

Housing Authority of

Fresno County

Fresno, California

Comprehensive Annual Financial Report

Year Ended

December 31, 2020

FRESNO VIBRANT
COMMUNITIES
QUALITY HOUSING ENGAGED
HOUSING RESIDENTS

HOUSING AUTHORITY OF FRESNO COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2020

Issued by
Accounting & Finance Department

HOUSING AUTHORITY OF FRESNO COUNTY
Fresno, California
Year Ended December 31, 2020
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Housing Authority of

Fresno County

Fresno, California

Introductory Section:

Letter of Transmittal

Organizational Chart

List of Principal Officials

Certificate of Achievement for
Excellence in Financial Reporting



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September 30, 2021

Members of the Board of Commissioners of
the Housing Authority of Fresno County:

We are pleased to present the Comprehensive Annual Financial Report for the Housing Authority of Fresno County (Agency) for the year ended December 31, 2020. This report is prepared in conformance with standards of financial reporting as established by the Governmental Accounting Standards Board and the Government Finance Officers Association. The U.S. Department of Housing and Urban Development (HUD) requires that all public housing authorities publish within nine months after the fiscal year end, financial statements presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP). The Agency's financial statements have been audited by CohnReznick, LLP, a firm of licensed independent auditors. The purpose of the independent audit is to provide reasonable assurance that the audited financial statements are free from material misstatement. The auditors issued unmodified opinions on the Housing Authority of Fresno County's financial statements for the year ended December 31, 2020. The data presented in this report is the responsibility of the management of Agency. To the best of our knowledge and belief, the data presented is accurate in all material aspects and is presented in a manner designed to fairly state the financial position and results of operations of the Agency. All disclosures necessary have been included to enable the reader to gain an understanding of Agency's financial affairs. As required by GAAP, management has provided a narrative introduction, overview and analysis to complement the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the Independent Auditor's Report.

Government Overview

The Housing Authority of Fresno County was established by a resolution of Fresno County Board of Supervisors on February 5, 1946. Agency was founded under the Health and Safety Code of the State of California and the United States Housing Act of 1937, and is governed by a seven-member Board of Commissioners appointed by the County's Board of Supervisors, where five members are appointed to four-year terms, and two members, also residents of the Agency's housing program, are appointed to two-year terms. The Housing Authority of Fresno County has been operating in conjunction with

the Housing Authority of the City of Fresno since 1995 under a Joint Exercise of Powers Agreement, which authorizes the two agencies to pool resources and cooperate on designated projects of mutual interest. Collectively known as Fresno Housing (FH), the two housing authorities serve Fresno County under a variety of programs with the mission to create and sustain vibrant communities.

Fresno Housing's mission is accomplished by administering a number of programs developed by HUD, including the Public Housing Program, the Section 8 Housing Choice Voucher Program and the Project Based Section 8 Program. FH's primary source of funding comes from HUD, who has direct responsibility for administering housing program under the Housing Act of 1937. FH also receives funding from the U.S. Department of Agriculture's Rural Development Program to provide farm labor housing in the Fresno County. In addition to these federal programs, FH has established various instrumentalities, affiliates and partnerships to explore and develop innovative methods for offering housing opportunities to low and moderate income residents of Fresno County. Altogether, FH provides affordable housing to more than 40,000 of Fresno's lowest-income families, elderly, veterans, and persons with disabilities, making FH the County's largest provider of affordable housing.

Economic Condition and Outlook

Over these past seven decades, Fresno Housing has been flexible in adhering to complex and demanding government mandates, while continuously attempting to meet the housing needs of Fresno's diverse communities. As the FH looks to the future, FH continue to consider ways to advance affordable housing opportunities by growing programs strategically, by maximizing the potential of its resources – increasing its effectiveness and expanding its capacity – and by responding appropriately to the specific issues facing the ever-changing communities of Fresno County.

Congressional housing legislation and the Federal budget affect the FH more than local economic factors. FH's primary source of funding is HUD. As with most housing authorities, a majority of FH's operating and capital funding comes from federal sources in the form of operating subsidies, capital grant funds and Section 8 Housing Assistance Payments (HAP). In FY 2020, HUD and other federal agencies provided approximately 86% of the Agency's total operating revenues. For the Public Housing program, housing authorities receive operating subsidies in accordance with an operating subsidy funding formula. In general, the calculated subsidy amount is the difference between an estimate of operating costs minus an estimate of income from rents. Operating subsidies are subject to annual appropriation by Congress. In 2020, the Public Housing program was funded at 96.6% of eligibility. Funding for Section 8 was prorated at 99.5% for HAP and 80.2% of eligibility for administrative fees.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act provided funding to prevent, prepare for, and respond to the COVID-19 pandemic including for public housing agencies to maintain normal operations and take other necessary actions while programs were impacted by COVID-19. Housing Authority of Fresno County received \$2.4 million dollars of Supplemental Cares Act Funding for the Housing Choice Voucher and Public Housing Programs.

Major Initiatives

Fresno Housing envisions an engaged community, where all residents have access to quality housing that contributes to vibrant neighborhoods, and where all residents are empowered to achieve their educational and economic goals. Fresno Housing continues to focus on four primary strategies, as it works toward its broad, community-building mission and vision.

- **Place.** Develop and maintain quality affordable housing for low-income residents throughout the County.
- **People.** Design, implement, and sustain exceptional programs that invest in residents and program participants to become self-fulfilled through an array of educational, employment, and economic platforms.
- **Partnership.** Lead, encourage, and build partnerships with local, regional, and national organizations to promote policies that build community that increase and enhance affordable housing options, and that provide programs that reflect and support the diverse needs to housing participants.
- **Public.** Generate public will to address the housing needs to low-income households in Fresno, and throughout California, by contributing to effective national and statewide advocacy efforts and by implementing programs that educate and encourage residents of County of Fresno to have a voice in housing and civic issues.

It is FH's mission to serve the residents of Fresno by developing and expanding the availability of quality affordable housing options throughout the County by growing and preserving appropriate residential assets and increasing housing opportunities for low-income residents. Over the past decade, FH has been one of the most productive affordable housing developers in the Central Valley, building and renovating over 2,200 units and bringing close to \$510 million dollars of private investment to Fresno County. These efforts are mainly accomplished through the Low-Income Housing Tax Credit Program (LIHTC) and HUD's Rental Assistance Demonstration (RAD). These two programs allow FH to leverage public and private debt and equity in order to construct and/or rehabilitate affordable housing stock.

Other on-going, FH initiatives include a Landlord Outreach Program, Workforce Development Pilot, Research, Program Evaluation, and Analysis, the California Avenue Neighborhood Plan, Diversity Equity and Inclusion, and a Resident Safety Program.

Financial Information

Fresno Housing's management is responsible for establishing and maintain a proper internal control structure to safeguard its assets and ensure accounting data is accurately presented in conformance with GAAP. FH has designed its internal control structure to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that: (1) the costs of a control

should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgment by management.

As a recipient of federal awards, FH is responsible for ensuring that adequate internal controls are in place to provide compliance with applicable laws, regulations, contracts and grants related to those programs. These internal controls are subject to periodic evaluation by management, and their independent auditors. As part of FH's single audit, the adequacy of internal controls are tested, including that portion related to federal award programs, as well as FH's compliance with applicable laws, regulations, contracts and grants. The FH's single audit for the year ended December 31, 2020 found no instances of material weakness in the internal controls. Reports were prepared for this purpose and are included in this financial report in the Single Audit Section.

FH exercises budgetary controls over all programs through a variety of internal control mechanisms. Automated systems allow checking for purchases against expenditure budgets and accounts. Secondary budgetary control is maintained by the encumbrance of estimated purchase amounts and contracts prior to releasing payments on the purchase orders. Third is an automated inquiry system, which allows the user to look up account information to check budgets and detailed charges against budgets. Budget to actual reports are presented to the FH Board and management for all FH programs on a monthly basis.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate for Achievement for Excellence in Financial Reporting to Fresno Housing of Fresno County for its Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the first year that the FH has achieved this prestigious award. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. FH believes that our current comprehensive annual financial reporting continues to meet the GFOA's requirement and FH intends to submit its financial report for the year ended December 31, 2020 to the GFOA for award consideration.

Acknowledgements

Preparation of the Comprehensive Annual Financial Report is made possible through the dedicated service of the entire staff of the Accounting & Finance Department. Our sincere appreciation is extended to the management and staff of CohnReznick LLP, who provided the necessary professional auditing services and technical assistance.

In closing, without the leadership and support of the members of the Boards of Commissioners, preparation of this report would not have been made possible.

Respectfully Submitted,

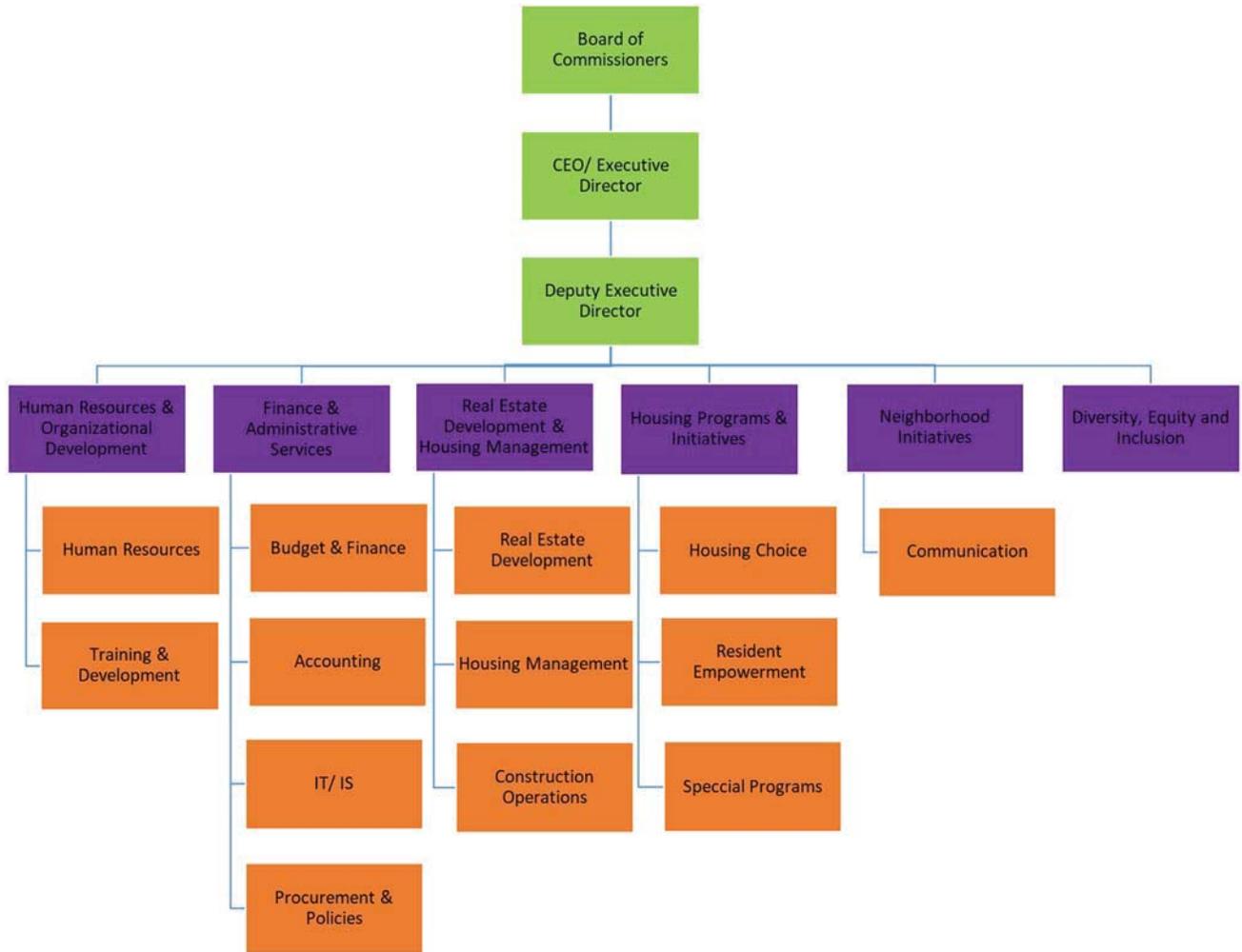


Angelina Nguyen
Interim CEO/Executive Director



Tracewell Hanrahan
Deputy Executive Director

Housing Authority of the City of Fresno
Organizational Chart
December 31, 2020



Housing Authority of Fresno County
List of Principal Officials
December 31, 2020

Board of Commissioners:

Cary Catalano
Chairperson

Nikki Henry
Vice-Chairperson

Valori Gallaher
Commissioner

Stacy Sablan
Commissioner

Sophia Ramos
Commissioner

Edugiben Ortiz
Commissioner

Joey Fuentes
Commissioner

Management:

Angelina Nguyen
Interim CEO/ Executive Director

Tracewell Hanrahan
Deputy Director

Marc' Bady
Chief Diversity Office

Emily De La Guerra
Chief Business Officer

Michael Duarte
Chief Real Estate Officer

Jeff Cardell
Director of Human Resources



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Housing Authority of Fresno County
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of Fresno County

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of Fresno County (the "Agency") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit included in the basic financial statements of the Agency. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditor. 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. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Housing Authority of Fresno County as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, and the schedule of pension plan contributions as listed in the table of contents 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 and the other auditor have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section and the Financial Data Schedule required by the U.S. Department of Housing and Urban Development ("HUD") listed in the table of contents as other supplementary information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Financial Data Schedule required by HUD listed in the table of contents as other 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 by us and the other auditor. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditor, the Financial Data Schedule required by HUD listed in the table of contents as other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, 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 solely 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 the effectiveness of the Agency's 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.



Sacramento, California
September 30, 2021

**Housing Authority of Fresno County
Management’s Discussion and Analysis
Year Ended December 31, 2020**

Introduction

This narrative overview and analysis of the Housing Authority of Fresno County’s (the “Agency”) performance through December 31, 2020, 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
- Required Supplementary Information
- Other Supplementary 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 deferred outflows of resources and liabilities and deferred inflows of resources, 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 Revenue, 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, 2020 and 2019. 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.
- Required Supplementary Information includes the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of Pension Plan Contributions, is required by the Governmental Accounting Standards Boards and are presented to supplement the basic financial statements.
- Supplemental Information includes the Financial Data Schedules, which are submitted to U.S. Department of Housing and Urban Development’s (HUD) 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 and DOR, liabilities and DIR and net position (assets/ DOR minus liabilities/DIR).

Statement of Net Position is summarized in the table below:

	December 31,		Increase (Decrease)	Percentage Change
	2020	2019		
Assets				
Current Assets	\$ 13,786,426	\$ 8,334,705	\$ 5,451,721	65.41%
Restricted Assets	2,271,933	2,646,854	(374,921)	-14.16%
Capital Assets, Net of Accumulated Depreciation	13,419,525	13,281,831	137,694	1.04%
Other Assets	53,467,214	51,179,218	2,287,996	4.47%
Total Assets	82,945,098	75,442,608	7,502,490	9.94%
Deferred Outflows of Resources	1,561,784	2,047,772	(485,988)	-23.73%
Total Assets and Deferred Outflows of Resources	<u>\$ 84,506,882</u>	<u>\$ 77,490,380</u>	<u>\$ 7,016,502</u>	<u>9.05%</u>
Liabilities				
Current Liabilities	\$ 7,879,547	\$ 6,926,920	\$ 952,627	13.75%
Non-Current Liabilities	15,239,382	13,614,697	1,624,685	11.93%
Total Liabilities	23,118,929	20,541,617	2,577,312	12.55%
Deferred Inflows of Resources	107,921	272,712	(164,791)	-60.43%
Total Liabilities and Deferred Inflows of Resources	23,226,850	20,814,329	2,412,521	11.59%
Net Position				
Net Investment in Capital Assets	8,990,647	9,274,860	(284,213)	-3.06%
Restricted Net Position	941,169	1,271,754	(330,585)	-25.99%
Unrestricted Net Position	51,348,216	46,129,437	5,218,779	11.31%
Total Net Position	61,280,032	56,676,051	4,603,981	8.12%
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 84,506,882</u>	<u>\$ 77,490,380</u>	<u>\$ 7,016,502</u>	<u>9.05%</u>

Total assets and deferred outflows of the Agency at December 31, 2020 and 2019 amounted to \$84.5 million and \$77.4 million, respectively.

The significant components of current assets are cash and cash equivalents and receivables from tenants and related parties and HUD and local governments. Restricted assets are cash and cash equivalents 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, 2019 to December 31, 2020 were increases in current assets and increases in other assets. The increase in cash was mostly due to supplemental funding disbursed to federal housing programs under the Coronavirus Aid, Relief and Economic Security (CARES Act). The increase in other assets was mainly due to loans made to Clovis Solivita, LP and Kingsburg Linnaea Villas, LP.

Total liabilities of the Agency were \$23.1 million and \$20.5 million at December 31, 2020 and 2019, respectively. Current liabilities include short-term accounts payable, accrued liabilities, current portions of long-term debt, and unearned revenue. Current liabilities increased from \$6.9 million in 2019 to \$7.8 million in 2020 due to various short-term pre-development loans. Non-current liabilities increased from \$13.6 million in 2019 to \$15.2 million in 2020 due to the GASB 68 requirements around the 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 18 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 increased by 8.12% during the year from \$56.6 million in 2019 to \$61.2 million in 2020.

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, 2020 to December 31, 2020.

Operating revenues are the amounts received for providing housing services. This revenue can either come from tenants as rental payments, subsidy from 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,		Increase (Decrease)	Percentage Change
	2020	2019		
Operating Revenues				
Rental Income and Other	\$ 9,521,721	\$ 6,815,289	\$ 2,706,432	39.71%
Grants Revenue	50,621,092	48,734,516	1,886,576	3.87%
Total Operating Revenues	60,142,813	55,549,805	4,593,008	8.27%
Operating Expenses	57,287,674	57,329,978	(42,304)	-0.07%
Operating Income/(Loss)	2,855,139	(1,780,173)	4,635,312	-260.39%
Non-Operating Revenues/(Expenses)				
Interest Income	1,316,129	1,098,293	217,836	19.83%
Other Revenue	282,386	2,346,074	(2,063,688)	-87.96%
Non-Operating Revenues/(Expenses)	1,598,515	3,444,367	(1,845,852)	-53.59%
Net Income/(Loss) before Capital Contributions	4,453,654	1,664,194	2,789,460	167.62%
Capital Contributions	150,327	2,520,488	(2,370,161)	-94.04%
Increase/(Decrease) in Net Position	4,603,981	4,184,682	419,299	10.02%
Net Position, Beginning of Year	56,676,051	52,406,513	4,269,538	8.15%
Prior Period Adjustment	-	84,856	(84,856)	-100.00%
Net Position, Beginning of Year as Restated	56,676,051	52,491,369	4,184,682	7.97%
Net Position, End of Year	\$ 61,280,032	\$ 56,676,051	\$ 4,603,981	8.12%

The statement of revenues, expenses and changes in net position, which preceded this section, reflects the year ended December 31, 2020, compared to the year ended December 31, 2019. Overall, operating revenues increased by 8.27%, or \$4.6 million, from 2019 to 2020; operating expenses remained consistent during the year; non-operating revenues decreased by \$1.8 million from 2019 to 2020; and capital contributions decreased by \$2.3 million from prior year. These changes lead to a total increase in net position of \$4.6 million from December 31, 2019 to December 31, 2020. Explanations of the primary reasons for these changes are as follows:

- The increase in operating revenues is attributable to receipts of CARES Act funds, which include supplemental administrative fees to the HCV, Mainstream programs and supplemental Public Housing Operating Funds.
- The net increase in non-operating revenues (expenses) was mainly attributable to the absence of gain from disposition of capital assets that was recorded in 2019.
- The decrease in capital contribution was due to the absence of a one-time capital improvement grant received from USDA for Maldonado Plaza that was previously recorded in 2019.

Capital Assets

The table below shows the Agency's capital assets, net of accumulated depreciation and amortization, at December 31, 2020, and December 31, 2019.

	December 31,		Increase (Decrease)	Percentage Change
	2020	2019		
Land	\$ 1,817,636	\$ 1,667,636	\$ 150,000	8.99%
Structures	6,717,067	6,365,652	351,415	5.52%
Equipment	911,214	1,052,740	(141,526)	-13.44%
Construction in Progress	3,973,608	4,195,803	(222,195)	-5.30%
Total Capital Assets, Net	<u>\$ 13,419,525</u>	<u>\$ 13,281,831</u>	<u>\$ 137,693</u>	<u>1.04%</u>

Overall, the Agency's capital assets increased by \$137 thousand during 2020. See Note 9 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, 2020 and 2019. 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,		Increase (Decrease)	Percentage Change
	2020	2019		
Notes Payable - Non-Related Parties	\$ 3,515,107	\$ 3,089,916	\$ 425,191	13.76%
Notes Payable - Related Parties	4,675,612	4,063,895	611,717	15.05%
Total Debt	<u>\$ 8,190,719</u>	<u>\$ 7,153,811</u>	<u>\$ 1,036,908</u>	<u>14.49%</u>

The Notes Payable - Non- Related Parties increased by \$1 million during the year mostly due to increases to various short-term pre-development loans.

More detailed information about the debt and notes payable is presented in the notes to the financial statements at Note 12.

Economic Factors Affecting the Agency's Future

The majority of the Agency's funding comes from HUD in the form of Section 8 housing assistance payments, Public Housing operating subsidies, Capital Fund grants, and other smaller grants. Over the past decade, 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 Fresno County; 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 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
Chief Business Officer
1331 Fulton Street
Fresno, CA 93721
Phone: (559) 457-4266

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HOUSING AUTHORITY OF FRESNO COUNTY
Fresno, California

STATEMENT OF NET POSITION
DECEMBER 31, 2020

ASSETS AND DEFERRED OUTFLOWS	Primary Government	Kerman Acre, L.P.
Unrestricted Current Assets		
Cash and Cash Equivalents	\$ 10,637,424	\$ 77,917
Accounts Receivable - Tenants, Net of Allowance for Doubtful Accounts of \$4,454	153,885	12,983
Miscellaneous Receivables, Net of Allowance for Uncollectable Accounts of \$40,109	159,469	-
Due From Other Governments	743,836	-
Due From Related Parties	1,822,306	-
Prepaid Expenses	269,506	5,490
Total Unrestricted Current Assets	13,786,426	96,390
Restricted Current Assets		
Restricted Cash	2,271,933	12,498
Total Restricted Current Assets	2,271,933	12,498
Total Current Assets	16,058,359	108,888
Non-Current Assets		
Capital Assets		
Capital Assets - Not being depreciated	5,791,244	119,217
Capital Assets - Depreciable, Net of Accumulated Depreciation of \$57,686,759	7,628,281	2,060,883
Total Capital Assets, Net	13,419,525	2,180,100
Other Non-Current Assets		
Notes Receivable From Related Parties, Net of allowance for doubtful accounts of \$ 0	33,957,676	-
Interest Receivable - Related Parties, Net of allowance for doubtful accounts of \$597,992	4,375,390	-
Investments In Joint Ventures	16,110,739	-
Equity Interest In Component Unit	(1,322,219)	-
Assets Held For Sale	345,628	-
Total Other Non-Current Assets	53,467,214	-
Total Non-Current Assets	66,886,740	2,180,100
Total Assets	82,945,098	2,288,988
Deferred Outflow of Resources - Pension Related		
	1,561,784	-
Total Deferred Outflow of Resources	1,561,784	-
Total Assets and Deferred Outflows	\$ 84,506,882	\$ 2,288,988

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF FRESNO COUNTY
Fresno, California

STATEMENT OF NET POSITION
DECEMBER 31, 2020
(Continued)

LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>Primary Government</u>	<u>Kerman Acre, L.P.</u>
Current Liabilities		
Vendors and Contractors Payable	\$ 560,494	\$ 13,552
Accrued Salaries	307,086	-
Accrued Compensated Absences	408,426	-
Resident Security Deposits	248,495	5,646
Due To Other Governments	478,957	-
Due To Related Parties	97,601	3,112
Other Current Liabilities - Related Parties	4,804	242,118
Other Current Liabilities - Non-Related Parties	355,794	-
Notes Payable - Related Parties	3,830,771	-
Notes Payable - Non-Related Parties	36,571	-
Unearned Revenue	1,550,548	636
Total Current Liabilities	<u>7,879,547</u>	<u>265,064</u>
Non-Current Liabilities		
Notes Payable - Related Parties	844,841	782,020
Notes Payable - Non-related Parties	3,478,536	3,102,168
Accrued Interest Payable	355,983	732,425
Accrued Compensated Absences	216,211	-
Family Self-Sufficiency Escrow	43,935	-
Net Pension Liability	10,299,876	-
Total Non-Current Liabilities	<u>15,239,382</u>	<u>4,616,613</u>
Total Liabilities	<u>23,118,929</u>	<u>4,881,677</u>
Deferred Inflows of Resources - Pension Related	<u>107,921</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>107,921</u>	<u>-</u>
Total Liabilities and Deferred Inflows	<u>23,226,850</u>	<u>4,881,677</u>
Net Position		
Net Investment in Capital Assets	8,990,647	(1,704,088)
Restricted for:		
Other Externally Required Reserves	941,169	6,216
Unrestricted	51,348,216	(894,816)
Total Net Position	<u>61,280,032</u>	<u>(2,592,688)</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 84,506,882</u>	<u>\$ 2,288,988</u>

See accompanying notes to the basic financial statements

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HOUSING AUTHORITY OF FRESNO COUNTY
Fresno, California

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Primary Government	Kerman Acre, L.P.
Operating Revenues		
Rental Revenue	\$ 3,609,193	\$ 91,947
Fee Revenue	536,236	-
HUD Grants	48,756,691	-
Other Governmental Grants	1,864,401	39,456
Developer Fee Revenue	4,178,443	-
Other Revenue	1,197,849	815
Total Operating Revenues	60,142,813	132,218
Operating Expenses		
Administrative Expense	10,148,342	81,268
Tenant Services Expense	646,717	7,001
Utilities Expense	1,443,141	15,316
Maintenance & Operations Expense	2,619,134	17,672
Protective Services Expense	58,703	384
Insurance Expense	356,075	6,835
General Expense	2,073,534	3,786
Housing Assistance Payments	38,635,117	-
Depreciation	1,306,911	103,695
Total Operating Expenses	57,287,674	235,957
Operating Income (Loss)	2,855,139	(103,739)
Non-Operating Revenues (Expenses)		
Interest Revenue, Unrestricted	24,224	-
Interest Revenue, Restricted	6,335	-
Interest Revenue on Notes Receivable	1,290,083	-
Interest Expense	(4,512)	(102,613)
Fraud Recovery	2,137	-
Share of Joint Venture Net Income	385,365	-
Loss from Equity Interest in Component Unit	(105,188)	-
Gain from Disposition of Capital Assets	71	-
Total Non-Operating Revenues	1,598,515	(102,613)
Income (Loss) Before Contributions and Transfers	4,453,654	(206,352)
Capital Contributions	150,327	-
Increase (Decrease) in Net Position	4,603,981	(206,352)
Net Position, Beginning of Year	56,676,051	(2,386,336)
Net Position, End of Year	\$ 61,280,032	\$ (2,592,688)

See accompanying notes to the basic financial statements

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HOUSING AUTHORITY OF FRESNO COUNTY
Fresno, California

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Primary Government
Cash Flows from Operating Activities:	
Cash Received from Tenants	\$ 3,518,871
Cash Received from Others	5,942,701
Cash Paid to Employees for Services	(11,089,138)
Cash Paid for Goods and Services	(4,103,343)
Cash Received from Operating Grants	49,582,883
Cash Paid for Housing Assistance	(38,245,272)
	5,606,702
Net Cash Provided by Operating Activities	
 Cash Flows From Capital and Related Financing Activities:	
Acquisition of Capital Assets	(1,666,836)
Principal Paid on Long Term Debt - Non - Related Parties	(189,809)
Principal Proceeds on Long Term Debt - Non - Related Parties	615,000
Principal Paid on Long Term Debt - Related Parties	(3,564,437)
Principal Proceeds on Long Term Debt - Related Parties	4,176,154
Interest Paid on Notes Payable	(143,246)
	(773,174)
Net Cash Used for Capital and Related Financing Activities	
 Cash Flows from Noncapital Financing Activities:	
Issuance of Notes Receivable	(1,115,876)
Repayments and Interest Received on Notes Receivable	398,140
	(717,736)
Net Cash Used by Noncapital Financing Activities	
 Cash Flows From Investing Activities:	
Interest Received from Investments	24,224
Interest on Restricted Cash	6,335
	30,559
Net Cash Provided by Investing Activities	
Net increase to cash and cash equivalents	4,146,351
Cash and cash equivalents at beginning of year	8,763,006
Cash and cash equivalents at end of year	\$ 12,909,357
 Reconciliation of Cash and Cash Equivalents Per Statement of Net Position to Cash and Cash Equivalents Per Statement of Cash Flows:	
Cash and Cash Equivalents	\$ 10,637,424
Restricted Cash	2,271,933
Cash and Cash Equivalents at End of Year	\$ 12,909,357

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF FRESNO COUNTY
Fresno, California

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

	Primary Government
Reconciliation of Change in Net Position to Net Cash Provided By (Used For) Operating Activities:	
Operating Income	\$ 2,855,139
Adjustments to Reconcile Change in Net Position to Net Cash Provided By (Used For) Operating Activities	
Depreciation	1,306,911
Fraud Recovery	2,137
(Increase) Decrease in Accounts Receivable - Tenants	(110,377)
(Increase) Decrease in Accounts Receivable - Other	92,512
(Increase) Decrease in Due from Other Governments	(226,439)
(Increase) Decrease in Due to/from Related Parties	(358,644)
(Increase) Decrease in Prepaid Insurance and Other Assets	20,055
(Increase) Decrease in Deferred Outflows	485,988
Increase (Decrease) in Accounts Payable - Vendors	49,793
Increase (Decrease) in Accrued Salaries	151,391
Increase (Decrease) in Accounts Payable - Other Governments	74,109
Increase (Decrease) in Unearned Revenue	389,845
Increase (Decrease) in Other Current Liabilities	(102,201)
Increase (Decrease) in FSS Liabilities	(56,394)
Increase (Decrease) in Tenant Security Deposits Payable	(8,082)
Increase (Decrease) in Compensated Absences	287,239
Increase (Decrease) in Pension Liability	918,511
Increase (Decrease) in Deferred Inflows	(164,791)
	5,606,702
Net Cash Provided by Operating Activities	\$ 5,606,702

See accompanying notes to the basic financial statements

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**HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

1) Summary of Significant Accounting Policies

a) General Purpose

The Housing Authority of Fresno County, California (the Agency) is responsible for the development and implementation of housing programs and activities for the County 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, and others.

b) Financial Reporting Entity

The Agency was established by a resolution of the Fresno County Board of Supervisors on February 5, 1946. The Agency is governed by a seven-member Board of Commissioners appointed by the County's Board of Supervisors, where five members are appointed to four-year terms, and two members, also residents of the agency housing programs, are appointed to two-year terms.

As required by Generally Accepted Accounting Principles, these financial statements present the Agency and any component units. A component unit is an entity for which the primary government is considered to be financially accountable.

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

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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”. The agency has one discretely presented component unit.

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

Kerman Acre, L.P., a California Limited Partnership was created to develop Granada Commons utilizing a layered finance approach using Low-income Housing Tax Credits, Capital Funds, HOME and other grant funds. The general partners of Kerman Acre, L.P., a California Limited Partnership, are Silver crest Inc., a related party of the Agency, Better Opportunities Builder, Inc., a related party of the Agency and the Agency. The Agency acting as Co-General Partner holds a 51.00% equity interest in Kerman Acre, L.P. with the ability to significantly influence its operations and therefore has included the partnership as a discrete component unit under the guidance of GASB Statement No. 61. Complete audited financial statements, when they become available, may be requested by writing to the Housing Authority of Fresno County, at P.O. Box 11985, Fresno, California 93776-1985.

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 their 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.

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits, and reserves for replacements with original maturities of three months or less from the date of acquisition that are not specifically restricted as to use.

f) Restricted Cash

Restricted Cash represents deposits to lender required replacement reserve and impound accounts, insurance reserve, program funding and security deposit.

g) Assets Held for Sale

Several of the Agency's funds administer homeownership programs. Assets held for sale consist of housing units set aside by the Agency for these homeownership programs. These assets are recorded at the Agency's cost to purchase the property or upon entering into a contract for sale, the estimated realizable value, if lower. See note 8 for further discussion.

h) 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.

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

i) Impairment of Capital Assets

The Agency reviews its capital assets for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of December 31, 2020, there has been no impairment of the capital assets.

j) Accounts Receivable and 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.

k) Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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.

l) Operating Revenue and Expenses

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

m) Income Taxes

The Agency is exempt from Federal Income and California Franchise Taxes.

n) 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, the California Housing Finance Agency, and the California Department of Housing and Community Development 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.

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

o) Use of Estimates

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

p) 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.

q) Investments in Joint Ventures

The Agency has investments in joint ventures that are owned, operated, or governed by two participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. See note 10 for further disclosure.

r) Defined Benefit Pension Plan

Pensions - For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employee's Retirement System (CalPERS) Plan (the Plan) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

GAAP 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, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

s) Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of net 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.

In addition to liabilities, the statement of net 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.

t) New Accounting Pronouncements

During the year ended December 31, 2020, the Authority implemented the following new accounting standards issued by the GASB:

Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". GASB Statement No. 95 was effective immediately and postponed the effective dates of certain GASB Statements and Implementation Guides for one year from their respective original effective dates to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. The adoption of this Statement provided for early adoption of any of the postponed GASB Statements and Implementation Guides.

The effective dates of certain provisions in the following pronouncements are postponed by one year:

- Statement No. 83, "Certain Asset Retirement Obligations"
- Statement No. 84, "Fiduciary Activities"
- Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

- Statement No. 89, “Accounting for Interest Cost incurred before the End of a Construction Period”
- Statement No. 90, “Majority Equity Interests”
- Statement No. 91, “Conduit Debt Obligations”
- Statement No. 92, “Omnibus 2020”
- Statement No. 93, “Replacement of Interbank Offered Rates”

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, “Leases”
- Implementation Guide No. 2019-3, “Leases”

The Authority is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- Statement No. 84, "Fiduciary Activities". GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of this Statement are effective for the Authority’s year ending December 31, 2021.
- Statement No. 87, "Leases". GASB Statement No. 87 requires that government lessees recognize a lease liability and an intangible asset representing the lessee’s right to use the leased asset and report in its financial statements amortization expense for using the leased asset for the shorter of the lease term or the useful life of the underlying asset, interest expense on the lease liability and note disclosures about the lease. The Statement also requires government lessors recognize a lease receivable and a deferred inflow of resources and continue to report the leased asset in its financial statements and report in its financial statements lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, interest income on the receivable and note disclosures about the lease. The requirements of this Statement are effective for the Authority’s year ending December 31, 2022.
- Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". GASB Statement 89 provides accounting requirements for interest cost incurred before the end of a construction period. It establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period. For financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized as part of the historical cost of a capital asset. For financial statements prepared using the current financial resources measurement focus, interest incurred before the end of a construction period should continue to be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the Authority's year ending December 31, 2022.

- Statement No 90, "Majority Equity Interests". The primary objective of GASB No 90 is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the financial statements relevance for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition as an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special- purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment or permanent fund. The requirements of this Statement are effective for the Authority's year ending December 31, 2021.
- Statement No 91, "Conduit Debt Obligations". The primary objectives of Statement No 91 are to provide a single method to report conduit debt obligations and to eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. The requirements of this Statement are effective for the Authority's year ending December 31, 2023.
- Statement No. 92, "Omnibus 2020". GASB Statement No. 92 addresses a variety of topics including, among other things, Leases, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans, Fiduciary Activities, Measurement of liabilities related to AROs. The requirements of this Statement are effective for the Authority's year ending December 31, 2022.
- Statement No. 93, "Replacement of Interbank Offered Rates". GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBOR) to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, Accounting and Financial Reporting for Derivative Instruments and Statement No. 87, Leases and other accounting and financial reporting implications. The removal of LIBOR as an appropriate benchmark interest rate in this Statement are effective for Authority's fiscal year ending June 30, 2023. All other requirements of this statement are effective for the Authority's year ending December 31, 2022.
- Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". GASB Statement No. 94 establishes standards of accounting and financial

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). The requirements of this Statement are effective for Authority's year ending December 31, 2023.

- Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

- Statement No. 96, "Subscription-Based Information Technology Arrangements". GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. The requirements of the Statement are effective for the Authority's year ending December 31, 2023.

- Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GFRS Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

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2) Cash and Cash Equivalents

Cash and cash equivalents held by the Agency at December 31, 2020, were classified as follows in the accompanying Statement of Net Position:

	Primary Government	Kerman Acre, L.P.
Cash & Cash Equivalents	\$ 10,637,424	\$ 77,917
Restricted Cash	2,271,933	12,498
Total Cash and Cash Equivalents	\$ 12,909,357	\$ 90,415

Disclosure Related to Interest Rate Risk

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

Disclosures Related to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Although for the year ended December 31, 2020, the Agency did not maintain a significant equity position in investment pool activities, it is the policy of the Agency to invest only in highly rated securities to the extent practicable and where applicable by law.

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral

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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. This agreement states that any portion of the Agency 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.

Pooled Cash and Cash Equivalents

The Agency's cash and cash equivalents are pooled with the Housing Authority of the City of Fresno's cash and cash equivalents. 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 (Cal-HFA) can only be used for major repairs or insurance on the associated project, upon receipt of prior written approval from Cal-HFA. Cash held for the replacement of the USDA projects and cannot be disbursed without the approval by the USDA Rural Economic and Community Development. Restricted cash held for tenant security deposits, Housing Assistance Payments, amounts restricted by the California Office of Migrant Services, and amounts restricted for FSS escrows. A schedule of all restricted cash is listed below.

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				<u>Kerman Acre, LP</u>		
	Cash Restriction	In Liabilities	In Restricted Net Position	Cash Restriction	In Liabilities	In Restricted Net Position
Cash Restricted for:						
USDA Project Reserves	\$ 1,794,995	\$ 1,082,269	\$ 712,726	\$ -	\$ -	\$ -
HAP Funding	103,650	-	103,650	-	-	-
Tenant Security Deposits	248,495	248,495	-	5,646	5,646	-
Other Reserves	124,793	-	124,793	6,852	636	6,216
Total Restricted Cash	<u>\$ 2,271,933</u>	<u>\$ 1,330,764</u>	<u>\$ 941,169</u>	<u>\$ 12,498</u>	<u>\$ 6,282</u>	<u>\$ 6,216</u>

4) Accounts Receivable

The Agency's accounts receivable consists of related party receivables, grant program receivables, overpayment to landlords and tenant rent receivables. Accounts receivables are carried at recorded 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 as of December 31, 2020 consists of the following:

Accounts Receivable -Tenants, Net of Allowance for Doubtful Accounts of \$4,454	\$ 153,885
Miscellaneous Receivables, Net of Allowance for Uncollectable Accounts of \$40,109	159,469
Total Accounts Receivable	<u>\$ 313,354</u>

5) Due from Other Governments

Due from Other Governments as of December 31, 2020 consists of the following:

U.S. Department of HUD	\$ 219,086
Other	524,750
Total Due from Other Governments	<u>\$ 743,836</u>

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6) Due from Related Parties

Due from Related Parties as of December 31, 2020 consist of the following:

Housing Authority of City of Fresno	\$ 1,822,048
Limited Partnership	258
Total Due from Related Parties	<u><u>\$ 1,822,306</u></u>

7) Notes Receivable

The following is a summary of changes in Notes Receivable during the year ended December 31, 2020.

	Balance 12/31/2019	Additions	Payments	Balance 12/31/2020	Interest Receivable
Related Parties:					
Kerman Acre L.P	\$ 678,835	\$ -	\$ -	\$ 678,835	\$ -
Kingsburg Marion Villas AHP	450,000	-	-	450,000	89,146
Magill Terrace	3,240,000	-	-	3,240,000	116,347
Mendota RAD	6,000,000	-	-	6,000,000	1,298,778
Orange Cove AHP	800,000	-	-	800,000	159,867
Orange Cove RAD	5,430,000	-	-	5,430,000	1,377,691
Parlier Oak Grove	3,345,000	-	-	3,345,000	121,809
Reedley Kings River AHP	578,000	-	-	578,000	-
Reedley Trailside	2,431,000	-	-	2,431,000	484,726
Reedley Trailside AHP	540,000	-	-	540,000	-
Sanger Memorial	3,440,000	-	-	3,440,000	299,032
Shockley Terrace LP	2,160,258	-	-	2,160,258	413,809
Clovis Solivita	3,748,707	500,876	-	4,249,583	14,185
Kingsburg Linnaea Villas AHP	-	615,000	-	615,000	-
Total	<u><u>\$ 32,841,800</u></u>	<u><u>\$ 1,115,876</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,957,676</u></u>	<u><u>\$ 4,375,390</u></u>

Kerman Acre, L.P.

On May 16, 2010, the Agency entered into a loan agreement with Kerman Acre, L.P., a related party to the Agency. The note bears an interest rate of 7.5% compounded annually. Principal and interest payments are contingent upon residual funds available to Kerman Acre, L.P. The outstanding principal balance at December 31, 2020 was \$678,835.

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Kingsburg Marion Villas

On June 1, 2015, the Agency entered into an AHP loan agreement with Kingsburg Marion Villas, a related party to the Agency in the amount of \$450,000. The Agency was awarded a grant through the Affordable Housing Program (AHP), and these funds were in turn loaned to the Kingsburg Marion Villas development. The note bears an interest rate of 3.36% compounded annually and matures in 55 years. The outstanding principal balance at December 31, 2020 was \$450,000 with accrued interest of \$89,146.

Magill Terrace, LP

On December 12, 2017, the Agency entered into an HAFC Capital Funds Mortgage Note agreement with Sanger Memorial Village, LP, a related party to the Agency in the amount of \$2,000,000. The note is secured by, among other security, a subordinate lien mortgage Deed of Trust. The note bears an interest rate of 4.00% per annum and matures on December 17, 2072.

On December 12, 2017, the Agency entered into an HAFC Seller Financing Mortgage Note agreement with Sanger Memorial Village, LP, a related party to the Agency in the amount of \$1,240,000. The note is secured by, among other security, a subordinate lien mortgage Deed of Trust. The note bears an interest rate of 4.00% per annum and matures on December 17, 2072.

The outstanding principal balance of the two loans at December 31, 2020 was \$3,240,000 with accrued interest of \$116,347.

Mendota RAD

On December 26, 2013, the Agency entered into a loan agreement for \$600,000 with Mendota RAD, a related party to the Agency. The purpose of the loan is to purchase a property in Mendota to rehabilitate into low-income housing. The note bears an interest rate of 3.32% compounded annually. Principal and interest payments are contingent upon residual cash flow available to Mendota RAD.

On December 20, 2013, the Agency entered into a second loan agreement with Mendota RAD for \$5,400,000 for the rehabilitation of a 123-unit low-income housing. The note bears a 3.32% interest rate compounded annually and with a maturity date of December 20, 2068. Principal and interest payments shall commence on August 1, 2015 from available Net Cash Flow as defined in the Amended Partnership Agreement.

The outstanding principal balance of the two loans at December 31, 2020 was \$6,000,000 with accrued interest of \$1,298,778.

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Orange Cove RAD

On December 20, 2013, the Agency entered into a loan agreement for \$4,130,000 with Orange Cove RAD, a related party to the Agency. The note bears an interest rate of 3.32% compounded annually. Principal and interest payments are contingent upon residual funds available to Orange Cove RAD.

On December 20, 2013, the Agency entered into a second loan agreement for \$1,300,000 with Orange Cove RAD to rehabilitate five former public housing sites into four sites consisting of 87 low-income-housing units. The note bears a 3.32% interest rate compounded annually with a maturity date of December 20, 2068. Principal and interest payment will commence on September 1, 2015 from available Net Cash Flow as defined in the Partnership Agreement.

On May 19, 2015, the Agency entered into a third loan agreement with Orange Cove RAD in the amount of \$800,000 (the "AHP" Loan"). The AHP Loan is secured by a deed of trust on the Project and matures on May 19, 2070. The loan bears interest on the outstanding balance at 3.32%, compounded annually, as defined in the AHP loan agreement.

The outstanding principal balance of the three loans at December 31, 2020 was \$6,230,000 with accrued interest of \$1,537,558.

Parlier Oak Grove, LP

On March 18, 2018, the Agency entered into a loan agreement for \$3,345,000 with Parlier Oak Grove, LP, a related party to the Agency, the "HACF" Loan. The loan includes 3 notes: (1) a seller note in the amount of \$2,340,000; (2) disposition of proceeds realized from the sale of the western portion of Oak Grove in the amount of \$660,000 and (3) disposition of proceeds realized from the sale of a portion of Sunset Terrace II. The note is secured by, among other security, a subordinate lien mortgage deed of trust. The note bears an interest rate of 2.88% per annum and matures on January 31, 2075. At December 31, 2020, the outstanding principal balance of the loan was \$3,345,000 with accrued interest \$121,809.

Reedley Kings River Commons

The Agency entered into a loan agreement with Reedley Kings River Commons, a related party to the Agency. The Agency was awarded a grant through the Affordable Housing Program (AHP), these funds were in turn loaned to the Reedley Kings River Commons development. The note bears no interest and matures on December 31, 2068. The outstanding principal balance at December 31, 2020 was \$578,000.

Reedley Trailside Terrace

On December 3, 2015, the Agency entered into a loan agreement for \$2,431,000 with Reedley Trailside, LP, a related party to the Agency. The purpose of the loan is to purchase a property in Reedley to rehabilitate into low-income housing. The note bears a simple interest rate of 4%.

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Principal and interest payments are contingent upon residual funds available to Reedley Trailside, LP.

On December 1, 2015, the Partnership obtained a loan in the amount of \$540,000 from the Agency (the “AHP Loan”) from the 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 and shall be payable from net cash flow and net cash proceeds, as defined in the Partnership Agreement. The AHP Loan shall be secured by a deed of trust on the Project and matures on June 1, 2070.

The outstanding principal balance of the two loans at December 31, 2020 was \$2,971,000 with accrued interest of \$484,726.

Sanger Memorial Village, LP

On March 30, 2017, the Agency entered into an HAFC Operating Funds Mortgage Note agreement with Sanger Memorial Village, LP, a related party to the Agency in the amount of \$1,340,000. The note is secured by, among other security, a subordinate lien mortgage Deed of Trust. The note bears an interest rate of 4.00% per annum and matures on March 30, 2072.

On March 30, 2017, the Agency entered into an HAFC Seller Financing loan agreement with Sanger Memorial Village, LP, a related party to the Agency in the amount of \$2,100,000. The note is secured by, among other security, a subordinate lien mortgage or Deed of Trust. The note bears an interest rate of 4.00% per annum and matures on March 30, 2072.

The outstanding principal balance of the two loans at December 31, 2020 was \$3,440,000 with accrued interest of \$299,032.

Shockley Terrace, LP

On March 18, 2016, the Agency entered into an HAFC Capital Funds loan agreement with Shockley Terrace LP, a related party to the Agency in the amount of \$1,010,257. The note is secured by the HAFC Capital Funds Construction Deed of Trust. The note bears an interest rate of 2.00% per annum and matures on March 18, 2071.

On March 18, 20016, the Agency entered into an HAFC Mortgage loan agreement with Shockley Terrace LP, a related party to the Agency in the amount of \$1,150,000. The note is secured by the HAFC Construction Deed of Trust. The note bears an interest rate of 2.00% per annum and matures on March 18, 2071.

The outstanding principal balance of the two loans at December 31, 2020 was \$2,160,258 with accrued interest of \$413,809.

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Clovis Solivita, LP

On December 18, 2019, the Agency entered into an HAFC Capital Funds loan agreement with Clovis Solivita, LP, a related party to the Agency in the amount of \$1,745,000. The note is secured by, among other security, a subordinate lien mortgage or deed of trust. The note bears an interest rate of 4.00% per annum and matures on January 31, 2077.

On December 18, 2019, the Agency entered into an HAFC Mortgage loan agreement with Clovis Solivita, LP, a related party to the Agency in the amount of \$2,505,000. The note is secured by, among other security, a subordinate lien mortgage or deed of trust. The note bears an interest rate of 4.00% per annum and matures on January 31, 2077.

The outstanding principal balance of the two loans at December 31, 2020 was \$4,249,583 with accrued interest of \$14,185.

Kingsburg Linnaea Villas, LP

On December 16, 2019, the Agency entered into an AHP loan agreement with Kingsburg Linnaea Villas, LP, a related party to the Agency in the amount of \$615,000. The Agency was awarded a grant through the Affordable Housing Program (AHP), and these funds were in turn loaned to the Kingsburg Linnaea Villas development. The note bears no interest and matures on June 1, 2050. The outstanding principal balance at December 31, 2020 was \$615,000.

8) Assets Held for Sale

Assets held for sale consist of homes that are being developed using a variety of Federal, State, and local funds as part of our Public Housing Program. No properties were sold during the year. The value of these properties as of December 31, 2020 was \$345,628.

County Public Housing Program	\$	345,628
Total Assets Held for Sale	\$	<u>345,628</u>

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9) Changes in Capital Assets

Changes in capital assets during the fiscal year ended December 31, 2020, were as follows:

	<u>Balance at 12/31/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/2020</u>
Capital assets not depreciated:				
Land	\$ 1,667,636	\$ 150,000	\$ -	\$ 1,817,636
Construction in progress	4,195,803	-	(222,195)	3,973,608
Total capital assets not depreciated	<u>5,863,439</u>	<u>150,000</u>	<u>(222,195)</u>	<u>5,791,244</u>
Capital assets being depreciated:				
Buildings & Improvements	61,630,434	1,506,588	(36)	63,136,986
Equipment	2,167,806	10,248	-	2,178,054
Total capital assets being depreciated	<u>63,798,240</u>	<u>1,516,836</u>	<u>(36)</u>	<u>65,315,040</u>
Less accumulated depreciation for:				
Buildings	(55,314,552)	(1,105,367)	-	(56,419,919)
Equipment	(1,065,296)	(201,544)	-	(1,266,840)
Total accumulated depreciation	<u>(56,379,848)</u>	<u>(1,306,911)</u>	<u>-</u>	<u>(57,686,759)</u>
Total capital assets being depreciated, net	<u>7,418,392</u>	<u>209,925</u>	<u>(36)</u>	<u>7,628,281</u>
Total Capital Assets, Net	<u>\$ 13,281,831</u>	<u>\$ 359,925</u>	<u>\$ (222,231)</u>	<u>\$ 13,419,525</u>

10) Investment in Joint Ventures

Investment in Joint Ventures as of December 31, 2020 consists of the following:

Joint Venture:	
Housing Relinquished Fund Corp	\$ 16,075,107
Housing Self-Insurance Corp	37,585
Villa Del Mar, Inc.	(1,953)
Total Investment in Joint Ventures	<u>\$ 16,110,739</u>

Housing Relinquished Fund Corporation (HRFC) - Created as a steward for the Housing Authority of the City and County of Fresno's development and investment capital. HRFC's Board of Directors is comprised of two members each of the City Housing Authority and County Housing Authority Board of Commissioners. The Agency has a 35% equity interest in HRFC. HRFC does not issue separate financial statements. As of December 31, 2020, HRFC has total assets, liabilities and equity (deficit) of \$54,290,984, \$6,545,653 and \$47,745,331, respectively. For the year ended December 31, 2020, HRFC's revenue and expenses were \$1,526,674 and \$107,616, respectively.

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Housing Self Insurance Corporation (HSIC) - Organized to provide additional security against a variety of insurable and non-insurable losses to include deductibles, payouts, settlements, and other related obligations. HSIC's Board of Directors is comprised of two members each of the City Housing Authority and County Housing Authority Board of Commissioners. The Agency has a 16% equity interest in HSIC. HSIC does not issue separate financial statements. As of December 31, 2020, HSIC has total assets, liabilities and equity (deficit) of \$234,302, \$2,550 and \$231,752, respectively. For the year ended December 31, 2020, HSIC's revenue and expenses were \$0 and \$31,266, respectively.

Villa Del Mar, Inc. - Developed for purposes of ownership and management of the 48-unit Villa Del Mar affordable housing project in the City of Fresno. Villa Del Mar, Inc.'s Board of Directors is comprised of two members each of the City Housing Authority and County Housing Authority Board of Commissioners. The Agency has a 50% equity interest in Villa Del Mar, Inc. Villa Del Mar, Inc. does not issue separate financial statements. As of December 31, 2020, Villa Del Mar, Inc has total assets, liabilities and equity (deficit) of \$22,336, \$0 and \$22,336, respectively. For the year ended December 31, 2020, Villa Del Mar Inc's revenue and expenses were \$17,236 and \$0, respectively.

11) Equity Investment in Component Unit

Kerman Acre, L.P. – A California limited partnership between two general partners the Agency (the “Co-General Partner”) and Better Opportunities Builder, Inc. (the “Managing General Partner”); and one special limited partner Silvercrest, Inc. (The “Limited Partner”). The Partnership was formed for the purpose of developing and operating a 16-unit project located in Fresno, California known as Granada Commons Apartments.

This project qualifies for the federal low-income housing tax credit program as described in Internal Revenue Code Section 42. Pursuant to the Amended and Restated Agreement of Limited Partnership dated March 16, 2010, profits, losses and tax credits are allocated 51.00% to the Co-General Partner, 44.00% to the Managing General Partner and 5.00% to the Limited Partner.

As of December 31, 2020, the Agency's share of its partners' deficit in the Kerman Acre, L.P. component unit was \$1,322,219.

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12) Long Term Liabilities

Changes in Long-Term Liabilities during the year ended December 31, 2020, were as follows:

	<u>Balance 12/31/19</u>	<u>Additions</u>	<u>Deletions/ Payments</u>	<u>Balance 12/31/2020</u>	<u>Due Within one year</u>
Notes payable - non-related parties:					
US Department of Agriculture					
Mendota FLH	\$ 570,027	\$ -	\$ (37,920)	\$ 532,107	\$ 36,571
Parkside CHFA	151,889	-	(151,889)	-	-
Kingsburg Marion- AHP	450,000	-	-	450,000	-
Kings River Commons- AHP	578,000	-	-	578,000	-
Orange Cove- AHP	800,000	-	-	800,000	-
Kingsburg Linnaea Villas - AHP	-	615,000	-	615,000	-
Reedley Trailside- AHP	540,000	-	-	540,000	-
	<u>3,089,916</u>	<u>615,000</u>	<u>(189,809)</u>	<u>3,515,107</u>	<u>36,571</u>
Notes payable - related parties:					
P&CD (Various pre-dev) to HRFC	3,219,054	4,176,154	(3,564,437)	3,830,771	3,830,771
County Section 8 to HRFC	323,185	-	-	323,185	-
Office Building to HRFC	66,000	-	-	66,000	-
County RF to HRFC	455,656	-	-	455,656	-
	<u>4,063,895</u>	<u>4,176,154</u>	<u>(3,564,437)</u>	<u>4,675,612</u>	<u>3,830,771</u>
Other Liabilities:					
Interest Payable- Others	291,985	207,140	(143,142)	355,983	-
Family Self-Sufficiency	100,329	14,179	(70,573)	43,935	-
Compensated Absences	337,398	759,094	(471,855)	624,637	408,426
Net Pension Liability	9,381,365	918,511	-	10,299,876	-
	<u>10,111,077</u>	<u>1,898,924</u>	<u>(685,570)</u>	<u>11,324,431</u>	<u>408,426</u>
Total	<u>\$ 17,264,888</u>	<u>\$ 6,690,078</u>	<u>\$ (4,439,816)</u>	<u>\$ 19,515,150</u>	<u>\$ 4,275,768</u>

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The following is a schedule of debt payments requirements to maturity for notes payable:

Year Ending December 31	Notes		
	Principal	Interest	Total
2021	\$ 3,867,342	\$ 196,723	\$ 4,064,065
2022	36,939	4,817	41,756
2023	37,309	4,446	41,755
2024	37,684	4,071	41,755
2025	38,063	3,692	41,755
2026-2030	1,575,312	12,648	1,587,960
2031-2035	605,070	2,918	607,988
2036-2040	-	-	-
2041 & Beyond	1,993,000	-	1,993,000
	<u>\$ 8,190,719</u>	<u>\$ 229,315</u>	<u>\$ 8,420,034</u>

U.S. Department of Agriculture Notes

The Agency entered into six notes with the United States Department of Agriculture Farmer Homes Administration under the Farm Labor Housing Union Loan program. In accordance with the notes, the Agency used the funds for the acquisition and development of four multi-unit rental housing developments. The notes accrue interest at 1% per annum. The notes mature at various dates beginning on January 6, 2014 and ending on April 2, 2035. At December 31, 2020, the outstanding principal balances for the notes were \$532,107.

Parkside

The Parkside Apartments project has two loans with the California Housing Finance Agency (Cal-HFA). The first note requires a monthly payment of \$15,178 and accrues interest at a rate of 8.3% per annum. The second loan of \$63,000 accrues interest at a rate of 3% per annum. This loan, principal and interest, is deferred until March 1, 2020. The outstanding principal balances of the two loans at December 31, 2020 were \$0.

Kingsburg Marion Villa

On July 1, 2015, the Agency entered into an AHP agreement with Rabobank in the amount of \$450,000 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 and the principal is payable in full in 2030. The Agency has loaned the proceeds to Kingsburg Marion Villas, a related party. See Note 7 for the Notes Receivable from Kingsburg Marion Villas related to this AHP Loan. At December 31, 2020, the outstanding principal balance was \$450,000.

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Kings River Commons

In December 2013, the Agency entered into an AHP agreement with Wells Fargo Financial National Bank in the amount of \$578,000 (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"). The AHP Loan bears no interest and the principal is payable in full in 2068. The Agency has loaned the proceeds to Kings River Commons, a related party. See Note 7 for the Notes Receivable from Kings River Commons related to this AHP Loan. At December 31, 2020, the outstanding principal balance was \$578,000.

Orange Cove

In May 2015, the Agency entered into a loan agreement with Rabobank in the amount of \$450,000 (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 interest and the principal is payable in full in 2030. The Agency has loaned the proceeds to Orange Cove RAD, a related party. See Note 7 for the Notes Receivable from Orange Cove RAD related to this AHP Loan. At December 31, 2020, the outstanding principal balance was \$800,000.

Kingsburg Linnaea Villas

In December 2019, the Agency entered into a loan agreement with Wells Fargo National Bank West in the amount of \$615,000 (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 interest and the principal is payable in full on June 1, 2050. The Agency has loaned the proceeds to Kingsburg Linnaea Villas, LP, a related party. See Note 7 for the Notes Receivable from Kingsburg Linnaea Villas, LP related to this AHP Loan. At December 31, 2020, the outstanding principal balance was \$615,000.

Reedley Trailside

On December 1, 2015, the Agency entered into a loan agreement with Mississippi Valley Company in the amount of \$540,000 (the "AHP Loan") from the 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 and the principal is payable in full in 2070. See Note 7 for the Notes Receivable from Reedley Trailside related to this AHP Loan. At December 31, 2020, the outstanding principal balance was \$540,000.

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Housing Relinquished Fund Corporation (HRFC)

The Agency entered into various notes with HRFC for the purpose of pre-development activities. The notes accrue interest at 5% per annum and payments are made from the sale of the properties. The outstanding principal balance at December 31, 2020 was \$3,830,771.

In February 2010, the Agency entered into a promissory note agreement with HRFC for \$323,185. This is a non-interest-bearing note, payable due upon demand. The principal payable is not due within the next 12 month. The outstanding balance on this note as of December 31, 2020 was \$323,185.

The Agency entered into a promissory note agreement with the HRFC for \$66,000, representing partial funding related to the acquisition of the Central Office Building. This note is non-interest bearing and repayment terms are not explicitly stated. The principal payable is not due within the next 12 month. The outstanding balance on this note as of December 31, 2020 was \$66,000.

In April 2007, the Agency entered into a promissory note agreement with HRFC for \$655,656. The note is non-interest bearing and repayment terms are not explicitly stated. The principal payable is not due within the next 12 month. The outstanding principal balance as of December 31, 2020 was \$455,656.

Family Self Sufficiency

The Family Self Sufficiency (FSS) program provides supportive services that enable participating low-income and moderate-income families to achieve economic independence and self-sufficiency. The Agency contracts with each participating family to set aside funds in an interest-bearing account until that family can afford to pay its entire monthly rent without assistance from the Authority. Upon successful completion of the program requirements, the funds are released and disbursed to the family. The amount held for FSS participants at December 31, 2020 was \$43,935.

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 Authority's service or used in future periods. The Agency permits employees to accumulate earned but unused sick leave which will be used in future periods, paid to the employee upon termination, or paid to the employee upon retirement. Upon termination employees are paid 25% of the value of their unused sick leave, except for the Executive Director who is entitled to 100% of the value of his sick leave upon request. Upon retirement, employees are paid 50% of the value of their unused sick leave. At December 31, 2020, accrued vacation and vested sick leave have been valued by the Agency at \$624,637.

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13) Due to Other Governments

Due to Other Governments as of December 31, 2020 consist of the following:

U.S. Department of HUD	\$ 313,212
Payments in Lieu of Taxes	165,590
Other	155
Total Due to Other Governments	<u>\$ 478,957</u>

14) Due to Related Parties

Due to Related Parties as of December 31, 2020 consist of the following:

Housing Authority of City of Fresno	\$ 97,561
Silvercrest	\$ 40
Total Due to Related Parties	<u>\$ 97,601</u>

15) Other Current Liabilities

Other Current Liabilities as of December 31, 2020 consist of the following:

Payroll-Withholding Taxes, Benefits Payable	\$ 171,266
Unclaimed Checks/ Refunds	123,477
Accrued Expenses	58,140
Others	7,715
Total Other Current Liabilities	<u>\$ 360,598</u>

16) Unearned Revenues

Unearned Revenues as of December 31, 2020 consist of the following:

Grant	\$ 1,423,706
Prepaid Tenant Rents	123,623
Other	3,219
Total Unearned Revenues	<u>\$ 1,550,548</u>

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17) 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 \$71,224 for the year ended December 31, 2020. 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.

18) 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

Benefits Provided – 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 Miscellaneous	Active Miscellaneous - PEPRA	Receiving Miscellaneous
Benefit Provision			
Benefit Formula	2.0% @ 60	2.0% @ 62	

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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, 2019
1 Active Members	107
2 Transferred Members	35
3 Terminated Members	77
4 Retired Members and Beneficiaries	101
5 Active to Retired Ratio [(1)/ (4)]	1.06

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.

Contribution Description

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

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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 the member contribution requirements are classified as plan member contributions.

For the measurement period ended June 30, 2020, the average active employee contribution rate is 6.586 percent of annual pay, and the average employer’s contribution rate is 8.112 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 June 30, 2019 valuation was rolled forward to determine the June 30, 2020 total pension liability based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
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	The lessor of contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

¹ The Morality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

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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, CalPERS 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+ 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 Comprehensive Annual Financial Report, 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.

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Changes in Net Pension Liability

The Changes in Net Pension Liability for the year ended June 30, 2020 was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at: June 30, 2019	\$ 37,167,764	\$ 27,612,461	\$ 9,555,303
Changes recognized for the measurement period:			
Service Cost	891,464	-	891,464
Interest on Total Pension Liability	2,623,554	-	2,623,554
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	-	-
Differences between Expected and Actual Experience	(37,061)	-	(37,061)
Net Plan to Plan Resource Movement			
Contributions - Employer	-	903,002	(903,002)
Contributions - Employee	-	493,804	(493,804)
Net Investment Income	-	1,375,505	(1,375,505)
Benefit Payments, including Refunds of Employee Contributions	(1,766,752)	(1,766,752)	-
Administrative Expense	-	(38,927)	38,927
Other Miscellaneous Income	-	-	0
Net Changes during 2019-2020	1,711,205	966,632	744,573
Balance at: June 30, 2020	\$ 38,878,969	\$ 28,579,093	\$ 10,299,876

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 what 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)	\$ 15,605,841	\$ 10,299,876	\$ 5,925,771

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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, 2020 was 3.7 years, which was obtained by dividing the total service years of 1,171 (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.

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Deferred Outflows and Deferred Inflows of Resources

For the measurement periods ended June 30, 2020, the Agency incurred a pension expense of \$2,269,515.

As of June 30, 2020, the Housing Authority of Fresno County 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.

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes of Assumptions	\$ -	\$ (80,876)
Differences between Expected and Actual Experience	812,413	(27,045)
Payment on pension contributions between measurement date and fiscal year end	511,862	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	237,509	-
Total	<u><u>\$ 1,561,784</u></u>	<u><u>\$ (107,921)</u></u>

The \$511,862 in pension payments between June 30 and December 31, 2020, 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 years ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

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Amortization of Deferred Outflows/(Inflows) of Resources

December 31:

2021	\$	312,672
2022		374,446
2023		139,267
2024		115,616
2025		-
Thereafter		-
		\$ 942,001

	\$	1,561,784
		(107,921)

		1,453,863
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Payment on pension contributions between measurement date and fiscal year end	\$	(511,862)
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19) 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 expenses were \$356,075 for the year ended December 31, 2020. The loss limits for the various types of insurance are as 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, including losses arising from the use of a non-owned covered 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 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.

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California Housing Worker's Compensation Authority

The Agency is insured for workers' compensation claims by the California Housing Workers' Compensation Authority (CHWCA). Under this program, the pool provides up to \$550,000 workers' compensation coverage and \$550,000 employer's liability coverage. CHWCA also provides excess workers' compensation coverage with the following limits: The Authorities are insured for Statutory Workers' Compensation by the Safety National Casualty Corporation. The pool provides up to \$5,000,000 per occurrence.

20) Participation in Related Party Limited Partnerships

Firebaugh Gateway, LP

Firebaugh Gateway, LP was formed to expand the development and availability of long-term senior housing for low-income persons residing in the City of Firebaugh, California. This includes the sale of low-income housing tax credits and entering into agreements for the financing, planning, construction, and development of a 30-unit affordable housing project for seniors. This property is located in the City of Firebaugh, County of Fresno, California and known as Firebaugh Gateway Apartments.

The partnership was originally formed on August 20, 2015, by Firebaugh Gateway 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. BALIHTC 2016-5, LLC and US Bankcorp Community Development Corporation are the respective Limited Partner and State Credit Partners.

Kingsburg Marion Villas, LP

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

The partnership was originally formed on March 18, 2014, by Kingsburg Marion Villas AGP, LLC, a California limited liability company, as the Administrative General Partner and Silvercrest Inc., a California Nonprofit public benefit corporation as the Managing General Partner. The day-to-day operations of the partnership are controlled by the Managing General Partner. PNC Bank National Association is the Investor Limited Partner; PNC Real Estate Tax Credit Capital Fund 47 is the State Limited Partner and Columbia Housing SLP Corporation as the Special Limited Partner.

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Magill Terrace, LP

Magill Terrace, LP was formed for the purpose of developing and operating a 60-unit project located in Fowler, California. The project qualifies for the federal low-income housing tax credit program as described in Internal Revenue and Taxation Code section 42. The partnership received an exemption from real estate taxes under California Revenue and Taxation Code section 214 (g).

The partnership formed on July 5, 2017 and pursuant to the Amended and Restated Agreement of Limited Partnership dated December 14, 2017 between Magill Terrace, AGP, LLC and the Administrative General Partner, Silvercrest, Inc. (the General Partner) and Wells Fargo Affordable Housing Community Development Corporation (the Investor Limited Partner). Profits, losses and tax credits are allocated 0.005% to the Managing General Partner, 0.005% to the Administrative General Partner and 99.99% to the Investor Limited Partner.

Mendota RAD, LP

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

The partnership was originally formed on December 20, 2013, by Mendota RAD AGP, LLC, a California limited liability company, as the Administrative General Partner and Silvercrest Inc., a California Nonprofit public benefit corporation, as the Managing General Partner. The day-to-day operations of the partnership are controlled by the Managing General Partner. PNC Bank, National Association is the Investor Limited Partner, and Columbia Housing SLP Corporation is the Special Limited Partner.

Orange Cove RAD, LP

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

The partnership was originally formed on December 20, 2013, by Orange Cove RAD AGP, LLC, a California limited liability company, as the Administrative General Partner and Silvercrest Inc., a California Nonprofit public benefit corporation, as the Managing General Partner. The day-to-day operations of the partnership are controlled by the Managing General Partner. PNC Bank, National Association is the Investor Limited Partner, and Columbia Housing SLP Corporation is the Special Limited Partner.

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Parlier Oak Grove, LP

Parlier Oak Grove, LP was formed for the purpose of developing and operating a 56-unit project located in Parlier, California known as Oak Grove. The project qualifies for the federal low-income housing tax credit program as described in Internal Revenue Code Section 42. The partnership received exemption from real estate taxes under California Revenue and Taxation Code section 214(g).

The partnership was originally formed on October 12, 2017 by Parlier Oak Grove, AGP, LLC (the Administrative General Partner), Silvercrest, Inc (the Managing General Partner) and Wells Fargo Affordable Housing Community Development Corporation (the Investor Limited Partner). Pursuant to the Amended and Restated Agreement of Limited Partnership dated March 21, 2018, profits, losses and tax credits are allocated 0.005% to the Managing General Partner, 0.005% to the Administrative General Partner and 99.99% to the Investor Limited Partner.

Reedley Kings River Commons, LP

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

The partnership was originally formed on December 1, 2013, by Reedley Kings River Commons AGP, LLC, a California limited liability company, as the Administrative General Partner and Silvercrest Inc., a California nonprofit public benefit corporation, as the Managing General Partner. The day-to-day operations of the partnership are controlled by the Managing General Partner. R4 FR Acquisition LLC is the Investor Limited Partner, and Silvercrest, Inc. is the Withdrawing Special Limited Partner.

Reedley Trailside Terrace, LP

Reedley Trailside Terrace, LP was formed to expand the development and availability of affordable housing for low-income persons residing in the City of Reedley, 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 Reedley, County of Fresno, California, of a 55-unit affordable housing project, generally known as Trailside Terrace Apartments.

The partnership was originally formed on August 20, 2015, by Reedley Trailside Terrace 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.

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Sanger Memorial Village, LP

Sanger Memorial Village, LP was formed to expand the development and availability of long-term housing for low income persons residing in the City of Sanger, 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 Sanger, County of Fresno, California, of an affordable-housing projects, generally known as Sanger Memorial Village, and is anticipated to include 48 units of multifamily housing.

The partnership was original formed on October 27, 2016 and is a limited partnership between Sanger Memorial Village, 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. U.S. Bankcorp Community Development Corporation is the respective Limited Partner and State Credit Partner.

Shockley Terrace, LP

Shockley Terrace, LP was formed to expand the development and availability of long-term housing for low-income persons residing in the City of Selma, 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 Selma, County of Fresno, California, of a 48-unit affordable housing project for families, generally known as Shockley Terrace.

The partnership was originally formed on September 14, 2015, by Firebaugh Gateway 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. BALIHTC 2016-5, LLC and US Bankcorp Community Development Corporation are the respective Limited Partner and State Credit Partners.

Clovis Solivita, LP

Clovis Solivita, LP was formed in July of 2019 to expand the development and availability of long-term housing for low-income persons residing in the County of Fresno, California, including the sale of low-income housing tax credits and entering into agreements for the financing, planning, construction and development of the Complex. The complex is anticipated to include 60 units of multifamily housing. The project filed a notice to proceed with construction on January 6, 2020. As of December 31, 2020, there is no substantial activity to report.

Kingsburg Linnaea Villas, LP

Kingsburg Linnaea Villas, LP was formed in August of 2019 to expand the development and availability of long-term housing for low-income persons aged 62 years and older, residing in the

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County of Fresno, California, including the sale of low-income housing tax credits and entering into agreements for the financing, planning, construction and development of the Complex. The complex is anticipated to include 47 units of multifamily housing. The project filed a notice to proceed with construction on December 3, 2019. As of December 31, 2020, there is no substantial activity to report.

21) Other Related Parties

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 provides management and bookkeeping services for Silvercrest.

Better Opportunities Builders, Inc.

The Executive Director of the Agency serves as the Secretary-Treasurer of Better Opportunities Builders, Inc. (BOB). The Agency's Chief Real Estate Development Officer serves as the Chief Executive Officer of BOB. One of the Agency's Commissioners serves on the Board of Directors of BOB. The remaining Board of Directors are selected by other affiliated agencies. BOB has agreed to be the Managing General Partner in several low-income housing projects within the City of Fresno.

Housing Authority of the City of Fresno

The Housing Authority of the City of Fresno was established by a resolution of the Fresno City Council on March 14, 1940. The Authority is governed by a seven-member Board of Commissioners who are appointed to four-year terms by the City Council, reports on a calendar year, and issue separate financial and compliance audits. 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 of Commissioners. If one Board amends budgetary data subject to its jurisdiction, executive staff of the Authorities amends the joint budget as necessary to accommodate such changes. Although each Board takes action to approve its portion of the budget, the budget adoption process reflects considerable interplay between the two Boards and is essentially a single process managed by the shared management and staff of the two Authorities.

**HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 are 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.

d) COVID-19 Pandemic

In 2020, the financial impact of the novel COVID-19 coronavirus has been felt both worldwide and in the United States. Throughout the United States businesses in all financial sectors have felt the negative impact of the COVID-19 pandemic as jobs have been lost due to sheltering in place in order to mitigate the spread of the virus.

While the Authority cannot readily estimate the financial impact that the pandemic will have on its business operations, the Authority does not believe that the Authority's mission will be

**HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

adversely impacted as it has received federal stimulus funding to continue providing essential housing assistance to the families experiencing hardship in Fresno County. During 2020, the Authority directly received \$2,486,362 of CARES Act Funding, primarily from the Housing Choice Vouchers Program. As of December 31, 2020, the Authority has fully expended the full amount. The deadline to expend the CARES Act Funds was extended to December 31, 2021. The Authority anticipates expending all funds it directly receives by the deadline.

23) Restricted Net Position

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

The Agency has reported the following as Restricted Net Position:

Externally Required Restrictions:	
USDA Programs	\$ 712,726
HAP Funding	103,650
Other Reserves	124,793
Total Restricted Net Position	<u>\$ 941,169</u>

24) Discrete Component Unit – Kerman Acre, L.P.

a) Organization

Kerman Acre, L.P. (the “Partnership”) is a California limited partnership between two general partners, Housing Authority of Fresno County (the “Co-General Partner”) and Better Opportunities Builder, Inc. (the “Managing General Partner”); and one special limited partner Silvercrest, Inc. (the “Limited Partner”). The Partnership was formed for the purpose of developing and operating a 16-unit project located in Fresno, California known as Granada Commons Apartments (the “Project”). The Project qualifies for the federal Low-Income Housing Tax Credit Program as described in Internal Revenue Code Section 42.

The Project has qualified for and received, under the Tax Credit Assistance Program (“TCAP”), a loan from the California Tax Credit Allocation Committee (“TCAC”) under the requirements of Section 1603 of the American Recovery and Reinvestment Act of 2009 (“ARRA”). Under the terms of the loan, the Project is to be operated as a low-income housing tax credit project pursuant to Internal Revenue Code Section 42 (“Section 42”) which regulates the use of the Project as to occupant eligibility and gross rent among other requirements. Each low-income unit of the Project must meet the provisions of the regulations during each of the 15 consecutive years in order to remain qualified to be entitled to the loan. In addition, Kerman Acre, LP, a California Limited Partnership has executed an extended Low-Income Housing Covenant for low-income housing

**HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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which requires the utilization of the Project pursuant to Section 42 for a minimum of 30 years, even if disposition of the Project by the Partnership occurs.

Pursuant to the Amended and Restated Agreement of Limited Partnership dated March 16, 2010, (the "Partnership Agreement"), profits, losses and tax credits are allocated 51.00% to the Co-General Partner, 44.00% to the Managing General Partner and 5.00% to the Limited Partner. Pursuant to the terms of the Partnership Agreement, the Limited Partner is required to make capital contributions totaling \$100, the Co-General Partner is required to make capital contribution totaling \$800 and the Managing General Partner is required to make capital contributions totaling \$100.

b) Capital Assets

Changes in Capital Assets during the year ended December 31, 2020 were as follows:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Capital assets not depreciated:				
Land	\$ 119,217	\$ -	\$ -	\$ 119,217
Total capital assets not depreciated	<u>119,217</u>	<u>-</u>	<u>-</u>	<u>119,217</u>
Capital assets being depreciated:				
Dwelling structures	3,110,840	-	-	3,110,840
Dwelling equipment	327,259	-	-	327,259
Total capital assets being depreciated	<u>3,438,099</u>	<u>-</u>	<u>-</u>	<u>3,438,099</u>
Less accumulated depreciation for:				
Accumulated depreciation - building	(946,262)	(103,695)	-	(1,049,957)
Accumulated depreciation - equipment	(327,259)	-	-	(327,259)
Total accumulated depreciation	<u>(1,273,521)</u>	<u>(103,695)</u>	<u>-</u>	<u>(1,377,216)</u>
Total capital assets, net of depreciation	<u>2,164,578</u>	<u>(103,695)</u>	<u>-</u>	<u>2,060,883</u>
Total Capital Assets, Net	<u>\$ 2,283,795</u>	<u>\$ (103,695)</u>	<u>\$ -</u>	<u>\$ 2,180,100</u>

Capital assets are recorded at cost. Buildings, which include building improvements, are depreciated over their estimated useful lives of 40 years under the straight-line method. Land improvements are depreciated over their estimated useful life of 20 years under the straight-line method. Furniture and equipment are depreciated over their estimated useful life of 10 years under the straight-line method. Depreciation expense under FASB for the year ended was \$39,282. Under GASB, depreciation expense is an additional \$64,413 for a total depreciation for the year ended December 31, 2020, of \$103,695.

**HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

c) Long Term Liabilities

Changes in long-term liabilities during the year ended December 31, 2020 were as follows:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
BOB - RHED Loan	\$ 103,185	\$ -	\$ -	\$ 103,185
HACF - CFRG Loan	678,835	-	-	678,835
Kerman Acre Fresno County	900,000	-	-	900,000
Kerman Acre TCAC	2,202,168	-	-	2,202,168
Accrued Interest Payable	629,812	102,613	-	732,425
Total	\$ 4,514,000	\$ 102,613	\$ -	\$ 4,616,613

Kerman Acre, LP

The Partnership entered into a HOME loan agreement (the “HOME Loan”) with the County of Fresno. The HOME Loan is in the amount of \$900,000 for the purpose of developing the Project and the loan bears no interest. The loan is secured by the deed of trust and matures on April 1, 2041. Payments are made from available cash flow as further defined in the Partnership Agreement. At December 31, 2020, the outstanding principal balance was \$900,000.

The Partnership entered into a TCAC loan agreement in an amount not to exceed \$2,202,168 for the purpose of developing the rental property know as Granada Commons Apartments. The funds are to be used solely for eligible costs per the loan agreement. The note is dated March 16, 2010 and bears no interest. The loan is secured deed of trust and matures on March 16, 2065. All outstanding principal payments are due at maturity. At December 31, 2020, the outstanding principal balance was \$2,202,168.

d) Related party transactions

Property Management Fee

Pursuant to the property management agreement date October 13, 2010, (the “Property Management Agreement”) with the Housing Authority of the Fresno County (the “Manager”), the Manager is to manage the operations of the Project. As defined in the Property Management Agreement, the property management fee is \$65.07 per unit per of month, excluding the manager’s unit. For the years ended December 31, 2020, property management fees of \$9,600 per year were incurred.

Ground Lease

Pursuant to the Ground Lease Agreement dated March 16, 2010, (the “Ground Lease”), the Partnership entered into a ground lease to pay the Managing General in the amount of \$10 per year

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

plus additional rent as defined in the Ground Lease until the lease expires. In addition, the Partnership is obligated to pay all costs, expenses and obligations with respect to the property including property taxes, insurance, utilities operating costs and costs of maintenance. The lease term commenced on March 16, 2010 and expires on February 28, 2066. For the year ended December 31, 2020, ground lease expense was \$10 per year, and is included in general and administrative expenses on the Statement of Operations. As of December 31, 2020, there was no outstanding balance for the ground lease.

Co-General Partner Management Fee

Pursuant to the Partnership Agreement, the Partnership pays an annual partnership management fee of \$1,920, increased annually by 3%, to the Co-General Partner. The fee shall accrue, without interest, and shall be payable from available cash flow as further defined in the Partnership Agreement. For the year ended, the partnership management fee with interest was \$2,432, and is included in general partner fees on the Statement of Revenues & Expenses. As of December 31, 2020, the amount owed for Co-General Partner management fee were \$22,011, and it is included in Other Current Liabilities on the Statement of Net Position.

Managing General Partner Management Fee

Pursuant to the Partnership Agreement, the Partnership pays an annual partnership management fee of \$19,200, increased annually by 3%, to the Managing General Partner. The fee shall accrue without interest and shall be payable from available cash flow as further defined in the Partnership Agreement. For the year ended, the partnership management fee with interest was \$24,322 and is included in General Partner fees on the Statement of Revenues & Expenses. As of December 31, 2020, the amount owed for Managing General Partner management fee were \$220,107, respectively. It is included in Other Current Liabilities on the Statement of Net Position.

Due to HACF

Housing Authority of Fresno County (HACF) advanced funds to the Partnership for various operational costs. The outstanding balance does not bear interest and is payable out of available Net Cash Flow, as defined in the Partnership Agreement. As of December 31, 2020, the outstanding amount owed to HACF were \$8,004.

Notes Payable – BOB

On March 16, 2010, the Partnership entered into a Rural Housing and Economic Development assistance loan agreement with Better Opportunities Builders, Inc. in the amount not to exceed \$147,238 for the purpose of developing the rental property. Prior to the completion of construction, the note bore interest at 5%. Subsequent to the completion of construction, the note bears interest at 7.5%. The loan is secured by the deed of trust and matures on March 16, 2065. As the fourth priority loan, along with the second priority loan (CFRG), payments are made in accordance with their respective balances from 79.8% of net cash flow per the Partnership Agreement. For the year

HOUSING AUTHORITY OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

ended December 31, 2020, interest expense was \$16,651. At December 31, 2020, the outstanding principal balance was \$103,185 with accrued interest of \$134,433.

Notes Payable – HAFC

On March 16, 2010, the Partnership entered into a Capital Fund Recovery Grant (the “CFRG”) assistance loan agreement with HAFC in the amount not to exceed \$1,200,000 for the purpose of developing the property. The CFRG loan has been made available by the U.S. Department of Housing and Urban Development pursuant to the American Recovery and Reinvestment Act of 2009. Prior to the completion of construction, the note bore interest at 5%. Subsequent to the construction completion the note bears an interest of 7.5%. The CFRG loan is secured by the deed of trust on the property and matures on March 16, 2065. As the second priority loan, along with the fourth priority loan, payments are made in accordance with their respective balance from 79.8% of net cash flow per the Partnership Agreement. At December 31, 2020, the outstanding principal balance was \$678,835 with accrued interest of \$597,992.

e) Low-income housing tax credits

The Partnership expects to generate an aggregate of \$1,000 of federal low-income housing tax credits (“Tax Credits”). Generally, such credits become available for use by its partner’s pro-rata over a ten-year period, which began in 2011. The year in which the credit period begins is determined on a building-by-building basis within the Partnership. In order to qualify for these credits, the Project must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. The Partnership has also agreed to maintain and operate the Project as low-income housing for an additional 40 years beyond the initial 15-year compliance period. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of Tax Credits than expected in future years, and/or recapture of Tax Credits previously allocated. A reduction of future credits or recapture would require credit deficit payments to the Limited Partner under the terms of the Partnership Agreement.

25) Subsequent Events

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through September 30, 2021, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE FRESNO COUNTY
Schedule of Changes in Net Pension Liability and Related Ratios
for the Measurement Period (Miscellaneous Plan)
Year Ended December 31, 2020
(With comparative information for the last 10 years)*

Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
TOTAL PENSION LIABILITY							
Service Cost	\$891,464	\$896,748	\$820,144	\$699,487	\$603,788	\$606,288	\$584,039
Interest on Total Pension Liability	2,623,554	2,505,326	2,298,209	2,166,586	2,057,467	1,941,710	1,871,936
Changes of Benefit Terms	-	-	-	-	-	-	-
Changes of Assumptions	-	-	(323,504)	1,871,516	-	(488,519)	-
Difference between Expected and Actual Experience	(37,061)	1,320,247	676,861	218,283	291,575	(356,141)	-
Benefit Payments, Including Refunds of Employee Contributions	(1,766,752)	(1,650,906)	(1,509,410)	(1,368,382)	(1,415,591)	(1,234,705)	(1,164,839)
Net Change in Total Pension Liability	\$1,711,205	\$3,071,415	\$1,962,300	\$3,587,490	\$1,537,239	\$468,633	\$1,291,136
Total Pension Liability - Beginning	37,167,764	34,096,349	32,134,049	28,546,559	27,009,320	26,540,687	25,249,551
Total Pension Liability - Ending (a)	38,878,969	37,167,764	34,096,349	32,134,049	28,546,559	27,009,320	26,540,687
PLAN FIDUCIARY NET POSITION							
Net Plan to Plan Resource Movement	-	-	(61)	-	-	-	-
Contributions - Employer	903,002	775,478	614,365	548,643	428,473	346,507	310,842
Contributions - Employee	493,804	440,009	420,261	365,654	332,070	314,962	291,580
Investment Income	1,375,505	1,711,790	2,086,459	2,531,112	120,236	520,955	3,517,009
Benefit Payments, Including Refunds of Employee Contributions	(1,766,752)	(1,650,906)	(1,509,410)	(1,368,382)	(1,415,591)	(1,234,705)	(1,164,839)
Administrative Expense	(38,927)	(18,807)	(38,732)	(33,681)	(14,237)	(26,290)	-
Other Miscellaneous Expense	-	61	(73,552)	-	-	-	-
Net Change in Fiduciary Net Position	966,632	1,257,625	1,499,330	2,043,346	(549,049)	(78,571)	2,954,592
Plan Fiduciary Net Position - Beginning	27,612,461	26,354,836	24,855,506	22,812,160	23,361,209	23,439,780	20,485,188
Plan Fiduciary Net Position - Ending (b)	28,579,093	27,612,461	26,354,836	24,855,506	22,812,160	23,361,209	23,439,780
Plan Net Pension Liability - Ending (a) - (b)	\$10,299,876	\$9,555,303	\$7,741,513	\$7,278,543	\$5,734,399	\$3,648,111	\$3,100,907
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%	74.29%	77.30%	77.35%	79.91%	86.49%	88.32%
Covered Payroll	\$ 6,225,310	\$ 6,305,798	\$ 5,819,927	\$ 4,998,837	\$4,852,821	\$4,682,121	\$ 4,419,520
Plan Net Pension Liability as a Percentage of Covered Payroll	165.45%	151.53%	133.02%	145.60%	118.17%	77.92%	70.16%

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

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of 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 reflect an adjustment of the discount rate from 7.5 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 FRESNO COUNTY
Schedule of Pension Plan Contributions
for the Measurement Period (Miscellaneous Plan)
Year Ended December 31, 2020
(With comparative information for the last 10 years)*

Schedule of Plan Contributions for the Fiscal Years Ended December 31

Employer Fiscal Year End	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 903,002	\$ 775,478	\$ 614,365	\$ 548,643	\$ 428,473	\$ 346,507	\$ 310,842
Contributions in Relation to the Actuarially Determined Contribution	(903,002)	(775,478)	(614,365)	(548,643)	(428,473)	(346,507)	(310,842)
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,225,310	\$ 6,305,798	\$ 5,819,927	\$ 4,998,837	\$ 4,852,821	\$ 4,682,121	\$ 4,419,520
Contributions as a Percentage of Covered Payroll	14.51%	12.30%	10.56%	10.98%	8.83%	7.40%	7.03%

Notes to Schedule of Plan Contributions:

The actuarial method and assumptions used to set the actuarially determined contributions for the Fiscal Year 2019-2020 were derived from the June 30, 2017 funding valuation report as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2017 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.625%
Salary Increases	Varies by Entry Age and Service
Payroll	2.875%
Investment	7.25% 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 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of scale MP-2019 published by the Society of Actuaries.

Other information:

* The fiscal year ended December 31, 2014 was the first year of implementation. Information for the last 10 years is not available. For changes to previous year's information, refer to past GASB 68 reports.

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SUPPLEMENTAL INFORMATION

FINANCIAL DATA SCHEDULE

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

Housing Authority of Fresno County (CA028)
 Fresno, CA
 Entity Wide Balance Sheet Summary
 Submission Type: Audited/Single Audit
 Fiscal Year End: 12/31/2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.896 PH Family Self-Sufficiency Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.182 N/C S/R Section 8 Programs	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.235 Supportive Housing Program	14.HCC HCV CARES Act Funding	10.427 Rural Rental Assistance Payments	93.558 Temporary Assistance for Needy Families	COCC	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,398,961						\$5,275,948		\$1,689,688				\$99,642			\$77,917	\$9,542,156		\$9,542,156
112 Cash - Restricted - Modernization and Development																			
113 Cash - Other Restricted	\$0							\$124,792	\$103,650				\$1,794,995			\$6,852	\$2,030,289		\$2,030,289
114 Cash - Tenant Security Deposits	\$172,798				\$18,489		\$30,470						\$26,739			\$5,646	\$254,142		\$254,142
115 Cash - Restricted for Payment of Current Liabilities																			
100 Total Cash	\$2,571,759	\$0	\$0	\$0	\$18,489	\$0	\$5,306,418	\$124,792	\$1,793,338	\$0	\$0	\$0	\$1,921,376	\$0	\$0	\$90,415	\$11,826,587	\$0	\$11,826,587
121 Accounts Receivable - PHA Projects																			
122 Accounts Receivable - HUD Other Projects		\$195,966	\$12,763														\$219,086		\$219,086
124 Accounts Receivable - Other Government								\$524,750		\$10,357							\$524,750		\$524,750
125 Accounts Receivable - Miscellaneous	\$10,257						\$526,392		\$115,729						\$1,297,216		\$1,949,594		\$1,949,594
126 Accounts Receivable - Tenants	\$92,026				\$18,844		\$1,831						\$48,413			\$12,983	\$172,097		\$172,097
126.1 Allowance for Doubtful Accounts - Tenants	(\$4,455)		\$0		\$0		\$0	\$0	\$0				\$0		\$0	\$0	(\$4,455)		(\$4,455)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0				\$0	\$0	\$0	\$0			\$0		\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current																			
128 Fraud Recovery									\$71,451								\$71,451		\$71,451
128.1 Allowance for Doubtful Accounts - Fraud									(\$40,109)								(\$40,109)		(\$40,109)
129 Accrued Interest Receivable																			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$97,828	\$195,966	\$12,763	\$0	\$16,844	\$0	\$528,223	\$524,750	\$147,071	\$10,357	\$0	\$0	\$48,413	\$0	\$1,297,216	\$12,983	\$2,892,414	\$0	\$2,892,414
131 Investments - Unrestricted							\$1,110,711	\$62,476										\$1,173,187	\$1,173,187
132 Investments - Restricted																			
135 Investments - Restricted for Payment of Current Liability																			
142 Prepaid Expenses and Other Assets	\$12,630				\$8,393		\$592						\$395		\$247,557	\$5,490	\$275,057		\$275,057
143 Inventories																			
143.1 Allowance for Obsolete Inventories									\$0								\$0		\$0
144 Inter Program Due From	\$248,887						\$4,197,751		\$250,000	\$56,756					\$10,487		\$4,763,881	(\$4,763,881)	\$0
145 Assets Held for Sale	\$345,628								\$0								\$345,628		\$345,628
150 Total Current Assets	\$3,276,732	\$195,966	\$12,763	\$0	\$43,726	\$0	\$11,143,695	\$712,018	\$2,190,409	\$67,113	\$0	\$0	\$1,970,184	\$0	\$1,555,260	\$108,888	\$21,276,754	(\$4,763,881)	\$16,512,873
161 Land	\$735,660				\$41,254		\$723,411	\$50,118					\$129,873		\$137,322	\$119,217	\$1,936,855		\$1,936,855
162 Buildings	\$47,871,362				\$2,238,856		\$3,566,838	\$602,180					\$7,215,490		\$2,153,209	\$3,110,840	\$66,758,795		\$66,758,795
163 Furniture, Equipment & Machinery - Dwellings																\$327,259	\$327,259		\$327,259
164 Furniture, Equipment & Machinery - Administration	\$268,981						\$33,021	\$493,181	\$59,742				\$175,813		\$633,922		\$1,664,660		\$1,664,660
165 Leasehold Improvements																			
166 Accumulated Depreciation	(\$44,776,885)				(\$2,217,696)		(\$2,171,246)	(\$352,590)	(\$49,327)				(\$6,007,675)		(\$2,108,914)	(\$1,377,216)	(\$59,061,549)		(\$59,061,549)
167 Construction in Progress	\$107,732						\$2,975,374						\$870,924		\$19,578		\$3,973,608		\$3,973,608
168 Infrastructure																			
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,206,870	\$0	\$0	\$0	\$62,414	\$0	\$5,127,398	\$792,889	\$10,415	\$0	\$0	\$0	\$2,384,425	\$0	\$835,117	\$2,180,100	\$15,599,628	\$0	\$15,599,628
171 Notes, Loans and Mortgages Receivable - Non-Current	\$678,835						\$37,654,230										\$38,333,065		\$38,333,065
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due																			
173 Grants Receivable - Non Current																			
174 Other Assets																			
176 Investments in Joint Ventures							\$14,788,520										\$14,788,520		\$14,788,520
180 Total Non-Current Assets	\$4,885,705	\$0	\$0	\$0	\$62,414	\$0	\$57,570,148	\$792,889	\$10,415	\$0	\$0	\$0	\$2,384,425	\$0	\$835,117	\$2,180,100	\$68,721,213	\$0	\$68,721,213
200 Deferred Outflow of Resources	\$183,427						\$253,058	\$46,960	\$453,996							\$624,343	\$1,561,784		\$1,561,784
290 Total Assets and Deferred Outflow of Resources	\$8,345,864	\$195,966	\$12,763	\$0	\$106,140	\$0	\$68,966,901	\$1,551,867	\$2,654,820	\$67,113	\$0	\$0	\$4,354,609	\$0	\$3,014,720	\$2,288,988	\$91,559,751	(\$4,763,881)	\$86,795,870

Housing Authority of Fresno County (CA028)
 Fresno, CA
 Entity Wide Balance Sheet Summary
 Submission Type: Audited/Single Audit
 Fiscal Year End: 12/31/2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.896 PH Family Self-Sufficiency Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	14.182 N/C S/R Section 8 Programs	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.235 Supportive Housing Program	14.HCC HCV CARES Act Funding	10.427 Rural Rental Assistance Payments	93.558 Temporary Assistance for Needy Families	COCC	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
311 Bank Overdraft	\$68,487																\$68,487		\$68,487
312 Accounts Payable <= 90 Days	\$123,423				\$30,953		\$49,453	\$125,722	\$18,402				\$38,090		\$107,970	\$13,552	\$505,565		\$505,565
313 Accounts Payable >90 Days Past Due	\$0																\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$23,129		\$1,555		\$3,484		\$49,441	\$9,163	\$68,165	\$3,132			\$8,261		\$196,211		\$302,541		\$302,541
322 Accrued Compensated Absences - Current Portion	\$31,988		\$3,251		\$1,433		\$80,645	\$12,480	\$96,489	\$8,183			\$8,263		\$160,727		\$403,459		\$403,459
324 Accrued Contingency Liability	\$9,510																\$9,510		\$9,510
325 Accrued Interest Payable																			
331 Accounts Payable - HUD PHA Programs									\$313,212								\$313,212		\$313,212
332 Account Payable - PHA Projects																			
333 Accounts Payable - Other Government	\$165,589				\$32,380			\$22,987	\$155				\$2,144				\$223,255		\$223,255
341 Tenant Security Deposits	\$172,798				\$18,489		\$30,470						\$26,739			\$5,646	\$254,142		\$254,142
342 Unearned Revenue	\$448,713				\$0		\$12,216						\$1,082,268			\$636	\$1,543,833		\$1,543,833
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							\$3,830,771						\$38,571				\$3,867,342		\$3,867,342
344 Current Portion of Long-term Debt - Operating Borrowings																			
345 Other Current Liabilities					\$7,769		\$4,844	\$3,709							\$97,561	\$245,231	\$359,114		\$359,114
346 Accrued Liabilities - Other	\$9,557		\$761				\$8,175	\$3,801	\$91,530	\$965			\$2,672		\$176,695	\$294,156	\$294,156		\$294,156
347 Inter Program - Due To	\$109,677	\$195,966	\$22,573		\$320,249			\$450,932	\$250,000	\$61,260	\$43,742		\$6,389		\$3,303,093		\$4,763,881	(\$4,763,881)	\$0
348 Loan Liability - Current																			
310 Total Current Liabilities	\$1,162,871	\$195,966	\$28,140	\$0	\$414,757	\$0	\$4,066,015	\$628,794	\$837,953	\$73,540	\$43,742	\$0	\$1,209,397	\$0	\$3,982,257	\$265,065	\$12,908,497	(\$4,763,881)	\$8,144,616
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue													\$495,536		\$66,000	\$3,884,188	\$4,445,724		\$4,445,724
352 Long-term Debt, Net of Current - Operating Borrowings							\$3,438,656		\$323,185								\$3,761,841		\$3,761,841
353 Non-current Liabilities - Other							\$355,983		\$43,935							\$732,424	\$1,132,342		\$1,132,342
354 Accrued Compensated Absences - Non Current	\$19,239		\$1,664		\$755		\$42,528	\$7,680	\$50,823	\$3,915			\$4,937		\$84,670		\$216,211		\$216,211
355 Loan Liability - Non Current																			
356 FASB 5 Liabilities																			
357 Accrued Pension and OPEB Liabilities	\$1,193,001						\$1,787,964	\$305,424	\$2,952,778						\$4,060,710		\$10,299,877		\$10,299,877
350 Total Non-Current Liabilities	\$1,212,240	\$0	\$1,664	\$0	\$755	\$0	\$5,625,131	\$313,104	\$3,370,721	\$3,915	\$0	\$0	\$500,473	\$0	\$4,211,380	\$4,616,612	\$19,855,995	\$0	\$19,855,995
300 Total Liabilities	\$2,375,111	\$195,966	\$29,804	\$0	\$415,512	\$0	\$9,691,146	\$941,898	\$4,208,674	\$77,455	\$43,742	\$0	\$1,709,870	\$0	\$8,193,637	\$4,881,677	\$32,764,492	(\$4,763,881)	\$28,000,611
400 Deferred Inflow of Resources	\$8,435						\$47,738	\$2,159	\$20,877						\$28,711		\$107,920		\$107,920
508.4 Net Investment in Capital Assets	\$4,206,870		\$0		\$62,413	\$0	\$1,296,625	\$792,889	\$10,415				\$0	\$1,852,319	\$769,116	(\$1,704,088)	\$7,286,559		\$7,286,559
511.4 Restricted Net Position	\$0		\$0		\$0	\$0	\$124,792	\$103,650					\$0	\$712,727		\$6,216	\$947,385		\$947,385
512.4 Unrestricted Net Position	\$1,755,448	\$0	(\$17,041)	\$0	(\$371,785)	\$0	\$57,931,392	(\$309,871)	(\$1,888,796)	(\$10,342)	(\$43,742)	\$0	\$79,693	\$0	(\$5,976,744)	(\$894,817)	\$50,453,395		\$50,453,395
513 Total Equity - Net Assets / Position	\$5,962,318	\$0	(\$17,041)	\$0	(\$309,372)	\$0	\$59,228,017	\$607,810	(\$1,574,731)	(\$10,342)	(\$43,742)	\$0	\$2,644,739	\$0	(\$5,207,628)	(\$2,592,689)	\$58,687,339	\$0	\$58,687,339
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$8,345,864	\$195,966	\$12,763	\$0	\$106,140	\$0	\$68,966,901	\$1,551,867	\$2,654,820	\$67,113	\$0	\$0	\$4,354,609	\$0	\$3,014,720	\$2,288,988	\$91,659,751	(\$4,763,881)	\$86,795,870

Housing Authority of Fresno County (CA028)
 Fresno, CA
 Entity Wide Revenue and Expense Summary
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 Fiscal Year End: 12/31/2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.896 PH Family Self-Sufficiency Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RHP)	14.192 NC S/R Section 8 Programs	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.235 Supportive Housing Program	14.HCC HCVC CARES Act Funding	10.427 Rural Rental Assistance Payments	93.558 Temporary Assistance for Needy Families	COCC	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$2,227,120				\$135,566		\$376,494						\$868,924			\$91,947	\$3,700,051		\$3,700,051
70400 Tenant Revenue - Other	\$37,946				(\$434)		\$4,199						\$5,101			\$106	\$46,918		\$46,918
70500 Total Tenant Revenue	\$2,265,066	\$0	\$0	\$0	\$135,132		\$380,693	\$0	\$0	\$0	\$0	\$0	\$874,025	\$0	\$0	\$92,053	\$3,746,969	\$0	\$3,746,969
70600 HUD PHA Operating Grants	\$2,253,809	\$346,871	\$66,413			\$160,859			\$43,147,911	\$72,386		\$1,978,632					\$48,026,881		\$48,026,881
70610 Capital Grants	\$865,720												\$95,436				\$961,156		\$961,156
70710 Management Fee															\$1,593,956		\$1,593,956	(\$1,593,956)	\$0
70720 Asset Management Fee															\$55,170		\$55,170	(\$55,170)	\$0
70730 Book Keeping Fee															\$544,163		\$544,163	(\$544,163)	\$0
70740 Front Line Service Fee																			
70750 Other Fees															\$610,126		\$610,126		\$610,126
70700 Total Fee Revenue															\$2,803,415		\$2,803,415	(\$2,193,289)	\$610,126
70800 Other Government Grants					\$342,950		\$41,712	\$729,931					\$44,899				\$39,456	\$1,198,948	\$1,198,948
71100 Investment Income - Unrestricted	\$89,117						\$1,206,117	\$0							\$19,072		\$1,314,306		\$1,314,306
71200 Mortgage Interest Income																			
71300 Proceeds from Disposition of Assets Held for Sale																			
71310 Cost of Sale of Assets																			
71400 Fraud Recovery									\$7,562								\$7,562		\$7,562
71500 Other Revenue	\$340,303						\$4,980,317	\$704,908	\$70,772	\$56,756			\$24,376		\$1,367,765	\$709	\$7,545,906	(\$1,216,102)	\$6,329,804
71600 Gain or Loss on Sale of Capital Assets							(\$2,294)								\$2,365		\$71		\$71
72000 Investment Income - Restricted					\$2,962		\$25	\$318	\$0				\$3,030				\$6,335		\$6,335
70000 Total Revenue	\$5,814,015	\$346,871	\$66,413	\$0	\$481,044	\$160,859	\$6,606,570	\$1,435,157	\$43,226,245	\$129,142	\$0	\$1,978,632	\$1,041,766	\$0	\$4,192,617	\$132,218	\$65,611,549	(\$3,409,391)	\$62,202,158
91100 Administrative Salaries	\$109,461	\$216,384	\$48,832		\$23,802		\$873,559	\$169,550	\$279,523	\$71,223	\$435	\$1,226,389	\$36,073		\$1,998,875	\$8,126	\$5,062,232		\$5,062,232
91200 Auditing Fees	\$18,806				\$7,648		\$2,625		\$32,375						\$5,004	\$7,781	\$74,239		\$74,239
91300 Management Fee	\$830,355				\$20,856		\$40,440	\$11,424	\$790,224				\$61,517				\$1,754,816	(\$1,754,816)	\$0
91310 Book-keeping Fee	\$50,274								\$493,890								\$544,164	(\$544,164)	\$0
91400 Advertising and Marketing	\$629				\$134		\$4,603		\$1,570				\$1,965		\$2,350		\$11,251		\$11,251
91500 Employee Benefit contributions - Administrative	\$320,911	\$121,519	\$23,147		\$21,090		\$1,143,739	\$153,186	\$220,753	\$29,214	\$230	\$539,218			\$1,257,511	\$6,863	\$3,837,381		\$3,837,381
91600 Office Expenses	\$110,018		\$275		\$7,960	\$5,908	\$84,641	\$211,343	\$247,654	\$1,290		\$11,736	\$36,640		\$377,701	\$4,532	\$1,099,698	(\$357,061)	\$742,637
91700 Legal Expense						\$6,277	\$38,509								\$44,747		\$89,533		\$89,533
91800 Travel	\$224						\$5,301	\$3,176	\$331						\$16,772		\$25,804		\$25,804
91810 Allocated Overhead																			
91900 Other	\$141,249				\$19,681	\$5,465	\$269,677	\$42,016	\$201,855	\$14,480	\$139		\$35,727		\$515,096	\$55,101	\$1,300,486	(\$698,180)	\$602,306
91000 Total Operating - Administrative	\$1,581,927	\$337,903	\$72,254	\$0	\$101,171	\$17,650	\$2,463,094	\$590,695	\$2,268,175	\$116,207	\$804	\$1,777,343	\$171,922	\$0	\$4,218,056	\$82,403	\$13,799,604	(\$3,354,221)	\$10,445,383
92000 Asset Management Fee	\$55,170																\$55,170	(\$55,170)	\$0
92100 Tenant Services - Salaries																			
92200 Relocation Costs															\$2,626		\$2,626		\$2,626
92300 Employee Benefit Contributions - Tenant Services																			
92400 Tenant Services - Other																			
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,626	\$0	\$2,626	\$0	\$2,626
93100 Water	\$262,291				\$65,050		\$47,023	\$29,145					\$40,584		\$2,628	\$6,321	\$453,042		\$453,042
93200 Electricity	\$54,649				\$1,477		\$6,575	\$53,485					\$55,306		\$59,512		\$231,004		\$231,004
93300 Gas	\$6,277				\$484		\$88	\$15,745					\$8,341		\$4,252	\$297	\$35,484		\$35,484
93400 Fuel																			
93500 Labor																			
93600 Sewer	\$240,913				\$15,626			\$49,911					\$67,601			\$5,170	\$379,221		\$379,221
93700 Employee Benefit Contributions - Utilities							\$24,958								\$1,206		\$26,164		\$26,164
93800 Other Utilities Expense	\$240,852				\$12,566		\$23,346	\$19,334					\$38,129		\$4,380	\$3,526	\$350,135		\$350,135
93000 Total Utilities	\$812,982	\$0	\$0	\$0	\$95,203	\$0	\$101,990	\$167,620	\$0	\$0	\$0	\$0	\$209,961	\$0	\$71,978	\$15,316	\$1,475,050	\$0	\$1,475,050
94100 Ordinary Maintenance and Operations - Labor	\$244,854				\$17,573	\$48	\$12,771	\$46,069	\$49				\$48,812		\$72,174	\$5,633	\$447,983		\$447,983
94200 Ordinary Maintenance and Operations - Materials and Other	\$231,054				\$32,609		\$20,959	\$14,756	\$1,616				\$43,307		\$15,550	\$6,810	\$366,661		\$366,661
94300 Ordinary Maintenance and Operations Contracts	\$1,011,431				\$144,228		\$126,726	\$100,608	\$16,709	\$851	\$19		\$138,557		\$472,784	\$12,278	\$2,024,191		\$2,024,191
94500 Employee Benefit Contributions - Ordinary Maintenance																			
94000 Total Maintenance	\$1,487,339	\$0	\$0	\$0	\$194,410	\$48	\$160,456	\$161,433	\$18,374	\$851	\$19	\$0	\$230,676	\$0	\$560,508	\$24,721	\$2,838,835	\$0	\$2,838,835

Housing Authority of Fresno County (CA028)
 Fresno, CA
 Entity Wide Revenue and Expense Summary
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 Fiscal Year End: 12/31/2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.896 PH1 Family Self-Sufficiency Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RHP)	14.192 NC S/R Section 8 Programs	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.235 Supportive Housing Program	14.HCC HCVC CARES Act Funding	10.427 Rural Rental Assistance Payments	93.558 Temporary Assistance for Needy Families	COCC	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total	
95100 Protective Services - Labor																				
95200 Protective Services - Other Contract Costs																				
95300 Protective Services - Other																				
10000 Employee benefit contributions - Protective Services																				
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$84,682				\$13,634		\$15,258	\$16,244					\$17,050		\$8,403	\$5,297	\$160,568		\$160,568	
96120 Liability Insurance	\$18,115				\$1,541		\$1,990	\$3,989					\$3,838		\$1,714		\$31,187		\$31,187	
96130 Workmen's Compensation	\$30,053		(\$118)		\$2,799		\$10,495	\$8,810	\$21,947	\$498	\$4		\$6,147		\$34,707	\$1,076	\$116,418		\$116,418	
96140 All Other Insurance	\$14,682				\$1,042		\$4,411	\$2,989	\$9,459	\$724			\$2,365		\$18,606	\$462	\$54,740		\$54,740	
96100 Total Insurance Premiums	\$147,532	\$0	(\$118)	\$0	\$19,016	\$0	\$32,154	\$32,032	\$31,406	\$1,222	\$4	\$0	\$29,400	\$0	\$63,430	\$6,835	\$362,913	\$0	\$362,913	
96200 Other General Expenses	\$287,664				\$15,490	\$138,651	\$16,826	\$368,945	\$26,806	\$883		\$41,448	\$9,904		\$102,411	\$954	\$1,009,782		\$1,009,782	
96210 Compensated Absences	\$74,632	\$8,968	\$7,773		\$6,551	\$4,510	\$147,193	\$29,877	\$0	\$10,179		\$159,841	\$20,272		\$298,490	\$1,880	\$770,166		\$770,166	
96300 Payments in Lieu of Taxes	\$165,590																\$165,590		\$165,590	
96400 Bad debt - Tenant Rents	\$23,523				\$78		\$3,033	\$424					\$273				\$153		\$27,484	
96500 Bad debt - Mortgages																				
96600 Bad debt - Other	\$169,046						\$25,232		\$26,775						\$17,921		\$238,974		\$238,974	
96800 Severance Expense							\$34,674								\$31,581		\$66,255		\$66,255	
96000 Total Other General Expenses	\$720,455	\$8,968	\$7,773	\$0	\$22,119	\$143,161	\$226,958	\$399,246	\$53,581	\$10,862	\$0	\$201,289	\$30,449	\$0	\$450,403	\$2,987	\$2,278,251	\$0	\$2,278,251	
96710 Interest of Mortgage (or Bonds) Payable																				
96720 Interest on notes payable (short and long term)					\$573		\$104						\$3,835				\$102,613		\$107,125	
96730 Amortization of Bond Issue Costs																				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$573	\$0	\$104	\$0	\$0	\$0	\$0	\$0	\$3,835	\$0	\$0	\$102,613	\$107,125	\$0	\$107,125	
96900 Total Operating Expenses	\$4,805,405	\$346,871	\$79,909	\$0	\$432,492	\$160,859	\$2,984,756	\$1,351,026	\$2,371,536	\$129,142	\$827	\$1,978,632	\$676,243	\$0	\$5,367,001	\$234,875	\$20,919,574	(\$3,409,391)	\$17,510,183	
97000 Excess of Operating Revenue over Operating Expenses	\$1,008,610	\$0	(\$13,496)	\$0	\$48,552	\$0	\$3,621,814	\$84,131	\$40,854,709	\$0	(\$827)	\$0	\$365,523	\$0	(\$1,174,384)	(\$102,657)	\$44,691,975	\$0	\$44,691,975	
97100 Extraordinary Maintenance	\$42						\$105,188		\$36						\$6,274		\$111,540		\$111,540	
97200 Casualty Losses - Non-capitalized																				
97300 Housing Assistance Payments	\$1,311				\$2,435			\$68,498	\$38,699,957								\$38,772,201		\$38,772,201	
97350 HAP Portability-In																				
97400 Depreciation Expense	\$895,050				\$1,196		\$32,234	\$129,078	\$6,996				\$133,685		\$108,671	\$103,695	\$1,410,605		\$1,410,605	
97500 Fraud Losses																				
97600 Capital Outlays - Governmental Funds																				
97700 Debt Principal Payment - Governmental Funds																				
97800 Dwelling Units Rent Expense																				
90000 Total Expenses	\$5,701,808	\$346,871	\$79,909	\$0	\$436,123	\$160,859	\$3,122,178	\$1,548,602	\$41,078,525	\$129,142	\$827	\$1,978,632	\$809,928	\$0	\$5,481,946	\$338,570	\$61,213,920	(\$3,409,391)	\$57,804,529	
10010 Operating Transfer In	\$71,615																			
10020 Operating transfer Out	(\$71,615)																			
10030 Operating Transfers from/to Primary Government	(\$43,053)						\$43,053										\$0	\$0	\$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	\$265,151																\$265,151		\$265,151	
10092 Inter Project Excess Cash Transfer Out	(\$265,151)																(\$265,151)		(\$265,151)	
10093 Transfers between Program and Project - In																				
10094 Transfers between Project and Program - Out																				
10100 Total Other financing Sources (Uses)	(\$43,053)	\$0	\$0	\$0	\$0	\$0	\$43,053	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$69,154	\$0	(\$13,496)	\$0	\$44,921	\$0	\$3,527,445	(\$113,445)	\$2,147,720	\$0	(\$827)	\$0	\$231,838	\$0	(\$1,289,320)	(\$206,352)	\$4,397,629	\$0	\$4,397,629	

Housing Authority of Fresno County (CA028)
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 Submission Type: Audited/Single Audit
 Fiscal Year End: 12/31/2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.896 PH1 Family Self-Sufficiency Program	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAH)	14.192 N/C S/R Section 8 Programs	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.235 Supportive Housing Program	14.HCC HCVC CARES Act Funding	10.427 Rural Rental Assistance Payments	93.558 Temporary Assistance for Needy Families	COCC	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$3,830,771	\$0	\$0	\$0	\$0	\$0	(\$36,571)	\$0	\$0	\$0	\$3,794,200		\$3,794,200
11030 Beginning Equity	\$5,893,164	\$0	(\$3,545)	\$0	(\$354,293)	\$0	\$55,731,506	\$722,489	(\$3,722,451)	(\$10,342)	(\$42,915)	\$0	\$2,382,716	\$0	(\$3,920,282)	(\$2,386,337)	\$54,289,710		\$54,289,710
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0						(\$30,934)	(\$1,234)					\$30,185		\$1,983		\$0		\$0
11050 Changes in Compensated Absence Balance																			
11060 Changes in Contingent Liability Balance																			
11070 Changes in Unrecognized Pension Transition Liability																			
11080 Changes in Special Term/Severance Benefits Liability																			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents																			
11100 Changes in Allowance for Doubtful Accounts - Other																			
11170 Administrative Fee Equity									(\$1,678,381)								(\$1,678,381)		(\$1,678,381)
11180 Housing Assistance Payments Equity									\$103,650								\$103,650		\$103,650
11190 Unit Months Available	7200		0		0	0	4336	2328	67824			0	1200		0	2160	85048		85048
11210 Number of Unit Months Leased	7043		0		0	0	4268	1402	65852			0	1153		0	2134	81852		81852
11270 Excess Cash	\$1,403,552																\$1,403,552		\$1,403,552
11610 Land Purchases	\$0														\$0		\$0		\$0
11620 Building Purchases	\$0														\$0		\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0														\$0		\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0														\$0		\$0		\$0
11650 Leasehold Improvements Purchases	\$0														\$0		\$0		\$0
11660 Infrastructure Purchases	\$0														\$0		\$0		\$0
13510 CFFP Debt Service Payments	\$0														\$0		\$0		\$0
13901 Replacement Housing Factor Funds	\$0														\$0		\$0		\$0

Housing Authority of

Fresno County

Statistical Section:

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic
Information

Operating Information



HOUSING AUTHORITY OF FRESNO COUNTY

Statistical Section

This section provides additional information regarding the Authority in the following following categories:

Financial Trends	show how the Authority’s financial position has changed over time	Table 1-2
Revenue Capacity	the tables in this section show the Authority’s ability to generate revenue	Table 3-4
Debt Capacity	show the Authority’s debt burden over time and provide information on the ability to issue debt	Table 5
Demographics and Economic Statistics	the tables in this section portray the socioeconomic environment and provide information to allow companies over time and comparison to other governments	Table 6-8
Operating Information	the purpose of these tables is to show the Authority’s operations and provide information to assess the government’s economic Condition	Table 9-10

Table 1**HOUSING AUTHORITY OF FRESNO COUNTY**

Financial Trends

Net Position by Component
Last Ten Fiscal Years (Unaudited)

Year	Net Investment in capital assets	Restricted	Unrestricted	Total
2011	\$ 18,091,172	\$ 9,854,691	\$ 13,431,271	\$ 41,377,134
2012	20,048,589	4,615,044	8,997,257	33,660,890
2013	14,834,288	2,526,572	26,656,754	44,017,614
2014	12,654,292	2,177,745	28,121,466	42,953,503
2015	10,321,249	2,889,384	25,521,478	38,732,111
2016	10,206,099	2,779,750	28,441,783	41,427,632
2017	9,822,921	2,377,669	36,178,001	48,378,591
2018	10,394,276	1,995,584	40,016,653	52,406,513
2019	9,274,860	1,271,754	46,129,438	56,676,052
2020	8,990,647	941,169	51,348,216	61,280,032

Source: Previous year's audits and current year financial statements

Table 2

HOUSING AUTHORITY OF FRESNO COUNTY

Financial Trends

Change in Net Position
Last Ten Fiscal Years (Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUES:										
Rental revenue	\$ 4,430,036	\$ 4,183,367	\$ 4,172,897	\$ 3,575,138	\$ 3,608,289	\$ 3,686,642	\$ 3,470,504	\$ 3,694,908	\$ 3,650,358	\$ 3,609,193
Fee revenue		80,733	82,202	386,357	298,248	482,856	748,301	580,458	634,849	536,236
HUD grants	45,256,288	35,685,906	42,730,660	41,652,371	43,330,623	41,610,416	41,877,230	41,484,470	47,174,954	48,756,691
Other governmental grants	1,636,364	1,161,353	997,777	1,001,526	1,830,572	1,267,822	2,929,546	2,024,399	1,559,562	1,864,401
Developer Fee Revenue								3,685,245	1,634,322	4,178,443
Other revenue	978,131	1,135,766	1,600,703	1,408,761	731,021	691,674	1,472,260	1,031,054	895,760	1,197,849
Total operating revenue	52,300,819	42,247,125	49,584,239	48,024,153	49,798,753	47,739,410	50,497,841	52,500,534	55,549,805	60,142,813
OPERATING EXPENSES:										
Administrative expense	7,436,586	8,305,560	7,622,189	7,762,995	8,894,131	8,353,627	9,100,447	10,662,276	10,034,827	10,148,342
Tenant services expense	12,650	28,313	20,493	18,658	587,452	12,713	8,381	758,574	576,561	646,717
Utilities	1,207,714	1,270,512	1,337,943	1,334,953	1,066,865	1,076,236	1,453,782	1,323,772	1,363,723	1,443,141
Maintenance and operations	3,186,973	2,847,348	3,252,759	2,513,618	2,635,242	2,434,489	2,527,771	2,701,837	2,518,525	2,619,134
Protective services	30,845	46,596	24,661	56,674	33,433	34,255	31,523	56,658	48,074	58,703
Insurance	278,938	563,131	569,319	354,286	428,823	502,349	474,865	526,118	363,375	356,075
General expenses	1,417,079	1,490,564	1,085,381	1,057,281	708,109	1,464,218	1,728,640	1,246,895	1,425,137	2,073,534
Housing assistance payments	33,403,300	33,766,230	34,526,205	34,467,829	35,680,126	32,966,932	33,853,191	34,502,667	39,571,456	38,635,117
Depreciation	2,544,886	2,450,530	2,088,632	1,780,833	2,243,938	1,967,693	1,424,089	1,629,694	1,428,300	1,306,911
Total operating expenses	49,518,971	50,768,784	50,527,582	49,347,127	52,278,119	48,812,512	50,602,689	53,408,491	57,329,978	57,287,674
Operating income (loss)	2,781,848	(8,521,659)	(943,343)	(1,322,974)	(2,479,366)	(1,073,102)	(104,848)	(907,957)	(1,780,173)	2,855,139
NONOPERATING REVENUES (EXPENSES):										
Interest revenue, unrestricted	16,569	162,897	72,678	21,651	1,868	9,520	2,718	4,975	26,752	24,224
Interest revenue, restricted	17,736	11,049	1,650	4,473	3,153	6,096	2,563	4,100	5,614	6,335
Interest revenue on notes receivable	-	87,513	-	131,780	328,511	762,851	834,661	1,076,263	1,086,450	1,290,083
Interest expense	(268,992)	(295,296)	(113,885)	(130,594)	(81,538)	(87,211)	(65,617)	(32,464)	(20,523)	(4,512)
Fraud recovery	34,394	21,650	11,746	2,517	15,819	11,173	26,946	26,639	63,039	2,137
Share of joint venture net income	80,051	141,391	260,750	54,432	400,264	470,216	283,126	1,854,502	175,980	385,365
Loss from equity interest in component unit	-	-	(148,399)	(107,283)	(112,072)	(27,405)	(166,456)	(116,529)	(123,195)	(105,188)
Loss from Insurance Proceeds	-	-	-	-	-	-	-	(14,397)	(4,500)	-
Write off in Interest Receivable	-	-	-	-	-	-	-	(428,946)	-	-
Developer fees	-	108,721	1,181,951	261,677	987,060	1,399,766	2,220,176	-	-	-
Transfer from/(to) related party	-	-	-	-	(186,864)	(50,815)	600	59,504	(849,799)	-
Gain (loss) on sale/disposition of capital assets	(2,139)	(87,439)	8,677,458	20,210	133,868	1,139,654	3,960,971	2,129,490	3,084,549	71
Total nonoperating revenues (expenses)	(122,381)	150,486	9,943,949	258,863	1,490,069	3,633,845	7,099,688	4,563,137	3,444,367	1,598,515
Net income (loss) before contributions and transfers	2,659,467	(8,371,173)	9,000,606	(1,064,111)	(989,297)	2,560,743	6,994,840	3,655,180	1,664,194	4,453,654
Capital contributions	1,736,212	1,641,291	1,098,798	-	159,853	-	67,608	215,605	2,520,488	150,327
Increase (decrease) in net position	4,395,679	(6,729,882)	10,099,404	(1,064,111)	(829,444)	2,560,743	7,062,448	3,870,785	4,184,682	4,603,981
Net position, beginning of year	36,981,454	40,390,771	33,660,890	44,017,614	42,953,503	38,729,538	41,427,632	48,378,591	52,406,513	56,676,051
Prior period adjustment	-	-	257,321	-	(3,391,954)	137,350	(111,489)	157,137	84,856	-
Adjusted net position, beginning of year	36,981,454	40,390,771	33,918,211	44,017,614	39,561,549	38,866,888	41,316,143	48,535,728	52,491,369	56,676,051
Net position at end of year	\$ 41,377,133	\$ 33,660,889	\$ 44,017,615	\$ 42,953,503	\$ 38,732,105	\$ 41,427,631	\$ 48,378,591	\$ 52,406,513	\$ 56,676,051	\$ 61,280,032

Source: Previous year's audits and current year financial statements

Table 3

HOUSING AUTHORITY OF FRESNO COUNTY

Revenue Capacity

Operating Revenues by Source
Last Ten Fiscal Years (Unaudited)

Year	Tenant rentals		Housing assistance payment subsidies		Other Governmental grants		Fee revenue		Other revenue		Developer Fee Revenue		Total	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	Total
2011	\$ 4,430,036	8	\$45,256,288	87	\$ 1,636,364	3	\$ -	-	\$ 978,131	2	-	-	\$ 52,300,819	100
2012	4,183,367	10	35,685,906	84	1,161,353	3	80,733	0.2	1,135,766	3	-	-	42,247,125	100
2013	4,172,897	8	42,730,660	86	997,777	2	82,202	0.2	1,600,703	3	-	-	49,584,239	100
2014	3,575,138	7	41,652,371	87	1,001,526	2	386,357	1	1,408,761	3	-	-	48,024,153	100
2015	3,608,289	7	43,330,623	87	1,830,572	4	298,248	1	731,021	1	-	-	49,798,753	100
2016	3,686,642	8	41,610,416	87	1,267,822	3	482,856	1	691,674	1	-	-	47,739,410	100
2017	3,470,504	7	41,877,230	83	2,929,546	6	748,301	1	1,472,260	3	-	-	50,497,841	100
2018	3,694,908	7	41,484,470	79	2,024,399	4	580,458	1	1,031,054	2	3,685,245	7	52,500,534	100
2019	3,650,358	7	47,174,954	85	1,559,562	3	634,849	1	895,760	2	1,634,322	3	55,549,805	100
2020	3,609,193	6	48,756,691	81	1,864,401	3	536,236	1	1,197,849	2	4,178,443	7	60,142,813	100

Source: Previous year's audits and current year financial statements

Table 4

HOUSING AUTHORITY OF FRESNO COUNTY

Revenue Capacity

Non-Operating Revenues by Source
Last Ten Fiscal Years (Unaudited)

Year	Interest Income		Fraud recovery		Share of joint venture net income		Developer Fees		Transfer from (to) other related entities		Gain (Loss) on Assets		Total	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	Total
2011	\$ 34,305	23	\$34,394	23	\$ 80,051	55	\$ -	-	\$ -	-	\$ (2,139)	(1)	\$ 146,611	100
2012	261,459	59	21,650	5	141,391	32	108,721	24	-	-	(87,439)	(20)	445,782	100
2013	74,328	1	11,746	0	260,750	3	1,181,951	12	-	-	8,677,458	85	10,206,233	100
2014	157,904	32	2,517	1	54,432	11	261,677	53	-	-	20,210	4	496,740	100
2015	333,532	20	15,819	1	400,264	24	987,060	59	(186,864)	(11.1)	133,868	8	1,683,679	100
2016	778,467	21	11,173	0	470,216	13	1,399,766	37	(50,815)	(1.4)	1,139,654	30	3,748,461	100
2017	839,942	11	26,946	0	283,126	4	2,220,176	30	600	0.0	3,960,971	54	7,331,761	100
2018	1,085,338	21	26,639	1	1,854,502	36	-	-	59,504	1.2	2,129,490	41	5,155,473	100
2019	1,118,816	31	63,039	2	175,980	5	-	-	(849,799)	(23.7)	3,084,549	86	3,592,585	100
2020	1,320,642	77	2,137	0	385,365	23	-	-	-	-	71	0	1,708,215	100

Source: Previous year's audits and current year financial statements

Table 5**HOUSING AUTHORITY OF FRESNO COUNTY**

Debt Capacity

Ratio of Debt to Capital Assets
Last Ten Fiscal Years (Unaudited)

Year	Long - Term Debt			Capital Assets, Net	Ratio of Total Debt to Capital Assets
	Current portion	Noncurrent Portion	Total		
2011	\$ 274,090	\$ 6,864,766	\$ 7,138,856	\$ 23,240,197	30.72%
2012	319,343	6,001,662	6,321,005	23,388,584	27.03%
2013	1,155,332	2,353,609	3,508,941	17,412,223	20.15%
2014	758,795	2,230,621	2,989,416	15,507,902	19.28%
2015	1,744,113	3,701,859	5,445,972	14,319,240	38.03%
2016	1,630,121	3,443,890	5,074,011	14,824,455	34.23%
2017	1,871,050	4,085,046	5,956,096	15,779,016	37.75%
2018	2,495,691	3,876,006	6,371,697	13,619,132	46.78%
2019	3,407,150	3,746,661	7,153,811	13,281,831	53.86%
2020	3,867,342	4,323,377	8,190,719	13,419,525	61.04%

Source: Previous year's audits and current year financial statements

Table 6

HOUSING AUTHORITY OF FRESNO COUNTY

Demographics and Economic Statistics

Tenant Demographics – Population Statistics
Last Ten Fiscal Years (Unaudited)

Housing Choice Voucher						
<u>Year</u>	<u>Adults</u>	<u>Elderly</u>	<u>Minors</u>	<u>Females</u>	<u>Males</u>	<u>Total</u>
2011	5,332	428	4,358	6,001	4,117	10,118
2012	7,156	580	5,908	8,045	5,599	13,644
2013	7,497	661	6,071	8,374	5,855	14,229
2014	7,398	693	6,097	8,328	5,860	14,188
2015	8,915	907	7,455	10,205	7,072	17,277
2016	7,202	846	6,251	8,418	5,881	14,299
2017	5,846	824	4,468	6,647	4,491	11,138
2018	7,864	1,127	6,165	9,085	6,071	15,156
2019	6,688	1,107	5,475	7,903	5,367	13,270
2020	7,294	1,409	7,046	9,303	6,446	15,749

Public Housing						
<u>Year</u>	<u>Adults</u>	<u>Elderly</u>	<u>Minors</u>	<u>Females</u>	<u>Males</u>	<u>Total</u>
2011	961	131	711	1037	766	1,803
2012	1,060	145	817	1,143	879	2,022
2013	1,070	153	877	1,185	915	2,100
2014	852	134	705	967	724	1,691
2015	1,105	196	866	1,220	947	2,167
2016	896	166	714	1,014	762	1,776
2017	893	159	627	993	686	1,679
2018	895	161	651	1,014	693	1,707
2019	930	162	669	1,053	708	1,761
2020	636	159	611	818	588	2,812

Affordable Housing						
<u>Year</u>	<u>Adults</u>	<u>Elderly</u>	<u>Minors</u>	<u>Females</u>	<u>Males</u>	<u>Total</u>
2016	88	5	154	163	84	247
2017	76	8	139	152	71	223
2018	93	5	143	159	82	241
2019	124	11	184	206	113	319
2020	133	12	189	223	111	334

Source: IT Department from Housing Authority of Fresno County

Note: The demographic data for affordable housing prior to 2016 is not available.

Demographic data managed by 3rd party management is not included.

Table 7

HOUSING AUTHORITY OF FRESNO COUNTY

Demographics and Economic Statistics

Principal Employers
Current Year and Nine Years Ago (Unaudited)

Employer	2020			2011		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Fresno Unified School District	16,348	1	3.63%	11,500	1	2.65%
Community Medical Center	8,600	2	1.91%	6,000	3	1.38%
County of Fresno	8,422	3	1.87%	6,500	2	1.50%
Clovis Unified School District	8,216	4	1.83%	3,370	5	0.78%
California State University, Fresno	5,630	5	1.25%	1,671	9	0.38%
State Center Community College Distric	5,255	6	1.17%	-	-	-
City of Fresno	4,609	7	1.02%	3,780	4	0.87%
Children's Hospital of Central CA	4,140	8	0.92%	-	-	-
Saint Agnes Medical	2,800	9	0.62%	2,031	8	0.47%
Kaiser Permanente Medical	2,300	10	0.52%	2,603	6	0.60%
Total	66,320		14.74%	37,455		8.63%

Source: Employer Information- Fresno County Comprehensive Annual Financial Report

Table 8**HOUSING AUTHORITY OF FRESNO COUNTY**

Demographics and Economic Statistics

Regional Demographics – Population Statistics
Last Ten Fiscal Years (Unaudited)

Year	Population	Personal Income*	Per Capita Personal Income	Unemployment Rate
2011	943,968	32,616	34,717	16.4%
2012	952,866	33,176	35,095	14.7%
2013	960,412	33,644	35,340	12.7%
2014	969,682	36,265	37,725	11.1%
2015	979,827	39,009	40,198	10.0%
2016	988,682	39,467	40,357	9.6%
2017	999,423	40,063	40,610	8.3%
2018	1,010,837	41,401	41,635	7.8%
2019	1,021,960	45,445	45,487	6.9%
2020	1,026,681	Not Available	Not Available	11.30%

Source:

Population: California State Department of Finance, Demographic Research Unit

Personal Income: Bureau of Economic Analysis (BEA)

Per Capita Personal Income: Bureau of Economic Analysis (BEA)

Unemployment Rate: California Employment Development Department (EDD),
Labor Market Information Division

* Amount in thousands

Table 9

HOUSING AUTHORITY OF FRESNO COUNTY

Operating Information

Property Characteristics and Dwelling Unit Composition
December 31, 2020 (Unaudited)

Public housing			
Name of development	Address	Number of units	Year built or acquired
Sunset I	629 E. Springfield St.	20	1952
Cazares Terrace	36468 "O" St.	24	1953
Helsem Terrace	14595 W. "B" St.	40	1953
Mendoza Terrace	1625 Allardt Dr.	40	1952
Taylor Terrace	8410 Fifth St.	28	1953
Marcelli Terrace	4887 N. Barcus	24	1953
Mendoza Terrace II	1613 Mendoza Dr.	50	1962
Cazares Terrace II	36333 Mouren St.	20	1963
Del Rey Apartments	5662 Oaklane Ave.	30	1966
Firebaugh Elderly	1662 Thomas Conboy Ave.	30	1968
Laton Apartments	6701 Latonia Ave.	20	1968
San Joaquin Apartments	22297 W. Idaho St.	20	1968
Biola Apartments	4955 Seventh Street	12	1969
Huron Apartments	36737 Los Angeles St.	20	1969
Pinedale Apartments	160 W. Minarets	42	1969
Cardella Courts	419 "P" St.	32	1982
Pinedale Apartments	160 W. Minarets	16	1983
Wedgewood Commons	2415 Fifth Street	64	1986
DeSoto Gardens	640 E. California Avenue	40	1990
	Total units - Public Housing	<u>572</u>	
Affordable Housing			
Name of development	Address	Number of units	Year built or acquired
Parkside Apartments	36200 N. Giffen Ave.	50	1979
Farm Labor Housing			
Name of development	Address	Number of units	Year built or acquired
Mendota Farm Labor	191 Tuft	60	1971
	Total units - Farm Labor Housing	<u>60</u>	
	Total Units	<u>682</u>	

Table 10**HOUSING AUTHORITY OF FRESNO COUNTY**

Operating Information

Employee Demographics
Last Ten Fiscal Years (Unaudited)

Calendar year	Black	Asian/ Pacific Islander	White	Hispanic	Others	Total
2011	30	21	71	103	4	229
2012	31	20	66	99	3	219
2013	31	17	67	90	4	209
2014	25	19	72	89	7	212
2015	21	17	69	97	6	210
2016	21	19	68	93	5	206
2017	24	19	65	102	6	216
2018	23	23	61	111	9	227
2019	15	24	56	108	12	215
2020	17	26	53	110	15	221

Source: Human Resource Department

Note: The County and City Housing Authorities operate and report separately while sharing the same management team and staff represented above.

SINGLE AUDIT REPORTS AND RELATED SCHEDULES

Independent Auditor's 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

To the Board of Commissioners
Housing Authority of Fresno County

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 business-type activities and the discretely presented component unit of the Housing Authority of Fresno County (the "Agency"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated September 30, 2021. Our report includes a reference to another auditor who audited the financial statements of the Agency's discretely presented component unit, as described in our report on the Agency's financial statements. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component unit of the Agency.

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") as a basis for designing 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 a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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.



Sacramento, California
September 30, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance

To the Board of Commissioners
Housing Authority of Fresno County

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of Fresno County (the "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, 2020. 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, 2020.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of the Agency, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2021, which contained unmodified opinions of those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements of the Agency 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 basic financial statements. The 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 by us and the other auditor. In our opinion, based on our audit, the procedures performed above, and the report of the other auditor, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CohnReznick LLP

Sacramento, California
September 30, 2021

**HOUSING AUTHORITY OF FRESNO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/ Pass-Through Grantor/ Program Title or Cluster Title	Federal Domestic Assistance Number	Program Identification Number	Program Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture:				
Direct Assistance:				
Rural Rental Housing (Rental Assistance)	10.427		\$ 44,899	\$ -
Farm Labor Housing Loans and Grants (Capital Grants)	10.427		95,436	-
Subtotal - U.S. Department of Agriculture			140,335	-
U.S. Department of Housing and Urban Development:				
Direct Assistance:				
Public Housing Family Self-Sufficiency Under Resident Opportunity and Supportive Services	14.870	CA006RFS015A007	72,386	-
Section 8 Family Self-Sufficiency	14.896		66,413	-
Public and Indian Housing				
CARES Act - Public and Indian Housing	14.850		346,871	
Public and Indian Housing	14.850	Contract # SF-170	2,253,809	-
Subtotal - Public and Indian Housing	14.850		2,600,680	
Public Housing Capital Funds				
CARES Act - Central Office Cost Center	14.872		160,859	
Public Housing Capital Funds	14.872	Contract # SF-170	865,720	-
Subtotal - Public Housing Capital Funds	14.872		1,026,579	
Housing Voucher Cluster				
CARES Act - Section 8 Housing Choice Voucher	14.871		1,978,632	
Section 8 Housing Choice Voucher	14.871	Contract # SF-472	43,147,911	-
Subtotal - Housing Voucher Cluster	14.871		45,126,543	-
Subtotal - HUD Direct Assistance			48,892,601	-
Passed through the State of California Housing Finance Agency:				
Section 8 Project - Based Cluster				
Section 8 New Construction and Substantial Rehabilitation	14.182	CHFA # 76-54-N	342,950	-
Subtotal - U.S. Department of Housing and Urban Development			49,235,551	-
Total Expenditures of Federal Awards			\$ 49,375,885	\$ -

See accompanying notes to the schedule of expenditures of federal awards

HOUSING AUTHORITY OF FRESNO COUNTY

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

Note 1 - Reporting Entity

The Housing Authority of Fresno County, California (the Agency) is responsible for the development and implementation of housing programs and activities for the County 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, and others.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the federal awards activity of the Agency under programs of the federal government for the year ended December 31, 2020. Federal awards received directly from federal agencies, as well as federal awards passed through from nonfederal agencies or other organizations are included in the Schedule. The information in the Schedule is presented in accordance with the 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"). As the Schedule presents only the federal awards activity of the Agency, it is not intended to and does not present the financial position, change in net position or cash flows of the Agency as a whole.

Significant Accounting Policies

The expenditures included in the Schedule are reported under the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Agency has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Reconciliation from the Statement of Revenues, Expenses and Changes in Net Position to the Schedule of Expenditures of Federal Awards

The amounts reported in the Schedule are reconciled with the amounts reported in the Agency's financial statements as follows:

HUD Grants	\$ 48,756,691
Other Governmental Grants	1,864,401
Capital Contribution	150,327
Fee Revenue	536,236
(Less): State and Local	(1,556,393)
(Less): Management Fee Related	<u>(375,377)</u>
Grant Revenue from Federal Sources	<u><u>\$ 49,375,885</u></u>

HOUSING AUTHORITY OF FRESNO COUNTY

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2020**

A. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: Unmodified

Internal control over financial reporting:

*Material weakness(es) identified? Yes x No

*Significant deficiency(ies) identified? Yes x None reported

Noncompliance material to financial statements noted? Yes x No

Federal Awards

Internal control over major federal programs:

*Material weakness(es) identified? Yes x No

*Significant deficiency(ies) identified? Yes x None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes x No

Identification of major programs:

CFDA Numbers(s)	Name of Federal Program or Cluster
14.871	Housing Voucher Cluster
14.850	Public and Indian Housing

Dollar threshold used to distinguish between Type A and Type B programs: \$1,481,277

Auditee qualified as low-risk auditee x Yes No

HOUSING AUTHORITY OF FRESNO COUNTY

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2020**

B. Findings - Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None