129** | **$4,197,100** | **$110,559,851** | **($10,334,623)** | **$100,225,228** |

**Housing Authority City of Fresno (CA006)**
**Fresno, CA**
**Entity Wide Revenue and Expense Summary**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 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) | 14.218 Community Development Block Grants/Entitlement Grants | 14.870 Resident Opportunity and Supportive Services | 14.871 Housing Choice Vouchers | 6.2 Component Unit - Blended | 14.866 Revitalization of Severely Distressed Public Housing | 14.185 Hope III | 14.182 N/C S/R Section 8 Programs |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 70300 Net Tenant Rental Revenue | $1,064,612 | | | | | | | | | | $145,763 |
| 70400 Tenant Revenue - Other | $20,393 | | | | | | | | | | $3,483 |
| 70500 Total Tenant Revenue | $1,085,005 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $149,246 |
| | | | | | | | | | | | |
| 70600 HUD PHA Operating Grants | $2,428,453 | | $241,484 | | | $78,755 | $48,168,289 | | | | |
| 70610 Capital Grants | $50,826 | | | | | | | | | | |
| 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 | | | | | | | | | | | $314,946 |
| 71100 Investment Income - Unrestricted | $559,046 | | | | | | | | | | |
| 71200 Mortgage Interest Income | | | | | | | | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | | | | | | | | |
| 71310 Cost of Sale of Assets | | | | | | | | | | | |
| 71400 Fraud Recovery | | | | | | | $64,734 | | | | |
| 71500 Other Revenue | $3,484 | | | | | | $3,162 | $20,000 | | | $10,121 |
| 71600 Gain or Loss on Sale of Capital Assets | $875 | | | | | | $2,241 | | | | |
| 72000 Investment Income - Restricted | | | | | | | | | | | $2,069 |
| 70000 Total Revenue | $4,127,689 | $0 | $241,484 | $0 | $0 | $78,755 | $48,238,426 | $20,000 | $0 | $0 | $476,382 |
| | | | | | | | | | | | |
| 91100 Administrative Salaries | $368,983 | | $26,507 | | | $58,713 | $2,124,705 | | | | $23,635 |
| 91200 Auditing Fees | $12,764 | | | | | | $37,749 | $2,250 | | | $7,000 |
| 91300 Management Fee | $336,760 | | | | | | $990,684 | | | | $24,000 |
| 91310 Book-keeping Fee | $33,848 | | | | | | $619,178 | | | | |
| 91400 Advertising and Marketing | $83 | | | | | | $12,609 | | | | $803 |
| 91500 Employee Benefit contributions - Administrative | $232,992 | | $10,671 | | | $24,019 | $1,310,849 | | | | $24,267 |
| 91600 Office Expenses | $42,001 | | $6,654 | | | $7,693 | $429,505 | $71 | | | $9,823 |
| 91700 Legal Expense | $7,975 | | | | | $355 | $9,377 | | | | $7,381 |
| 91800 Travel | $56 | | | | | $1,224 | $17,883 | | | | |
| 91810 Allocated Overhead | | | | | | | | | | | |
| 91900 Other | $117,144 | | $866 | | | $12,075 | $462,351 | $21,530 | | | $16,565 |
| 91000 Total Operating - Administrative | $1,152,606 | $0 | $44,698 | $0 | $0 | $104,079 | $6,014,890 | $23,851 | $0 | $0 | $113,474 |
| | | | | | | | | | | | |
| 92000 Asset Management Fee | $45,880 | | | | | | | | | | |
| 92100 Tenant Services - Salaries | | | | | | | | | | | |
| 92200 Relocation Costs | $20 | | | | | | | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | | | | | | | | | |
| 92400 Tenant Services - Other | | | | | | | | | | | |
| 92500 Total Tenant Services | $20 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| | | | | | | | | | | | |
| 93100 Water | $174,197 | | | | | | | | | | $23,453 |
| 93200 Electricity | $46,904 | | | | | | | | | | $1,764 |
| 93300 Gas | $3,913 | | | | | | | | | | $1,374 |
| 93400 Fuel | | | | | | | | | | | |
| 93500 Labor | | | | | | | | | | | |
| 93600 Sewer | $95,073 | | | | | | | | | | $11,369 |
| 93700 Employee Benefit Contributions - Utilities | | | | | | | | | | | |
| 93800 Other Utilities Expense | $143,518 | | | | | | $87 | | | | $11,111 |
| 93000 Total Utilities | $463,605 | $0 | $0 | $0 | $0 | $0 | $87 | $0 | $0 | $0 | $49,071 |
| | | | | | | | | | | | |
| 94100 Ordinary Maintenance and Operations - Labor | $137,374 | | | | | | | | | | $35,974 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | $137,364 | | | | | $113 | $3,231 | | | | $19,076 |
| 94300 Ordinary Maintenance and Operations Contracts | $526,204 | | $425 | | | $1,306 | $44,378 | | | | $55,614 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | | | | | | | | | | |
| 94000 Total Maintenance | $800,942 | $0 | $425 | $0 | $0 | $1,419 | $47,609 | $0 | $0 | $0 | $110,664 |

**Housing Authority City of Fresno (CA006)**
**Fresno, CA**
**Entity Wide Revenue and Expense Summary**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 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) | 14.218 Community Development Block Grants/Entitlement Grants | 14.870 Resident Opportunity and Supportive Services | 14.871 Housing Choice Vouchers | 6.2 Component Unit - Blended | 14.866 Revitalization of Severely Distressed Public Housing | 14.185 Hope III | 14.182 N/C S/R Section 8 Programs |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | $0 | $0 | $0 | $0 | $0 | $0 |
| 96110 Property Insurance | $63,812 | | | | | | | | $551 | | $20,412 |
| 96120 Liability Insurance | $10,402 | | | | | | | | $40 | | $1,306 |
| 96130 Workmen's Compensation | $31,232 | | $380 | | | $853 | $58,879 | | | | $4,425 |
| 96140 All Other Insurance | $7,907 | | $170 | | | $260 | $12,623 | | $9 | | $1,048 |
| 96100 Total insurance Premiums | $113,353 | $0 | $550 | $0 | $0 | $1,113 | $71,502 | $0 | $600 | $0 | $27,191 |
| 96200 Other General Expenses | $1,942,389 | | $207,292 | | | $654 | $10,507 | | | | $41 |
| 96210 Compensated Absences | $40,873 | | $4,730 | | | $5,836 | $205,285 | | | | $3,966 |
| 96300 Payments in Lieu of Taxes | $70,297 | | | | | | | | | | |
| 96400 Bad debt - Tenant Rents | $18,393 | | | | | | | | | | $1,243 |
| 96500 Bad debt - Mortgages | | | | | | | | | | | |
| 96600 Bad debt - Other | | | | | | | | | | | |
| 96800 Severance Expense | | | | | | | | | | | |
| 96000 Total Other General Expenses | $2,071,952 | $0 | $212,022 | $0 | $0 | $6,490 | $215,792 | $0 | $0 | $0 | $5,250 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | | | | | | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | $1,174 | | | | | | | | | | $48,447 |
| 96730 Amortization of Bond Issue Costs | | | | | | | | | | | |
| 96700 Total Interest Expense and Amortization Cost | $1,174 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $48,447 |
| 96900 Total Operating Expenses | $4,649,532 | $0 | $257,695 | $0 | $0 | $113,101 | $6,349,880 | $23,851 | $600 | $0 | $354,097 |
| 97000 Excess of Operating Revenue over Operating Expenses | ($521,843) | $0 | ($16,211) | $0 | $0 | ($34,346) | $41,888,546 | ($3,851) | ($600) | $0 | $122,285 |
| 97100 Extraordinary Maintenance | $1,050 | | | | | | | | | | |
| 97200 Casualty Losses - Non-capitalized | | | | | | | | | | | |
| 97300 Housing Assistance Payments | ($141) | | $3,250 | | | | $44,060,217 | | | | $3,098 |
| 97350 HAP Portability-In | | | | | | | | | | | |
| 97400 Depreciation Expense | $510,548 | | | | | | $10,380 | | | | $9,745 |
| 97500 Fraud Losses | | | | | | | | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | | | | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | | | | | | | |
| 97800 Dwelling Units Rent Expense | | | | | | | | | | | |
| 90000 Total Expenses | $5,160,989 | $0 | $260,945 | $0 | $0 | $113,101 | $50,420,477 | $23,851 | $600 | $0 | $366,940 |
| 10010 Operating Transfer In | | | | | | | | | | | |
| 10020 Operating transfer Out | | | | | | | | | | | |
| 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) | | | | | | | | | | | |
| 10091 Inter Project Excess Cash Transfer In | $229,210 | | | | | | | | | | |
| 10092 Inter Project Excess Cash Transfer Out | ($229,210) | | | | | | | | | | |
| 10093 Transfers between Program and Project - In | | | | | | | | | | | |
| 10094 Transfers between Project and Program - Out | ($93,829) | | | | | | | | | | |
| 10100 Total Other financing Sources (Uses) | ($93,829) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses** | **($1,127,129)** | **$0** | **($19,461)** | **$0** | **$0** | **($34,346)** | **($2,182,051)** | **($3,851)** | **($600)** | **$0** | **$109,442** |

**Housing Authority City of Fresno (CA006)**
**Fresno, CA**
**Entity Wide Revenue and Expense Summary**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 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) | 14.218 Community Development Block Grants/Entitlement Grants | 14.870 Resident Opportunity and Supportive Services | 14.871 Housing Choice Vouchers | 6.2 Component Unit - Blended | 14.866 Revitalization of Severely Distressed Public Housing | 14.185 Hope III | 14.182 N/C S/R Section 8 Programs |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
| 11020 Required Annual Debt Principal Payments | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 11030 Beginning Equity | $21,295,412 | $0 | ($21,891) | $0 | ($347,883) | $25,367 | ($2,592,366) | $133,190 | $0 | $0 | ($560,558) |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | $51,720 | | | | | | $24,354 | ($5,000) | | | $3,538 |
| 11050 Changes in Compensated Absence Balance | | | | | | | | | | | |
| 11060 Changes in Contingent Liability Balance | | | | | | | | | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | | | | | | | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | | | | | | | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | | | | | | | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | | | | | | | | | |
| 11170 Administrative Fee Equity | | | | | | | ($5,241,357) | | | | |
| | | | | | | | | | | | |
| 11180 Housing Assistance Payments Equity | | | | | | | $491,294 | | | | |
| 11190 Unit Months Available | 4,584 | | | | | | 85,872 | | | | 50 |
| 11210 Number of Unit Months Leased | 4,513 | | | | | | 82,557 | | | | 50 |
| 11270 Excess Cash | $596,156 | | | | | | | | | | |
| 11610 Land Purchases | $0 | | | | | | | | | | |
| 11620 Building Purchases | $0 | | | | | | | | | | |
| 11630 Furniture & Equipment - Dwelling Purchases | $0 | | | | | | | | | | |
| 11640 Furniture & Equipment - Administrative Purchases | $0 | | | | | | | | | | |
| 11650 Leasehold Improvements Purchases | $77,328 | | | | | | | | | | |
| 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**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 14.181 Supportive Housing for Persons with Disabilities | 14.238 Shelter Plus Care | 93.645 Child Welfare Services_State Grants | 14.235 Supportive Housing Program | 14.239 HOME Investment Partnerships Program | 2 State/Local | 1 Business Activities | 10.427 Rural Rental Assistance Payments | COCC | Subtotal | ELIM | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 70300 Net Tenant Rental Revenue | | | | | | $226,197 | $1,718,724 | $245,490 | $87,200 | $3,487,986 | | $3,487,986 |
| 70400 Tenant Revenue - Other | | | | | | $5,420 | | $35 | | $29,331 | | $29,331 |
| 70500 Total Tenant Revenue | $0 | $0 | $0 | $0 | $0 | $231,617 | $1,718,724 | $245,525 | $87,200 | $3,517,317 | $0 | $3,517,317 |
| | | | | | | | | | | | | |
| 70600 HUD PHA Operating Grants | $218,831 | $862,385 | | $218,299 | $332,529 | | | | | $52,549,025 | | $52,549,025 |
| 70610 Capital Grants | $31,026 | | | | | | | | | $81,852 | | $81,852 |
| 70710 Management Fee | | | | | | | | | $1,389,970 | $1,389,970 | ($1,389,970) | $0 |
| 70720 Asset Management Fee | | | | | | | | | $45,880 | $45,880 | ($45,880) | $0 |
| 70730 Book Keeping Fee | | | | | | | | | $653,025 | $653,025 | ($653,025) | $0 |
| 70740 Front Line Service Fee | | | | | | | | | | | | |
| 70750 Other Fees | | | | | | | | | $860,463 | $860,463 | | $860,463 |
| 70700 Total Fee Revenue | | | | | | | | | $2,949,338 | $2,949,338 | ($2,088,875) | $860,463 |
| | | | | | | | | | | | | |
| 70800 Other Government Grants | | | | | | $111,240 | $20,880 | $37,843 | | $484,909 | | $484,909 |
| 71100 Investment Income - Unrestricted | | | | $97,980 | | | $793,652 | | $6,081 | $1,456,759 | | $1,456,759 |
| 71200 Mortgage Interest Income | | | | | | | $11,764 | | | $11,764 | | $11,764 |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | | | | | | | | | |
| 71310 Cost of Sale of Assets | | | | | | | | | | | | |
| 71400 Fraud Recovery | | | | | | | | | | $64,734 | | $64,734 |
| 71500 Other Revenue | | | | $4,978 | | $933,997 | $5,787,080 | $3,823 | $2,615,141 | $9,381,786 | ($2,035,374) | $7,346,412 |
| 71600 Gain or Loss on Sale of Capital Assets | | | | | | | ($93,874) | | ($7,229) | ($97,987) | | ($97,987) |
| 72000 Investment Income - Restricted | | | | | | | $389 | $721 | | $3,179 | | $3,179 |
| 70000 Total Revenue | $249,857 | $862,385 | $0 | $321,257 | $332,529 | $1,276,854 | $8,238,615 | $287,912 | $5,650,531 | $70,402,676 | ($4,124,249) | $66,278,427 |
| | | | | | | | | | | | | |
| 91100 Administrative Salaries | | $32,703 | | $149,234 | $13,607 | $363,510 | $447,735 | $23,387 | $2,470,095 | $6,102,814 | | $6,102,814 |
| 91200 Auditing Fees | | | | | | $4,563 | $11,986 | $1,400 | $8,717 | $86,429 | | $86,429 |
| 91300 Management Fee | $31,026 | | | | | | | $7,500 | | $1,389,970 | ($1,389,970) | $0 |
| 91310 Book-keeping Fee | | | | | | | | | | $653,026 | ($653,025) | $1 |
| 91400 Advertising and Marketing | | | | | | $828 | $2,585 | | $15,246 | $32,154 | | $32,154 |
| 91500 Employee Benefit contributions - Administrative | | $12,100 | | $59,304 | $4,852 | $142,717 | $160,145 | $15,206 | $1,376,662 | $3,373,784 | | $3,373,784 |
| 91600 Office Expenses | | $118 | | $5,726 | $1,694 | $128,827 | $104,020 | $5,664 | $761,296 | $1,503,092 | ($724,763) | $778,329 |
| 91700 Legal Expense | | | | | | $2,271 | $15,242 | $174 | $86,803 | $129,578 | | $129,578 |
| 91800 Travel | | | | $3,212 | | $7,031 | $19,388 | $917 | $114,047 | $163,758 | | $163,758 |
| 91810 Allocated Overhead | | | | | | | | | | | | |
| 91900 Other | | $5,204 | | $16,821 | $1,262 | $110,538 | $493,555 | $9,760 | $651,613 | $1,919,284 | ($1,310,611) | $608,673 |
| 91000 Total Operating - Administrative | $31,026 | $50,125 | $0 | $234,297 | $21,415 | $760,285 | $1,254,656 | $64,008 | $5,484,479 | $15,353,889 | ($4,078,369) | $11,275,520 |
| | | | | | | | | | | | | |
| 92000 Asset Management Fee | | | | | | | | | | $45,880 | ($45,880) | $0 |
| 92100 Tenant Services - Salaries | | | | | | | | | | | | |
| 92200 Relocation Costs | | | | | | | | | $59 | $79 | | $79 |
| 92300 Employee Benefit Contributions - Tenant Services | | | | | | | | | | | | |
| 92400 Tenant Services - Other | | | | $13,638 | | | | | | $13,638 | | $13,638 |
| 92500 Total Tenant Services | $0 | $0 | $0 | $13,638 | $0 | $0 | $0 | $0 | $59 | $13,717 | $0 | $13,717 |
| | | | | | | | | | | | | |
| 93100 Water | | | | | | $5,598 | $39,926 | $14,083 | $3,407 | $260,664 | | $260,664 |
| 93200 Electricity | | | | | | $9,139 | $60,654 | $625 | $76,387 | $195,473 | | $195,473 |
| 93300 Gas | | | | | | $1,115 | $21,492 | $23 | $2,486 | $30,403 | | $30,403 |
| 93400 Fuel | | | | | | | | | | | | |
| 93500 Labor | | | | | | | | | | | | |
| 93600 Sewer | | | | | | $5,598 | $47,075 | $8,772 | $1,644 | $169,531 | | $169,531 |
| 93700 Employee Benefit Contributions - Utilities | | | | | | | | | | | | |
| 93800 Other Utilities Expense | | | | | | $4,100 | $42,652 | $15,953 | $3,881 | $221,302 | | $221,302 |
| 93000 Total Utilities | $0 | $0 | $0 | $0 | $0 | $25,550 | $211,799 | $39,456 | $87,805 | $877,373 | $0 | $877,373 |
| | | | | | | | | | | | | |
| 94100 Ordinary Maintenance and Operations - Labor | | | | | | $15,596 | $45,153 | $13,844 | $110,542 | $358,483 | | $358,483 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | | | | | | $8,609 | $112,324 | $15,830 | $29,906 | $326,453 | | $326,453 |
| 94300 Ordinary Maintenance and Operations Contracts | | $504 | | $31,140 | $206 | $31,976 | $595,069 | $61,262 | $471,962 | $1,820,046 | | $1,820,046 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | | | | | | | | | | | |
| 94000 Total Maintenance | $0 | $504 | $0 | $31,140 | $206 | $56,181 | $752,546 | $90,936 | $612,410 | $2,504,982 | $0 | $2,504,982 |

**Housing Authority City of Fresno (CA006)**
**Fresno, CA**
**Entity Wide Revenue and Expense Summary**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 14.181 Supportive Housing for Persons with Disabilities | 14.238 Shelter Plus Care | 93.645 Child Welfare Services_State Grants | 14.235 Supportive Housing Program | 14.239 HOME Investment Partnerships Program | 2 State/Local | 1 Business Activities | 10.427 Rural Rental Assistance Payments | COCC | Subtotal | ELIM | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 96110 Property Insurance | | | | | | $3,912 | $5,605 | $7,680 | $16,504 | $118,476 | | $118,476 |
| 96120 Liability Insurance | | | | | | $111 | $904 | $1,050 | $844 | $14,657 | | $14,657 |
| 96130 Workmen's Compensation | | $910 | | $2,268 | $188 | $6,272 | $14,641 | $3,559 | $86,701 | $210,308 | | $210,308 |
| 96140 All Other Insurance | | $355 | | $480 | | $2,377 | $2,216 | $884 | $23,612 | $51,941 | | $51,941 |
| 96100 Total insurance Premiums | $0 | $1,265 | $0 | $2,748 | $188 | $12,672 | $23,366 | $13,173 | $127,661 | $395,382 | $0 | $395,382 |
| 96200 Other General Expenses | | $831,699 | | $19,092 | $286,424 | $200,978 | $443,189 | $400 | $150,495 | $4,093,160 | | $4,093,160 |
| 96210 Compensated Absences | | $8,518 | | $13,348 | | $31,441 | $40,628 | $3,960 | $286,203 | $644,788 | | $644,788 |
| 96300 Payments in Lieu of Taxes | | | | | | | | | | $70,297 | | $70,297 |
| 96400 Bad debt - Tenant Rents | | | | | | | | $4,170 | | $23,806 | | $23,806 |
| 96500 Bad debt - Mortgages | | | | | | | | | | | | |
| 96600 Bad debt - Other | | | | $503,717 | $29 | | $542,010 | | | $1,045,756 | | $1,045,756 |
| 96800 Severance Expense | | | | | | | | | | | | |
| 96000 Total Other General Expenses | $0 | $840,217 | $0 | $536,157 | $286,453 | $232,419 | $1,025,827 | $8,530 | $436,698 | $5,877,807 | $0 | $5,877,807 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | | | | | | | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | | | | $111,911 | $190,715 | $2,734 | | $354,981 | | $354,981 |
| 96730 Amortization of Bond Issue Costs | | | | | | | | | | | | |
| 96700 Total Interest Expense and Amortization Cost | $0 | $0 | $0 | $0 | $0 | $111,911 | $190,715 | $2,734 | $0 | $354,981 | $0 | $354,981 |
| 96900 Total Operating Expenses | $31,026 | $892,111 | $0 | $817,980 | $308,262 | $1,199,018 | $3,458,909 | $218,837 | $6,749,112 | $25,424,011 | ($4,124,249) | $21,299,762 |
| 97000 Excess of Operating Revenue over Operating Expenses | $218,831 | ($29,726) | $0 | ($496,723) | $24,267 | $77,836 | $4,779,706 | $69,075 | ($1,098,581) | $44,978,665 | $0 | $44,978,665 |
| 97100 Extraordinary Maintenance | | | | | | | $1,524 | | | $2,574 | | $2,574 |
| 97200 Casualty Losses - Non-capitalized | | | | | | | | | | | | |
| 97300 Housing Assistance Payments | $194,481 | | | $167 | $20,200 | $14,082 | | | | $44,295,354 | | $44,295,354 |
| 97350 HAP Portability-In | | | | | | | | | | | | |
| 97400 Depreciation Expense | | | | | | $140,021 | $384,593 | $82,458 | $167,135 | $1,304,880 | | $1,304,880 |
| 97500 Fraud Losses | | | | | | | | | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | | | | | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | | | | | | | | |
| 97800 Dwelling Units Rent Expense | | | | | | | | | | | | |
| 90000 Total Expenses | $225,507 | $892,111 | $0 | $818,147 | $328,462 | $1,353,121 | $3,845,026 | $301,295 | $6,916,247 | $71,026,819 | ($4,124,249) | $66,902,570 |
| 10010 Operating Transfer In | | | | | | | | | | | | |
| 10020 Operating transfer Out | | | | | | | | | | | | |
| 10030 Operating Transfers from/to Primary Government | | | | | | | $0 | | ($2,449) | ($2,449) | | ($2,449) |
| 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 | | | | | | | | | | $229,210 | | $229,210 |
| 10092 Inter Project Excess Cash Transfer Out | | | | | | | | | | ($229,210) | | ($229,210) |
| 10093 Transfers between Program and Project - In | | | | | | | $93,829 | | | $93,829 | | $93,829 |
| 10094 Transfers between Project and Program - Out | | | | | | | | | | ($93,829) | | ($93,829) |
| 10100 Total Other financing Sources (Uses) | $0 | $0 | $0 | $0 | $0 | $0 | $93,829 | $0 | ($2,449) | ($2,449) | $0 | ($2,449) |
| **10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses** | **$24,350** | **($29,726)** | **$0** | **($496,890)** | **$4,067** | **($76,267)** | **$4,487,418** | **($13,383)** | **($1,268,165)** | **($626,592)** | **$0** | **($626,592)** |

**Housing Authority City of Fresno (CA006)**
**Fresno, CA**
**Entity Wide Revenue and Expense Summary**
**Fiscal Year End: 12/31/2018**
**Submission Type: Audited/Single Audit**

| | 14.181 Supportive Housing for Persons with Disabilities | 14.238 Shelter Plus Care | 93.645 Child Welfare Services_State Grants | 14.235 Supportive Housing Program | 14.239 HOME Investment Partnerships Program | 2 State/Local | 1 Business Activities | 10.427 Rural Rental Assistance Payments | COCC | Subtotal | ELIM | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 11020 Required Annual Debt Principal Payments | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | | $0 |
| 11030 Beginning Equity | $12,941 | ($348,987) | $283,926 | $1,221,030 | ($8,151) | ($1,666,780) | $57,616,221 | $540,759 | ($1,029,321) | $74,552,909 | | $74,552,909 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | ($12,942) | | ($283,926) | | | ($207,845) | $259,755 | $8,647 | $131,327 | ($30,372) | | ($30,372) |
| 11050 Changes in Compensated Absence Balance | | | | | | | | | | | | |
| 11060 Changes in Contingent Liability Balance | | | | | | | | | | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | | | | | | | | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | | | | | | | | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | | | | | | | | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | | | | | | | | | | |
| 11170 Administrative Fee Equity | | | | | | | | | | ($5,241,357) | | ($5,241,357) |
| 11180 Housing Assistance Payments Equity | | | | | | | | | | $491,294 | | $491,294 |
| 11190 Unit Months Available | | | | | | 384 | | 480 | | 91,370 | | 91,370 |
| 11210 Number of Unit Months Leased | | | | | | 352 | | 474 | | 87,946 | | 87,946 |
| 11270 Excess Cash | | | | | | | | | | $596,156 | | $596,156 |
| 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 | $77,328 | | $77,328 |
| 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

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
2301 Dupont Drive | Suite 200 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

# 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

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

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 (Agency), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated August 16, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.

## Compliance and Other Matters

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

## Purpose of this Report

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

Davis Farr LLP

Irvine, California
August 16, 2019

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
2301 Dupont Drive | Suite 200 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

# 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 THE UNIFORM GUIDANCE

## Independent Auditor's Report

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

## Report on Compliance for Each Major Program

We have audited the Housing Authority of the City of Fresno's (Agency's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended December 31, 2018. The Agency'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Agency'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Agency'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 Agency's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, the Agency 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, 2018.

## Report on Internal Control Over Compliance

Management of the Agency 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 Agency'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the basic financial statements of the Agency as of and for the year ended December 31, 2018, and have issued our report thereon dated August 16, 2019, which contained an unmodified opinion on the financial statements. 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 the Uniform Guidance 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.

Davis Farr LLP

Irvine, California
August 16, 2019

## HOUSING AUTHORITY OF THE CITY OF FRESNO
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## YEAR ENDED DECEMBER 31, 2018

| 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 | | $ 37,843 |
| Farm labor housing Loans and Grants (loans) | 10.405 | | 223,173 |
| **Subtotal - Department of Agriculture** | | | **261,016** |
| Department of Housing and Urban Development: | | | |
| Direct Assistance: | | | |
| Supportive Housing of Persons with Disabilities | 14.181 | | 249,857 |
| Special Needs Assistance (SNAP) | 14.235 | | 218,299 |
| Shelter Plus Care Program | 14.238 | | 862,385 |
| Home Investment Partnerships Program | 14.239 | | 332,529 |
| Homelessness Prevention and Rapid Re-Housing Program | 14.257 | | 241,484 |
| Public and Indian Housing | 14.850 | Contract # SF-170 | 2,084,638 |
| Resident Opportunity and Supportive Services | 14.870 | CA006RFS015A007 | 78,755 |
| Housing Voucher Cluster: | | | |
| Section 8 Housing Voucher Program | 14.871 | Contract # SF-472 | 48,168,289 |
| Public Housing Capital Funds Program | 14.872 | Contract # SF-170 | 394,642 |
| Subtotal - HUD Direct Assistance | | | 52,630,878 |
| Passed through the State of California Housing Finance Agency: | | | |
| Section 8 New Construction and Sub Rehab | 14.182 | CHFA # 76-54-N | 314,946 |
| **Subtotal - U.S. Department of Housing and Urban Development** | | | **52,945,824** |
| **Total expenditures of federal awards** | | | **$ 53,206,840** |

See accompanying notes to schedule of expenditures of federal awards.

## (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 (Agency) 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. The Agency did not use the 10% de minimis indirect cost rate as covered in section 200.414 of the Uniform Guidance.

### (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, 2018, the Agency disbursed no federal funds to subrecipients.

### (d) 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 Authority used the funds for the acquisition and development of four multi-unit rental housing developments. The notes accrue interest at 1% per annum and the note matures on April 2, 2033. At December 31, 2018, the outstanding balance for the notes was $223,173.

**HOUSING AUTHORITY OF THE CITY OF FRESNO**

**Schedule of Findings and Questioned Costs**

**Year ended December 31, 2018**

## (A) Summary of Auditor's Results

### Financial Statements

| | |
|---|---|
| 1. Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

### Federal Awards

| | |
|---|---|
| 1. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified? | None Reported |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? | No |

4. Identification of major programs:

| CFDA Number | Name of Federal Program or Cluster |
|---|---|
| 14.871 | U.S. Dept. of Housing and Urban Development – Section 8 Housing Choice Vouchers |

| | |
|---|---|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | $1,596,205 |
| 6. Auditee qualified as a low-risk auditee? | Yes |

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

There were no auditor's findings required to be reported in accordance with GAGAS.

## (C) Findings and Questioned Costs for Federal Awards

There were no auditor's findings required to be reported in accordance with section 200.516 of the Uniform Guidance.

**HOUSING AUTHORITY OF THE CITY OF FRESNO**

**Summary Schedule of Prior Audit Findings**

**Year ended December 31, 2018**

There were no findings noted in the Single Audit Report for the year ended December 31, 2017.