HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
BOARD OF DIRECTORS MEETING
1002 North School Street, Building E
Honolulu, Hawaii 96817

February 20, 2014
9:00 a.m.

AGENDA

I. CALL TO ORDER / ROLL CALL

II. APPROVAL OF MINUTES

A. Special Meeting Minutes, December 19, 2013 ***(Pages 1 – 9)***
B. Executive Session Minutes, October 10, 2013 (not for public release)
C. Executive Session Minutes, December 19, 2013

III. PUBLIC TESTIMONY

Public testimony on any item relevant to this agenda shall be taken at this time. Pursuant to section 92-3, Hawaii Revised Statutes, and section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes per agenda item.

IV. FOR ACTION

A. Motion: To Appoint Joanne Luiz and to Reappoint Keith Biho to the Hilo Eviction Board, to Reappoint Arde Long-Yamashita to the Kauai Eviction Board and to Reappoint Robert Hill to the Maui Eviction Board for a new and additional Two-Year Term Expiring on February 28, 2016 ***(Pages 10 - 21)***

B. Motion: To Extend the Amended Federal Public Housing Program's Admissions and Continued Occupancy Policy and the Section 8 Housing Choice Voucher Program's Administrative Plan Adopting Temporary Compliance Assistance Guidelines ***(Pages 22 – 26)***

C. Motion: To Approve to Request from HUD to Rescind the "Undemo" Approval of January 7, 2009, Lanakila Homes, HA 1004, Hilo, Hawaii ***(Pages 27-33)***

V. REPORTS

A. Executive Director's Report Highlights: ***(Pages 34 – 83)***
- HUD Technical Assistance Contract Related to the Property Management and Maintenance Services Branch and Financial Reporting

- Property Management and Maintenance Services Branch occupancy and rent collection status
- Update on Choice Neighborhood Initiative Planning Grant
- Section 8 Lease up Status
- Design and Construction Project Updates; Relocation Training
- Contracts Executed During December 2013 & January 2014
- Network and Server Upgrades
- Utility Allowance Study
- Report on Consultant for Mayor Wright Homes

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to employee safety

VI. FOR INFORMATION/DISCUSSION

A. For Discussion: *Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority (Civil No. 11-1-0795-04)* ***(Page 84)***

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to *Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority; Civil No. 11-1-0795-04)*

B. For Information: Independent Audit of the Hawaii Public Housing Authority's Financial Statements for the Fiscal Period July 1, 2012 – June 30, 2013 ***(Pages 85 - 169)***

If any person requires special needs (i.e., large print, taped materials, sign language interpreter, etc.) please call Ms. Taryn Chikamori at (808) 832-4690 by close of business two days prior to the meeting date. Meals will be served to the Board and support staff as an integral part of the meeting.

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E
HONOLULU, HAWAII 96817
ON THURSDAY, DECEMBER 19, 2013
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority held a Regular Board Meeting at 1002 North School Street, on Thursday, December 19, 2013 at 9:00 a.m. Chairperson Gierlach called the meeting to order. Those present were as follows:

PRESENT: Director David Gierlach, Chairperson
Director Jason Espero, Secretary
Director Myoung Oh
Director Debbie Shimizu
Director Trevor Tokishi
Designee Barbara Yamashita

Deputy Attorney General, Jennifer Sugita

EXCUSED: Director Matilda Yoshioka, Vice-Chair

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Clarence Allen, Acting Chief Financial Management Advisor
Kiriko Oishi, Chief Compliance Officer
Rick Sogawa, Contracts & Procurement Officer
Becky Choi, State Housing Development Administrator
Joanna Renken, Acting Public Housing Supervisor
Shirley Befitel, Personnel Supervisor
Benjamin Park, Housing Planner
Renee Blondin-Nip, Hearings Officer
Stephanie Fo, Section 8 Branch Chief
Gary Nakatsu, Data Processing Supervisor
Kalia McKeague, Property Management Specialist
Taryn Chikamori, Secretary to the Board

OTHERS: Monique Ocampo, Nanakuli Homes resident

Proceedings:

Chairperson Gierlach declared a quorum present.

Approval of Minutes:

Director Espero moved,

To approve the Special Meeting Minutes of October 10, 2013.

Executive Assistant Arashiro asked that page 7 be corrected from, "...Executive Session at **11:58** a.m." to "...Executive Session at **11:30** a.m."

The minutes were unanimously approved as amended.

Public Testimony:

Monique Ocampo, Nanakuli Homes resident and Chair of the Resident Advisory Board, stated that the Resident Advisory Board (RAB) makes recommendations to the Hawaii Public Housing Authority (HPHA) on proposed policies. She asked that the Board carefully review the RAB's recommendations and the HPHA responses, on the Public Housing Agency (PHA) Plan.

For Action:

Director Espero moved,

To Appoint Ms. Wanda M. Camara to the Hawaii Public Housing Authority's (HPHA) Oahu Eviction Board A and as a Floating Resident Board Member for a Two-Year Term Expiring on December 31, 2015.

Executive Director Ouansafi stated that staff recommends the appointment of Ms. Wanda M. Camara to the Oahu Eviction Board and as a Floating Resident Board Member. Ms. Camara has been a public housing resident for 21 years and serves on the RAB and was previously a Grievance Hearings Officer.

The motion was unanimously approved.

For Action:

Director Espero moved,

> **To Approve the Hawaii Public Housing Authority's Fiscal Year 2012-2013 Annual Report to the Governor and Legislature Required Pursuant to Section 356D-20, Hawaii Revised Statutes and to Authorize the Executive Director to Distribute the Annual Report, as Required**

Executive Director Ouansafi stated that the HPHA is required to submit the annual report to the Legislature no later than 20 days prior to the start of the Legislative session. He reported that the annual report, reports to the Legislature the HPHA's accomplishments for 2013.

Chairperson Gierlach asked when the annual report is due to the Legislature. Mr. Benjamin Park, Housing Planner, responded December 20, 2013.

The motion was unanimously approved.

For Action:

Director Tokishi moved,

> **To Authorize the Hawaii Public Housing Authority (HPHA) to Hold Public Hearings on the Draft Five-Year and Annual Public Housing Agency Plan for Fiscal Years 2014 – 2019.**

Director Shimizu asked why (on page 25, no. 7) is the HPHA proposing to use the current monthly balance versus the average monthly balance to calculate a tenant or applicant's assets. Ms. Stephanie Fo, Section 8 Branch Chief responded that the change was proposed to be consistent with the HPHA's current practice of verifying the savings. She explained that most bank statements have the average balance, so the HPHA can verify a tenant's assets using that one statement. HPHA believes that it is difficult for the tenants to gather six months worth of bank statements. If the average balance is $5,000 or more, then the HPHA will ask for prior balances.

Director Gierlach stated that the concern is if the HPHA is using one month, it is not an accurate snapshot of the assets. Ms. Fo responded that the bank statements she reviewed provided an average account balance, some are for the last three months and some are for the last six months.

Director Shimizu responded that the plan is saying the HPHA will be using the "current balance" instead of the "average balance". Ms. Fo responded that if the average balance shows that the tenant had more than $5,000 than the HPHA would request for

more statements. Executive Director Ouansafi reported that there is also an administrative burden.

Director Yamashita stated that the plan is saying that the HPHA will be using one month's balance. Ms. Fo stated the HPHA is required to look at the current balance, but the HPHA is looking at the average to be sure there is no fraud.

Director Shimizu recommended: "current balance **or** average monthly balance ..."

Executive Ouansafi agreed that the Plan would be revised to use "current balance **or** average monthly balance for the **past few months**."

Director Shimizu stated that on page 26, no. 16 she doesn't think elderly/disabled is obsolete, she thought it was a preference. Executive Director Ouansafi stated that this was the recommendation from the consultant, Nan McKay. Ms. Kiriko Oishi, Chief Compliance Officer, reported that the reasons the HPHA wants to eliminate the preference is because: 1) the U.S. Department of Housing and Urban Development (HUD) previously recommended elderly and disabled as a preference, but has since eliminated HUD preferences; 2) the HPHA already has a separate waitlist for elderly/disabled housing; 3)most public housing authorities (PHA) have removed the preference; and 4) the preference applies only to single applicants.

Chairperson Gierlach stated that it sounds like the preference is not obsolete, but redundant because the HPHA already has preference built in.

Director Shimizu asked if the applicant is next on the waitlist and there are no elderly/disabled units, what happens. Ms. Oishi explained that there are separate waitlists for elderly/disabled and family properties and the family projects do not have studio units.

Director Shimizu asked if the Compliance Office checked on the regulatory authority or with Phineas Consulting for proper wording and citations, as referred to on page 26, no. 10 and 11. Ms. Oishi responded that the HPHA is still in the process of obtaining clarification.

Director Shimizu asked if this will be changed before or after public hearing. Executive Director Ouansafi responded it will be changed before public hearing. Director Shimizu asked if the Board will be able to see the change. Executive Arashiro responded that the HPHA is not changing the intent, but the wording and the HPHA asked other PHA's for samples. Executive Director Ouansafi reported that the HPHA will email the changes to the Board.

Chairperson Gierlach asked when the PHA plan public hearing will be held. Executive Director Ouansafi responded the timeline is on page 19, C.

The motion was unanimously approved.

For Action:

Director Tokishi moved,

> **To Approve the Updated Utility Allowance Rates for March 1, 2014 to April 30, 2015 for the Section 8 Housing Choice Voucher Program and to Authorize the Executive Director to Accept Comments on the Updated Utility Rates as Required.**

Executive Director Ouansafi reported that the HPHA worked with the City and County of Honolulu (C& C) to determine the utility rate by using a tool provided by HUD. The current rate is from $75 to $95.

The motion was unanimously approved.

Executive Director's Report:

- Executive Director Ouansafi reported that the HPHA has one of the most complex accounting for any department in the State and the HPHA worked hard not to be the last agency to submit their financials.

- Executive Director Ouansafi reported that staff went through procurement and rent calculation training. All staff who took the trainings were required to take a certification test and everyone passed both tests. He reported that the training was paid for by a grant from HUD.

- Executive Director reported that the occupancy rate is still at approximately 97%, but believes based on the numbers the HPHA is above the 97% because there are units that were removed 7-8 years ago and subsidy stopped. When these units are back the occupancy rate should be 98% or higher.

- Executive Director Ouansafi reported that the HPHA moved in 22 families in the federal projects and 11 in the State projects. The delinquencies have been reduced to $369,000 for federal projects and $114,000 for State projects. The HPHA is working with 618 families to reduce the number of families being evicted for rent.

- The HPHA is waiting for approval of public hearing for the Administrative Rules from the Governor's office. Director Shimizu responded that she will inquire about the status of the rules.

- Executive Director Ouansafi encouraged the Board to visit the Choice Neighborhood Initiative (CNI) information on the HPHA's website. The HPHA paid for a survey in the Kuhio Park Terrace area which includes an assessment of needs in various areas such as education, supportive services, transportation, child care and medical needs.

- Executive Director Ouansafi reported Section 8 vouchers were leased to 11 veterans and has 33 active participants in the self sufficiency program.

- Executive Director Ouansafi reported that the HPHA will meet all the financial deadlines, but it will be tight because the HPHA is waiting for other departments.

- Executive Ouansafi reported that the Governor requested $35 million from the Legislature, $20 million for CIP and another $15 million.

- Executive Director Ouansafi reported that the upgrade on the network has been completed on Oahu.

- Executive Director Ouansafi reported that the HPHA met with Department of Commerce and Consumer Affairs (DCCA) regarding providing internet to areas without internet. The HPHA sent DCCA the location of properties and speed of connection. The HPHA may need to pay for internet service in some areas and some areas DCCA may provide internet service at no cost.

- Chairperson Gierlach asked the status on hiring a consultant for the Mayor Wright Homes area. Executive Director responded the HPHA received the finalized solicitation and the solicitation should be completed by the end of February.

- Director Tokishi asked if the variance for the CFP grant income is because the HPHA budgeted for the funds to be distributed monthly, but the funds are not distributed monthly. Mr. Clarence Allen, Acting Chief Financial Management Advisor, responded the funds are not distributed the way the HPHA budgeted.

- Director Tokishi asked if that "other income" was down in September because of the appropriation of construction projects reimbursements, but in October it was up for the KPT redevelopment fees, which are two different reasons, is the HPHA still waiting for the appropriations. Mr. Allen responded the HPHA is still waiting for the appropriations.

- Director Tokishi asked if in "tenant services" September the HPHA is ahead of budget because of timing of expenses, but in October the HPHA is in line with budget. Mr. Allen responded that it depends on when the asset management projects (AMP) submits their expenses.

- Director Tokishi stated that credit unions checking account statement is an average for the month, but the savings account is a three month average. He stated that he also contacted American Savings, Central Pacific Bank and Bank of Hawaii and they are also the same way. Executive Assistant Arashiro responded that the requirement is on the savings account. Executive Assistant Arashiro also clarified that any change to the Section 8 Administrative Plan will require Board approval. The proposed change in the PHA plan is notification to HUD of our intent to change the current policy.

Executive Session:

Director Tokishi moved at 9:41 a.m.,

> **To go into Executive Session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to:**
>
> **1. Personnel Matters**

The motion was unanimously approved.

The Board reconvened from Executive Session at 10:13 a.m.

Chairperson Gierlach reported that the Board discussed personnel matters in Executive Session.

Chairperson Gierlach reported last month the HPHA held a service award ceremony recognizing employees. He stated he hopes this is an annual event. Chairperson Gierlach reported the staff that received awards were:

1. **Family Self Sufficiency Program**
   a) Mr. David Webb

2. ***Certificates of Recognition***
   a) Rookie All-Stars
      - Ashley Dennis, Compliance Office
      - Denise Gibo, Construction Management Branch
      - Julie Lau, Fiscal Management Office
      - Tammie Wong, Contract and Procurement Office

   b) Ha`aheo – Pride in Public Service Award
      - Aldeen Gardenia Cabral, AMP 39 Maui
      - Emma DeLeon, Construction Management Branch
      - Susan Henobio, AMP 34 Kalakaua
      - Eva Mayeshiro, Fiscal Management Office
      - Dennis Xiao, Section 8

   c) Most Improved Occupancy
      - AMP 31 Kalihi Valley Homes, managed by Gail Lee and Marie Onato

   d) Most Improved Re-certifications
      - AMP 30 Mary-Jane Hall-Ramiro

   e) Most Improved Operations
      - AMP 32/33 Mayor Wright Homes, Cynthia Yoshida

   f) Exemplary Performance Award

- Elizabeth Siangco, Section 8

3. ***Employee Merit Awards***
   a) SWAT Team
      - William Richardson, Property Management and Maintenance Services Branch
      - Greg Cuadra, Exempt Maintenance Team
      - Stephanie Fo, Section 8
   b) Sustained Superior Performance Award –
      - Mannix Tesoro, AMP 32/33
   c) Chief of the Year
      - Kiriko Oishi, Compliance Office
   d) Director's Award
      - Rick Sogawa, Contract and Procurement Office
   e) Chairman's Award
      - Gail Lee, AP 31 and AMP 35
   f) Governor's Award
      - Construction Management Branch: Becky Choi, Sahar Ibrahim, Teresa Fraticelli, Michelle Gonzalez, Christine Ke-a, Larry Hinojosa, Kelbert Yoshida, Eric Richards, Lisa Izumi, Mitchell Kawamura, Salli Krekel, Denise Gibo, Leslie Higa, Ronald Asato, Michael Harrison, Stanley Miyasato, Carianne Abara, and Emma De Leon
   g) People's Choice Award
      - Governor Neil Abercrombie

Adjournment:

There was no further business to discuss, Chairperson Gierlach asked for a motion to adjourn the Regular Meeting.

Director Oh moved,

To adjourn the Regular Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned at 10:18 a.m.

MINUTES CERTIFICATION

Minutes Prepared by:

Taryn T. Chikamori — FEB 20 2014

Taryn T. Chikamori — Date
Secretary to the Board

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on January 16, 2014: [ ] As Presented [ ] As Amended

FEB 20 2014

Jason Espero — Date
Director/Board Secretary

Approved by the Executive Director 160
February 20, 2014

FOR ACTION

MOTION: To Appoint Joanne Luiz and to Reappoint Keith Biho to the Hilo Eviction Board, to Reappoint Arde Long-Yamashita to the Kauai Eviction Board and to Reappoint Robert Hill to the Maui Eviction Board for a new and additional Two-Year Term Expiring on February 28, 2016

I. FACTS

A. The Oahu and Neighbor Island Eviction Boards are composed of members of the community and are responsible for affording public housing tenants a full and fair due process hearing during lease termination proceedings.

B. Pursuant to the Hawaii Revised Statutes (HRS) 356D-93, the Authority is authorized to appoint an eviction board which shall consist of not less than one person, and no more than three persons, of which one shall be a resident of public housing.

C. Having more than the minimum amount of members and resident members appointed to the Oahu and Neighbor Island Eviction Boards will allow the Hearings Office to process the requests for hearings in an efficient and timely manner, and avoid cancellation of hearings for lack of quorum.

D. Attached is a list of the current eviction board members by county and term appointments.

II. DISCUSSION

A. Mr. Robert Hill is a resident of Wailuku, Hawaii and has been the Chairman of the Maui Eviction Board since March 2008. He is a retired Lieutenant with the Maui Police Department and also sits on other community organizations. Mr. Hill's knowledge and experience would be an asset to the Maui Eviction Board and he has expressed a willingness to continue to serve as the Chairman of the Maui Eviction Board.

B. Ms. Arde Long-Yamashita is a resident of Kauai, Hawaii and has been the resident member of the Kauai Eviction Board since February 2008. She is a retired volunteer of various community organizations in Kauai and her knowledge and experience would be an asset to the Kauai Eviction Board. Ms. Yamashita has expressed a willingness to continue to serve as the resident member of the Kauai Eviction Board.

C. Mr. Keith Biho is a resident of Hilo, Hawaii and has been a member of the Hilo Eviction Board since February 2010. He is a social worker with the Adult Probation Services in Hilo and brings practical problem solving skills that promote the goals of the eviction board. Mr. Biho has expressed a willingness to continue to serve as a member of the Hilo Eviction Board.

D. Ms. Joanne Luiz is a resident of Hilo, Hawaii and has resided at the Authority's Lanakila housing project for the past 29 years. Ms. Luiz is a board member of the Lanakila association and has also worked as a 19 hour tenant aid for the project manager from October 2008-2010. As a public housing tenant and association board member Ms. Luiz has a good understanding of the rules and regulations that apply to federal public housing and would be an asset to the eviction board.

III. RECOMMENDATION

That the Hawaii Public Housing Authority Board of Directors approve the New Appointment of Joanne Luiz and the Reappointment of Keith Biho to the Hilo Eviction Board, the Reappointment of Arde Long-Yamashita to the Kauai Eviction Board and the Reappointment of Robert Hill to the Maui Eviction Board for an new and additional Two Year Term Expiring on February 28, 2016.

Attachments:

A. List of Eviction Board Members and Term Appointments
B. Resumes and or Letter of Interest of Joanne Luiz, Keith Biho, Arde Long Yamashita and Robert Hill

Prepared by: Renee Blondin-Nip, Hearings Officer RBN

Approved by the Board of Directors
on the date set forth above

David Gierlach, Chairperson

Attachment A

EVICTION BOARD MEMBERS
HAWAII PUBLIC HOUSING AUTHORITY
Initial Appointment/Current Expiration Dates

Board Member	Initial Appointment Date	Current Expiration Date	Years Served as of December 2013
Oahu A:			
Douglas Kaya	03/17/05	03/31/15	8
Radiant Chase	01/25/02	07/31/15	11
Stanley Young	07/15/10	07/15/14	3
Wanda Camara*	12/19/13	12/19/15	New Member
Oahu B:			
Jane Moana Gray*	08/31/79	07/31/15	34
Earl Mente	12/19/97	07/31/15	16
Joyce Nakamura	02/20/98	07/31/15	15
Oahu C:			
Solomon Kuresa*	05/16/97	07/31/15	16
Sylvianne Young	12/19/97	07/31/15	16
Sylvia Wilmeth	11/18/10	11/31/14	3
Courtney Young	12/20/12	12/20/14	1
Hilo:			
Jane Moana Gray**	06/21/07	06/30/15	6
George DeMello*	09/20/07	07/31/15	6
Melvin Kawahara	01/15/09	01/31/15	4
Keith Biho	02/18/10	02/28/14	3
Courtney Young**	10/10/13	10/30/15	New Member
Kauai:			
Fay Rapoza	10/10/13	10/30/15	New Member
Jane Moana Gray**	06/21/07	06/30/15	6
Arde Long-Yamashita*	02/31/08	02/31/14	5
Courtney Young**	10/10/13	10/31/15	New Member
Kona:			
Jane Moana Gray**	06/21/07	06/30/15	6
Ross Oue	05/15/92	07/31/15	21
Arleila Andrade	09/15/10	09/31/14	3
Elaine Watai	05/09/11	05/31/15	2
Eleanor Sheridan*	08/16/12	08/31/14	1
Mary Hoffman*	10/10/13	10/30/15	New Member
Maui:			
Wanda Camara**	12/19/13	12/19/15	New Member
Mark Nishino	01/19/95	08/31/15	18
Robert G. Hill	03/01/08	02/28/14	5

*** Resident Member**
**** Floating Resident Member (Attends hearing when quorum needed)**

Reviewed by the Executive Director
February 20, 2014

FOR ACTION

MOTION: To Extend the Amended Federal Public Housing Program's Admissions and Continued Occupancy Policy and the Section 8 Housing Choice Voucher Program's Administrative Plan Adopting Temporary Compliance Assistance Guidelines.

I. FACTS

A. On March 13, 2014, the Hawaii Public Housing Authority (HPHA) Board of Directors adopted changes to the Section 8 Housing Choice Voucher (HCV) Program's Administrative Plan (Admin Plan) and the Federal Public Housing Program's Admissions and Continued Occupancy Policy (ACOP) to maximize the use of U.S. Department of Housing and Urban Development (HUD) funding and assist families more efficiently.

B. These changes were based on Temporary Compliance Assistance guidelines issued by HUD on January 22, 2013, to reduce burden and create flexibility for public housing agencies in the administration of the Public Housing and Section 8 HCV Program. The temporary guidelines are designed to increase efficiencies, minimizing the use of resources for program administration during this period of decreased resources available to PHAs.

C. On November 5, 2013, HUD issued a notice extending the Temporary Compliance Assistance guidelines until March 31, 2015. The previous guideline approved by the board on March 21, 2013 will expire on March 31, 2014.

II. DISCUSSION

A. This HUD guidance is considered discretionary and public housing agencies must obtain Board approval and amend their policy documents to implement the HUD guidance. HUD intends to pursue more permanent changes to increase flexibility and reduce administrative burden.

B. Currently, PHAs are statutorily required to verify income and calculate rent annually, including for elderly and disabled families on fixed incomes. HUD has determined, however, that the requirement to undertake the complete process of income verification and rent determination for families

on fixed incomes is not necessary given the infrequency of changes to their incomes.

C. The HPHA adopted two of the temporary guidelines which will now be available to PHAs until March 31, 2015.

1. Allow households to self-certify having assets of less than $5,000.

The Notice PIH 2013-03(HA) provides:

"Tenants with assets below $5,000 typically generate minimal income from these assets which results in small changes to tenant rental payments. However, PHAs spend significant time verifying such assets which strains PHA budgets, and leads to increased staff errors. This provision is intended to simplify the requirements associated with determining a participant's annual income.

Families with assets are required to report all assets annually. The amount of interest earned on those assets is included as income used to calculate the tenant's rent obligation. Currently, where the family has net family assets in excess of $5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate.

This notice allows a PHA to accept a family's declaration of the amount of assets of less than $5,000, and the amount of income expected to be received from those assets. The PHA's application and reexamination documentation, which is signed by all adult family members, can serve as the declaration. Where the family has net family assets equal to or less than $5,000, the PHAs does not need to request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. Where the family has net family assets in excess of $5000, the PHA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets. Any assets will continue to be reported on HUD Form 50058."

Adoption of this temporary compliance assistance would allow the HPHA to accept a family's declaration of the amount of assets of less than $5,000, and the amount of income expected to be received from those assets. No supporting documentation is required.

The HPHA's Section 8 Administrative Plan, Chapter 7, Part I, Section D on Third-party Written and Oral Verification and HPHA's Public Housing ACOP, Chapter 7, Part I, Section D Third-party Written and Oral Verification currently provide as follows:

> "The PHA will use review of documents in lieu of requesting third-party verification when the market value of an individual asset is less than $500 ***and*** the family has original documents that support the declared amount."

These provisions were temporarily amended to modify the current language to read as follows:

> "For any family declaring assets valued at $5,000 or less the PHA will accept both the value of the assets and the amount the assets are expected to produce from the Family Annual/Update Report form, when this method is allowed by HUD. No other documentation or verification is required by the family or the PHA. The HPHA's application and reexamination documentation, which is signed by all adult family members, will serve as the declaration."

2. **Allow optional streamlined annual reexaminations for elderly families and disabled families on fixed incomes.**

The Notice PIH 2013-03(HA) provides:

"PHAs are statutorily required to verify income and calculate rent annually, including for elderly and disabled families on fixed incomes. The requirement to undertake the complete process for income verification and rent determination for families on fixed incomes is not necessary given the infrequency of changes to their incomes. Further, this requirement requires considerable staff time and PHA resources. This provision is intended to simplify the requirements associated with determining the annual income of participants on fixed incomes.

PHAs may opt to conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family's income consists of fixed income. In a streamlined reexamination, PHAs will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount."

Adoption of this temporary compliance assistance would reduce the administrative burden on HPHA to conduct annual reexaminations for elderly families and disabled families on fixed incomes.

The HPHA's Section 8 Administrative Plan, Chapter 11, Part I, Section C on Conducting Annual Re-examinations currently requires:

> "The information provided by the family generally must be verified in accordance with the policies in Chapter 7 [on verification procedures]. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:
> - Legal identity
> - Age
> - Social security numbers
> - A person's disability status
> - Citizenship or immigration status"

The HPHA's Public Housing ACOP, Chapter 11, Section B on Annual Recertifications currently requires:

> "For tenants who pay an income-based rent, the PHA shall reexamine a tenant's annual income, assets, family composition, and any other matter necessary to determine tenant's rent and eligibility for continued occupancy at least once every twelve (12) months."

These provisions were temporarily amended to read as follows:

> "<u>In addition, income verification and rent determination for elderly and disabled families on fixed incomes do not need to be re-verified on an annual basis. The HPHA will send the Family Annual Update Report form to each qualifying family. If no changes are reported, the HPHA will obtain updated income information and process the annual recertification without re-verification of income or redetermination of rent. If changes to the household are reported, the family will be required to go through the normal recertification process.</u>"

III. RECOMMENDATION

That the Adopted Amendments to the Section 8 Housing Choice Voucher Program's Administrative Plan and the Federal Public Housing Program's Admissions and Continued Occupancy Policy be extended until March 31, 2015.

Attachment A: Notice PIH 2013-03 (HA)
Notice PIH 2013-26 (HA)

Prepared by: Stephanie Fo, Section 8 Subsidy Programs Branch Chief
Joanna Renken, Supervising Public Housing Manager

Approved by the Board of Directors
on the date set forth above

David Gierlach
Chairperson

Approved by the Executive Director
February 20, 2014

FOR ACTION

MOTION: To Approve to Request from HUD to Rescind the "Undemo" Approval of January 7, 2009, Lanakila Homes, HA 1004, Hilo, Hawaii

I. FACTS

A. Lanakila Homes is a federally subsidized family public housing project constructed in three phases consisting of a total of 230 dwelling units in one-and two-story duplex wood and concrete structures. Lanakila Homes I was constructed in 1951consisting of 150 dwelling units. Lanakila Homes II was constructed in 1960 consisting of 50 dwelling units. Lanakila III was constructed in 1962 consisting of 30 dwelling units. On December 30, 1999, HUD approved the demolition of the remaining 142 units in the three phases of Lanakila Homes – 88 units were demolished in in 1998 for the first phase of the new construction.

B. On August 14, 2008, a previous Executive Director emailed a request to rescind the demolition approval of six units in Buildings 59, 61 and 62, in order to do a volunteer effort to rehab those units.

C. On January 7, 2009, the U.S. Department of Housing and Urban Development's Special Applications Center (HUD-SAC) approved rescinding the demolition approval for the six units with the six units restored to PIC.

D. On July 15, 2013, the Invitation for Bids (IFB) for the Renovation of Six Units at Lanakila Homes was posted on the State Electronic Notice System. The low bid amount was $971,258.00. The IFB involves the interior and exterior renovation of the six vacant units. The renovation does not include any site or infrastructure improvements.

E. On October 14, 2013, the Invitation for Bids (IFB) for the Demolition of Lanakila Homes – Phase IIIa and IV was posted on the State Electronic Notice System. The low bid amount was $1,682,000.00. The IFB involves the demolition of 62 vacant units including the six unapproved – for-demo units.

F. The six units have been vacant since 2006. Buildings 59, 61 and 62 are in poor condition and have been severely vandalized. The three buildings do not comply with current building, electrical or plumbing codes.

G. There is $7,500,000.00 of State CIP funds appropriated solely to Lanakila Homes with an encumbrance deadline on June 30, 2014, $800,960.00 of HUD Replacement Housing Funds (RHF) and $475,000.00 of Economic Development Initiative (EDI) funds.

II. DISCUSSION

A. The cost to renovate the six units to current standards is almost comparable to the cost of new construction. New construction will comply with all present building codes, accessibility requirements and will have a minimum 50-year life span.

B. The approval to revert the six units to demolition will allow the complete demolition and removal of all the existing vacant buildings per the original development plan. The new construction will be consistent with and equivalent to the other completed phases of Lanakila Homes.

C. The approval will allow the encumbrance of both the State and Federal funds and will allow the project to move forward toward completion.

III. RECOMMENDATION

That the HPHA Board of Directors approve to request from HUD to rescind the "undemo" approval of January 7, 2009 and to restore the demolition approval for the six units in Buildings 59, 61 and 62.

Attachment A: HUD's Demolition Approval for Lanakila Homes I, II and III
Attachment B: HUD's Approval to rescind the demolition approval for the six units
Attachment C: Existing Site Plan

Prepared by: Mitchell H. Kawamura, Project Engineer

Reviewed by: Becky L. Choi, State Housing Development Administrator

Approved by the Board of Directors on the date set forth above

David Gierlach
Chairperson

U.S. Department of Housing and Urban Development
Pacific/Hawaii
California State Office
450 Golden Gate Avenue
San Francisco, California 94102-3448

DEC 30 1999

Mr. Donald Lau
Executive Director
Housing and Community Development Corporation of Hawaii
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

Dear Mr. Lau:

This is to follow up on our report of June 29, 1999 and your response of August 5, 1999, regarding the handling of the demolition and replacement work at the Maili II, Lanakila Homes, and Waimanalo Homes sites. The work completed to date (Maili II and Phase I at Lanakila and Waimanalo) was conducted under the rules of the Comprehensive Grant Program (CGP) as modernization activities, rather than demolition and new construction.

We have consulted with our Headquarters Office to resolve the difficult issues of compliance and provide you with the guidance that will allow the HCDCH to proceed with the above projects within the existing rules for demolition and new construction funded with CGP funds. The following guidance is based on actions already taken by the HCDCH with respect to the demolition applications for the remaining phases at Lanakila and Waimanalo, and our consultation with HUD Headquarters staff.

- You can proceed with the remaining phases of the Waimanalo Homes demolition and replacement work under the HUD-approved CGP budget (Line item 1460), subject to completion of the environmental review process. Upon completion of this project and submittal of cost certification, HUD will assign a new project number and DOFA date. This appears to be the best approach, given that this project is under a single construction contract and the funding for it is contained in prior CGP program year submittals approved by HUD.
- The HCDCH may proceed with the demolition of future phases of the Lanakila Homes. On December 9, 1999, HUD approved HCDCH's request for the demolition 142 units at Lanakila Homes in three phases (Projects Nos: HI10P001004, HI10P001013, and HI10P001014). However, prior to the construction of the replacement units, the HCDCH will be required to revise its Annual Statement and comply with all pertinent requirements of 24 CFR Part 941, as outlined in PIH Notice 96-56 regarding the use of Modernization funds for a new development. HUD will assign a new project number for each phase, under separate construction contract, including the first phase, at the time the development budget is approved.
- Maili II will also be assigned a new project number and DOFA date upon cost certification.

ATTACHMENT A

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The implementation of the above steps will require considerable work on the part of both HUD and the Housing Authority, due to changing guidelines and the complexity of the issues involved. We look forward in working cooperatively with you and your staff to resolve these issues as expeditiously as possible.

If you have any questions, please contact Rick Mattessich at (415) 436-8405.

Very sincerely yours,

/S/

Joyce L. Lee
Director
Office of Public Housing

cc: William Flood, Director, Office of Capital Improvements, HUD Hdqrts

bcc:
9APH Mattessich
9APH Official File - Hawaii State HA General Corr.
9APH Chron. File

Concur: 9APH Mattessich 9APH Whitehead

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HAWAII PUBLIC HOUSING AUTHORITY

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

OFFICE OF PUBLIC HOUSING

JAN 0 7 2009

Mr. Chad K. Taniguchi
Interim Executive Director
Hawaii Public Housing Authority
1002 North School Street
P O Box 17907
Honolulu, HI 96817

Dear Mr. Taniguchi:

The Department has reviewed the Hawaii Public Housing Authority's (HPHA) request to amend to rescind the demolition approval of three building containing six units at Lanakila Homes I. HI001000037. The Special Applications Center (SAC) received this request on August 14. 2008, via e-mail.

The project originally had 150 units in the development and demolished 42 units prior to HUD the approval. On December 9, 1999, the Department approved the demolition of remaining 11 dwelling buildings consisting 108 units at Lanakila Homes I, HI001000104. After the approval from SAC, HPHA demolished only 42 units out of 108 units. There are 62 units remain to be demolished. Details of the original approval are as follows:

Lanakila Homes I, HI001000037 DOFA: 2/1/1952					
Bed Room	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	20	34	46	8	108
Approved Units	20	34	46	8	108
Approved Buildings: 8A, 9A, 11A, 19A, 20A, 21A, 22A, 28A, 30A, 37B, 39A, 59, 61, 62 and 1 Community Center and 1 Administration Building					

In the current request, the HPHA proposes to rescind the demolition approval for the dwelling buildings 59, 61 and 62 containing 6 units.

The HPHA has thousands of people on their waiting list which shows there is an immense need for low-income rental housing throughout Hawaii. Currently, the residents of the development have indicated that preserving existing low-income rental housing is a much higher priority than creating open space. In order to expedite re-occupancy of the units, the HPHA plans to minimally fix the units as of this time. After thorough investigation of the remaining units, the HPHA discovered that the foundations, walls, roofs and interior structures are in good conditions and have more useful life remaining. However, it will continue with its ongoing plan for complete renovation of all remaining vacant units as funds become available. There are three nonprofit and volunteer organizations have agreed to rehabilitate six units on a volunteer bases as a demonstration projects. The HUD Honolulu Field Office supports the HPHA's plan to rescind the demolition approval of the remaining three buildings containing six units.

ATTACHMENT B

Based on the above information, your request to rescind the demolition approval is hereby approved as follows:

Lanakila Homes I, HI001000037 DOFA: 2/1/1952					
Bed Room	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	20	34	46	8	108
Approved Units	20	34	46	8	108
Rescinded Approval for Units	**0**	**2**	**2**	**2**	**6**
Existing Approved Buildings for Demolition: 8A, 9A, 11A, 19A, 20A, 21A, 22A, 28A, 30A, 37B, 39A, 1 Community Center and 1 Administration Building					
Approved Rescind Buildings: 59, 61 and 62.					

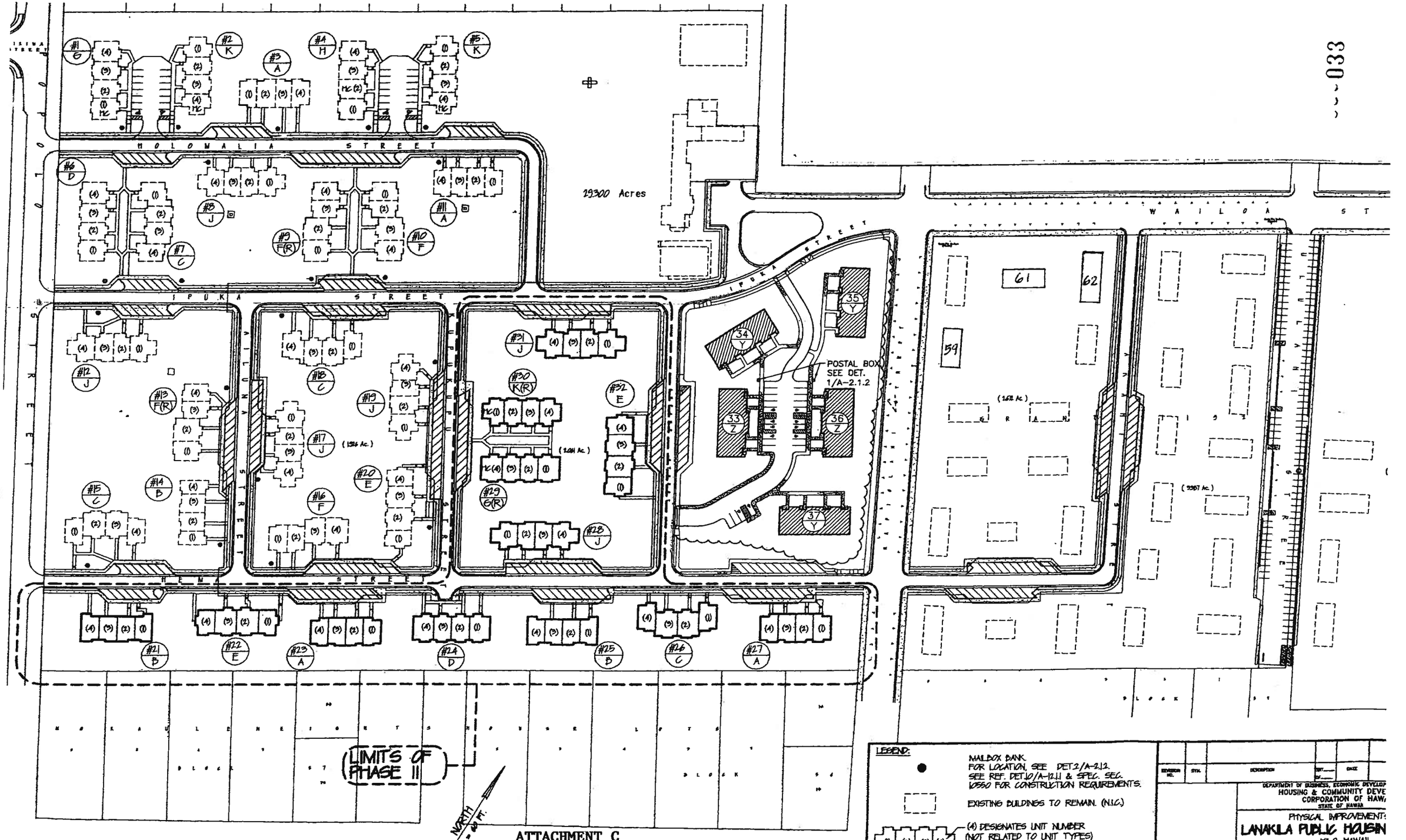
The IMS-PIC manager informed that pending unit data for HPHA was approved on December 3, 2008. The SAC rescinded building 059, 061 and 062 containing 6 units from the Public and Indian Housing Information Center (PIC) application DDA0000922, to reflect this amendment. All other conditions of the original demolition approval dated February 27, 2001, remain as originally approved.

The HUD Honolulu Field Office of Public Housing has been informed of this approval and its staff is available to provide any technical assistance necessary for your agency to proceed with this amendment. Should you have any questions, please contact the SAC reviewer, Naitik Patel, General Engineer, at (312) 353-6236, extension 2153.

Sincerely,

Ainars Rodins

Ainars Rodins, P.E.
Director



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ATTACHMENT C

Property Management and Maintenance Services Branch (PMMSB)
Report for the Months of December 2013, January 2014

A. Property Management's lease up activity consisted of the following:

	Federal Public Housing		Reason for Transfer
	12/13	1/14	
New Move-ins from the Waitlist	27	20	
Internal Transfers	2	10	**2 VAWA, 8 H&S and 2 RRA
Vacancy (tenants who vacated from the program)	22	29	

	State Public Housing		Reason for Transfer
	12/13	1/14	
New Move-ins from the Waitlist	9	4	
Internal Transfers	0	0	
Vacancy (tenants who vacated from the program)	4	4	

**RRA – Request for Reasonable Accommodation
H&S – Health & Safety (unit deemed uninhabitable due to flooding, loss of electrical power, etc.)
VAWA – Violence Against Women Act

As of January 31, 2014, HPHA has a total of 119 approved RRA statewide (Oahu – 95, Maui – 6, Hilo – 4 & Kauai – 14). These approved internal RRA tenants are waiting for a transfer to a suitable unit.

B. Formal Grievance Hearings:

Property Management heard a total of seven (7) formal grievance hearing cases December (3), January (4).

C. Rent Collection

The HPHA will continue our efforts in rent collection. The agency reduced its tenant rent receivables from 930 families owing approximately $502,697 in December 2013 to 854 families owing $493,874 in January 2014.

D. Program Activities

- PMMSB is working with the Compliance Office in creating a Relocation Procedural manual for the agency. HPHA anticipates several major construction projects to begin within the new year that will affect our tenants by having to transfer them to other vacant units within HPHA's inventory.
- Staff continues to attend mandatory trainings, such as Discrimination and Harassment Free Workplace, Workplace Violence, and State Procurement Office Webinars.
- PMMSB staff continues to assist at the AMP level due to staff shortage, work assignments to include assisting with re-certifications, eviction referrals, drafting notice of violation letters, and scheduling tenant meetings.
- Mass re-certifications were conducted during the month of December to address the need for updated annual recertifications.
- Properties continue to prepare for the upcoming HUD REAC inspections.

E. Planned Activities for February 2014

- Neighbor Island AMPs continue to work with ITO and Hearings on implementing video conferencing to conduct grievance and eviction hearings via Skype.
- All AMPs will be installing the new "No Trespass" signs at all entrances and boundaries of the properties. Once the signs are visible, the AMP staff or representative will be able to enforce Title 37, 708-814 HRS Criminal Trespass between the hours of 10:00 p.m. to 5:00 a.m.
- Phineas/Nan McKay training for HPHA public housing staff is scheduled as follows:
  - 2/10/14 to 2/12/14 – Property Manager Essential
  - 2/13/14 – PHAS Financial
  - 2/14/14 – Budget

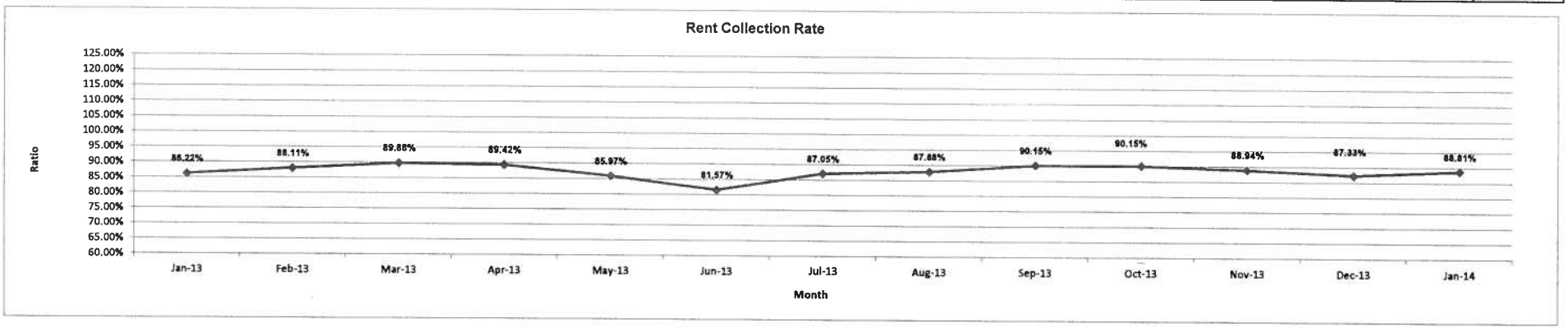
FEDERAL PUBLIC HOUSING

Rent Collection from January 2013 to January 2014

	Jan-13			Feb-13			Mar-13			Apr-13			May-13			Jun-13		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$120,935.00	$107,016.94	88.49%	$121,050.10	$108,138.56	89.33%	$123,808.68	$113,174.38	91.41%	$129,673.30	$111,873.60	86.27%	$121,317.30	$106,077.26	87.44%	$120,622.20	$103,068.13	85.45%
Kauai	$72,979.00	$61,222.92	83.89%	$72,407.00	$59,848.00	82.65%	$77,168.00	$66,422.00	86.07%	$78,499.00	$68,647.50	87.45%	$86,045.00	$70,470.09	81.90%	$85,288.00	$65,864.09	77.23%
Maui	$47,832.00	$40,745.13	85.18%	$49,676.67	$44,266.72	89.11%	$49,710.67	$45,416.13	91.36%	$46,990.79	$40,270.12	85.70%	$46,034.00	$37,002.06	80.38%	$47,105.00	$35,683.67	75.75%
Oahu	$944,175.97	$813,564.69	86.17%	$958,859.49	$846,874.46	88.32%	$973,891.50	$875,663.63	89.91%	$973,518.13	$877,858.04	90.17%	$977,304.94	$844,507.77	86.41%	$964,457.80	$788,482.29	81.75%
Total	$ 1,185,921.97	$ 1,022,549.68	86.22%	$ 1,201,993.26	$ 1,059,127.74	88.11%	$ 1,224,578.85	$ 1,100,676.14	89.88%	$ 1,228,681.22	$ 1,098,649.26	89.42%	$ 1,230,701.24	$ 1,058,057.18	85.97%	$ 1,217,473.00	$ 993,098.18	81.57%

Cumulative (12 Months) 1/13 - 1/14		
Charges	$	15,792,476.54
Collections	$	13,866,551.67
Total	$	(1,925,924.87)
Ratio		87.80%

	Jul-13			Aug-13			Sep-13			Oct-13			Nov-13			Dec-13			Jan-14		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$128,171.87	$113,642.05	88.66%	$122,224.49	$111,930.82	91.58%	$122,679.48	$114,190.86	93.08%	$122,679.48	$114,190.86	93.08%	$122,173.88	$109,997.00	90.03%	$123,001.53	$107,607.92	87.49%	$124,762.30	$111,982.08	89.76%
Kauai	$82,113.00	$66,030.92	80.41%	$82,910.00	$63,169.00	76.19%	$83,909.42	$64,935.50	77.39%	$83,909.42	$64,935.50	77.39%	$82,669.75	$61,890.59	74.86%	$82,572.16	$60,032.50	72.70%	$84,495.74	$61,580.48	72.88%
Maui	$55,093.50	$44,438.99	80.65%	$52,056.00	$43,621.34	83.80%	$61,213.00	$50,791.28	82.97%	$61,213.00	$50,791.28	82.97%	$63,451.00	$48,933.62	77.12%	$63,413.00	$45,284.72	71.41%	$65,289.00	$51,064.29	78.21%
Oahu	$986,186.95	$865,426.80	87.75%	$949,611.14	$841,859.88	88.65%	$939,433.15	$858,449.09	91.38%	$939,433.15	$858,449.09	91.38%	$930,137.00	$845,017.73	90.85%	$946,962.61	$848,987.00	89.65%	$941,361.98	$855,162.30	90.84%
Total	$ 1,251,565.32	$ 1,089,538.76	87.05%	$ 1,206,801.63	$ 1,060,581.04	87.88%	$ 1,207,235.05	$ 1,088,366.73	90.15%	$ 1,207,235.05	$ 1,088,366.73	90.15%	$ 1,198,431.63	$ 1,065,838.94	88.94%	$ 1,215,949.30	$ 1,061,912.14	87.33%	$ 1,215,909.02	$ 1,079,789.15	88.81%



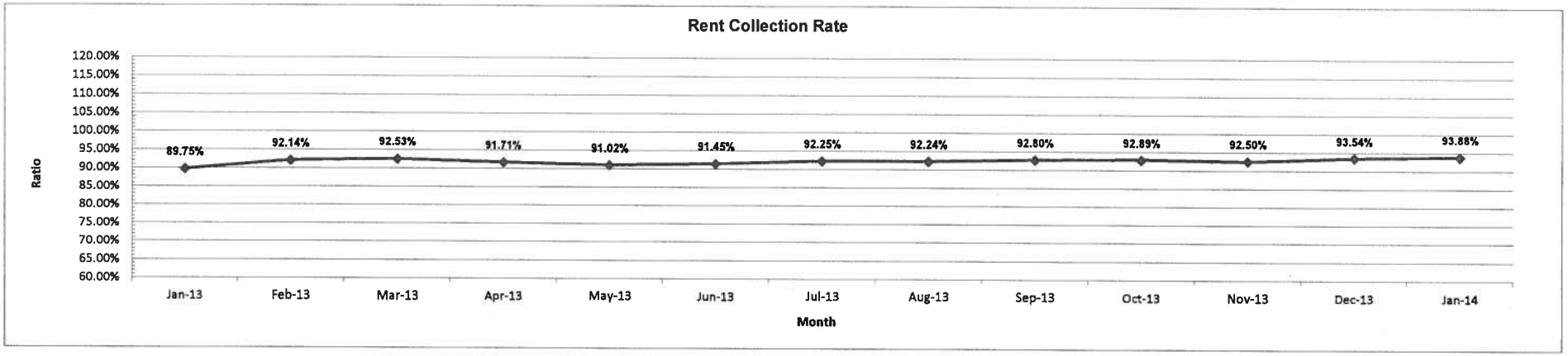
STATE PUBLIC HOUSING

Rent Collection from January 2013 to January 2014

	Jan-13			Feb-13			Mar-13			Apr-13			May-13			Jun-13		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 15,888.00	$ 10,349.50	65.14%	$ 16,989.50	$ 13,585.50	79.96%	$ 16,734.00	$ 13,546.00	80.95%	$ 15,814.00	$ 12,780.00	80.81%	$ 15,502.00	$ 11,566.00	74.61%	$ 22,748.00	$ 18,247.50	80.22%
Kauai	$ 5,886.00	$ 4,476.00	76.04%	$ 4,728.81	$ 4,240.81	89.68%	$ 4,850.76	$ 4,433.76	91.40%	$ 4,797.81	$ 4,778.47	99.60%	$ 4,668.81	$ 4,184.86	89.63%	$ 5,444.81	$ 4,837.81	88.85%
Maui	$ 4,782.00	$ 3,197.00	66.85%	$ 4,744.00	$ 3,803.00	80.16%	$ 4,353.00	$ 3,037.00	69.77%	$ 4,303.00	$ 3,059.00	71.09%	$ 4,140.00	$ 3,115.00	75.24%	$ 4,134.00	$ 2,827.00	68.38%
Oahu	$ 231,450.52	$ 213,525.93	92.26%	$ 234,896.90	$ 219,180.72	93.31%	$ 235,923.00	$ 221,276.42	93.79%	$ 256,198.40	$ 237,192.70	92.58%	$ 236,283.40	$ 218,331.82	92.40%	$ 244,025.00	$ 226,812.96	92.95%
Total	$ 258,006.52	$ 231,548.43	89.75%	$ 261,359.21	$ 240,810.03	92.14%	$ 261,860.76	$ 242,293.18	92.53%	$ 281,113.21	$ 257,810.17	91.71%	$ 260,594.21	$ 237,197.68	91.02%	$ 276,351.81	$ 252,725.27	91.45%

Cumulative (12 Months) 01/13 - 01/14	
Charges	$ 3,497,176.81
Collections	$ 3,224,973.37
Total	$ (272,203.44)
Ratio	92.22%

	Jul-13			Aug-13			Sep-13			Oct-13			Nov-13			Dec-13			Jan-14		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 16,837.00	$ 12,440.33	73.89%	$ 18,340.00	$ 14,673.33	80.01%	$ 18,109.00	$ 15,181.00	83.83%	$ 17,658.00	$ 14,252.00	80.71%	$ 18,239.00	$ 14,824.00	81.28%	$ 18,263.00	$ 15,249.00	83.50%	$ 18,954.00	$ 15,114.85	79.74%
Kauai	$ 4,972.81	$ 4,406.81	88.62%	$ 5,629.00	$ 4,776.00	84.85%	$ 5,488.00	$ 5,004.00	91.18%	$ 5,134.00	$ 4,631.00	90.20%	$ 5,868.00	$ 5,345.00	91.09%	$ 5,516.00	$ 4,893.00	88.71%	$ 5,481.00	$ 4,903.00	89.45%
Maui	$ 4,188.00	$ 3,071.00	73.33%	$ 4,460.00	$ 3,576.00	80.18%	$ 4,154.00	$ 3,184.00	76.65%	$ 4,678.00	$ 3,468.00	74.13%	$ 4,119.00	$ 2,923.00	70.96%	$ 3,990.00	$ 2,930.00	73.43%	$ 4,795.00	$ 3,828.00	79.83%
Oahu	$ 235,618.40	$ 221,416.94	93.97%	$ 252,536.40	$ 236,142.40	93.51%	$ 240,358.02	$ 225,447.05	93.80%	$ 250,488.34	$ 235,849.18	94.16%	$ 242,473.05	$ 227,317.05	93.75%	$ 241,326.79	$ 228,638.23	94.74%	$ 240,217.28	$ 229,104.44	95.37%
Total	$ 261,616.21	$ 241,335.08	92.25%	$ 280,965.40	$ 259,167.73	92.24%	$ 268,109.02	$ 248,816.05	92.80%	$ 277,958.34	$ 258,200.18	92.89%	$ 270,699.05	$ 250,409.05	92.50%	$ 269,095.79	$ 251,710.23	93.54%	$ 269,447.28	$ 252,950.29	93.88%



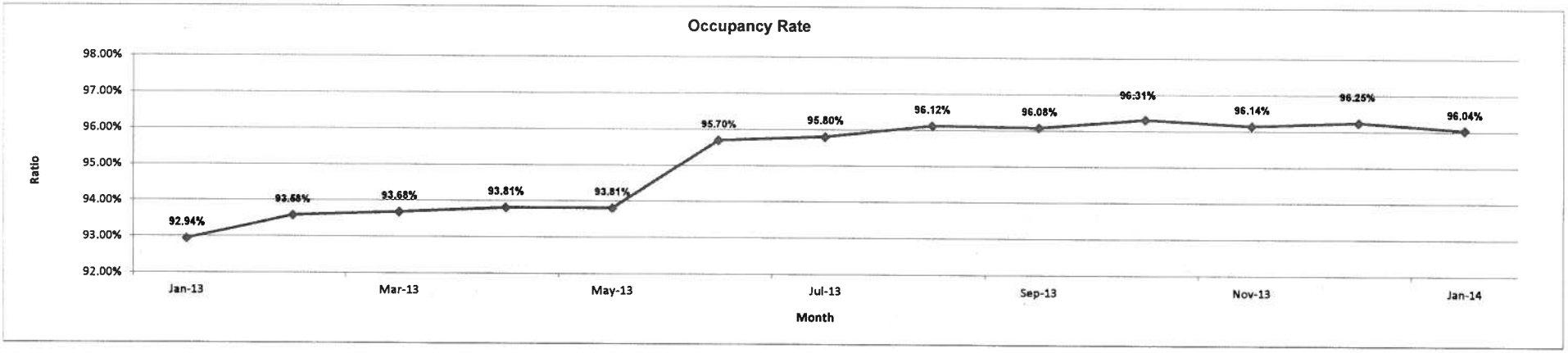
FEDERAL PUBLIC HOUSING

Occupancy from January 2013 to January 2014

	Jan-13			Feb-13			Mar-13			Apr-13			May-13			Jun-13		
	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio
Hawaii	627	577	92.03%	627	587	93.62%	627	584	93.14%	627	588	93.78%	627	588	93.78%	627	594	94.74%
Kauai	321	276	85.98%	321	281	87.54%	321	290	90.34%	321	297	92.52%	321	297	92.52%	319	303	94.98%
Maui	196	167	85.20%	196	165	84.18%	196	162	82.65%	196	158	80.61%	196	158	80.61%	196	177	90.31%
Oahu	3,574	3,365	94.15%	3,574	3,382	94.63%	3,574	3,384	94.68%	3,576	3,385	94.66%	3,576	3,385	94.66%	3,576	3,441	96.22%
Total	4,718	4,385	92.94%	4,718	4,415	93.58%	4,718	4,420	93.68%	4,720	4,428	93.81%	4,720	4,428	93.81%	4,718	4,515	95.70%

Cumulative (12 Months) 01/13 - 01/14	
Units	61,347
Tenats	58,340
Ratio	95.10%

	Jul-13			Aug-13			Sep-13			Oct-13			Nov-13			Dec-13			Jan-14		
	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio
Hawaii	627	593	94.58%	627	595	94.90%	627	592	94.42%	627	594	94.74%	627	591	94.26%	627	592	94.42%	627	593	94.58%
Kauai	319	306	95.92%	319	307	96.24%	320	307	95.94%	321	308	95.95%	321	306	95.33%	321	307	95.64%	321	307	95.64%
Maui	196	171	87.24%	196	172	87.76%	196	171	87.24%	196	172	87.76%	196	172	87.76%	196	174	88.78%	196	176	89.80%
Oahu	3,576	3,450	96.48%	3,576	3,461	96.78%	3,576	3,464	96.87%	3,576	3,472	97.09%	3,576	3,469	97.01%	3,576	3,470	97.04%	3,576	3,457	96.67%
Total	4,718	4,520	95.80%	4,718	4,535	96.12%	4,719	4,534	96.08%	4,720	4,546	96.31%	4,720	4,538	96.14%	4,720	4,543	96.25%	4,720	4,533	96.04%



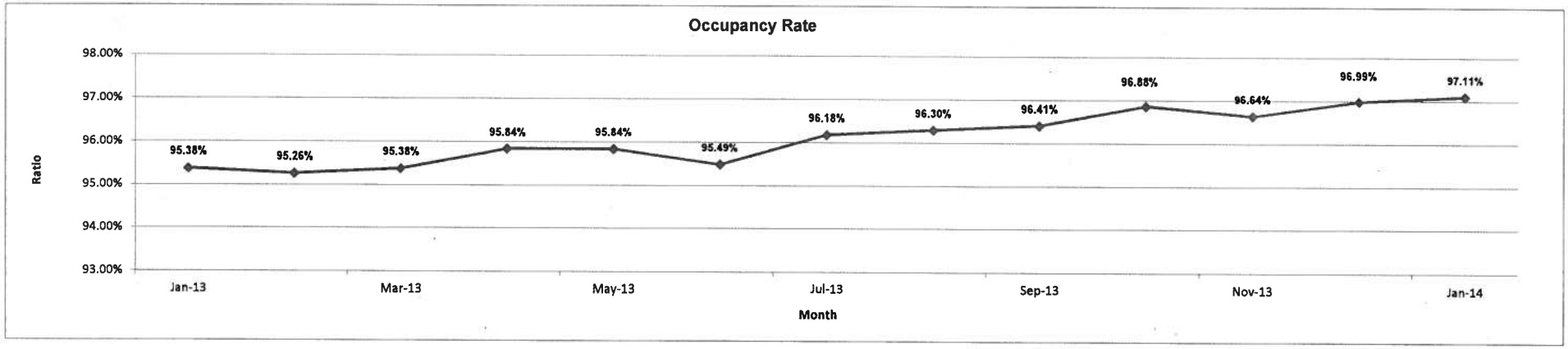
STATE PUBLIC HOUSING

Occupancy from January 2013 to January 2014

	Jan-13			Feb-13			Mar-13			Apr-13			May-13			Jun-13		
	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio
Hawaii	56	49	87.50%	56	49	87.50%	56	48	85.71%	56	48	85.71%	56	48	85.71%	56	48	85.71%
Kauai	26	22	84.62%	26	22	84.62%	26	22	84.62%	26	22	84.62%	26	22	84.62%	26	24	92.31%
Maui	32	25	78.13%	32	25	78.13%	32	26	81.25%	32	24	75.00%	32	24	75.00%	32	23	71.88%
Oahu	751	729	97.07%	751	728	96.94%	751	729	97.07%	751	735	97.87%	751	735	97.87%	750	730	97.33%
Total	865	825	95.38%	865	824	95.26%	865	825	95.38%	865	829	95.84%	865	829	95.84%	864	825	95.49%

Cumulative (12 Months) 01/13 - 01/14	
Units	11,237
Tenants	10,802
Ratio	96.13%

	Jul-13			Aug-13			Sep-13			Oct-13			Nov-13			Dec-13			Jan-14		
	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio
Hawaii	56	51	91.07%	56	50	89.29%	56	50	89.29%	56	50	89.29%	56	50	89.29%	56	53	94.64%	56	53	94.64%
Kauai	26	24	92.31%	26	24	92.31%	26	24	92.31%	26	25	96.15%	26	25	96.15%	26	25	96.15%	26	25	96.15%
Maui	32	24	75.00%	32	24	75.00%	32	24	75.00%	32	25	78.13%	32	24	75.00%	32	24	75.00%	32	24	75.00%
Oahu	750	732	97.60%	750	734	97.87%	750	735	98.00%	750	737	98.27%	750	736	98.13%	750	736	98.13%	750	737	98.27%
Total	864	831	96.18%	864	832	96.30%	864	833	96.41%	864	837	96.88%	864	835	96.64%	864	838	96.99%	864	839	97.11%



Federal LIPH
HPHA Island Overview Report
as of 1/31/2014

	Occupancy *								LIPH and Elderly Waiting List**				
Island	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	627	593	31	94.58%	6	4	0	1	Average Income	34	0.45%	7.66	3.58
Kauai	321	307	6	95.64%	1	1	0	1	Low Income (80%)	44	0.58%	2.85	2.07
Maui	196	176	20	89.80%	6	4	1	0	Very Low Inc. (50%)	383	5.01%	2.74	1.86
Oahu	3,576	3,457	95	96.67%	18	31	10	14	Extrmly Low Inc. (30%)	7,179	93.97%	2.48	1.69
Total	**4,720**	**4,533**	**152**	**96.04%**	**31**	**40**	**11**	**16**		**7,640**	**100.00%**	**2.52**	**1.70**

	Non Vacated Delinquencies***				Collection Rate ****		
Island	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	71	$ 25,778.90	32	$ 21,566.69	$ 124,762.30	$ 111,982.08	**89.76%**
Kauai	78	$ 44,137.82	58	$ 53,122.05	$ 84,495.74	$ 61,580.48	**72.88%**
Maui	47	$ 24,303.13	25	$ 29,611.00	$ 65,289.00	$ 51,064.29	**78.21%**
Oahu	384	$ 159,684.47	159	$ 135,670.46	$ 941,361.98	$ 855,162.30	**90.84%**
Total	**580**	**$ 253,904.32**	**274**	**$ 239,970.20**	**$ 1,215,909.02**	**$ 1,079,789.15**	**88.81%**

* Occupancy also counts Scheduled for Modernization Units.
* Occupancy reflects removal of KPT Units.
** Please notice WL Income Limits assumes 2010 HUD Family Income Limit for Hawaii.
*** Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).
**** Lower Collection rate due to mailing label errors.

Federal LIPH
HPHA Project Overview Report
as of 1/31/2014

	Occupancy*							
AMP	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready
30P-Aiea	363	348	9	95.87%	3	2	1	5
31P-KVH	373	363	8	97.32%	0	3	0	2
32P-MWH	364	361	2	99.18%	3	2	1	1
33P-Kam/Kaamanu	373	370	3	99.20%	1	3	0	0
34P-Kalakaua	583	574	4	98.46%	0	3	0	5
35P-Kalanihuia	587	585	2	99.66%	4	4	0	0
37P-Hilo	322	296	25	91.93%	3	1	0	0
38P-Kauai	321	307	6	95.64%	1	1	0	1
39P-Maui	196	176	20	89.80%	6	4	1	0
40P-KPT	170	165	5	97.06%	3	3	2	0
43P-Kona	202	195	6	96.53%	2	2	0	1
44P-Leeward Oahu	260	246	14	94.62%	3	4	0	0
45P-Windward Oahu	235	225	1	95.74%	0	0	0	0
46P-Kamuela	103	102	0	99.03%	1	1	0	0
49P-Central Oahu	150	132	17	88.00%	0	6	6	1
50P-Palolo	118	88	30	74.58%	1	1	0	0
Total	4,720	4,533	152	96.04%	31	40	11	16

	Non Vacated Delinquencies**				Collection Rate		
AMP	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	44	21,719.87	15	12,918.91	$ 139,676.00	$ 127,153.26	91.03%
31P-KVH	35	22,664.28	26	28,822.05	$ 95,191.58	$ 83,586.82	87.81%
32P-MWH	38	16,181.33	9	8,125.64	$ 99,270.40	$ 89,241.29	89.90%
33P-Kam/Kaamanu	26	9,462.11	6	8,073.00	$ 79,331.00	$ 73,230.98	92.31%
34P-Kalakaua	54	16,370.00	19	35,247.20	$ 139,789.46	$ 131,538.83	94.10%
35P-Kalanihuia	13	5,383.32	6	8,570.66	$ 154,637.65	$ 152,580.65	98.67%
37P-Hilo	24	8,750.00	7	464.00	$ 63,478.28	$ 58,896.28	92.78%
38P-Kauai	78	44,137.82	58	53,122.05	$ 84,495.74	$ 61,580.48	72.88%
39P-Maui	47	24,303.13	25	29,611.00	$ 65,289.00	$ 51,064.29	78.21%
40P-KPT	24	14,597.75	6	3,816.00	$ 63,025.00	$ 54,773.02	86.91%
43P-Kona	37	13,303.48	15	6,417.00	$ 40,384.00	$ 34,907.84	86.44%
44P-Leeward Oahu	127	39,856.31	59	26,076.00	$ 52,362.00	$ 29,092.00	55.56%
45P-Windward Oahu	7	3,185.50	1	1,371.00	$ 56,993.80	$ 56,778.36	99.62%
46P-Kamuela	10	3,725.42	10	14,685.69	$ 20,900.02	$ 18,177.96	86.98%
49P-Central Oahu	13	10,435.00	10	1,273.00	$ 38,224.00	$ 33,842.00	88.54%
50P-Palolo	4	-171.00	3	1,377.00	$ 22,861.09	$ 23,345.09	102.12%
Total	580	$ 253,904.32	274	$ 239,970.20	$ 1,215,909.02	$ 1,079,789.15	88.81%

* Occupancy also counts Scheduled for Modernization Units.

** Occupancy reflects removal of KPT Units.

*** Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).

State LIPH
HPHA Island Overview Report
as of 1/31/2014

	Occupancy*								LIPH and Elderly Waiting List**				
Island	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	56	53	1	94.64%	0	0	0	0	Average Income	22	0.41%	7.96	3.78
Kauai	26	25	0	96.15%	0	0	0	1	Low Income (80%)	28	0.52%	2.29	1.54
Maui	32	24	8	75.00%	1	1	0	0	Very Low Inc. (50%)	297	5.55%	2.44	1.45
Oahu	750	737	3	98.27%	3	3	0	4	Extrmly Low Inc. (30%)	5,002	93.51%	2.31	1.45
Total	864	839	12	97.11%	4	4	0	5		5,349	100.00%	2.34	1.46

	Non Vacated Delinquencies***				Collection Rate		
Island	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	13	$ 6,195.00	7	$ 13,695.00	$ 18,954.00	$ 15,114.85	79.74%
Kauai	3	$ 699.00	2	$ 576.00	$ 5,481.00	$ 4,903.00	89.45%
Maui	7	$ 1,736.00	4	$ 11,125.00	$ 4,795.00	$ 3,828.00	79.83%
Oahu	38	$ 23,600.09	27	$ 58,874.78	$ 240,217.28	$ 229,104.44	95.37%
Total	61	$ 32,230.09	40	$ 84,270.78	$ 269,447.28	$ 252,950.29	93.88%

* Occupancy also counts Scheduled for Modernization Units.

** Please notice WL Income Limits assumes 2010 HUD Family Income Limit for Hawaii.

*** Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).

State LIPH
HPHA Project Overview Report
as of 1/31/2014

	Occupancy *							
Project	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready
2201-Hauiki	46	44	0	95.65%	0	0	0	1
2202-Puahala Homes	128	124	1	96.88%	1	0	0	2
2204-Kawailehua	26	25	0	96.15%	0	0	0	1
2205-Kahale Mua	32	24	8	75.00%	1	1	0	0
2206-Lokahi	30	28	1	93.33%	0	0	0	0
2207-Ke Kumu Elua	26	25	0	96.15%	0	0	0	0
2401-Hale Po'ai	206	203	2	98.54%	0	0	0	0
2402-La'iola	108	106	0	98.15%	1	2	0	1
2403-Kamalu-Ho'olulu	221	220	0	99.55%	1	1	0	0
2404-Halia Hale	41	40	0	97.56%	0	0	0	0
Total	**864**	**839**	**12**	**97.11%**	**4**	**4**	**0**	**5**

	Non Vacated Delinquencies**				Collection Rate		
Project	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	10	$ 2,905.73	6	$ 24,469.00	$ 19,858.00	$ 17,776.40	**89.52%**
2202-Puahala Homes	23	$ 18,418.03	17	$ 29,649.78	$ 50,059.28	$ 41,209.04	**82.32%**
2204-Kawailehua	3	$ 1,446.00	2	$ 552.00	$ 5,481.00	$ 4,903.00	**89.45%**
2205-Kahale Mua	7	$ 1,963.00	3	$ 11,000.00	$ 4,795.00	$ 3,828.00	**79.83%**
2206-Lokahi	4	$ 1,525.00	0	$ -	$ 11,456.00	$ 10,366.85	**90.49%**
2207-Ke Kumu Elua	9	$ 4,839.00	7	$ 16,453.00	$ 7,498.00	$ 4,748.00	**63.32%**
2401-Hale Po'ai	0	$ -	0	$ -	$ 58,226.00	$ 58,226.00	**100.00%**
2402-La'iola	1	$ 87.00	0	$ -	$ 36,578.00	$ 36,487.00	**99.75%**
2403-Kamalu-Ho'olulu	1	$ 219.00	0	$ -	$ 65,100.00	$ 65,010.00	**99.86%**
2404-Halia Hale	0	$ -	0	$ -	$ 10,396.00	$ 10,396.00	**100.00%**
Total	**58**	**$ 31,402.76**	**35**	**$ 82,123.78**	**$ 269,447.28**	**$ 252,950.29**	**93.88%**

* Occupancy also counts Scheduled for Modernization Units.

** Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).

Section 8 Subsidy Programs Branch
Report for the Months of December 2013 and January 2014

A. Program Activities

1. Voucher activity for January 1, 2013 – December 31, 2013:
   - HPHA expended $22,007,338 in housing assistance payments to private landlords on behalf of voucher holders.
   - HPHA began the year with 1991 vouchers leased and ended the year with 1967 vouchers leased.
   - 92 families ended participation in the housing choice voucher program during calendar year 2013. Reasons for ending participation ranged from failure to comply, voluntary, death, zero housing assistance payment and other.
   - 264 families leased up in 2013. A majority of the lease ups were families currently on the program that moved to a new residence. Sixty six (66) of the lease ups were for veteran's vouchers (VASH) awarded by the Department of Housing and Urban Development.
   - The rent supplement waitlist, the housing choice voucher waitlist and the Palolo Valley Homes waitlist were purged and updated in 2013.

2. Voucher activity for January 2014:
   - HPHA is currently assisting 1965 families with voucher rental assistance payments totaling $1,959,867 in January 2014; and
   - 205 families with rent supplement payments totaling $39,803.

3. Voucher lease up activity for the reporting period:
   - VASH -Veteran's Administration Supportive Housing Vouchers:
     Issued 14 new vouchers
     34 voucher holders in housing search; 7 leased up
   - Kuhio Park Towers -Project Based Section 8:
     2 leased up; 2 vacancies
     1 unit passed HQS inspection but waiting for KPT "corporate approval" before families can move in.
     1 unit not yet ready for HQS inspection, per Inspection Supervisor
   - Palolo Valley Homes- Project Based Section 8:
     2 families leased up; 1 passed HQS inspection waiting for move-in dates from management agent
   - Housing Choice Vouchers:
     1 applicant in housing search
   - Port-In (from other agencies)
     Issued 3 incoming billable vouchers; 7 voucher holders in housing search

4. Inspections update:
   - A total of 264 inspections were performed in December 2013 and January 2014. Of the 264 inspections 112 failed the first time the unit was inspected. The inspections staff also failed 27 rent comparisons in December 2013 and January 2014. A rent comparison is a procedure required by HUD to determine if the rent the landlord is asking for is in line with current market rents.

5. Family Self Sufficiency (FSS) Program

   - The Family Self Sufficiency (FSS) Program year end update:

Family Self Sufficiency Calendar Year Totals 2013	
1. Number of Active Participants	77
2. Number of Graduates	15
3. Number of Eligible Families w/Escrow Accounts	43
4. Number of Active Escrow Accounts w/Escrow	33
5. Total Escrow Scheduled/Disbursed	$89,272.25
6. Number of Families that Increased Income	30
7. Cases Closed/Terminated	23

   - The Family Self Sufficiency (FSS) program assisted 76 Section 8 clients in January 2014. There were 31 active escrow accounts with a total account balance of $123,772. 17 families attended orientation.

Hearings Office
Report for December 2013/January 2014

A. Program Activities

- Eviction cases heard for January 2014-12 cases, 12 for rent, 0 for non-rent. For January 2013 through January 2014, a total of 171 cases were referred with a total of 78 families evicted for this period.

- Track AMP Delinquencies and Report to Office of the Executive Director and Property Management Branch.

- The Attorney General's Office filed the Record on Appeal, which was prepared by the Hearings Office.

B. Planned Activities

- Evaluate, review and revise eviction referrals for compliance with Section 356D, Hawaii Revised Statutes (Public Housing-Evictions).

- Conduct Statewide Administrative eviction hearings in compliance with laws, rules, and regulations.

- Prepare Findings of Facts, Conclusions of Law, Decision and Order, Subpoena Police Reports and Witnesses for Criminal Cases.

- Monitor and Report the Status of Management's Actions on Rent Delinquencies over 90 days for Federal Housing Projects.

- Schedule Breach of Conditions Cases for Due Process Hearings and Prepare Findings of Fact, Conclusions of Law, Decision and Order.

- Continue to recruit resident and non-resident statewide eviction board members.

- Work with IT and Neighbor Island managers to provide video conference capabilities for grievance and eviction hearings.

HEARINGS OFFICE-STATEWIDE FEDERAL EVICTION REFERRALS-January 31, 2014

Total # of Cases Heard for the Month of January 2013: 12

(Oahu & Neighbor Islands)

Decisions Rendered:	Rent Violations	Other Violations
Eviction	3	0
Evict w/cond	3	0
10-day cure	0	0
Withdrawn/Dismiss	0	0
Continued	6	0
Total	12	0

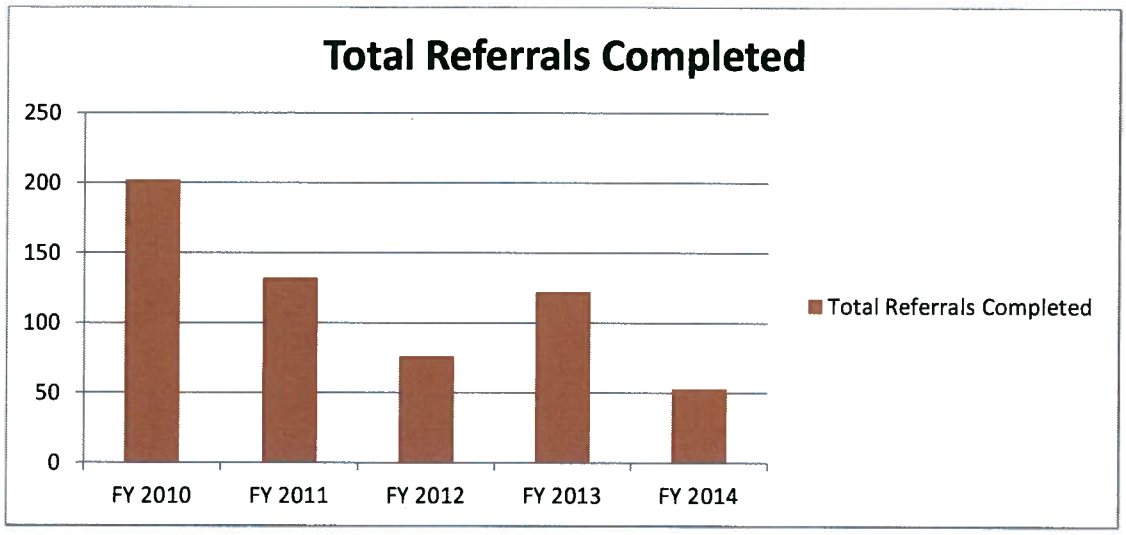
Delinquent balances for rent cases evicted for January 2014 = AMP 31-$2,153

	REFERRALS								
	REASON FOR REFERRAL			RESULT OF EVICTION REFERRAL					
MONTH	Total	Rent	Other	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
FY 2010	263	223	40	109	83	4	6	61	202
FY 2011	178	140	38	68	54	5	5	46	132
FY 2012	106	84	22	40	32	1	3	30	76
FY 2013	160	119	41	76	37	3	6	38	122
FY 2014	80	65	15	36	23	0	4	17	53

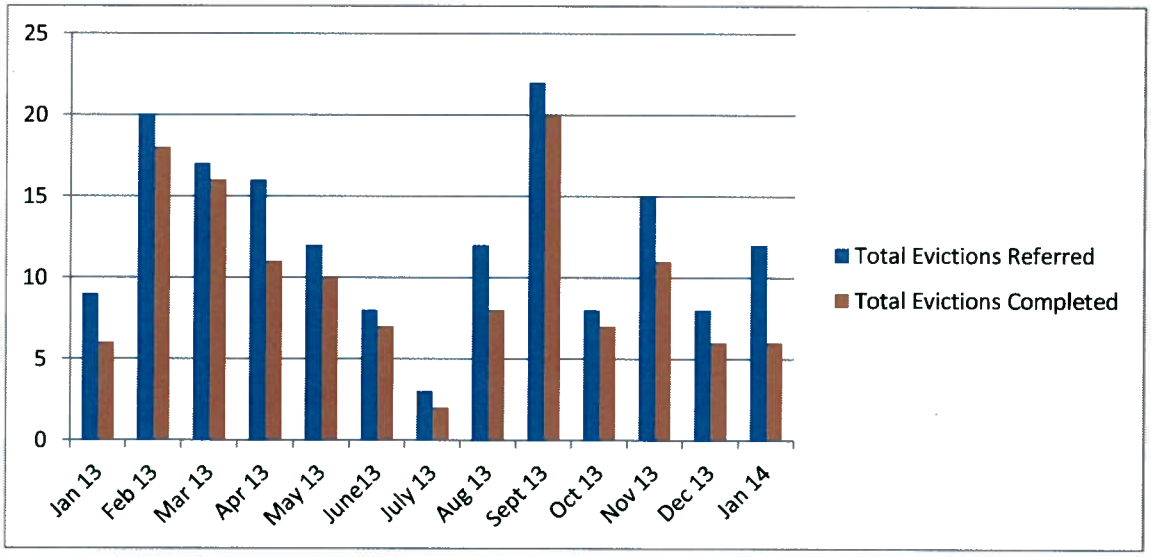
January 2013-January 2014

	REFERRALS								
	REASON FOR REFERRAL			RESULT OF EVICTION REFERRAL					
MONTH	Total	Rent	Other	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
Jan 13	9	7	2	4	1	1	0	3	6
Feb 13	20	13	7	11	7	0	0	2	18
Mar 13	17	14	3	10	3	2	1	1	16
Apr 13	16	10	6	4	7	0	1	4	11
May 13	12	5	7	7	3	0	2	0	10
June13	8	5	3	6	1	0	0	1	7
July 13	3	2	1	2	0	0	0	1	2
Aug 13	12	12	0	4	4	0	2	2	8
Sept 13	22	18	4	13	7	0	0	2	20
Oct 13	8	7	1	5	2	0	0	1	7
Nov 13	15	8	7	5	5	0	1	4	11
Dec 13	8	6	2	4	2	0	1	1	6
Jan 14	12	12	0	3	3	0	0	6	6
TOTALS	171	119	43	78	45	3	8	28	128

Fiscal Years 2010-2014



January 2013-January 2014



Prepared and Reviewed by Renee Blondin-Nip

Fiscal Management Office
Report for December 2013(Unaudited)

AGENCY TOTAL – Variance Analysis based on any increases or decrease of 10% or more with the month of December 2013 being the basis for the variances.

INCOME STATEMENT

A. REVENUES:

CFP Grant Income:

The budget draws are projected on a monthly basis vs actual draw on a per quarter basis. The next draw is anticipated in January as the cash needs of the COCC arises.

COCC Fee Income:

Front Line Service Fees Budgeted for the month have not been billed due to the billing detail not available at the close of the month of December $125K.

Grant Income:

The State Rent Supplement Grant Income budgeted on a monthly basis but the actual payments are funded by the state on a quarterly basis resulting in a variance of $164k for the month of December.

Other Income:

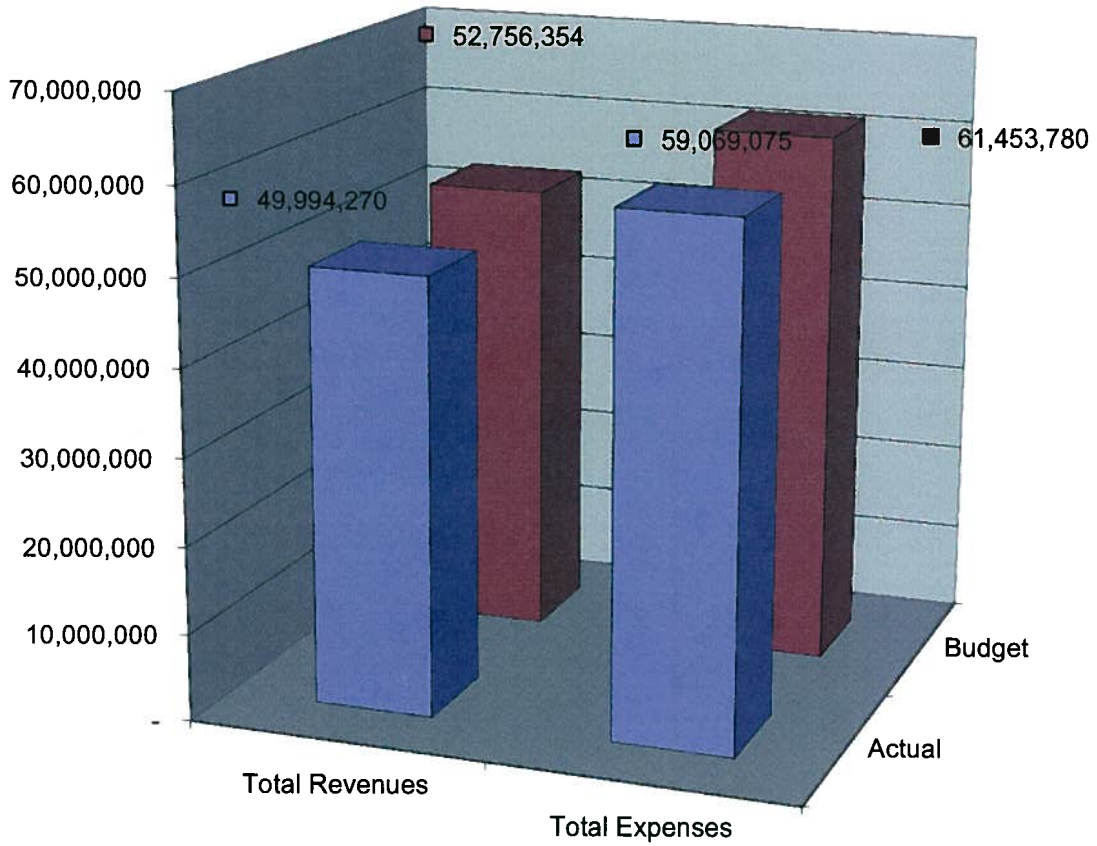
Although reimbursement for state Construction in Progress administration and associated costs were included in the December budget these funds were not recorded because reimbursement approval has not been forthcoming from the State Budget and Finance Department.

B. EXPENSES:

Administrative Fees:

Front Line Service Fees Budgeted by the AMPs was not billed by the COCC due to the billing detail not available at the close of the month; COCC employee positions budgeted not filled $305k; Front Line expenses budgeted not billed to the AMPs currently $125k due to the billing details not available; Elite Software maintenance costs budgeted in December will be expensed in January 2014.

HPHA DECEMBER 31, 2013 Actual VS Budget



	Total Revenues	Total Expenses
Actual	49,994,270	59,069,075
Budget	52,756,354	61,453,780

Bad Debt Expense:

Adjustment for tenant credits balances in excess of bad debt write-offs.

OVERVIEW – Current Fiscal Year:

As the Fiscal Year 2013 - 2014 progresses and the Capital Appropriations are approved HPHA will begin to recognize Capital Administrative and Associated Expenses reimbursements which should add approximately $4.0 Million in revenues for the current Fiscal Year.

HAWAII PUBLIC HOUSING AUTHORITY
AGENCY TOTAL
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013					YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
1,319,150	1,388,669	$ (69,519)	-5%	Dwelling Rental Income	8,000,620	8,329,311	$ (328,691)	-4%	8,022,256	$ (21,636)	0%
5,640,688	5,713,838	(73,150)	-1%	HUD Operating Subsidies	33,828,672	34,283,352	(454,680)	-1%	34,456,669	(627,997)	-2%
-	437,868	(437,868)	-100%	CFP Grant Income	619,462	2,627,208	(2,007,746)	-76%	-	619,462	0%
408,122	540,920	(132,798)	-25%	COCC Fee Income	2,443,443	3,242,915	(799,472)	-25%	2,110,298	333,145	16%
-	-	-	0%	General Fund	-	-	-	0%	1,366,308	(1,366,308)	-100%
591,204	428,534	162,670	38%	Grant Income	2,764,528	2,571,204	193,324	8%	-	2,764,528	0%
75,412	283,433	(208,021)	-73%	Other Income	2,337,545	1,702,364	635,181	37%	2,815,517	(477,972)	-17%
8,034,576	**8,793,262**	**(758,686)**	**-9%**	**Total Revenues**	**49,994,270**	**52,756,354**	**(2,762,084)**	**-5%**	**48,771,048**	**1,223,222**	**3%**
				EXPENSES							
1,050,460	1,495,146	444,686	30%	Administrative	6,442,767	8,521,950	2,079,183	24%	6,149,548	(293,219)	-5%
29,477	29,347	(130)	0%	Asset Management Fees	176,862	176,394	(468)	0%	81,360	(95,502)	-117%
396,119	413,682	17,563	4%	Management Fees	2,404,729	2,477,622	72,893	3%	1,818,980	(585,749)	-32%
54,925	56,700	1,775	3%	Bookkeeping Fees	331,450	339,599	8,149	2%	315,162	(16,288)	-5%
4,025,753	3,960,758	(64,995)	-2%	Housing Assistance Payments	24,275,587	23,714,548	(561,039)	-2%	24,587,012	311,425	1%
46,598	50,666	4,068	8%	Tenant Services	228,801	269,337	40,536	15%	488,708	259,907	53%
1,173,330	1,177,590	4,260	0%	Utilities	7,019,547	7,065,637	46,090	1%	6,546,247	(473,300)	-7%
1,467,269	1,558,625	91,356	6%	Maintenance	8,759,321	9,676,214	916,893	9%	7,134,678	(1,624,643)	-23%
172,309	175,874	3,565	2%	Protective Services	1,114,393	1,057,550	(56,843)	-5%	790,905	(323,488)	-41%
83,374	84,128	754	1%	Insurance	505,500	505,416	(84)	0%	507,855	2,355	0%
1,267,609	1,264,401	(3,208)	0%	General Expenses	7,810,118	7,649,513	(160,605)	-2%	7,656,996	(153,122)	-2%
9,767,223	**10,266,917**	**499,694**	**5%**	**Total Expenses**	59,069,075	61,453,780	**2,384,705**	**4%**	**56,077,451**	**(2,991,624)**	**-5%**
$ (1,732,647)	**$ (1,473,655)**	**$ (258,992)**	**-18%**	**Net Income(Loss)**	(9,074,805)	**$ (8,697,426)**	**$ (377,379)**	**-4%**	**$ (7,306,403)**	**$ (1,768,402)**	**-24%**
				CASH BASIS:							
$ (1,732,647)	**$ (1,473,655)**	**$ (258,992)**	**-18%**	Net Income(loss) per Above	(9,074,805)	(8,697,426)	**$ (377,379)**	**-4%**	**$ (7,306,403)**	**$ (1,768,402)**	**-24%**
				Add back non cash items:							
1,237,953	1,239,620	(1,667)	0%	Depreciation Expense	7,377,310	7,437,720	(60,410)	-1%	7,059,264	318,046	5%
(1,820)	10,920	(12,740)	-117%	Bad Debt Expense	(1,832)	112,534	(114,366)	-102%	91,667	(93,499)	-102%
$ (496,514)	**$ (223,115)**	**$ (273,399)**	**-123%**	**TOTAL CASH BASIS**	(1,699,328)	**(1,147,172)**	**$ (552,156)**	**-48%**	**$ (155,472)**	**$ (1,543,856)**	**-993%**

CONSOLIDATED BALANCE SHEET
HAWAII PUBLIC HOUSING AUTHORITY
FUND FROM 130 TO 150, 007, 020, 024, 181, 265, 318, 337, 400
FOR PERIOD ENDING DECEMBER 31, 2013
AGENCY TOTAL

		DECEMBER	NOVEMBER	Increase (Decrease)
ASSETS:				
Cash		64,289,949	63,381,034	908,915
Receivables:				
Accrued Interest	5,303,187			
Tenant Receivables	1,458,039			
Other	4,324,585			
Less Allowance for Doubtful Accounts	(5,534,178)	5,551,633	5,484,481	67,152
Total receivables				
Prepaid Expenses		435,699	36,134	399,565
Inventories		8,042	8,546	(504)
Interprogram Due From		644,182	2,952,450	(2,308,268)
Interprogram Due To		-	-	
Total Current Assets		**70,929,505**	**71,862,645**	**(933,140)**
Property, Plant & Equipment:				
Land	21,451,327			
Buildings	534,690,791			
Furniture & Equipment	4,352,403			
Motor vehicles	1,250,266			
Construction in Progress	32,947,364			
Less: Accumulated Depreciation	(320,483,210)	274,208,941	275,446,893	(1,237,952)
Notes, Loans & Mortgage Receivable-Non Current		49,099,568	49,099,568	-
Other Long term assets		-	-	
Total Assets		**394,238,014**	**396,409,106**	**(2,171,092)**

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CONSOLIDATED BALANCE SHEET
HAWAII PUBLIC HOUSING AUTHORITY
FUND FROM 130 TO 150, 007, 020, 024, 181, 265, 318, 337, 400
FOR PERIOD ENDING DECEMBER 31, 2013
AGENCY TOTAL

		DECEMBER	NOVEMBER	Increase (Decrease)
LIABILITIES AND EQUITY:				
Accounts Payable		1,399,577	1,166,173	233,404
Accrued Expenses		1,298,466	1,455,943	(157,477)
Accrued Salaries & Wages		708,298	708,298	-
Accrued Vacation		669,776	669,776	-
Tenant Security Deposits		856,629	855,007	1,622
Other Liabilities & Deferred Income		43,005,808	43,415,511	(409,703)
Interprogram Due To		13,168,155	13,274,447	(106,292)
Total Current Liabilities		**61,106,709**	**61,545,155**	**(438,446)**
Accrued Pension and OPEB Liability		9,289,299	9,289,299	-
Accrued Liabilties - Long Term		4,411,148	4,411,148	-
Net Assets:				
Restricted Net Assets	2,844,517		2,844,517	-
Unrestricted Net Assets	325,661,146		325,661,146	-
Net Income Year to Date	(9,074,805)		(7,342,158)	(1,732,647)
Total Equity		**319,430,858**	**321,163,505**	**(1,732,647)**
Total Liabilities & Equity		**394,238,014**	**396,409,106**	**(2,171,093)**

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HAWAII PUBLIC HOUSING AUTHORITY
HOUSING CHOICE VOUCHER PROGRAM
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013						YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ -	$ -	$ -	0%	Dwelling Rental Income	$ -	$ -	$ -	0%	$ -	$ -	0%
1,903,082	2,068,588	(165,506)	-8%	HUD Operating Subsidies	11,512,731	12,411,528	(898,797)	-7%	10,530,844	981,887	9%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
34,267	858	33,409	3894%	Other Income	214,739	5,148	209,591	4071%	939,058	(724,319)	-77%
1,937,349	**2,069,446**	**(132,097)**	**-6%**	**Total Revenues**	**11,727,470**	**12,416,676**	**(689,206)**	**-6%**	**11,469,902**	**257,568**	**2%**
				EXPENSES							
89,041	134,451	45,410	34%	Administrative	459,546	700,478	240,932	34%	784,407	324,861	41%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
22,740	23,244	504	2%	Management Fees	137,928	139,464	1,536	1%	137,496	(432)	0%
14,213	15,000	787	5%	Bookkeeping Fees	86,205	90,000	3,795	4%	85,935	(270)	0%
1,956,928	1,926,022	(30,906)	-2%	Housing Assistance Payments	11,773,919	11,556,132	(217,787)	-2%	34,390	(11,739,529)	-34136%
23,696	22,869	(827)	-4%	Tenant Services	126,594	137,214	10,620	8%	-	(126,594)	0%
2,335	4,125	1,790	43%	Utilities	17,552	24,750	7,198	29%	22,552	5,000	22%
687	100	(587)	-587%	Maintenance	4,429	600	(3,829)	-638%	127,714	123,285	97%
-	95	95	100%	Protective Services	202	570	368	65%	1,604	1,402	87%
221	689	468	68%	Insurance	3,667	4,134	467	11%	41,582	37,915	91%
42,548	-	(42,548)	0%	General Expenses	248,521	7,326	(241,195)	-3292%	10,950,753	10,702,232	98%
2,152,409	**2,126,595**	**(25,814)**	**-1%**	**Total Expenses**	**12,858,563**	**12,660,668**	**(197,895)**	**-2%**	**12,186,433**	**(672,130)**	**-6%**
$ (215,060)	**$ (57,149)**	**$ (157,911)**	**-276%**	**Net Income(Loss)**	**$ (1,131,093)**	**$ (243,992)**	**$ (887,101)**	**-364%**	**$ (716,531)**	**$ (414,562)**	**-58%**
				CASH BASIS:							
$ (215,060)	$ (57,149)	$ (157,911)	-276%	Net Income(loss) per Above	$ (1,131,093)	$ (243,992)	$ (887,101)	-364%	$ (716,531)	$ (414,562)	-58%
				Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ (215,060)	**$ (57,149)**	**$ (157,911)**	**-276%**	**TOTAL CASH BASIS**	**$ (1,131,093)**	**$ (243,992)**	**$ (887,101)**	**-364%**	**$ (716,531)**	**$ (414,562)**	**-58%**

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HAWAII PUBLIC HOUSING AUTHORITY
REPAIRS & MAINTENANCE GENERAL FUND
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013						YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ -	$ -	$ -	0%	Dwelling Rental Income	$ -	$ -	$ -	0%	$ -	$ -	0%
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	General Fund	-	-	-	0%	881,694	(881,694)	-100%
338,910	340,540	(1,630)	0%	Grant Income	2,053,015	2,043,240	9,775	0%	-	2,053,015	0%
(469,969)	(340,540)	(129,429)	-38%	Other Income	(1,370,276)	(2,043,240)	672,964	33%	-	(1,370,276)	0%
(131,059)	**-**	**(131,059)**	**0%**	**Total Revenues**	**682,739**	**-**	**682,739**	**0%**	**881,694**	**(198,955)**	**-23%**
				EXPENSES							
1,230	1,570	340	22%	Administrative	1,230	9,420	8,190	87%	21,013	19,783	94%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
-	-	-	0%	Tenant Services	-	-	-	0%	-	-	0%
-	-	-	0%	Utilities	-	-	-	0%	-	-	0%
294	-	(294)	0%	Maintenance	-	-	-	0%	-	-	0%
-	-	-	0%	Protective Services	294	-	(294)	0%	-	(294)	0%
-	-	-	0%	Insurance	-	-	-	0%	-	-	0%
-	-	-	0%	General Expenses	-	-	-	0%	-	-	0%
1,524	**1,570**	**46**	**3%**	**Total Expenses**	**1,524**	**9,420**	**7,896**	**84%**	**21,013**	**19,489**	**93%**
$ (132,583)	**$ (1,570)**	**$ (131,013)**	**-8345%**	**Net Income(Loss)**	**$ 681,215**	**$ (9,420)**	**$ 690,635**	**7332%**	**$ 860,681**	**$ (179,466)**	**0%**
				CASH BASIS:							
$ (132,583)	$ (1,570)	$ (131,013)	-8345%	Net Income(loss) per Above	$ 681,215	$ (9,420)	$ 690,635	7332%	$ 860,681	$ (179,466)	0%
				Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ (132,583)	**$ (1,570)**	**$ (131,013)**	**-8345%**	**TOTAL CASH BASIS**	**$ 681,215**	**$ (9,420)**	**$ 690,635**	**7332%**	**$ 860,681**	**$ (179,466)**	**0%**

055

STATE RENT SUPPLEMENT PROGRAM
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013						YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ -	$ -	$ -	0%	Dwelling Rental Income	$ -	$ -	$ -	0%	$ -	$ -	0%
-		-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
		-	0%	CFP Grant Income			-	0%		-	0%
-		-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-		-	0%	General Fund	-	-	-	0%	32,358	(32,358)	-100%
252,294	87,994	164,300	187%	Grant Income	536,962	527,964	8,998	2%	474,840	62,122	13%
-	-	-	0%	Other Income	9,145	-	9,145	0%	-	9,145	0%
252,294	**87,994**	**164,300**	**187%**	**Total Revenues**	**546,107**	**527,964**	**18,143**	**3%**	**507,198**	**38,909**	**8%**
				EXPENSES							
800	10,632	9,832	92%	Administrative	32,694	70,191	37,497	53%	43,156	10,462	24%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
567	650	83	13%	Management Fees	3,534	3,900	366	9%	4,041	507	13%
355	450	95	21%	Bookkeeping Fees	2,215	2,700	485	18%	2,532	317	13%
38,088	75,824	37,736	50%	Housing Assistance Payments	234,391	404,944	170,553	42%	270,982	36,591	14%
-	-	-	0%	Tenant Services	-	-	-	0%	-	-	0%
584	660	76	12%	Utilities	4,390	3,960	(430)	-11%	5,853	1,463	25%
-	-	-	0%	Maintenance	21	-	(21)	0%	-	(21)	0%
-	-	-	0%	Protective Services	-	-	-	0%	-	-	0%
19	30	11	37%	Insurance	130	180	50	28%	134	4	3%
-	-	-	0%	General Expenses	-	-	-	0%	(821)	(821)	-100%
40,413	**88,246**	**47,833**	**54%**	**Total Expenses**	**277,375**	**485,875**	**208,500**	**43%**	**325,877**	**48,502**	**15%**
$ 211,881	**$ (252)**	**$ 212,133**	**84180%**	**Net Income(Loss)**	**$ 268,732**	**$ 42,089**	**$ 226,643**	**538%**	**$ 181,321**	**$ 87,411**	**48%**
				CASH BASIS:							
$ 211,881	**$ (252)**	**$ 212,133**	**84180%**	Net Income(loss) per Above	**$ 268,732**	**$ 42,089**	**$ 226,643**	**538%**	**$ 181,321**	**$ 87,411**	**48%**
				Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ 211,881	**$ (252)**	**$ 212,133**	**84180%**	**TOTAL CASH BASIS**	**$ 268,732**	**$ 42,089**	**$ 226,643**	**538%**	**$ 181,321**	**$ 87,411**	**48%**

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PROJECT BASED CONTRACT ADMINISTRATION
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013						YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ -	$ -	$ -	0%	Dwelling Rental Income	$ -	$ -	$ -	0%	$ -	$ -	0%
2,122,730	2,056,685	66,045	3%	HUD Operating Subsidies	12,837,019	12,340,110	496,909	4%	12,496,489	340,530	3%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
17	15	2	13%	Other Income	96	90	6	7%	585,136	(585,040)	-100%
2,122,747	**2,056,700**	**66,047**	**3%**	**Total Revenues**	**12,837,115**	**12,340,200**	**496,915**	**4%**	**13,081,625**	**(244,510)**	**-2%**
				EXPENSES							
10,188	8,184	(2,004)	-24%	Administrative	27,040	49,104	22,064	45%	46,054	19,014	41%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
70,400	77,808	7,408	10%	Management Fees	438,018	466,848	28,830	6%	-	(438,018)	0%
-	420	420	100%	Bookkeeping Fees	-	2,520	2,520	100%	-	-	0%
2,029,014	1,958,912	(70,102)	-4%	Housing Assistance Payments	12,256,509	11,753,472	(503,037)	-4%	12,496,488	239,979	2%
-	-	-	0%	Tenant Services	-	-	-	0%	468,535	468,535	100%
-	-	-	0%	Utilities	-	-	-	0%	-	-	0%
-	-	-	0%	Maintenance	-	-	-	0%	-	-	0%
-	-	-	0%	Protective Services	-	-	-	0%	-	-	0%
-	-	-	0%	Insurance	-	-	-	0%	-	-	0%
599	-	(599)	0%	General Expenses	1,169	-	(1,169)	0%	4,245	3,076	72%
2,110,201	**2,045,324**	**(64,877)**	**-3%**	**Total Expenses**	**12,722,736**	**12,271,944**	**(450,792)**	**-4%**	**13,015,322**	**292,586**	**2%**
$ 12,546	**$ 11,376**	**$ 1,170**	**10%**	**Net Income(Loss)**	**$ 114,379**	**$ 68,256**	**$ 46,123**	**68%**	**$ 66,303**	**$ 48,076**	**73%**
				CASH BASIS:							
$ 12,546	**$ 11,376**	**$ 1,170**	**10%**	Net Income(loss) per Above	**$ 114,379**	**$ 68,256**	**$ 46,123**	**68%**	**$ 66,303**	**$ 48,076**	**73%**
				Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ 12,546	**$ 11,376**	**$ 1,170**	**10%**	**TOTAL CASH BASIS**	**$ 114,379**	**$ 68,256**	**$ 46,123**	**68%**	**$ 66,303**	**$ 48,076**	**73%**

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CENTRAL OFFICE COST CENTER
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013						YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
-	-	$ -	0%	Dwelling Rental Income	-	-	$ -	0%	-	$ -	0%
-		-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
-	250,000	(250,000)	-100%	CFP Grant Income	619,462	1,500,000	(880,538)	-59%	-	619,462	0%
380,645	540,920	(160,275)	-30%	COCC Fee Income	2,559,125	3,242,915	(683,790)	-21%	2,190,187	368,938	17%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
1,366	404,125	(402,759)	-100%	Other Income	1,649,612	2,424,750	(775,138)	-32%	(106,111)	1,755,723	1655%
382,011	**1,195,045**	**(813,034)**	**-68%**	**Total Revenues**	**4,828,199**	**7,167,665**	**(2,339,466)**	**-33%**	**2,084,076**	**2,744,123**	**132%**
				EXPENSES							
572,234	722,318	150,084	21%	Administrative	3,235,987	4,465,538	1,229,551	28%	3,129,270	(106,717)	-3%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
-	1,560	1,560	100%	Tenant Services	294	9,630	9,336	97%	-	(294)	0%
10,027	14,864	4,837	33%	Utilities	65,687	89,268	23,581	26%	85,562	19,875	23%
201,308	264,172	62,864	24%	Maintenance	1,263,574	1,831,793	568,219	31%	672,257	(591,317)	-88%
-	936	936	100%	Protective Services	3,388	5,616	2,228	40%	186,338	182,950	98%
11,308	4,512	(6,796)	-151%	Insurance	21,001	27,099	6,098	23%	48,315	27,314	57%
97,629	1,906	(95,723)	-5022%	General Expenses	328,353	21,464	(306,889)	-1430%	132,755	(195,598)	-147%
892,506	**1,010,268**	**117,762**	**12%**	**Total Expenses**	**4,918,284**	**6,450,408**	**1,532,124**	**24%**	**4,254,497**	**(663,787)**	**-16%**
$ (510,495)	**$ 184,777**	**$ (695,272)**	**-376%**	**Net Income(Loss)**	**$ (90,085)**	**$ 717,257**	**$ (807,342)**	**-113%**	**$ (2,170,421)**	**$ 2,080,336**	**96%**
				CASH BASIS:							
$ (510,495)	**$ 184,777**	**$ (695,272)**	**-376%**	Net Income(loss) per Above	**$ (90,085)**	**$ 717,257**	**$ (807,342)**	**-113%**	**$ (2,170,421)**	**$ 2,080,336**	**96%**
				Add back non cash items:							
832	886	(54)	-6%	Depreciation Expense	4,995	5,316	(321)	-6%	4,995	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ (509,663)	**$ 185,663**	**$ (695,326)**	**-375%**	**TOTAL CASH BASIS**	**$ (85,090)**	**$ 722,573**	**$ (807,663)**	**-112%**	**$ (2,165,426)**	**$ 2,080,336**	**96%**

058

STATE LOW RENT
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013					YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
89,568	89,042	$ 526	1%	Dwelling Rental Income	516,507	529,169	$ (12,662)	-2%	498,483	$ 18,024	4%
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income		-	-	0%	-	-	0%
5,660	115,844	(110,184)	-95%	Other Income	22,318	695,064	(672,746)	-97%	99,441	(77,123)	-78%
95,228	**204,886**	**(109,658)**	**-54%**	**Total Revenues**	**538,825**	**1,224,233**	**(685,408)**	**-56%**	**597,924**	**(59,099)**	**-10%**
				EXPENSES							
19,139	39,115	19,976	51%	Administrative	141,857	208,762	66,905	32%	152,393	10,536	7%
-	248	248	100%	Asset Management Fees	-	1,488	1,488	100%	3,288	3,288	100%
16,878	17,524	646	4%	Management Fees	99,766	104,463	4,697	4%	89,857	(9,909)	-11%
2,025	2,121	96	5%	Bookkeeping Fees	11,970	12,644	674	5%	-	(11,970)	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
-	166	166	100%	Tenant Services	-	1,746	1,746	100%	-	-	0%
64,182	75,899	11,717	15%	Utilities	395,794	455,399	59,605	13%	381,811	(13,983)	-4%
41,541	69,739	28,198	40%	Maintenance	430,317	429,450	(867)	0%	309,385	(120,932)	-39%
-	-	-	0%	Protective Services	-	-	-	0%	-	-	0%
2,580	3,171	591	19%	Insurance	15,991	19,896	3,905	20%	19,532	3,541	18%
70,301	72,781	2,480	3%	General Expenses	416,951	436,686	19,735	5%	420,466	3,515	1%
216,646	**280,764**	**64,118**	**23%**	**Total Expenses**	**1,512,646**	**1,670,534**	**157,888**	**9%**	**1,376,732**	**(135,914)**	**-10%**
$ (121,418)	**$ (75,878)**	**$ (173,776)**	**-229%**	**Net Income(Loss)**	**$ (973,821)**	**$ (446,301)**	**$ (527,520)**	**-118%**	**$ (778,808)**	**$ (195,013)**	**-25%**
				CASH BASIS:							
$ (121,418)	**$ (75,878)**	**$ (173,776)**	**-229%**	Net Income(loss) per Above	**$ (973,821)**	**$ (446,301)**	**$ (527,520)**	**-118%**	**$ (778,808)**	**$ (195,013)**	**-25%**
				Add back non cash items:							
70,301	70,833	(532)	-1%	Depreciation Expense	416,715	424,998	(8,283)	-2%	404,388	12,327	3%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	15,063	(15,063)	-100%
$ (51,117)	**$ (5,045)**	**$ (174,308)**	**-3455%**	**TOTAL CASH BASIS**	**$ (557,106)**	**$ (21,303)**	**$ (535,803)**	**-2515%**	**$ (359,357)**	**$ (197,749)**	**-55%**

059

STATE ELDERLY PROGRAM
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013						YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ 169,249	$ 163,542	$ 5,707	3%	Dwelling Rental Income	$ 1,011,567	$ 981,252	$ 30,315	3%	$ 993,639	$ 17,928	2%
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
227,968	4,650	223,318	4803%	Other Income	754,321	27,900	726,421	2604%	476,637	277,684	58%
397,217	**168,192**	**229,025**	**136%**	**Total Revenues**	**1,765,888**	**1,009,152**	**756,736**	**75%**	**1,470,276**	**295,612**	**20%**
				EXPENSES							
11,584	43,640	32,056	73%	Administrative	115,358	195,112	79,754	41%	61,847	(53,511)	-87%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
35,506	35,881	375	1%	Management Fees	213,097	215,286	2,189	1%	197,582	(15,515)	-8%
4,260	4,306	46	1%	Bookkeeping Fees	25,568	25,836	268	1%	25,545	(23)	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
-	385	385	100%	Tenant Services	-	2,310	2,310	100%	-	-	0%
55,069	112,562	57,493	51%	Utilities	607,784	675,372	67,588	10%	709,184	101,400	14%
118,673	140,109	21,436	15%	Maintenance	677,209	840,654	163,445	19%	355,360	(321,849)	-91%
43	-	(43)	0%	Protective Services	645	-	(645)	0%	1,042	397	38%
11,014	10,765	(249)	-2%	Insurance	61,121	64,590	3,469	5%	53,011	(8,110)	-15%
116,601	117,021	420	0%	General Expenses	699,612	702,126	2,514	0%	699,173	(439)	0%
352,750	**464,669**	**111,919**	**24%**	**Total Expenses**	**2,400,394**	**2,721,286**	**320,892**	**12%**	**2,102,744**	**(297,650)**	**-14%**
$ 44,467	**$ (296,477)**	**$ 340,944**	**115%**	**Net Income(Loss)**	**$ (634,506)**	**$ (1,712,134)**	**$ 1,077,628**	**63%**	**$ (632,468)**	**$ (2,038)**	**0%**
				CASH BASIS:							
$ 44,467	**$ (296,477)**	**$ 340,944**	**115%**	Net Income(loss) per Above	**$ (634,506)**	**$ (1,712,134)**	**$ 1,077,628**	**63%**	**$ (632,468)**	**$ (2,038)**	**0%**
				Add back non cash items:							
116,602	116,604	(2)	0%	Depreciation Expense	699,612	699,624	(12)	0%	699,612	-	0%
-	417	(417)	-100%	Bad Debt Expense	-	2,502	(2,502)	-100%	(440)	440	100%
$ 161,069	**$ (179,456)**	**$ 340,525**	**190%**	**TOTAL CASH BASIS**	**$ 65,106**	**$ (1,010,008)**	**$ 1,075,114**	**106%**	**$ 66,704**	**$ (1,598)**	**-2%**

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HAWAII PUBLIC HOUSING AUTHORITY
VETERANS AFFAIRS SUPPORTIVE HOUSING
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013						YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ -	$ -	$ -	0%	Dwelling Rental Income	$ -	$ -	$ -	0%		$ -	0%
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	356,117	(356,117)	-100%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	Other Income	-	-	-	0%	-	-	0%
-	-	-	0%	**Total Revenues**	-	-	-	0%	356,117	(356,117)	-100%
				EXPENSES							
-	-	-	0%	Administrative	-	-	-	0%	-	-	0%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	846,876	846,876	100%
-	-	-	0%	Tenant Services	-	-	-	0%	-	-	0%
-	-	-	0%	Utilities	-	-	-	0%	-	-	0%
-	-	-	0%	Maintenance	-	-	-	0%	-	-	0%
-	-	-	0%	Protective Services	-	-	-	0%	-	-	0%
-	-	-	0%	Insurance	-	-	-	0%	-	-	0%
-	-	-	0%	General Expenses	-	-	-	0%	-	-	0%
-	-	-	0%	**Total Expenses**	-	-	-	0%	846,876	846,876	100%
$ -	$ -	$ -	0%	**Net Income(Loss)**	$ -	$ -	$ -	0%	$ (490,759)	$ 490,759	100%
				CASH BASIS:							
$ -	$ -	$ -	0%	Net Income(loss) per Above	$ -	$ -	$ -	0%	$ (490,759)	$ 490,759	100%
				Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ -	$ -	$ -	0%	**TOTAL CASH BASIS**	$ -	$ -	$ -	0%	$ (490,759)	$ 490,759	100%

091

FEDERAL LOW RENT PROGRAM
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013						YEAR TO DATE ENDING DECEMBER 31, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ 1,060,332	$ 1,136,085	$ (75,753)	-7%	Dwelling Rental Income	$ 6,472,546	$ 6,818,890	$ (346,344)	-5%	6,530,134	$ (57,588)	-1%
1,614,876	1,588,565	26,311	2%	HUD Operating Subsidies	9,478,921	9,531,714	(52,793)	-1%	11,073,219	(1,594,298)	-14%
-	187,868	(187,868)	-100%	CFP Grant Income	-	1,127,208	(1,127,208)	-100%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-		-	0%	General Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	622,879	(622,879)	-100%
235,480	98,481	136,999	139%	Other Income	824,814	592,652	232,162	39%	162,581	662,233	407%
2,910,688	**3,010,999**	**(100,311)**	**-3%**	**Total Revenues**	**16,776,281**	**18,070,464**	**(1,294,183)**	**-7%**	**18,388,813**	**(1,612,532)**	**-9%**
				EXPENSES							
346,244	535,236	188,992	35%	Administrative	2,272,140	2,823,345	551,205	20%	1,948,496	(323,644)	-17%
29,229	29,099	(130)	0%	Asset Management Fees	175,374	174,724	(650)	0%	78,072	(97,302)	-125%
250,029	258,576	8,547	3%	Management Fees	1,512,386	1,547,661	35,275	2%	1,364,916	(147,470)	-11%
34,073	34,402	329	1%	Bookkeeping Fees	205,493	205,899	406	0%	189,165	(16,328)	-9%
1,723	-	(1,723)	0%	Housing Assistance Payments	11,112	-	(11,112)	0%	-	(11,112)	0%
8,902	25,686	16,784	65%	Tenant Services	56,160	118,437	62,277	53%	958	(55,202)	-5762%
1,041,132	969,480	(71,652)	-7%	Utilities	5,817,865	5,816,888	(977)	0%	5,482,060	(335,805)	-6%
915,060	1,084,505	169,445	16%	Maintenance	5,840,533	6,573,717	733,184	11%	5,570,366	(270,167)	-5%
171,972	174,843	2,871	2%	Protective Services	896,235	1,051,364	155,129	15%	774,842	(121,393)	-16%
58,233	64,961	6,728	10%	Insurance	362,510	389,517	27,007	7%	385,068	22,558	6%
1,129,930	1,072,693	(57,237)	-5%	General Expenses	6,556,298	6,481,911	(74,387)	-1%	6,237,705	(318,593)	-5%
3,986,527	**4,249,481**	**262,954**	**6%**	**Total Expenses**	**23,706,106**	**25,183,463**	**1,477,357**	**6%**	**22,031,648**	**(1,674,458)**	**-8%**
$ (1,075,839)	**$ (1,238,482)**	**$ 162,643**	**13%**	**Net Income(Loss)**	**$ (6,929,825)**	**$ (7,112,999)**	**$ 183,174**	**3%**	**$ (3,642,835)**	**$ (3,286,990)**	**-90%**
				CASH BASIS:							
$ (1,075,839)	**$ (1,238,482)**	**$ 162,643**	**13%**	Net Income(loss) per Above	**$ (6,929,825)**	**$ (7,112,999)**	**$ 183,174**	**3%**	**$ (3,642,835)**	**$ (3,286,990)**	**-90%**
				Add back non cash items:							
1,050,217	1,051,297	(1,080)	0%	Depreciation Expense	6,256,030	6,307,782	(51,752)	-1%	5,990,709	265,321	4%
(1,820)	10,503	(12,323)	-117%	Bad Debt Expense	(11,153)	110,032	(121,185)	-110%	77,044	(88,197)	-114%
$ (27,442)	**$ (176,682)**	**$ 149,240**	**84%**	**TOTAL CASH BASIS**	**$ (684,948)**	**$ (695,185)**	**$ 10,237**	**1%**	**$ 2,424,918**	**$ (3,109,866)**	**-128%**

290-062

HAWAII PUBLIC HOUSING AUTHORITY
FEDERAL LOW RENT PROGRAM BY AMPS
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)

MONTH OF DECEMBER, 2013				ACCRUAL BASIS	YEAR TO DATE ENDING DECEMBER 31, 2013						
		Variance					Variance			Variance	
Actual	Budget	Amount	%		Actual	Budget	Amount	%	Prior Year	Amount	%
				REVENUES							
$ 288,565	$ 331,562	$ (42,997)	-13%	Asset Management Project - 30	$ 1,800,103	$ 1,991,145	$ (191,042)	-10%	$ 1,669,930	$ 130,173	8%
290,399	230,098	60,301	26%	Asset Management Project - 31	1,409,471	1,380,586	28,885	2%	1,582,548	(173,077)	-11%
299,697	284,201	15,496	5%	Asset Management Project - 32	1,544,812	1,705,206	(160,394)	-9%	1,872,429	(327,617)	-17%
219,383	217,870	1,513	1%	Asset Management Project - 33	1,271,729	1,307,220	(35,491)	-3%	1,364,980	(93,251)	-7%
344,794	324,015	20,779	6%	Asset Management Project - 34	1,967,904	1,945,187	22,717	1%	2,063,721	(95,817)	-5%
341,190	333,330	7,860	2%	Asset Management Project - 35	2,026,806	1,999,980	26,826	1%	2,224,175	(197,369)	-9%
131,539	158,581	(27,042)	-17%	Asset Management Project - 37	816,696	954,597	(137,901)	-14%	842,022	(25,326)	-3%
166,371	203,198	(36,827)	-18%	Asset Management Project - 38	1,047,217	1,221,627	(174,410)	-14%	1,057,386	(10,169)	-1%
123,461	124,005	(544)	0%	Asset Management Project - 39	688,533	740,460	(51,927)	-7%	715,716	(27,183)	-4%
143,561	156,305	(12,744)	-8%	Asset Management Project - 40	838,720	937,830	(99,110)	-11%	1,164,556	(325,836)	-28%
107,255	138,003	(30,748)	-22%	Asset Management Project - 43	638,123	828,018	(189,895)	-23%	686,530	(48,407)	-7%
141,631	165,062	(23,431)	-14%	Asset Management Project - 44	834,577	990,629	(156,052)	-16%	1,001,647	(167,070)	-17%
104,033	125,722	(21,689)	-17%	Asset Management Project - 45	656,864	755,110	(98,246)	-13%	799,437	(142,573)	-18%
49,147	51,009	(1,862)	-4%	Asset Management Project - 46	295,966	306,567	(10,601)	-3%	337,886	(41,920)	-12%
85,764	91,358	(5,594)	-6%	Asset Management Project - 49	501,424	548,148	(46,724)	-9%	491,410	10,014	2%
73,898	76,680	(2,782)	-4%	Asset Management Project - 50	437,336	458,154	(20,818)	-5%	514,440	(77,104)	-15%
$ 2,910,688	**$ 3,010,999**	**$ (100,311)**	**-3%**	**Total Revenues**	**$ 16,776,281**	**$ 18,070,464**	**$ (1,294,183)**	**-7%**	**$ 18,388,813**	**$ (1,612,532)**	**-9%**
				NET INCOME(LOSS)							
$ (77,794)	$ (122,024)	$ 44,230	36%	Asset Management Project - 30	(726,391)	(685,635)	$ (40,756)	-6%	(748,770)	$ 22,379	3%
(140,370)	(173,315)	32,945	19%	Asset Management Project - 31	(966,257)	(1,000,500)	34,243	3%	(627,053)	(339,204)	-54%
10,058	(20,025)	30,083	150%	Asset Management Project - 32	(274,459)	(96,482)	(177,977)	-184%	114,840	(389,299)	-339%
(52,431)	(70,279)	17,848	25%	Asset Management Project - 33	(429,836)	(425,194)	(4,642)	-1%	(156,565)	(273,271)	-175%
6,850	(63,070)	69,920	111%	Asset Management Project - 34	(27,537)	(357,262)	329,725	92%	80,659	(108,196)	-134%
(21,982)	(99,782)	77,800	78%	Asset Management Project - 35	(204,700)	(538,988)	334,288	62%	15,832	(220,532)	-1393%
(194,456)	(194,020)	(436)	0%	Asset Management Project - 37	(1,119,798)	(1,132,124)	12,326	1%	(994,015)	(125,783)	-13%
(72,301)	(64,754)	(7,547)	-12%	Asset Management Project - 38	(269,694)	(300,186)	30,492	10%	13,737	(283,431)	-2063%
(99,257)	(101,601)	2,344	2%	Asset Management Project - 39	(452,749)	(604,798)	152,049	25%	(354,592)	(98,157)	-28%
(15,014)	(4,820)	(10,194)	-211%	Asset Management Project - 40	(215,803)	(16,178)	(199,625)	-1234%	118,074	(333,877)	-283%
(86,168)	(77,661)	(8,507)	-11%	Asset Management Project - 43	(547,308)	(445,627)	(101,681)	-23%	(367,619)	(179,689)	-49%
(151,794)	(94,317)	(57,477)	-61%	Asset Management Project - 44	(663,161)	(605,830)	(57,331)	-9%	(177,735)	(485,426)	-273%
(88,571)	(59,183)	(29,388)	-50%	Asset Management Project - 45	(470,288)	(381,124)	(89,164)	-23%	(247,877)	(222,411)	-90%
(31,082)	(48,010)	16,928	35%	Asset Management Project - 46	(288,076)	(281,351)	(6,725)	-2%	(190,212)	(97,864)	-51%
(66,592)	(44,586)	(22,006)	-49%	Asset Management Project - 49	(343,281)	(251,434)	(91,847)	-37%	(243,717)	(99,564)	-41%
5,065	(1,035)	6,100	589%	Asset Management Project - 50	69,513	9,714	59,799	616%	122,178	(52,665)	-43%
$ (1,075,839)	**$ (1,238,482)**	**$ 162,643**	**13%**	**Total Net Income(Loss)**	**$ (6,929,825)**	**$ (7,112,999)**	**$ 183,174**	**3%**	**$ (3,642,835)**	**$ (3,286,990)**	**-90%**

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HAWAII PUBLIC HOUSING AUTHORITY
FEDERAL LOW RENT PROGRAM BY AMPS
ACTUAL VS BUDGET COMPARISON
FOR THE SIX MONTHS ENDING DECEMBER 31, 2013
(Amounts in Full Dollars)
CASH BASIS

MONTH OF DECEMBER, 2013						YEAR TO DATE ENDING DECEMBER 31, 2013						
		Variance					Variance				Variance	
Actual	Budget	Amount	%		Actual	Budget	Amount	%	Prior Year	Amount	%
				REVENUES							
$ 288,565	$ 331,562	$ (42,997)	-13%	Asset Management Project - 30	$ 1,800,103	$ 1,991,145	$ (191,042)	-10%	$ 1,669,930	$ 130,173	8%
290,399	230,098	60,301	26%	Asset Management Project - 31	1,409,471	1,380,586	28,885	2%	1,582,548	(173,077)	-11%
299,697	284,201	15,496	5%	Asset Management Project - 32	1,544,812	1,705,206	(160,394)	-9%	1,872,429	(327,617)	-17%
219,383	217,870	1,513	1%	Asset Management Project - 33	1,271,729	1,307,220	(35,491)	-3%	1,364,980	(93,251)	-7%
344,794	324,015	20,779	6%	Asset Management Project - 34	1,967,904	1,945,187	22,717	1%	2,063,721	(95,817)	-5%
341,190	333,330	7,860	2%	Asset Management Project - 35	2,026,806	1,999,980	26,826	1%	2,224,175	(197,369)	-9%
131,539	158,581	(27,042)	-17%	Asset Management Project - 37	816,696	954,597	(137,901)	-14%	842,022	(25,326)	-3%
166,371	203,198	(36,827)	-18%	Asset Management Project - 38	1,047,217	1,221,627	(174,410)	-14%	1,057,386	(10,169)	-1%
123,461	124,005	(544)	0%	Asset Management Project - 39	688,533	740,460	(51,927)	-7%	715,716	(27,183)	-4%
143,561	156,305	(12,744)	-8%	Asset Management Project - 40	838,720	937,830	(99,110)	-11%	1,164,556	(325,836)	-28%
107,255	138,003	(30,748)	-22%	Asset Management Project - 43	638,123	828,018	(189,895)	-23%	686,530	(48,407)	-7%
141,631	165,062	(23,431)	-14%	Asset Management Project - 44	834,577	990,629	(156,052)	-16%	1,001,647	(167,070)	-17%
104,033	125,722	(21,689)	-17%	Asset Management Project - 45	656,864	755,110	(98,246)	-13%	799,437	(142,573)	-18%
49,147	51,009	(1,862)	-4%	Asset Management Project - 46	295,966	306,567	(10,601)	-3%	337,886	(41,920)	-12%
85,764	91,358	(5,594)	-6%	Asset Management Project - 49	501,424	548,148	(46,724)	-9%	491,410	10,014	2%
73,898	76,680	(2,782)	-4%	Asset Management Project - 50	437,336	458,154	(20,818)	-5%	514,440	(77,104)	-15%
$ 2,910,688	**$ 3,010,999**	**$ (100,311)**	**-3%**	**Total Revenues**	**$ 16,776,281**	**$ 18,070,464**	**$ (1,294,183)**	**-7%**	**$ 18,388,813**	**$ (1,612,532)**	**-9%**
				NET INCOME(LOSS)							
23,028	(21,201)	$ 44,229	209%	Asset Management Project - 30	(122,231)	(33,697)	$ (88,534)	-263%	(87,324)	$ (34,907)	-40%
21,567	(11,748)	33,315	284%	Asset Management Project - 31	6,528	(31,098)	37,626	121%	333,995	(327,467)	-98%
29,341	8,099	21,242	262%	Asset Management Project - 32	(149,727)	72,262	(221,989)	-307%	216,044	(365,771)	-169%
9,514	(7,001)	16,515	236%	Asset Management Project - 33	(58,123)	(45,526)	(12,597)	-28%	226,859	(284,982)	-126%
54,260	(23,175)	77,435	334%	Asset Management Project - 34	241,294	(117,892)	359,186	305%	318,388	(77,094)	-24%
48,232	(28,569)	76,801	269%	Asset Management Project - 35	216,584	(111,710)	328,294	294%	444,152	(227,568)	-51%
(25,566)	(7,800)	(17,766)	-228%	Asset Management Project - 37	(121,008)	(14,804)	(106,204)	-717%	(40,244)	(80,764)	-201%
(28,808)	(18,019)	(10,789)	-60%	Asset Management Project - 38	(6,502)	(19,766)	13,264	67%	210,756	(217,258)	-103%
(41,615)	(44,439)	2,824	6%	Asset Management Project - 39	(109,191)	(261,826)	152,635	58%	(36,411)	(72,780)	-200%
(12,906)	(4,320)	(8,586)	-199%	Asset Management Project - 40	(207,374)	(13,178)	(194,196)	-1474%	118,171	(325,545)	-275%
(13,236)	(5,154)	(8,082)	-157%	Asset Management Project - 43	(111,733)	(10,585)	(101,148)	-956%	68,660	(180,393)	-263%
(66,202)	(6,791)	(59,411)	-875%	Asset Management Project - 44	(143,087)	(80,674)	(62,413)	-77%	346,323	(489,410)	-141%
(24,191)	5,531	(29,722)	-537%	Asset Management Project - 45	(84,009)	7,164	(91,173)	-1273%	136,850	(220,859)	-161%
8,789	(8,820)	17,609	200%	Asset Management Project - 46	(53,644)	(46,211)	(7,433)	-16%	37,927	(91,571)	-241%
(16,218)	(3,647)	(12,571)	-345%	Asset Management Project - 49	(60,569)	(5,800)	(54,769)	-944%	1,162	(61,731)	-5312%
6,569	372	6,197	1666%	Asset Management Project - 50	77,844	18,156	59,688	329%	129,608	(51,764)	-40%
$ (27,442)	**$ (176,682)**	**$ 149,240**	**84%**	**Total Net Income(Loss)**	**$ (684,948)**	**$ (695,185)**	**$ 10,237**	**1%**	**$ 2,424,916**	**$ (3,109,864)**	**-128%**

Construction Management Branch
Report for December 2013/January 2014

A. Program Activities and Major Projects

- Solicitations and Contracts (Please refer to the Contract and Procurement Office Monthly Report)

- Elevator Modernization Projects
  a. 14 Federal Elevator Modernization and Repairs (Okada Trucking)-Contractor:
     1. Okada Trucking is working on modernization work to elevator #2 at Pumehana, and elevator #1 at Punchbowl Homes.
     2. Maintenance service to all other elevators is on schedule.
  b. Salt Lake Elevator Phase I (Summit Construction, Inc.)-Contractor:
     1. Acceptance of the modernized elevator is pending the State Elevator Inspector's approval in February 2014.

- Large Capacity Cesspool Conversions (LCCC) Statewide
  a. Regarding cancellation of the Executive Orders (EO's) relating to the HPHA's responsibilities of the Teacher's Cottages:
     1. Hawai`i County, the HPHA was granted the cancellation of the Governor's Executive Order 3244 and reset the aside to the Department of Education (DOE) for Teacher's Cottages Pa`alaea 1 and 2. The HPHA has requested that the DLNR not proceed with this request based on the discovery of Act 133 that was found to have cancelled the transfer of the Teachers' Housing program on 6/19/2012. Per Act 133, the land transfers back to the DLNR, pending a Hazardous Waste Evaluation performed by the HPHA, unless another State agency is found to assume control over it.

     2. Mau`i County, the HPHA was awaiting response from the Department of Land and Natural Resources (DLNR) to confirm that the land transfer was addressed in the September Board agenda and the status of the request. However, due to Act 133, the land transfers back to the DLNR, pending a Hazardous Waste Evaluation performed by the HPHA, unless another State agency is found to assume control over it.

- Lanakila Homes
  a. Design is in progress for the Fair Housing renovations, which include the construction of accessible routes through the upper section of Lanakila Homes and additional parking stalls.
  b. Design in progress for the infrastructure and site improvements to go out to bid by May 2014.

c. Invitation For Bids (IFB) for the Demolition of Phase IIIb & IV posted on October 14, 2013 with bid opening on November 8, 2013. There were six (6) bids. The apparent low bid was for $1,682,000.00 and the contractor has confirmed their bid amount. HPHA has confirmed that the bid is responsible and responsive and has been awarded. CMB is in the process of executing the contract.

B. State Capital Improvement Projects (CIP) & Federal Capital Fund Program (CFP)

- CMB is on track and working to meet all State CIP and Federal CFP deadlines.

- Please refer to the Summary of Capital Projects spreadsheet by the Fiscal Management Office for detailed encumbrance, obligation and expenditure status.

C. 2013 Summary/Highlights

- New Contracts (January – December 2013)
  a. 34 Total New Contracts
     1. 20 New Consultant Contracts
     2. 11 New Construction Contracts
     3. 3 New Maintenance Contracts
  b. 6 In-House Designs
     1. resulted in $581,739.43 in construction contracts
  c. $20,241,846.73 Total New Contracts
     1. $10,473,238.95 in New Consultant Contracts
     2. $ 7,680,835.69 in New Construction Contracts
     3. $ 2,087,772.09 in New Maintenance Contracts
  d. 16 Construction Projects were completed and returned to service

- Elevator Modernization Projects
  a. <u>14 Federal Elevator Modernization and Repairs (Okada Trucking)-Contractor</u>:
     Okada Trucking completed modernization of Kalanihuia Car # 1 & 2, Paoakalani Car # 1 & 2, and Makamae Car # 1 & 2.
  b. <u>Salt Lake Elevator (Summit Construction)-Contractor</u>:
     Construction of the new elevator was completed.

- Type C Vacant Units Completed: 46
  a. Oahu: 41 (7 units construction by DAGS in the amount of $361,137)
  b. Hawaii: 2
  c. Kauai: 3

Contract & Procurement Office
Monthly Status Report for December 2013/January 2014

Solicitation(s) Issued in December 2013/January 2014:

Solicitation No.	Title	Due Date
IFB CMS 2013-31	Site and Building Improvements at Pomaikai; HPHA Job No. 09-024-129-F	January 31, 2014
IFB CMS 2013-27	Security Camera System at Mayor Wright Homes; HPHA Job No. 13-033-103-F	February 6, 2014
IFB CMS 2013-20	Kalihi Valley Homes Reroofing Group A; HPHA Job No. 13-018-105-Z	February 26, 2014
IFB CMS 2013-21	Kalihi Valley Homes Reroofing Group B; HPHA Job No. 13-018-105-Z	February 26, 2014
IFB CMS 2013-22	Kalihi Valley Homes Reroofing Group C; HPHA Job No. 13-018-105-Z	February 26, 2014
IFB CMS 2013-16	Sewer Improvements and Electrical Upgrades to Kapaa; HPHA Job No. 12-013-118-S	February 26, 2014
RFP OED-2014-03	Furnish Professional Consulting Services to Redevelop the Federal Low Income Public Housing Property Mayor Wright Homes (AMP 32) and the Hawaii Public Housing Authority's Administrative Offices on the Island of Oahu	February 13, 2014

Protest(s) Received in December 2013/January 2014:

- None

Contract(s) Executed in December 2013/January 2014:

Contract No.	Contractor & Description	Supp. Amount	Total Amount
CMS 14-03	**Integrated Construction Inc.** Provide Labor, Materials and Equipment for the Removal and Replacement of Defective Concrete Walkways at Mayor Wright Homes (AMP 32) on the Island of Oahu Completion Date: 60 Calendar Days from Notice to Proceed		$44,777.00

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Contract No.	Contractor & Description	Supp. Amount	Total Amount
CMS 14-02	**Bowers + Kubota Consulting, Inc.** Provide Design and Consultant Services for Site and Building Exterior Improvements and ADA Feasibility Study of Mayor Wright Homes on the Island of Oahu End Date: May 16, 2016		$391,158.00
CMS 14-01	**Insynergy Engineering, Inc.** Provide Design and Consultant Services to Replace, Repair or Upgrade Existing Major Systems (Boilers, Water Heaters, Heat Pumps, Booster Pumps, Backflow Preventers, Fire Alarm Systems, Emergency Generators, Call-for-Aid Systems) at Various State & Federal Public Housing Properties under AMP 34, AMP 35, AMP 45, MU 42 on the Island of Oahu End Date: 840 Calendar Days from Notice to Proceed		$318,888.00
CMS 13-34	**Hawaii Works, Inc.** Provide Labor, Materials and Equipment for the Repair of Sidewalks at Mayor Wright Homes (AMP 32) on the Island of Oahu Completion Date: 90 Calendar Days from Notice to Proceed		$108,000.00
CMS 13-33	**Hawaii Works, Inc.** Provide Labor, Materials and Equipment for the Repair of Sidewalks at Kamehameha Homes/Kaahumanu Homes (AMP 33) on the Island of Oahu Completion Date: 90 Calendar Days from Notice to Proceed		$148,500.00
CMS 13-32	**AECOM Technical Services, Inc.** Provide Design and Consultant Services for Drainage, Site and Accessibility Improvements to Nanakuli Homes (AMP 44) on the Island of Oahu End Date: March 4, 2016		$117,445.00

Contract No.	Contractor & Description	Supp. Amount	Total Amount
CMS 13-23-SC01	**Architects Hawaii Ltd.** Provide Additional Design and Consultant Services for Accessibility and Site Improvements at Koolau Village, Hookipa Kahaluu, and Kauhale Ohana (AMP 45) on the Island of Oahu End Date: April 23, 2016	$171,322.91	$1,576,804.44
CMS 13-19-SC01	**Pacific Blue Construction, LLC** Provide Additional Labor, Materials, and Equipment for Site and Dwelling Improvements to Hale Hoolulu (AMP 38) on the Island of Kauai and Extension of Time of 10 Calendar Days Completion Date: March 12, 2014	$26,218.00	$704,804.00
CMS 13-16-SC03	**Artistic Builders Corporation** Provide Additional Labor, Materials, and Equipment for Site and Dwelling Improvements to Kalaheo Homes (AMP 38) on the Island of Kauai Completion Date: May 16, 2014	$21,490.56	$1,499,014.86
CMS 13-14-SC01	**Artistic Builders Corporation** Provide Additional Labor, Materials, and Equipment for Site and Dwelling Improvements to Hale Nana Kai O Kea (AMP 38) on the Island of Kauai and Extension of Time of 14 Calendar Days Completion Date: May 30, 2014	$126,635.45	$2,270,145.45
CMS 12-12-SC02	**Mechanical Enterprises, Inc.** Provide Additional Labor, Materials, and Equipment for Replacement of Water Lines and Installation of Solar Hot Water Heating Systems at Noelani I and Noelani II (AMP 46) on the Island of Hawaii and Extension of Time of 90 Calendar Days Completion Date: May 7, 2015	$48,490.00	$207,460.00
CMS 12-10-SC05	**Summit Construction, Inc.** No-Cost Extension of Time of 29 Calendar Days for the Modernization of Salt Lake Apartments (AMP 30), Phase I on the Island of Oahu Completion Date: February 28, 2014	n/a	$1,432,014.00

Contract No.	Contractor & Description	Supp. Amount	Total Amount
CMS 12-10-SC04	**Summit Construction, Inc.** Provide Additional Labor, Materials, and Equipment for Modernization of Salt Lake Apartments (AMP 30), Phase I on the Island of Oahu and Extension of Time of 1 Calendar Day Completion Date: January 30, 2014	$5,786.00	$1,432,014.00
CMS 12-06-SC01	**Ronald N.S. Ho & Associates, Inc.** No-Cost Extension of Time of 365 Calendar Days for Design and Consultant Services for the School Street Electrical Service Repairs End Date: January 6, 2015	n/a	$22,134.00
CMS 11-15-CO11	**Society Contracting, LLC** Provide Additional Labor, Materials and Equipment to Renovate 4 Vacant Units at Kauiokalani (AMP 44), 3 Vacant Units at Waimaha-Sunflower (AMP 44), 2 Vacant Units at Maili II (AMP 44), 4 Vacant Units at Nanakuli Homes (AMP 44), 2 Vacant Units at Kupuna Home O Waialua (AMP 49) and 17 Vacant Units at Wahiawa Terrace (AMP 49) on the Island of Oahu and Extension of Time of 15 Calendar Days Completion Date: February 5, 2014	$5,255.08	$2,053,250.60
CMS 11-07-SC02	**Ronald N.S. Ho & Associates, Inc.** No-Cost Extension of Time of 6 Months to Continue to Provide Design and Consultant Services for the Upgrade of the Electrical Distribution System at Hauiki Homes (AMP 31) on the Island of Oahu End Date: May 15, 2014	n/a	$120,125.50
ITO 14-01	**Emphasys Computer Solutions, Inc. dba Emphasys Software** Provide Emphasys Elite Software Maintenance, Technical and Training Support End Date: June 30, 2014		$99,717.87

Contract No.	Contractor & Description	Supp. Amount	Total Amount
PMB 14-01	**Realty Laua LLC** Provide Property Management, Maintenance and Resident Services for Koolau Village, Hookipa Kahaluu, Kaneohe Apartments, Kauhale Ohana and Waimanalo Homes under Asset Management Project 45 on the Island of Oahu End Date: January 15, 2015		$553,340.00
PMB 12-12-SC01	**Lions' Cleaning & Maintenance, Inc.** Continue to Furnish Custodial Services for the Hawaii Public Housing Authority's Central Offices on the Island of Oahu End Date: December 31, 2014	$67,874.30	$135,748.60
PMB 12-07-SC03	**Realty Laua LLC** Continue to Temporarily Increase the Maintenance Staff to Address Vacant Units for a 2-month Period at Asset Management Project 44 on the Island of Oahu End Date: March 16, 2014	$90,384.00	$1,636,801.00
PMB 12-01-SC02	**Realty Laua LLC** Continue to Provide Property Management, Maintenance and Resident Services for Palolo Valley Homes under Asset Management Project 50 on the Island of Oahu End Date: November 30, 2014	$362,269.00	$1,049,256.00

Planned Solicitation/Contract Activities for February/March 2014

Solicitation(s):

- Procure New Copy Machine Lease Agreements for AMPs 33, 38, 40, and MU 42 and Various Central Office Cost Centers.

- Issue Invitation-for-Bids for Laundry Services for AMP 37 on the Island of Hawaii, AMP 39 on the Island of Maui and Ke Kumu Ekahi on the Island of Hawaii.

- Issue Invitation-for-Bids for Various Capital Improvement Projects.

Contract(s)

- Award and Execute Contract for Laundry Services for AMP 43 and AMP 46 on the Island of Hawaii.

- Award and Execute Contract to Provide Property Management, Maintenance, and Resident Services for MU 42 on the Island of Oahu.

- Execute Supplemental Contract to Continue to Provide Property Management and Maintenance Services for the Kuhio Park Terrace Community Resource Center on the Island of Oahu.

- Execute Supplemental Contract to Continue to Provide Property Management, Maintenance, and Resident Services for AMP 43 on the Island of Hawaii.

- Execute Supplemental Contract to Continue to Provide Property Management, Maintenance, and Resident Services for AMP 46 on the Island of Hawaii.

- Execute Supplemental Contract to Continue to Provide Security Services at Puuwai Momi on the Island of Oahu.

2013 Highlights

- April 2013: Hired 2 housing contract specialists for goods and services
- May 2013: Procurement assessment conducted by HUD Honolulu Field Office
- June 2013: HUD Honolulu Field Office issued notification terminating Corrective Action Order
- October 2013: Staff attended HUD Procurement Training conducted by Nan McKay

COMPLIANCE OFFICE
Report for Months of December 2013/January 2014

A. Program Activities for December/January

- Approximately 135 tenant requests for reasonable accommodations under Section 504 of the Rehabilitation Act and the Fair Housing Act were processed and approved requests were for:

    a. Transfers to accessible or ground floor units (21);

    b. Transfer of unit for other reasons (5);

    c. Installation of air conditioning (23);

    d. Service animal (12); and

    e. Reserved parking (3).

- Collected and compiled statistical data on encounters with Limited English Proficient individuals for the period July 1, 2013-December 1, 2013:

    a. Over $25,000 was expended agency-wide for the reporting period to provide language assistance in the form of oral language services, telephone interpretation services, and written translations to 530 limited English proficient clients in 14 different languages;

- Attended the resident advisory board (RAB) meeting to assist the Planning Office in providing the RAB with an update and solicited their feedback on proposed ACOP changes to be included in the HPHA annual and five year plan;

- Attended state fair housing coordinators meeting with representatives from the counties, Hawaii Civil Rights Commission, US Department of Housing and Urban Development, Legal Aid Society of Hawaii, Hawaii Disability Rights Center, and the Department of Hawaiian Homelands;

- Provided guidance to property managers on relocating tenants during modernization in accordance with federal regulations by:

    a. Assisting in the creation of a federal relocation guidebook for managers' use while their properties are under modernization;

b. Coordinating relocation planning sessions for all construction projects that are scheduled to begin in 2014 that require tenants to relocate permanently or temporarily;

c. Drafting comprehensive relocation policy for amendment to the Transfer Policy;

d. Providing additional relocation training to property managers;

- Provided new staff orientation training on compliance issues, including language access, reasonable accommodations, and fair housing; and

- Compiled information for and drafted Section 3 compliance report for the public housing operating funds.

B. Planned activities for February/March

- Assist in conducting public hearings on proposed changes to the Hawaii Administrative Rules pertaining to the federally assisted low-income public housing program and eviction procedure;

- Draft revisions to the Admissions and Continued Occupancy Policy for the Federally Assisted Low-income Public Housing Program and the Rental Agreement for the Federally Assisted Low-income Public Housing Program to implement the proposed changes to the Hawaii Administrative Rules;

- Coordinate and attend Nan McKay and financial training for HPHA property managers, property management staff, and accounting staff provided through technical assistance consultant, Phineas Consulting LLC;

- Provide assistance to managers in creating relocation plans in compliance with federal relocation regulations (Uniform Relocation Act) and state relocation laws;

- Pursue adoption of proposed changes to the Transfer Policy for the Federally Assisted Low-Income Public Housing Program; and

- Attend state fair housing coordinators meeting and begin serving in capacity of secretary for the consortium.

C. Accomplishments for Calendar Year 2013

- Fair Housing: Represented HPHA in two meetings with Fair Housing consortium (quarterly meeting of Fair Housing coordinators for state of Hawaii and all counties, and fair housing enforcement agencies). One outstanding pending discrimination complaint with the Hawaii Civil Rights Commission

(HCRC) was dismissed. No new discrimination complaints were filed with the HCRC.

- Section 504 of the Rehabilitation Act: Administered contract with the National Center for Housing Management to make significant progress on the HPHA's Section 504 Self-Evaluation Plan and Transition Plan, working with the HPHA Construction Management Branch to determine and plan for improvements needed to make the HPHA more accessible to persons with disabilities.

- Reasonable Accommodations:

    a. Responded to over 500 tenant requests for reasonable accommodations under Section 504 of the Rehabilitation Act and the Fair Housing Act. Most common requests were for transfers to accessible or ground floor units, transfers for other reasons, air conditioners, reserved parking, utility allowances for medical equipment, and assistance animals.

    b. Reviewed existing policy on pets and drafted revisions to the policy to address assistance animals.

    c. Provided guidance to property managers on the inclusion of live-in aides.

- Language Access: Took steps to improve language accessibility for limited English proficient (LEP) program participants by:

    a. Drafting and discussing with HPHA offices the draft HPHA Language Access Plan;

    b. Representing the HPHA at the statewide Language Access Coordinator's quarterly meetings with the Office of Language Access;

    c. Gathering information on vital documents to prepare for translations;

    d. Coordinating training on language access for supervisors of offices that have the most contact with our limited English proficient clientele; and

    e. Collecting LEP encounter and cost data from all HPHA offices:

        - For the calendar year period January 1, 2013 to December 30, 2013, the agency expended over $40,000 for calendar year 2013 to provide language assistance in the form of oral

language services, telephone interpretation services, and written translations to over 1,000 limited English proficient clients in 16 different languages;

- Violence against Women Act: Reviewed and analyzed the changes to the Violence against Women Act (VAWA), drafted changes to the HPHA's interim VAWA policy to prepare for adoption of final policy.

- Hawaii Administrative Rules: Pursued the adoption of changes to the Hawaii Administrative Rules (HAR):

    a. Chapter 17-2028, Federally-Assisted Public Housing Projects, HAR, to implement a number of changes to policies, procedures, and initiatives to improve service delivery and program administration.

    b. Chapter 17-2020, Eviction – Practice and Procedure, HAR, to implement Act 160, SLH 2012, which required the HPHA to conform all grievance and eviction practices to federal standards, reduced the required number of board members required to hear an eviction, and authorized the use of video teleconferencing technology for the conduct of hearings. Also to make housekeeping amendments to the rules, updating the statutory references within the rules, as well as for consistency with proposed changes to Chapter 17-2028, HAR.

- Declaration of Trust: Worked with Title Guaranty of Hawaii and other title companies, and the Attorney General's Office to obtain updated title reports, and prepare and file confirmations of ownership for, all federally assisted public housing properties.

- Training: The Compliance Office received training on:

    a. State and federal procurement rules;
    b. Fair Housing;
    c. Residential accessible design;
    d. Uniform Relocation Act;
    e. Language Access;
    f. Occupancy training for Multi-family Housing Programs; and
    g. Rent Calculation for Federally Assisted Low-income Public Housing, and Housing Choice Voucher programs.

- Personnel: The Compliance Office gained two new full time staff, one Housing Compliance and Evaluation Specialist, and one Secretary I.

Planning and Evaluation Office
Report for the month of December 2013/January 2014

A. Meeting with Governor Abercrombie's Chief of Staff – Bruce Coppa

- On December 9, 2013, the Hawaii Public Housing Authority (HPHA) took part in a meeting with Governor Abercrombie's Chief of Staff, Mr. Bruce Coppa, and other state and federal agencies involved in housing, to discuss the agency's role in establishing a Housing Master Plan for the State of Hawaii. The HPHA conducted a ten minute power point presentation on its mission, housing programs, target population served and future plans. The other entities that attended and also gave presentations were:

    - U.S. Department of Housing and Urban Development
    - Hawaii Housing Finance and Development Corporation
    - Hawaii Community Development Authority
    - Department of Hawaiian Home Lands
    - Department of Human Services – Homeless Branch
    - Hawaii Interagency Council on Homelessness

B. Hawaii Interagency Council on Homelessness (HICH)

- The Hawaii Interagency Council on Homelessness (HICH) held a meeting on December 4, 2013.

- The Hawaii State Department of Health – Alcohol and Drug Abuse Division (ADAD) was awarded a three-year grant entitled the Cooperative Agreement to Benefit Homeless Individuals for States (CABHI-States), it is funded by the Substance Abuse and Mental Health Services Administration (SAMHSA), and will administer the Hawaii Pathways Project.

- The Hawaii Pathways Project will:

    - Assist chronically homeless individuals with substance use or co-occurring substance use and mental health disorders through assertive outreach, case management and treatment centers.
    - Provide the Pathways Housing First model which provides comprehensive housing and treatment services without preconditions of the individual's alcohol or drug use.
    - Work with the HICH to build partnerships, infrastructure and a state-wide plan.

C. Hawaii Public Housing Authority – Hawaii Administrative Rules – Status

- Chapter 17-2020 Hawaii Administrative Rules and Chapter 17-2028 Hawaii Administrative Rules have been returned from the Attorney General's office and the Hawaii Public Housing Authority received approval from Governor Neil Abercrombie. The public hearing has been scheduled for February 28, 2014 at 6:30 pm on Oahu, Maui, Hawaii and Kaui.

D. Information Office Activities

- Working on finalizing the Uniform Information Practices Act log reports that are due on January 31, 2014. From July 1, 2013 – December 31, 2013, there were 32 information requests by 7 individuals.

- KHON2 – Palolo Valley Homes - Worked with the Executive Director to provide information regarding a water leak at Palolo Valley Homes building 10. The HPHA provided all of the tenants affected with a choice of either $200 per family per night or a hotel, found all six families units in either Puuwai Momi, Mayor Wright Homes or Puahala Homes, paid for their bus passes for January and February, and paid for their moving expenses. The initial estimate is that it may take up to a year before we can have families living in building 10. This is because the water leak is under the concrete foundation, and all of the pipes behind the walls need to be checked. You can view the video interview at this link:

http://khon2.com/2014/01/24/mystery-leak-forces-residents-out-of-their-apartments/

E. 5 Year and Annual Public Housing Authority Plan

- The Planning and Evaluation office has worked with the Branch Chiefs, the Resident Advisory Board and the Hawaii Public Housing Authority's Board of Directors to create the draft 2014–2019 Five-Year and Annual Public Housing Authority Plan. The draft has been created for the Hawaii Public Housing Authority's Board of Directors review, and a public hearing is scheduled for February 28, 2014 at 6:00 pm on Oahu, Maui, Hawaii and Kaui.

F. Legislative

- The Annual Report has been approved by Governor Neil Abercrombie and has been transmitted to the Senate President and the House

Speaker. You can view the report at:
http://www.hpha.hawaii.gov/reportsstudies/index.htm

- The Governor's 2014 Supplemental Budget included $35 Million for Capital Improvement Projects.

- Coordinated responses to legislative requests for information.

SENATE

SB 2265 - $50 M in General Funds to improve existing housing stock and increase the supply of public housing units in the State.
HPHA testified in support.

SB 2541 - $60 M in General Funds for the redevelopment, design and construction of the HPHA administrative offices on School Street and the creation of elderly housing.
HPHA testified in support.

SB 2269 - Requires the HPHA to designate a resident manager at each federal housing complex and state low-income public housing project.
HPHA testified in opposition.

SB 2544 - HPHA administration of the Federal Housing Choice Voucher Program.
HPHA testified in support.

SB 2178 - Permits the installation of clotheslines in any residential dwelling or townhouse.
HPHA testified in opposition.

SB 2533 - Omnibus affordable housing bill providing funding for multiple agencies.
HPHA testified in support.

SB 2289 - Allows for notice and information for public agency meetings to be sent electronically.
HPHA testified in support.

HOUSE OF REPRESENTATIVES

HB 1539 - HPHA administration of the Federal Housing Choice Voucher Program.
HPHA testified in support.

HB 2083 - Clarifies that HPHA is authorized to contract with private businesses to remove food and green waste from public housing projects.
HPHA testified in support.

HB 2577 - Prohibits smoking anywhere in a public housing project.
HPHA testified in support.

HB 2561 - Restricts occupancy in state low-income housing to no more than 5 consecutive years. Exempts elderly and disabled tenants.
HPHA testified in opposition.

G. Calendar Year Accomplishments

- **2013 Legislative Session**
  - Assisted with the passing of eleven bills that will benefit the Hawaii Public Housing Authority.
  - Assisted with the allocation of $45 M in Capital Improvement Project Funding.

- **Choice Neighborhoods Initiative Grant**
  - Completed the first year of the grant program and we have reached the halfway point in creating and submitting a Transformation Plan to the U.S. Department of Housing and Urban Development with the hopes of attaining a $30 M Choice Neighborhoods Implementation grant.

  - A master plan for the entire complex needs to be done as we need to explore options for where housing and open space will be created, which may not look anything like how the site does now. The HPHA's consultant recommended to the Michaels Development Company, based on the latest master planning proposals that were shared, that they redo the CNI budget to show the various costs for completing only what is needed for the Transformation Plan (no predevelopment costs for a deal, no EIS, etc.) based on known costs now in order for us to evaluate other sources which we might be able to use to pay for master planning, or at least a portion of it, to preserve the State allocation for the construction of housing.

  - The HPHA's consultant has given us a few options to think about:

    1. Use one of the options proposed by MDC as part of their original proposal.
    2. Select a master planner immediately and see how far we can get by April 10, 2014.
    3. Use #1 for the April 10, 2014 deadline, but then before the final Transformation Plan is due on October 10, 2014, conduct a master planning exercise that engages the community to build support around a final plan.
    4. Draft the Neighborhood narrative relying on information learned from

the community-wide meeting that has been held and was sponsored by Councilmember Joey Manahan's office. Once we can complete #3 above, we can then provide a much more community directed and thoughtful neighborhood strategy by the October 10, 2014 deadline.

- The HPHA is evaluating if we want to master plan the site first, or move immediately into development based on what Michaels Development Company proposed when they were initially selected as the master developer by the HPHA. A formal response will be sent to Michaels Development Company after our public housing consultant attorney firm Reno and Cavanaugh reviews their proposals.

- **Housing Choice Voucher Family Self-Sufficiency Program Grant**

  - Worked with the Section 8 Branch Chief and Ms. Ulalia Burton to submit a grant application. The Hawaii Public Housing Authority was awarded $61,970 from the U.S. Department of Housing and Urban Development to retain service coordinators that work directly with families to connect them to the supportive services that meet their individual needs and to become gainfully employed.

- **Information Office Activities (Media Inquiries)**

  - Created and distributed informative materials in newsletters, presentations with other organizations, and distributed press releases to every local television news station, the StarAdvertiser, Midweek and local radio stations on a variety of topics such as:

    - Mass certification event for public housing.
    - No Smoking policy.
    - Lifting of the decade old Corrective Action Order.
    - Mayor Wright Homes – Lower Crime Statistics.
    - 2013 Employee Awards Ceremony
    - Palolo Stream clean up event.
    - Safe Kalihi…Stop the Violence event.
    - Going Home Plus and the Center for Medicare and Medicaid Services program representatives – Joint Presentation with the U.S. Department of Housing and Urban Development, and Hawaii Housing Finance and Development Corporation.

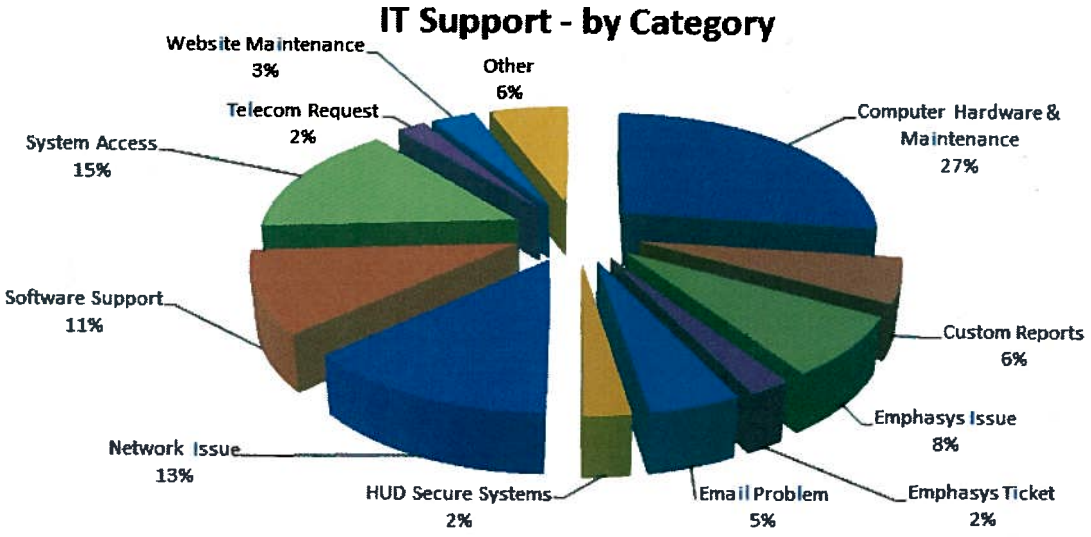
Information Technology Office (ITO)
Report for December 2013/January 2014

A. Program Activities

- Establishing Skype connections for video conferencing on the recently upgraded network with AMPs 37 (Hilo), 38 (Kauai) & 39 (Maui). Tablet, desktop, and laptop computers were used in these tests. Equipment upgrades will be necessary.
- Coordinated printing and mailing of 1099 forms to vendors and landlords.
- Set up a VPN connection to the new network for controlled remote access by contractors & consultants.

B. Year End Summary

- Upgraded the main network connection to HPHA's server room with a faster data line, providing significantly better overall performance for email and internet access for the agency.
- Upgraded HPHA's statewide network connections at most AMPs.
- Transferred the Homeless Management Information System (HMIS) server from the HPHA network to its new home on the DHS network.
- Terminated the old HCDCH network domain, and migrated all of HPHA's servers to the newer HOUSING domain. Terminated the old HCDCH web domain name, so that now only "hpha.hawaii.gov" is operational.
- Provided customized letters and lists to help with the Waiting List purge effort.
- Implemented an internal ticket system within the IT Office to help track user calls for assistance. Since July 2013, ITO has responded to more than 1,300 requests for support from users that access HPHA's computer resources.



PERSONNEL OFFICE
Report for the Months of December 2013/January 2014

A. Summary of HPHA Staffing:

Filled positions (FTE):	281
Vacant positions:	85
Total:	366
Tenant Aides (19 Hrs):	13
89day hires:	4
Critical positions to fill	44

B. Program Activities:

- Act 159 hired 9 exempt maintenances statewide in the last 2 months.
- Established new positions for professional levels and trade positions: Assistant Chief Finance Management Advisor, Accountant III, Electricians and Plumbers.
- Partnered with Department of Labor and Industrial Relations in job posting and seeking applicants for various HPHA jobs.
- On-going meetings with key staff on the Property Management and Maintenance Services Branch Reorganization (AMP 32/33).

C. Year End Summary:

- In 2013, exempt maintenance staff accomplished in repairing over 90 vacant units on Oahu.
- Job Fair at Blaisdell and University of Hawaii in September and October 2013.
- Maintenance Pilot Program was implemented in August 2013 for AMP 34 (report directly to exempt General Maintenance Supervisor).
- First Annual HPHA Awards ceremony in November 2013.
- Recruitment training for managers and support staff.
- In 2013, the agency minimized workers compensation injuries by providing safety tips, Personal Protective Equipment; and returning injured employees through HPHA light duty program.

FOR DISCUSSION

SUBJECT: For Discussion: *Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority (Civil No. 11-1-0795-04)*

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to *Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority; Civil No. 11-1-0795-04)*

(There are no handout/packet materials for this item.)

FOR INFORMATION

Independent Audit of the Hawaii Public Housing Authority's Financial Statements for the Fiscal Period July 1, 2012 – June 30, 2013

(See Attached)

Hawaii Public Housing Authority

Financial Statements
June 30, 2013
Together with Independent Auditor's Report

Submitted by

THE AUDITOR
STATE OF HAWAII

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Independent Auditor's Report

The Auditor
State of Hawaii

Board of Directors
Hawaii Public Housing Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hawaii Public Housing Authority (Authority), as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2013, 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.

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position, changes in financial position and cash flows, where applicable, of only that portion of the governmental activities, business-type activities, each major fund, and the aggregate other fund information of the State of Hawaii that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of the State of Hawaii as of June 30, 2013, and the changes in its financial position and cash flows, where applicable, for the year then ended in conformity 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 and the Budgetary Comparison schedules on pages 6 through 18 and pages 68 to 70, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Combining Financial Statements of Nonmajor Other Enterprise and Internal Service Funds and Reconciliation of Cash schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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The Combining Financial Statements of Nonmajor Other Enterprise and Internal Service Funds and Reconciliation of Cash schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Financial Statements of Nonmajor Other Enterprise and Internal Service Funds and Reconciliation of Cash schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

KMH LLP

KMH LLP

Honolulu, Hawaii
December 18, 2013

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Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2013

The Management Discussion and Analysis (MD&A) provides the highlights of the Hawaii Public Housing Authority's (HPHA) financial performance for the fiscal year ended June 30, 2013. The HPHA's MD&A is designed to: focus on significant financial issues; review the HPHA's financial activity; highlight changes in the HPHA's financial position (its ability to address the next and subsequent year challenges); and identify individual fund issues or concerns. Since the MD&A is designed to focus on the financial activities of the HPHA for the last fiscal year ended June 30, 2013, readers should review this in conjunction with the financial statements that follow.

INTRODUCTION

The Hawaii Public Housing Authority (HPHA) is administratively attached to the State's Department of Human Services. The HPHA's Board of Directors consists of eleven members, of whom nine are public members appointed by the Governor. Public members are appointed from each of the counties of Honolulu, Hawaii, Maui, and Kauai. One public member must be an advocate for low-income or homeless persons. One public member must be a person with a disability or an advocate for persons with disabilities. As required by federal statutes, at least one public member shall be a person who is directly assisted by the authority under the federal low-rent public housing or federal section 8 tenant-based housing assistance payments program while serving on the board. The Director of the Department of Human Services and the Governor's designee are ex-officio voting members. All HPHA board actions are taken by the affirmative vote of at least six members.

During the audited period of July 1, 2012 to June 30, 2013, the HPHA administered the following major programs:

- Federal and State public housing programs
  The HPHA administered over 5,300 federal public housing units in Hawaii with funds received from the United States Department of Housing and Urban Development (HUD), and 860 state public housing units developed with State funds.

- Federal and State rent subsidy programs
  The HPHA administered two federally funded rental assistance programs - Section 8 Housing Choice Voucher Program, Veterans Affairs Supportive Housing Program and the State funded rental assistance program, subsidizing monthly rental payments to qualified households. HPHA also has a Special Allocation Program which administers a project based program under a contract with the federal government through a subcontract, Contract Management Services (a subsidiary of the Bremerton Housing Authority).

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Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2013

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, the assets of the HPHA exceeded its liabilities by $452,217,006 (net Position). Of this amount, $298,609,752 is invested in capital assets, net of related debt. (As detailed on *Government-Wide Statement of Net Position, page 20*)

- The HPHA's government wide net position increased by $80,188,664. The increase in net position is the offsetting activities in government activities and business-type activities as follows:

  a. Governmental activities increase in net position of $76,393,184 is primarily due to State allotted appropriations, net of lapsed funds of $3,366,246 and net transfers of $(6,809,938) (as detailed on *Government-Wide Statement of Activities, page 21).*

  b. Business-type activities increase in net position of approximately $3,795,480 (as detailed on *Government-Wide Statement of Activities, page 21*) is primarily due to capital contribution transfers of $7,761,494; net operating transfers of $6,809,938 from Governmental Activities and loss before transfers of $10,775,952 *(Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 30).*

     The capital contribution transfers are related to the Capital Project fund's current year capital outlay ($7,761,494) *(*as detailed on *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, page 24)* expended for the benefit of business-type activities funds.

     Similar to the prior year, the net operating transfers are related to rental housing shortfalls paid for by the General Fund and Capital Project Funds *(*as detailed on *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, page 24).*

     The loss before transfers of $10,775,952 as compared to prior year loss of $8,347,306 is primarily due to higher personnel and repair and maintenance costs. *(*as detailed on *Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, pages 29 and 30).*

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2013

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the HPHA's basic financial statements. The HPHA's basic financial statements comprise three components:

1) Government-wide financial statements;
2) Governmental fund financial statements; and
3) Proprietary fund financial statements.

This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the HPHA's finances in a manner similar to a private-sector business. The first two government-wide financial statements – *Statement of Net Position* and the *Statement of Activities* provide both long-term and short-term information about the HPHA's overall financial status.

The *Statement of Net Position* presents information on all of the HPHA's assets less liabilities, resulting in net position. The statement displays the financial position of the HPHA. Over time, increases and decreases in net position help determine whether the HPHA's financial position is improving or deteriorating.

The *Statement of Activities* shows how the HPHA's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid. The statement identifies the extent each expenditure function draws from general and federal revenues of the HPHA or is financed through charges for services and intergovernmental aid (primarily federal programs and state appropriations).

The government-wide financial statements of the HPHA are divided into three categories:

- **Governmental activities**. The activities in this section are primarily supported by State appropriations or by HUD contributions, and focus on money flow into and out of those funds and the balances left at year-end. The governmental funds statements – the *Balance Sheet* and the *Statement of Revenues and Expenditures and Changes in Fund Balances* – are reported using modified accrual accounting (*an accounting method measuring cash and all other financial assets readily convertible to cash*). The governmental fund statements provide a detailed short-term view to help determine whether there are more or fewer financial resources to finance the HPHA's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided to explain the relationship (*or differences*) between them.

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- **Business-type activities**. Business type activities (*also referred to as "proprietary funds"*) are financed and operated in a manner similar to private business enterprises, where funding to recover costs of providing goods and services to the general public is derived through user charges. Business-type activities are reported using an accrual basis of accounting and the economic resources measurement focus.

- **Fiduciary funds**. Fiduciary funds account for assets held by the HPHA in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the HPHA cannot use these assets for its operations. Fiduciary funds of the HPHA, consisting of agency funds and private-purpose trust funds, are reported in the Statement of Fiduciary Net Position using an accrual basis of accounting. Agency funds held by the HPHA involve only the receipt, temporary investment, and remittance of resources to individuals, private organizations, or other governments in a purely custodial capacity.

Detailed information on HPHA's most significant funds is represented in the fund financial statements, but the fund statements are not a representation of the HPHA as a whole.

Fund Financial Statements: The HPHA uses fund accounting to ensure and demonstrate fiscal accountability. A fund is defined as a grouping of related accounts used to keep track of specific sources of funding and spending for particular purposes (*sometimes referred to as a "self-balancing" set of accounts*). This means a fund's assets will equal the total of its liabilities and its fund balance (or net position), similar to the way financial statements are presented.

The financial activities of the HPHA are recorded in individual funds, each deemed to be a separate accounting entity. Funds are then either reported as a major or non-major fund. The criteria for determining "major" or "non-major" funds is based on Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - Management's Discussion and Analysis for State and Local Governments. Major funds are reported separately, while non-major funds are combined as a whole and separated as a column in the fund financial statements. Details for the non-major funds are found in the combining section of the financial statements.

Notes to the Financial Statements: Notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

HAWAII PUBLIC HOUSING AUTHORITY
Condensed Statements of Net Positions
June 30, 2013 & June 30, 2012
(In thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	$ 104,158	$ 26,829	$ 66,188	$ 66,441	$ 170,346	$ 93,270
Capital assets	4,541	4,784	294,068	291,720	298,609	296,504
Other assets	-	-	8,131	5,837	8,131	5,837
Total Assets	$ 108,699	$ 31,613	$ 368,387	$ 363,998	$477,086	$ 395,611
Current and other liabilities	$ 3,473	$ 2,773	$ 7,472	$ 10,051	$ 10,945	$ 12,824
Long-term liabilities	104	111	13,820	10,647	13,924	10,758
Total Liabilities	3,577	2,884	21,292	20,698	24,869	23,582
Net position:						
Invested in capital assets, net of related debt	4,541	4,784	294,068	291,720	298,609	296,504
Restricted	3,851	4,952	-	-	3,851	4,952
Unrestricted	96,730	18,993	53,027	51,580	149,757	70,573
Total net position	105,122	28,729	347,095	343,300	452,217	372,029
Total liabilities & net position	$ 108,699	$ 31,613	$ 368,387	$ 363,998	$ 477,086	$ 395,611

Statement of net position

Net position may serve over time as a useful indicator of the HPHA's financial position. At the close of the fiscal year, the HPHA's assets exceeded its liabilities by $452,217,006. $298,609,752 of net position is invested in capital assets, net of related debt. As discussed in the financial highlights, net position increased by $80,188,664 during the fiscal period. (as detailed in the *Government-Wide Statement of Net Position and Statement of Activities, pages 20 and 21*).

Of the HPHA's total assets, $298,609,752 (or 63%) represents capital assets, net of related debt, Cash and Due from the State of Hawaii (as presented in the detailed *Government-Wide Statement of Net Position, page 19*) in the amount of $97,990,485 and comprises 21% of total assets. Amounts that are "Due from the State of Hawaii" represent available State allotted appropriations as of the end of the fiscal year and are primarily designated for capital improvement projects. Net position for the previous fiscal year had a similar composition with the majority of total net position represented by capital assets, net of related debt.

Accounts payable and accrued current expenses of $9,013,746 (as detailed in the *Government-Wide Statement of Net Position, page 20*) comprise 82% of the HPHA's total current liabilities. Long term liabilities increased by $3,165,226 from the prior year. This is primarily due to the net increase in other post retirement employee benefits liability of $3,125,421 (as detailed in the *Notes to the Financial Statements, #8, page 63.*) The HPHA's obligations related to other post retirement employee benefits are based on reports provided by the State's Department of Accounting and General Services.

HAWAII PUBLIC HOUSING AUTHORITY
Government-Wide Statements of Activities
Years Ended June 30, 2013 and June 30, 2012
(In thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for services	$ -	$ -	$ 18,015	$ 18,435	$ 18,015	$ 18,435
Operating grants and contributions	50,910	52,292	21,511	21,814	72,421	74,106
Capital grants and contributions	-	-	12,466	11,029	12,466	11,029
Other income	-	-	2,311	2,008	2,311	2,008
General Revenues:						
State allotted appropriations, net of lapsed funds	93,063	(5,415)	-	-	93,063	(5,415)
Total revenues	143,973	46,877	54,303	53,286	198,276	100,163
Expenses						
Governmental Activities						
Rental housing assistance program	60,771	61,881	-	-	60,771	61,881
Business-type activities						
Rental assistance program	-	-	53,466	49,078	53,466	49,078
Housing development program	-	-	7,803	8,635	7,803	8,635
Other	-	-	3,810	3,921	3,810	3,921
Total governmental-wide expenses	60,771	61,881	65,079	61,634	125,850	123,515
Excess (deficiency) of revenues over (under) expenses	83,202	(15,004)	(10,776)	(8,348)	72,426	(23,352)
Capital contributions	-	-	7,762	8,521	7,762	8,521
Transfers	(6,810)	(6,071)	6,810	5,721	-	(350)
CHANGES IN NET POSITION	76,392	(21,075)	3,796	5,894	80,188	(15,181)
Total net position, beginning of year	28,731	49,806	343,298	337,404	372,029	387,210
Total net position, end of year	$ 105,123	$28,731	$ 347,094	$ 343,298	$ 452,217	$ 372,029

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Statement of Activities

Operating grants and contributions decreased $1,684,174 in the current year from $74,105,751 to $72,421,577 due to reduced federal funds resulting from the federal budget sequestration. Capital grants and contributions increased by $1,436,214 in the current year from $11,029,546 to $12,465,760. The increase was due to HUD operating and capital subsidies increasing 3% from $32,843,650 in the prior year to $33,976,825. Contributing to the higher business-type activities operating loss of $13,087,175 for the year (as detailed in the *Government – Wide Statement of Activities, Page 21),* was higher Rental assistance program losses due to higher management fees, personnel costs and utilities. Consequently, business-type activities recognized net loss, before capital contributions and transfers, of $10,775,952 for the year.

Governmental activities net position increased by $76,393,184 from prior year. This increase is primarily due to State allotted appropriations of $93,063,303 net of lapsed capital funds of $3,366,246 and net transfers of $6,809,938 to business-type activities (as detailed in *Government-Wide Statement of Activities, Page 21).*

FINANCIAL ANALYSIS OF THE HPHA'S FUNDS

Governmental funds

The focus of the HPHA's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the HPHA's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the HPHA's net resource available for spending at the end of the fiscal year. (Detailed on *Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balance, page 24.*)

- At the end of the fiscal year, combined fund balances amounted to $100,684,489, of which $93,992,786 is reserved for capital projects, an increase of $76,628,223 in comparison with the prior year's combined fund balance of $24,056,266 (as detailed on *Governmental Funds, Balance Sheet, page 22 and Statement of Revenues, Expenditures and Changes in Fund Balances, page 24).*

- The general fund balance excess of revenues over expense at the end of the fiscal year was $3,889,233. However, $3,742,519 was transferred out of the General Fund to support the HPHA's business type activities (as detailed on *Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances, page 24)*

- The key factors in the increases in capital projects fund balance were the net transfers out of $6,809,938, and the state allotted appropriations of $93,063,303, net of lapsed funds (as detailed on the *Government-Wide, Statement of Activities, page 21*).

- The remaining change is related to the net change is Capital Projects Fund of approximately $80,474,794 which consists of capital outlay of approximately $7,761,494 net of current year appropriations of approximately $91,602,534 net of lapsed funds of $3,366,246 or $88,236,288 (as detailed on *Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balances, page 24*).

- At the end of the fiscal year, the HPHA had an unexpended fund balance of $93,992,786 for Capital Projects (as detailed on *Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balances, page 24),* of which $45,643,000 had not been released to HPHA by the end of the Fiscal Year.

- The Housing Choice Voucher Program subsidy for the current year showed an increase of $83,569 from prior year primarily due to additional funding for tenant protection and Veterans Affairs Supportive Housing vouchers.

Proprietary funds

The HPHA's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- With the implementation of HUD's Asset Management and Project Based Budgeting, the HPHA established the Central Office Cost Center (COCC) fund to account for costs related to the general oversight of its housing projects and other indirect and administrative costs of the Authority. The COCC fund charges fees to the HPHA's various housing projects for administrative services and general oversight.

- Overall loss before transfers amounted to approximately $10,775,952 *(Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 30*) compared with prior year loss of $8,347,306. The change is primarily due to gain on sale of projects of $2,003,456 included in prior year net loss before transfers.

- The COCC loss before transfers decreased from $2,612,537 to a loss of $2,035,053 *(Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, pages 29 and 30*). This is primarily due to the overall increase in "Fee-for-service" income of approximately $2,252,048 to $7,584,264 or 42.23%. The majority of the increase is related to the increase in capital fund management fees and offset by $2,310,030 related to exempt maintenance staff hired and related OPEB expenses. There were also decreases in Administrative Expenses, Provision for Losses and Repair and Maintenance Expenses which contributed to the decrease in losses.

During the past fiscal year, the COCC received approximately $1,605,355 *(Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 30)* of operating transfers compared with prior year transfers of $10,386,003. Of this amount, $10,000,000 was from the sale of the Wilikina Apartments Project.

- Under the Federal Low Rent Program, net loss before transfers amounted to approximately $6,046,550 compared to the prior year net loss of $2,245,110. The total net loss variance from prior year was $3,801,440 due to operating expenses increasing by $4,388,335 to $53,466,031 from prior year *(Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 29)*. The majority of the increases was related to exempt Personnel Services costs, Depreciation, Repair and Maintenance Expenses and Utilities.

- Housing Revolving Fund and Housing for Elderly was consistent with prior year, the rental income received for the two funds are not sufficient to support each of the fund's operational expenditures. Consequently, Housing Revolving fund and Housing for Elderly losses before transfers amounted to $347,001 and $2,458,663, respectively *(Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 30)*.

- Other Enterprise Funds income before transfers amounted to approximately $108,697 *(Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Positions, page 30)* compared with prior year income of approximately $905,523. The decrease in income is due primarily to the gain from sale of Project of $2,003,456 in prior year before transfer.

  Ke Kumu Ekahi and the Kuhio Park Terrace Resource Center continue to operate at a deficit (as detailed on *Combining Statement of Revenues and Expenses – Nonmajor Other Enterprise Funds, page 74).*

CAPITAL ASSETS AND DEBT ADMINISTRATION

The HPHA's investment in capital assets for its governmental and business-type activities for the fiscal year ended June 30, 2013 is $298,609,752 (*net of related debt*). This investment in capital assets includes land, buildings and improvements, equipment, furniture, and fixtures. (Detailed in *Notes to the Financial Statements, #5, page 54.*)

HPHA Capital Assets
Years ended June 30, 2013 and June 30, 2012
(In thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 2,373	$ 2,373	$ 22,966	$ 22,966	$ 25,339	$ 25,339
Buildings and improvements	15,041	15,041	554,858	529,204	569,899	544,245
Equipment	1,198	1,198	7,750	8,797	8,948	9,995
Construction in progress	-	-	27,423	35,664	27,423	35,664
Total	18,612	18,612	612,997	596,631	631,609	615,243
Accumulated Depreciation	(14,071)	(13,828)	(318,929)	(304,911)	(333,000)	(318,739)
Total Capital Assets Net	$ 4,541	$ 4,784	$ 294,068	$ 291,720	$ 298,609	$ 296,504

Major capital asset events during the current fiscal year included the following:

Major Projects Outstanding FY2013 (work-in-progress) at the end of the year

- AMP 30 Puuwai Momi Electrical System Repairs I and II - $2,431,464
- AMP 30 Salt Lake Apartment and Elevator Renovation (1) Plus Installation (1) New Elevator (Construction) - $1,449,920
- AMP 31 Kalihi Valley Homes, Site & Dwelling Improvements Phase IVA - $4,651,779
- AMP 32 Mayor Wright Homes, Emergency Security Improvements (Construction) - $207,785
- AMP 34 Kalakaua Homes ADA and 504 Interior and Exterior, Exterior Paint and Miscellaneous Repairs (Construction) - $2,069,313
- AMP 34 Makua Alii, Structural and Spall Repairs 2nd Phase (Construction) - $3,128,453
- AMP 38 Hale Nana Kai O'Kea, Physical Improvement, ADA (Construction) - $2,270,145
- AMP 38 Kalaheo Homes, Physical Improvements, ADA (Construction) - $1,534,272
- AMP 38 Kawailehua, (Federal) Exterior Improvements (Construction) - $2,476,702

- Kawailehua, (State) Improvements (Construction) - $1,026,732
- AMP 42 Hale Po'ai Building Improvements (Construction) - $2,550,294
- AMP 43 Hale Hookipa, Nani Olu, Reroofing (Construction) - $2,350,683
- AMP 46 Ke Kumu Ekolu, Roofing & Interior Repairs (Construction) - $2,484,052
- AMP 50 Palolo Valley Homes Physical Improvements Phase 1 & 2 (Construction) - $11,005,528
- AMP 52KPT, Michaels Development Redevelopment of KPT and Kuhio Homes (Construction) - $2,000,000
- PHA–Wide PHA-Wide, Type C Units - $5,061,518

Debt Activity

As of June 30, 2013, HPHA has no Mortgage and Notes Payable debt outstanding. The two loans for the Banyan Street Manor development were paid in full during the fiscal year ended June 30, 2011. During the fiscal year ended June 30, 2011, approximately $291,605 was paid as part of the planned amortization and the sale of Banyan Street Manor development. No additional debt was incurred during the fiscal year ended June 30, 2013.

ECONOMIC FACTORS

During 2009 legislative session, S.B. bill No. 910 was enacted and requires the transfer of the functions and duties of the homeless programs branch of the Authority to the Department of Human Services effectively July 1, 2010. The impact of the transfer to the Authority's net position was approximately $22,000,000 and is included in intergovernmental transfers under governmental activities in the governmental-wide statement of activities. The HPHA, however, continues to hold title to the State owned shelter facilities and is working with the Department of the Attorney General to transfer those assets to the Department of Land and Natural Resources.

In February 2010, HHA Wilikina Apartment Project, Inc. a corporate agent of HPHA entered in an agreement for the sale of Wilikina Apartments Projects to VB Wilikina Limited Partnership, a Washington Limited Partnership for an agreed price of $10 million. The sale was consummated on April 23, 2012. The buyer agrees to maintain and operate the Wilikina Apartments Project as an affordable rental and to continue the affordability requirement of the Wilikina Apartments Project throughout the term of the Ground Lease.

In May 2009, the Board of Directors authorized the sale of the Banyan Street Manor Apartments at 1122 Banyan Street, Honolulu, Hawaii. In January 2010, the HPHA entered into a Purchase Agreement with Banyan Housing Limited Partnership (LP) and issued escrow instructions for the sale. The sale was structured as a purchase of the improvements by Banyan Housing LP and the assumption of the ground lease issued by the City and County of Honolulu to the HPHA by Banyan Housing LP. On May 30, 2011 the sale of Banyan Street Manor closed and the HPHA received sale proceeds in the amount of $6.6 million.

On August 20, 2009, the HPHA Board of Directors approved the selection of the Michaels Development Company to undertake a mixed finance redevelopment project at the Kuhio Park Terrace and Kuhio Homes(KPT/KH). On May 12, 2011 the sale of Kuhio Park Terrace closed and the HPHA received sale proceeds in the amount of $3.1 million. HPHA will continue to redevelop the remaining parcel at Kuhio Park Terrace/Kuhio Homes in accordance with its Master Development Agreement.

During the 2012 Legislative session, the Hawaii State Legislature appropriated an unprecedented $91.0 million in Capital Improvement Program Funds to the HPHA for capital repairs. The majority of these funds will be expended on capital assets of various activities over the next several fiscal periods.

On April 21, 2011, the plaintiffs Fetu Kolio, et al., filed two lawsuits in federal and state courts naming the State of Hawaii, et al., as defendant. The plaintiffs are residents of Mayor Wright Homes, a 364 public housing project built in 1953 and financed by HUD. In the federal action, the plaintiffs seek declaratory and injunctive relief and damages for alleged violations of the ADA, the Rehabilitation Act, and the Fair Housing Amendments. The plaintiffs' state court complaint alleges lack of hot water, vermin infestation, inadequate security. The plaintiffs seek class action status in both actions as well as statutory attorneys' fees. Plaintiffs were denied Class Action Certification in both the State and Federal cases in September, 2012. The parties have actively engaged in several mediation sessions with Keith Hunter of Alternative Dispute Resolution Hawaii (ADR) since these lawsuits were file. At this point, the parties have settled one of the lawsuits and are still in discussion to possibly settle the remaining case.

In August 2009, Iris Rodrigues-Kaikana was murdered by Corbit Ahn at the Kamehameha Homes ("KH") in Kalihi. KH is operated by the Hawaii Public Housing Authority. Neither Iris, who was 18 years old, or Ahn were residents at KH and may have visited residents of KH on the evening of the murder, although this has not been confirmed. The complaint alleges, among other things, that the State: failed to secure, properly monitor and light the premises; "encouraged hoodlums like Defendant Ahn to enter the premises"; removed gates to keep "gangsters" out; "allowed sexual predators onto the premises"; and refused to enforce a curfew for hoodlums. Defendant Ahn was criminally convicted of murder in July 2012. He is appealing his conviction and he file a Motion to Stay, this civil action until his criminal appeal is resolved. His Motion to Stay, this civil action pending his criminal appeal was granted in October, 2012. The State intends to vigorously defend this case and plans to file dispositive motions once Defendant Ahn's criminal appeal is decided.

On July 9, 2013, the property known as KE KUMU Ekahi in the City of Waikoloa, County of Hawaii, consisting of 48 unit low income rental housing project terminated its ground lease and the property reverted to HPHA. In consideration HPHA released KE KUMU LIMITED PARTNERSHIP from a mortgage loan of $426,100 and the mortgagee and Mortgagor forever discharge each other from any liabilities that may exist.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the HPHA's finances for all those with an interest in the HPHA's finances. If you have any questions about this report or need additional financial information, contact the Office of the Executive Director, Hawaii Public Housing Authority 1002 North School Street, Honolulu, HI 96817.

Hawaii Public Housing Authority

GOVERNMENT-WIDE
STATEMENT OF NET POSITION

June 30, 2013

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash	$ 3,725,127	$ 60,641,336	$ 64,366,463
Restricted cash	129,314	846,394	975,708
Due from State of Hawaii	97,990,485	-	97,990,485
Receivables:			
Accrued interest	-	2,487	2,487
Tenant receivables, less allowance for doubtful receivables of $1,427,957	-	469,060	469,060
Other	39,659	793,845	833,504
	39,659	1,265,392	1,305,051
Internal balances	4,529	(4,529)	-
Due from other state agencies	-	118,999	118,999
Due from HUD	196,449	2,310,956	2,507,405
Inventories	-	973,274	973,274
Prepaid expenses and other assets	2,072,112	8,843	2,080,955
Deposits held in trust	-	27,496	27,496
Total current assets	104,157,675	66,188,161	170,345,836
Notes Receivable	-	8,130,985	8,130,985
Capital Assets, less accumulated depreciation	4,541,383	294,068,369	298,609,752
Total assets	$ 108,699,058	$ 368,387,515	$ 477,086,573

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

GOVERNMENT-WIDE
STATEMENT OF NET POSITION (continued)

June 30, 2013

LIABILITIES AND NET POSITION	Governmental Activities	Business-Type Activities	Total
Current Liabilities:			
Accounts payable	$ 2,989,996	$ 2,819,276	$ 5,809,272
Accrued expenses	483,190	2,721,284	3,204,474
Due to State of Hawaii	-	571,402	571,402
Security deposits	-	880,464	880,464
Deferred income	-	480,391	480,391
Total current liabilities	3,473,186	7,472,817	10,946,003
Accrued Expenses	103,549	13,820,015	13,923,564
Commitments and Contingencies			
Net Position:			
Invested in capital assets, net of related debt	4,541,383	294,068,369	298,609,752
Restricted by legislation and contractual agreements	3,850,587	-	3,850,587
Unrestricted	96,730,353	53,026,314	149,756,667
Total net position	105,122,323	347,094,683	452,217,006
Total liabilities and net position	$ 108,699,058	$ 368,387,515	$ 477,086,573

The accompanying notes are an integral part of this statement.

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Hawaii Public Housing Authority

GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Functions/Programs:	Expenses	Program Revenues: Charges for services and other revenues	Program Revenues: Operating grants and contributions	Program Revenues: Capital grants and contributions	Net (expense) revenue and changes in net assets: Governmental activities	Net (expense) revenue and changes in net assets: Business-type activities	Net (expense) revenue and changes in net assets: Total
Governmental activity --							
Rental Housing and Assistance Program	$ 60,770,693	$ -	$ 50,910,512	$ -	$ (9,860,181)	$ -	$ (9,860,181)
Total governmental activities	60,770,693	-	50,910,512	-	(9,860,181)	-	(9,860,181)
Business-type activities:							
Rental assistance program	53,466,031	13,641,327	21,511,065	12,465,760	-	(5,847,879)	(5,847,879)
Rental housing program	7,803,356	3,351,110	-	-	-	(4,452,246)	(4,452,246)
Others	3,809,502	1,022,452	-	-	-	(2,787,050)	(2,787,050)
Total business-type activities	65,078,889	18,014,889	21,511,065	12,465,760	-	(13,087,175)	(13,087,175)
Total government-wide	$ 125,849,582	$ 18,014,889	$ 72,421,577	$ 12,465,760	(9,860,181)	(13,087,175)	(22,947,356)
State Allotted Appropriations, net of lapsed funds of $3,366,246					93,063,303	-	93,063,303
Other Non-Program Revenue					-	2,311,223	2,311,223
Capital Contributions					-	7,761,494	7,761,494
Net Transfers					(6,809,938)	6,809,938	-
Total general revenues and transfers					86,253,365	16,882,655	103,136,020
Change in net position					76,393,184	3,795,480	80,188,664
Net Position at July 1, 2012					28,729,139	343,299,203	372,028,342
Net Position at June 30, 2013					$ 105,122,323	$ 347,094,683	$ 452,217,006

The accompanying notes are an integral part of this statement.

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Hawaii Public Housing Authority

GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2013

ASSETS	General	Capital Projects	Housing Choice Voucher	Section 8 Contract Administration	Total Governmental Funds
Current Assets:					
Cash	$ 4	$ -	$ 1,967,044	$ 1,758,079	$ 3,725,127
Restricted cash	-	-	129,314	-	129,314
Due from State of Hawaii	1,299,440	96,691,045	-	-	97,990,485
Other receivables	-	-	39,659	-	39,659
Due from other funds	-	-	213,450	126,337	339,787
Due from HUD	903	-	-	195,546	196,449
Prepaid expenses and other assets	45,322	-	2,026,790	-	2,072,112
Total assets	$ 1,345,669	$ 96,691,045	$ 4,376,257	$ 2,079,962	$ 104,492,933
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts payable	$ 229,026	$ 2,698,259	$ 53,100	$ 9,611	$ 2,989,996
Accrued expenses	7,761	-	252,508	222,921	483,190
Due to other funds	97,464	-	-	-	97,464
Total current liabilities	334,251	2,698,259	305,608	232,532	3,570,650
Due to other funds	17,732	-	220,062	-	237,794
Fund Balances:					
Restricted by legislation and contractual agreements	-	-	3,850,587	-	3,850,587
Committed	-	20,367,829	-	-	20,367,829
Assigned	993,686	73,624,957	-	1,847,430	76,466,073
Total fund balances	993,686	93,992,786	3,850,587	1,847,430	100,684,489
Total liabilities and fund balances	$ 1,345,669	$ 96,691,045	$ 4,376,257	$ 2,079,962	$ 104,492,933

The accompanying notes are an integral part of this statement.

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Hawaii Public Housing Authority

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2013

Total fund balance - governmental funds		$ 100,684,489
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	4,541,383	
Long-term compensated absences are not due and payable in the current period and therefore are not reported in the funds	(103,549)	4,437,834
Net position of governmental activities		$ 105,122,323

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year ended June 30, 2013

	General	Capital Projects	Housing Choice Voucher	Section 8 Contract Administration	Total Governmental Funds
Revenues:					
Intergovernmental – HUD annual contributions and others	$ -	$ -	$ 25,346,599	$ 25,551,741	$ 50,898,340
State allotted appropriations, net of lapsed funds of $3,366,246	4,827,015	88,236,288	-	-	93,063,303
Other	-	-	11,987	185	12,172
Total revenues	4,827,015	88,236,288	25,358,586	25,551,926	143,973,815
Expenditures:					
Housing assistance payments	523,786	-	24,199,508	24,380,061	49,103,355
Personnel services	228,038	-	1,137,574	-	1,365,612
Administration	99,352	-	1,007,811	950,464	2,057,627
Professional services	29,298	-	26,647	46,013	101,958
Security	12,311	-	-	-	12,311
Repairs and maintenance	5,132	-	-	-	5,132
Capital outlays	1,382	7,761,494	-	-	7,762,876
Other	38,483	-	88,300	-	126,783
Total expenditures	937,782	7,761,494	26,459,840	25,376,538	60,535,654
Excess (deficiency) of revenues over (under) expenditures	3,889,233	80,474,794	(1,101,254)	175,388	83,438,161
Other Financing Uses - Transfers Out	(3,742,519)	(2,889,645)	-	(177,774)	(6,809,938)
Net change in fund balances	146,714	77,585,149	(1,101,254)	(2,386)	76,628,223
Fund Balances at July 1, 2012	846,972	16,407,637	4,951,841	1,849,816	24,056,266
Fund Balances at June 30, 2013	$ 993,686	$ 93,992,786	$ 3,850,587	$ 1,847,430	$ 100,684,489

The accompanying notes are an integral part of this statement.

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Hawaii Public Housing Authority

RECONCILIATION OF THE CHANGE IN FUND
BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2013

Net change in fund balances - total governmental funds		$ 76,628,223
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those governmental activities assets, net of $7,761,494 of capital contribution outlays, is allocated over their estimated useful lives and reported as depreciation expense. Depreciation expense of those governmental activity assets amounted to approximately $242,000.	(242,216)	
Long-term compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	7,177	(235,039)
Change in net assets of governmental activities		$ 76,393,184

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

June 30, 2013

ASSETS	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Current Assets:							
Cash	$ 27,891,493	$ 659,683	$ 2,528,648	$ 19,710,117	$ 8,873,981	$ 59,663,922	$ 977,414
Restricted cash	-	-	-	846,394	-	846,394	-
	27,891,493	659,683	2,528,648	20,556,511	8,873,981	60,510,316	977,414
Receivables:							
Accrued interest	-	88	2,144	-	-	2,232	255
Tenant receivables, less allowance for doubtful accounts of $1,427,957	376,861	85,686	2,341	-	4,172	469,060	-
Other	761,997	6,956	-	-	23,820	792,773	1,072
	1,138,858	92,730	4,485	-	27,992	1,264,065	1,327
Due from other funds	1,988,375	-	-	9,846,310	705,689	12,540,374	9,287
Due from other state agencies	-	-	-	87,256	31,743	118,999	-
Due from HUD	2,310,956	-	-	-	-	2,310,956	-
Inventories	830,096	28,027	90,100	25,051	-	973,274	-
Prepaid expenses and other assets	-	-	-	8,843	-	8,843	-
Deposits held in trust	-	-	-	-	27,496	27,496	-
Total current assets	34,159,778	780,440	2,623,233	30,523,971	9,666,901	77,754,323	988,028
Notes Receivable	8,130,985	-	-	-	-	8,130,985	-
Due from Other Funds	-	-	-	6,930,987	-	6,930,987	-
Capital Assets, less accumulated depreciation	222,466,123	20,553,818	37,531,447	142,644	13,006,193	293,700,225	368,144
Total assets	$ 264,756,886	$ 21,334,258	$ 40,154,680	$ 37,597,602	$ 22,673,094	$ 386,516,520	$ 1,356,172

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF NET POSITION (continued)

June 30, 2013

LIABILITIES AND NET POSITION	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Current Liabilities:							
Accounts payable	$ 2,581,725	$ 42,186	$ 129,632	$ 41,366	$ 24,367	$ 2,819,276	$ -
Accrued expenses	1,609,636	53,374	8,042	954,123	96,109	2,721,284	-
Due to other funds	3,563,793	344,829	210,796	29,150	8,643,416	12,791,984	-
Due to State of Hawaii	-	-	-	-	571,402	571,402	-
Security deposits	655,017	40,499	146,955	-	37,993	880,464	-
Deferred income	442,857	28,011	-	9,523	-	480,391	-
Total current liabilities	8,853,028	508,899	495,425	1,034,162	9,373,287	20,264,801	-
Accrued Expenses	719,859	56,977	-	13,043,179	-	13,820,015	-
Due to Other Funds	6,174,685	518,508	-	-	-	6,693,193	-
Total liabilities	15,747,572	1,084,384	495,425	14,077,341	9,373,287	40,778,009	-
Commitments and Contingencies							
Net Position:							
Invested in capital assets, net of related debt	222,466,123	20,553,818	37,531,447	142,644	13,006,193	293,700,225	368,144
Unrestricted	26,543,191	(303,944)	2,127,808	23,377,617	293,614	52,038,286	988,028
Total net position	249,009,314	20,249,874	39,659,255	23,520,261	13,299,807	345,738,511	1,356,172
Total liabilities and net position	$ 264,756,886	$ 21,334,258	$ 40,154,680	$ 37,597,602	$ 22,673,094	$ 386,516,520	$ 1,356,172

The accompanying notes are an integral part of this statement.

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Hawaii Public Housing Authority

RECONCILIATION OF THE PROPRIETARY FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION

June 30, 2013

Total net position of enterprise funds	$	345,738,511
Amounts reported for business-type activities in the statement of net position are different because internal service fund assets and liabilities are included with business-type activities		1,356,172
Net position of business-type activities	$	347,094,683

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year ended June 30, 2013

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Eliminating Entries	Total Enterprise Funds	Internal Service Funds
Operating Revenues:								
Rental	$ 13,413,285	$ 942,751	$ 1,994,995	$ -	$ 801,088	$ -	$ 17,152,119	$ 15,780
Fee-for-service	-	-	-	7,584,264	-	(7,584,264)	-	-
Other	228,042	16,501	60,982	541,387	78	-	846,990	-
Total operating revenues	13,641,327	959,252	2,055,977	8,125,651	801,166	(7,584,264)	17,999,109	15,780
Operating Expenses:								
Project	5,134,858	-	-	-	-	-	5,134,858	-
Personnel services	9,173,727	802,911	-	8,306,357	-	-	18,282,995	-
Depreciation	12,715,747	841,076	1,440,125	15,501	501,535	-	15,513,984	14,233
Administration	6,485,838	304,398	1,246,544	752,224	579,777	(6,905,548)	2,463,233	58
Provision for (recovery of) losses	453,189	(48,197)	-	-	(45,517)	-	359,475	-
Professional services	195,948	37,941	19,096	556,056	28,679	-	837,720	2,844
Security	1,817,483	-	2,336	21,595	-	-	1,841,414	-
Insurance	611,473	32,422	129,176	44,066	3,431	-	820,568	-
Repairs and maintenance	5,204,707	142,414	326,027	329,357	132,526	(678,716)	5,456,315	-
Utilities	11,636,851	738,774	1,356,709	140,019	423,639	-	14,295,992	-
Payments in lieu of taxes	36,210	-	-	-	-	-	36,210	-
Capital expenditures	-	-	-	18,990	-	-	18,990	-
Total operating expenses	53,466,031	2,851,739	4,520,013	10,184,165	1,624,070	(7,584,264)	65,061,754	17,135
Operating loss carried forward	(39,824,704)	(1,892,487)	(2,464,036)	(2,058,514)	(822,904)	-	(47,062,645)	(1,355)

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (continued)

Year ended June 30, 2013

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Eliminating Entries	Total Enterprise Funds	Internal Service Funds
Operating loss brought forward	(39,824,704)	(1,892,487)	(2,464,036)	(2,058,514)	(822,904)	-	(47,062,645)	(1,355)
Nonoperating Revenues (Expenses):								
HUD operating subsidies	21,511,065	-	-	-	-	-	21,511,065	-
HUD capital fund subsidies	12,465,760	-	-	-	-	-	12,465,760	-
Other (expenses) revenues	(198,671)	1,545,486	5,373	23,461	931,601	-	2,307,250	3,973
Net nonoperating revenues	33,778,154	1,545,486	5,373	23,461	931,601	-	36,284,075	3,973
(Loss) income before transfers	(6,046,550)	(347,001)	(2,458,663)	(2,035,053)	108,697	-	(10,778,570)	2,618
Capital Contributions	6,833,181	(1,920,921)	206,317	77,717	2,565,200	-	7,761,494	-
Net Transfers	3,227,998	384,285	1,235,004	1,605,355	357,296	-	6,809,938	-
Change in net position	4,014,629	(1,883,637)	(1,017,342)	(351,981)	3,031,193	-	3,792,862	2,618
Net Position at July 1, 2012	244,994,685	22,133,511	40,676,597	23,872,242	10,268,614	-	341,945,649	1,353,554
Net Position at June 30, 2013	$ 249,009,314	$ 20,249,874	$ 39,659,255	$ 23,520,261	$ 13,299,807	$ -	$ 345,738,511	$ 1,356,172

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

RECONCILIATION OF THE CHANGE IN NET POSITION
OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2013

Change in net position - total enterprise funds	$	3,792,862
Change in net position - internal service funds		2,618
Change in net position of business-type activities	$	3,795,480

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

Year ended June 30, 2013

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:							
Cash received from renters	$ 12,988,163	$ 941,585	$ 1,992,654	$ -	$ 849,622	$ 16,772,024	$ -
Cash payments to employees	(9,173,727)	(802,338)	-	(5,094,162)	-	(15,070,227)	-
Cash payments to suppliers	(32,525,415)	(1,331,788)	(3,064,024)	(2,090,237)	(1,217,809)	(40,229,273)	-
Cash receipts from other funds	1,984,607	933,090	1,217,420	4,923,112	5,539,836	14,598,065	7,435
Other cash receipts (payments)	(255,398)	20,520	60,982	539,894	(122,731)	243,267	(5,000)
Net cash (used in) provided by operating activities	(26,981,770)	(238,931)	207,032	(1,721,393)	5,048,918	(23,686,144)	2,435
Cash Flows from Noncapital Financing Activities:							
HUD operating subsidy received	22,173,100	-	-	-		22,173,100	-
Other	-	-	-	-	46,461	46,461	-
Net cash provided by noncapital financing activities	22,173,100	-	-	-	46,461	22,219,561	-
Cash Flows from Capital and Related Financing Activities:							
HUD capital subsidy received	12,888,602	-	-	-	-	12,888,602	-
Payments for acquisition of property and equipment	(7,441,733)	-	-	-	-	(7,441,733)	(380,263)
Issuance of note receivable	(3,314,356)	-	-	-	-	(3,314,356)	-
Other	(198,671)	-	-	-	-	(198,671)	-
Net cash provided by (used in) capital and related financing activities	1,933,842	-	-	-	-	1,933,842	(380,263)
Subtotal carried forward	(2,874,828)	(238,931)	207,032	(1,721,393)	5,095,379	467,259	(377,828)

The accompanying notes are an integral part of this statement.

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Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (continued)

Year ended June 30, 2013

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Subtotal brought forward	(2,874,828)	(238,931)	207,032	(1,721,393)	5,095,379	467,259	(377,828)
Cash Flows from Investing Activity -- Receipts of Interest	-	709	(2,669)	23,461	-	21,501	4,088
Net cash provided by (used in) investing activities	-	709	(2,669)	23,461	-	21,501	4,088
Net increase (decrease) in cash	(2,874,828)	(238,222)	204,363	(1,697,932)	5,095,379	488,760	(373,740)
Cash at July 1, 2012	30,766,321	897,905	2,324,285	22,254,443	3,778,602	60,021,556	1,351,154
Cash at June 30, 2013	$ 27,891,493	$ 659,683	$ 2,528,648	$ 20,556,511	$ 8,873,981	$ 60,510,316	$ 977,414

The accompanying notes are an integral part of this statement.

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Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (continued)

Year ended June 30, 2013

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:							
Reconciliation of operating loss to net cash (used in) provided by operating activities:							
Operating loss	$ (39,824,704)	$ (1,892,487)	$ (2,464,036)	$ (2,058,514)	$ (822,904)	$ (47,062,645)	$ (1,355)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:							
Depreciation	12,715,747	841,076	1,440,125	15,501	501,535	15,513,984	14,233
Provision for (recovery of) losses	453,189	(48,197)	-	-	(45,517)	359,475	-
Loss on disposal	278,557	-	-	-	-	278,557	-
Changes in assets and liabilities:							
Tenant receivables	(527,256)	(1,746)	(2,341)	-	47,477	(483,866)	-
Other receivables	(761,997)	4,019	-	-	(23,820)	(781,798)	(1,071)
Due from other funds	1,239,623	461,547	1,235,004	(2,631,165)	605,483	910,492	(8,345)
Due from other state agency	-	-	-	(11,016)	(3,038)	(14,054)	-
Inventories	(34,698)	(99)	(1,784)	(5,371)	-	(41,952)	-
Prepaid expenses and other assets	-	-	-	8,296	-	8,296	-
Deposits held in trust	-	-	-	-	(849)	(849)	-
Accounts payable	(1,150,443)	(68,894)	21,076	(43,601)	(163,460)	(1,405,322)	-
Accrued expenses	(216,906)	(6,273)	(3,428)	3,024,941	17,754	2,816,088	-
Due to other funds	744,984	471,543	(17,584)	(29,987)	4,934,351	6,103,307	(1,027)
Security deposits	38,630	2,528	-	-	1,906	43,064	-
Deferred income	63,504	(1,948)	-	9,523	-	71,079	-
Net cash (used in) provided by operating activities	$ (26,981,770)	$ (238,931)	$ 207,032	$ (1,721,393)	$ 5,048,918	$ (23,686,144)	$ 2,435

The accompanying notes are an integral part of this statement.

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Hawaii Public Housing Authority

FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION

June 30, 2013

	Private Purpose Trust
ASSETS	
	$ -
NET POSITION	
Total Net Position - Held in Trust	$ -

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2013

	Private Purpose Trust
Net Position at July 1, 2012	$ 1,655
Other	(1,655)
Net Position at June 30, 2013	$ -

The accompanying notes are an integral part of this statement.

1. Organization and Significant Accounting Policies

a. General

Act 196, SLH 2005, as amended by Act 180, SLH 2006, created the Hawaii Public Housing Authority (the Authority).

The Authority's mission is to provide safe, decent and sanitary dwelling for low and moderate income residents of Hawaii and to operate its housing program in accordance with federal and state of Hawaii laws and regulations.

For financial reporting purposes, the Authority includes all funds that are controlled by or dependent on the Authority's Board of Directors. Control by or dependence on the Authority was determined on the basis of statutory authority and monies flowing through the Authority to each fund. The Authority is a component unit of the State of Hawaii.

The financial statements of the Authority are intended to present the financial position, changes in financial position, and cash flows where applicable, of only that portion of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the State of Hawaii that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of the State of Hawaii as of June 30, 2013, and the changes in its financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. The State Comptroller maintains the central accounts for all State funds and publishes financial statements for the State annually, which include the Authority's financial activities.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements, the statement of net position and the statement of activities, report information of all of the non-fiduciary activities of the Authority. Governmental activities, which normally are supported by State allotments and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. Organization and Significant Accounting Policies (continued)

b. Government-Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses are allocated to a specific function in accordance with the U.S. Department of Housing and Urban Development requirements. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function.

Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. State allotments and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than program revenues.

Net positions are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first then unrestricted resources as they are needed.

The fund financial statements are provided for governmental funds, proprietary funds and fiduciary fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are summarized into a single column. The Authority's fiduciary fund is presented in the fund financial statements. Since by definition their assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities as obligations of the government, their funds are not incorporated into the government-wide statements.

c. Measurement Focus and Basis of Accounting

i. Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. Organization and Significant Accounting Policies (continued)

c. Measurement Focus and Basis of Accounting (continued)

ii. Governmental Fund Financial Statements

The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. In applying the susceptible to accrual concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when applicable requirements, including timing requirements are met.

Principal revenue sources considered susceptible to accrual include federal grants and rental income. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the State's present appropriation system. These revenues have been accrued in accordance with generally accepted accounting principles since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Authority.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include employees' vested vacation and other post-retirement benefits, which are recorded as expenditures when utilized or paid. The amount of indebtedness related to accumulated vacation and other post-retirement benefits at June 30, 2013 has been reported in the government-wide financial statements.

1. Organization and Significant Accounting Policies (continued)

c. Measurement Focus and Basis of Accounting (continued)

iii. Proprietary Funds and Fiduciary Fund

The financial statements of proprietary funds and the fiduciary fund are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

Each proprietary fund has the option under the Government Accounting Standards Board (GASB) Statement 20, *Accounting and Financial Reporting for Proprietary funds and Other Governmental Entities that Use Proprietary Fund Accounting*, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Authority has elected to not apply FASB statements after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services or goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the Authority's enterprise funds is rental income. Federal grants are reported as nonoperating income.

d. Fund Accounting

The financial activities of the Authority are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Authority uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate the legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

GASB Statement 34 sets forth minimum criteria for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

1. Organization and Significant Accounting Policies (continued)

d. Fund Accounting (continued)

i. Governmental Funds

General Fund – The general fund is the general operating fund of the Authority. It is used to account for all financial activities except those required to be accounted for in another fund. This fund includes the Rent Housing and Assistance Program. The annual operating budget as authorized by the State Legislature provides the basic framework within which the resources and obligations of the general fund are accounted.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. These funds include Section 8 Housing Choice Voucher Program and Contract Administration.

Capital Projects Fund – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary fund type).

The Authority reports the following major governmental funds:

- General Fund
- Capital Projects Fund
- Housing Choice Voucher Program – accounts for federal contributions for housing assistance payments under the Housing Choice Voucher Program.
- Section 8 Contract Administration – accounts for federal contributions primarily for housing payments under the Project-Based Section 8 Program.

1. Organization and Significant Accounting Policies (continued)

d. Fund Accounting (continued)

ii. Proprietary Funds

Enterprise Funds – These funds account for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing goods or services to customers, or where sound financial management dictates that periodic determinations of results of operations are appropriate.

The enterprise funds include the Federal Low Rent Program, Housing Revolving Fund, Housing for Elders Revolving Fund, Central Office Cost Center Fund and other funds. The other funds include the Banyan Street Manor Project, Wilikina Apartments Project, Kekumu at Waikoloa Project, Disbursing Fund and Kuhio Park Terrace (KPT) Resource Center.

Internal Service Funds – These funds account for those activities, which provide goods or services primarily to the Authority, rather than to external parties. In the government-wide statements, internal service funds are included with business-type activities. These funds include the Equipment Rental Fund and Vehicle Rental Fund.

The Authority reports the following as major proprietary funds:

Federal Low-Rent Program accounts for the proceeds from federal contributions for the development of rental property and rental income and federal operating subsidies from such properties.

Housing Revolving Fund accounts for various state multifamily housing projects located throughout the State of Hawaii.

Housing for Elders Revolving Fund accounts for various state elderly housing projects located throughout the State of Hawaii.

Central Office Cost Center Fund was established to account for costs related to the general oversight of its housing projects and other indirect and administrative costs of the Authority. The fund charges fees to the Authority's various housing projects for such services. In addition to the fee income to operate the public housing programs, the Authority also earns fees from its other federal and state programs. The fee income earned by the fund is considered to be de-federalized.

1. Organization and Significant Accounting Policies (continued)

d. Fund Accounting (continued)

iii. Fiduciary Fund

The private-purpose trust fund accounts for net assets held in a trustee capacity for others.

e. Department of Housing and Urban Development (HUD) Subsidized Programs

The Federal Low-Rent Program Fund operates under HUD's Annual Contribution Contract and consists of the operations of low-rent housing properties. The purpose of the program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained and managed by the Authority. The properties are acquired, developed and modernized under HUD's comprehensive grant programs. Funding for the properties is provided by federal operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition).

The Section 8 Programs consists of the Housing Choice Voucher Program Fund and the Section 8 Contract Administration Fund. The Housing Choice Voucher Program Fund provides rental housing assistance subsidies to qualified participants. The purpose of the program is to assist low-income families, the elderly and the disabled to afford decent, safe and sanitary housing in the private market. Federal housing assistance is provided on behalf of the family or individuals and is paid directly to the landlord directly by the Authority. The family or individual is responsible for finding a suitable housing unit in which the landlord agrees to rent under the program. The Section 8 Contract Administration Fund administers non-Authority owned housing units used for low-income housing. HUD provides a contracted dollar amount to the Authority, which is used to provide rental payment assistance to landlords.

1. Organization and Significant Accounting Policies (continued)

f. Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities in the government-wide financial statements and proprietary funds financial statements. Capital assets are defined by the Authority as land and those assets with estimated useful lives greater than one year and with an acquisition cost greater than:

Land improvements	$ 100,000
Building and building improvements	$ 100,000
Equipment	$ 5,000

Purchased and constructed capital assets are valued at cost. Donated assets are recorded at their fair market value at the date of donation.

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements.

Depreciation expense is recorded in the government-wide financial statements, as well as the proprietary funds financial statements. The Authority utilizes the straight-line method over the assets' estimated useful life. No depreciation is recorded for land and land improvements. Generally, the useful lives are as follows:

	Governmental Activities	Proprietary Fund and Business-Type Activities
Building and building improvements	25 years	10 – 40 years
Equipment	7 years	1 – 10 years

g. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of the statement of cash flows – proprietary funds, include all cash and investments with original purchased maturities of three months or less.

h. Inventories

The cost of inventories is recorded as an expenditure when consumed.

1. Organization and Significant Accounting Policies (continued)

i. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

j. HUD Annual Contributions

The Authority receives annual contributions and subsidies from HUD for operating the Authority's housing assistance payment programs and the development and operation of low-income housing projects. The Authority also receives annual subsidies from HUD for housing assistance payments and operating deficits incurred in the operation of the programs. Annual subsidies recorded in the proprietary fund types are recognized as nonoperating revenue when realized and earned and are accounted for in the statement of revenues, expenses and changes in fund net position – proprietary funds as HUD operating subsidy.

k. Vacation

Employees are credited with vacation at a rate of 168 hours per calendar year. Accumulation of such vacation credits is limited to 720 hours at calendar year end and is convertible to pay upon termination of employment. Liabilities for accumulated unpaid vacation are accrued at the end of each accounting period utilizing current salary rates. Such vacation credits are recorded as accrued wages and employee benefits payable in the government-wide and the enterprise funds financial statements at the balance sheet date. Accumulated unpaid vacation estimated to be used or paid during the next year is approximately $670,000.

The change in accumulated unpaid vacation during the year is approximately as follows:

Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013
$2,244,000	$978,000	$1,084,000	$2,138,000

1. Organization and Significant Accounting Policies (continued)

k. Vacation (continued)

As of June 30, 2013, approximately $151,000 and $1,987,000 of the unpaid vacation balance was for government-wide activities and business-type activities, respectively, and is included in accrued expenses in the accompanying statement of net position.

l. Restrictions of Net Positions and Fund Balances

Net positions are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, it is generally the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

The Authority classifies fund balances into specifically defined classifications for governmental fund types. Classifications include the following:

Restricted. Balances that are restricted for specific purposes by external parties such as creditors, grantors or other governments.

Committed. Balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the state legislature. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned. Balances that are constrained by management to be used for specific purposes but are neither restricted nor committed. The general and capital projects fund balances are assigned for continuing appropriations, which are comprised of encumbrances and unencumbered allotment balances. Encumbrances represent outstanding commitments, which generally are liquidated in the subsequent fiscal year. Unencumbered allotment balances represent amounts that have been released and made available for encumbrance or expenditure and are legally segregated for a specific future use.

Unassigned. Residual balances that are not contained in the other classifications.

1. Organization and Significant Accounting Policies (continued)

m. Risk Management

Liabilities related to certain types of losses (including torts, theft of, damage to, or destruction of assets, errors or omissions, natural disasters and injuries to employees) are reported when it is probable that the losses have occurred and the amount of those losses can be reasonably estimated.

n. Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Significant estimates and assumptions include the valuation for accounts receivable and the liability of other post employee benefits. Actual results could differ from those estimates.

o. Recently Adopted/Issued Accounting Pronouncements

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The provisions of this Statement were adopted on July 1, 2012. The adoption of this statement did not result in a material effect on the financial statements.

In March 2012, the GASB issued GASB Statement No. 65 (GASB 65), *Items Previously Reported as Assets and Liabilities*. This Statement reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as revenues and expenses, certain items that were previously reported as assets and liabilities. The provisions of GASB 65 are effective for periods beginning after December 15, 2012. Management is currently assessing the impact of this Statement on its financial position and results of operations and has not determined if the adoption will have a material effect on its financial statements.

1. Organization and Significant Accounting Policies (continued)

o. Recently Adopted/Issued Accounting Pronouncements (continued)

In June 2012, GASB issued Statement No. 68 (GASB 68), *Accounting and Reporting for Pensions (an amendment of GASB Statement No. 27)*. GASB 68 amends the accounting guidance related to employers' accounting for pension plans administered through trusts or similar arrangements and requires the recognition of a liability for the employers' accumulated obligation for pension benefits. GASB 68 also provides additional guidance regarding the recognition of annual costs of pension benefits and revises the disclosure requirements for the notes to the financial statements and required supplementary information. GASB 68 will be effective for the Authority's financial statements for the year ending June 30, 2015. Management is currently assessing the impact of this Statement on its financial position and results of operations and has not determined if the adoption will have a material effect on its financial statements.

In April 2013, the GASB issued Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. The provisions of this Statement are effective for periods beginning after June 15, 2013. Management does not believe the adoption of this Statement will have a material effect on its financial statements.

2. Budgeting and Budgetary Control

The budget of the Authority is a detailed operating plan identifying estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, services and activities to be provided during the fiscal year, (2) the estimated revenues available to finance the operating plan, and (3) the estimated spending requirements of the operating plan. The budget represents a process through which financial policy decisions are made, implemented and controlled. Revenue estimates are provided to the State Legislature at the time of budget consideration and are revised and updated throughout the fiscal year. Amounts reflected as budgeted revenues in the accompanying required supplementary information – budgetary comparison schedule are estimates as compiled by the Authority and reviewed by the Department of Budget and Finance. Budgeted expenditures are derived primarily from acts of the State Legislature and from other authorizations contained in the State Constitution, the Hawaii Revised Statutes and other specific appropriation acts in various Session Laws of Hawaii.

Expenditures of these appropriated funds are made pursuant to the appropriations in the biennial budget as amended by subsequent supplemental appropriations. Budgetary control is maintained at the departmental level. Budget revisions and interdepartmental transfers may be affected with certain executive and legislative branch approvals.

The general fund and certain special revenue funds have legally appropriated annual budgets. The final legally adopted budget in the accompanying required supplementary information – budgetary comparison schedule represent the original appropriations, transfers and other legally authorized legislative and executive changes.

To the extent not expended or encumbered, general fund and special revenue funds appropriations generally lapse at the end of the fiscal year or grant period for which the appropriations were made. The State Legislature or federal government specifies the lapse dates and any other contingencies that may terminate the authorization for other appropriations. Known lapses occurring in the year of appropriation, if any, are included in the amended budgets, and are netted against revenues in the accompanying required supplementary information – budgetary comparison schedule.

A comparison of both the original budget and the final budget to the actual revenues and expenditures of the general and certain special revenue funds are presented in the accompanying required supplementary information – budgetary comparison schedule. Differences between revenues and expenditures reported on the budgetary basis and those reported in accordance with GAAP are mainly due to revenues and expenditures of unbudgeted funds and the different methods used to recognize resource uses. For budgeting purposes, resource uses are recognized when cash disbursements are made or funds are encumbered.

2. Budgeting and Budgetary Control (continued)

For financial statements presented in accordance with GAAP, expenditures are recognized when incurred and encumbrances are not reported as resources used.

A summation of the differences between revenues and expenditures reported on the budgetary basis and those reported in accordance with GAAP for the general and certain special revenue funds for the year ended June 30, 2013 is set forth in the required supplementary information.

3. Cash

The State maintains a cash pool that is available to all funds. The Director of Finance is responsible for the safekeeping of all monies paid into the State Treasury. The Director of Finance may invest any monies of the State, which in the Director's judgment are in excess of the amounts necessary for meeting the immediate requirements of the State. Cash is pooled with funds from other State agencies and departments and deposited with approved financial institutions or invested in the State Treasury Investment Pool. Cash accounts that participate in the investment pool accrue interest based on the average weighted cash balances of each account.

The State requires that the depository banks pledge, as collateral, government securities held in the name of the State for deposits not covered by federal deposit insurance.

At June 30, 2013, total cash, including restricted cash and deposits, reported in the statement of net position is $65,369,667 which consisted of the following:

	Governmental	Business-Type	Total
State pool and petty cash	$ -	$ 12,118,818	$ 12,118,818
Cash in bank (book balance)	3,854,441	49,368,912	53,223,353
	3,854,441	61,487,730	65,342,171
Deposits held in trust	-	27,496	27,496
Total Cash	$ 3,854,441	$ 61,515,226	$ 65,369,667

During 2013, the Authority recorded a valuation gain of approximately $33,000 for its State pool cash balances included in other income. The valuation adjustment relates primarily to the State of Hawaii auction rate securities and is reported in other income (expense) in the accompanying statement of revenues, expenses and changes in net position.

3. Cash (continued)

Bank balance of cash in bank was approximately $57,496,000, of which $750,000 was covered by federal depositary insurance and $56,746,000 by collateral held by the pledging financial institution's trust department or agent in the name of the Authority.

4. Notes Receivable

a. Note Receivable – Housing Revolving Fund

In 1992, the Authority entered into a ground lease agreement with a Hawaii limited partnership (Partnership) with the intent of the Partnership developing a 48-unit low-income rental housing project known as Ke Kumu at Waikoloa, and then subleasing the project and property back to the Authority. In connection with the development of the project, on January 1, 1993, the Authority provided a $426,100 loan to the Partnership. The note receivable was recorded under the Housing Revolving Fund, bore interest at 9% and was collateralized by the property and improvements of the project. The entire payment of principal and unpaid interest was due and payable on January 1, 2009, unless the Authority acquired such building improvements constructed by the developer for a sum equal to the amount owed under this note. During 2009, the Authority agreed with the developer to acquire such building improvements. However, as of June 30, 2012, the legal title transfer had not been executed and the balance of the $426,100 and the related accrued interest receivable balance of approximately $594,410 remained outstanding under the Housing Revolving Fund as of June 30, 2012. In addition, the Authority had also recorded approximately $581,600 and $350,000 of accrued lease rent and related interest on the disputed outstanding lease rent, respectively, under Kekumu at Waikoloa Project included in other enterprise funds.

During 2013, the Authority and the Partnership entered to a Termination and Release of Ground Lease and Sublease; QuitClaim Assignment and a Release of Mortgage agreements, whereby both parties released and forever discharged each other from any and all obligations, claims, or liabilities. As a result of these agreements, the Authority recorded under Housing Revolving Fund $2,565,200 of received improvements and $1,544,700 of excess fair value of assets received over the note receivable balance and related interest receivable to other income. At June 30, 2013, the Authority contributed the improvements of $2,565,200 from Housing Revolving Fund to Kekumu at Waikoloa Project. The Authority also adjusted approximately $931,600 of accrued lease rent and related interest on the disputed outstanding lease rent balance to other income under Kekumu at Waikoloa Project included in other enterprise funds.

4. Notes Receivable (continued)

b. Notes Receivable for Sale of Kuhio Park Terrace Towers – Federal Low Rent Program

On May 1, 2011, the Authority entered into an Acquisitions Financing Agreement (Agreement) to sell, transfer and convey unto a third party the buildings, structures, equipment, machinery, apparatus, fixtures and fittings (Improvements) of the two high rise buildings known as Kuhio Park Terrace Towers (Project), and for the execution of a ground lease for the land underlying the Improvements (Property), as defined in the Agreement. The ground lease annual rent is one dollar ($1) and expires on May 11, 2076, with an option for an additional ten (10) years. The buyer, as defined in the Agreement, is required to redevelop the Project to include 555 units, 347 of which will be operated as public housing. In order to assist the buyer in financing the rehabilitation of the Project, the State of Hawaii, Hawaii Housing and Finance Development Corporation issued revenue bonds in the amount of $66,000,000 for which the proceeds were used to make a mortgage loan to the buyer.

The buyer, pursuant to the Agreement, agreed to pay the Authority an acquisition fee of $4,665,000 in consideration for acquiring the leasehold interest in the Property and $45,000,000 for the Improvements, such that the total purchase price was $49,665,000. Of the total purchase price, $3,162,943 was paid in cash and the remaining balance of $46,502,057 is being financed pursuant to the Agreement by a note. The note, which is secured by a leasehold mortgage and security agreement, matures in May 2051 and accrues interest at the greater of 4.19 percent per annum or the long term annually compounding applicable federal rate. The note is payable from cash flows from the Property in the amounts and priority set forth in the note, provided that the payments due shall not exceed seventy-five percent (75%) of the borrower's surplus cash, as defined in the note. Additionally, the note is subordinate to the rights of certain financing agreements related to the issuance of revenue bonds for the redevelopment of the Project. Any remaining unpaid principal and accrued interest balance is due and payable on the maturity date of the note.

4. Notes Receivable (continued)

b. Notes Receivable for Sale of Kuhio Park Terrace Towers – Federal Low Rent Program (continued)

Additionally, prior to the execution of the ground lease and sale of the Improvements, several planned capital improvements related to the Project had not been completed. As both the Authority and the buyer agreed that the work is necessary, the buyer agreed to complete the work and the Authority agreed to provide the financing. Accordingly, the Authority agreed to loan the buyer up to $3,900,000 from Public Housing Capital Funds and State of Hawaii Capital Improvement Projects Funds. Payment of principal is deferred until the maturity date, whereupon all principal is due, subject to the availability of surplus cash, as defined in the note agreement. The note does not bear interest unless the borrower defaults upon the maturity date of May 2051. As of June 30, 2013, the Authority loaned $3,314,356, to the buyer, which is included in the accompanying statement of net position under the Federal Low Rent Program.

The sale of the Project is being accounted for under the cost recovery method. Under this method, the gain on sale is deferred until the total payments made by the buyer exceed the cost of the Project. However, a portion of the deferred gain is recognized as income to the extent that the deferred gain exceeds the note receivable from the buyer plus the maximum contingent liability to the Authority for other debt on the Project.

As of June 30, 2013, the net note receivable, inclusive of all principal, accrued interest and deferred gain related to the Project, is as follows and reflected under the Federal Low Rent Program statement of net position:

Principal and accrued interest	$ 51,802,341
Deferred gain	(46,985,712)
Net note receivable	$ 4,816,629

5. Capital Assets

Capital assets activity for the year ended June 30, 2013 was as follows:

	July 1, 2012	Increases	Decreases	June 30, 2013
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 2,373,410	$ -	$ -	$ 2,373,410
Construction in progress	-	-		-
Total capital assets not being depreciated	2,373,410	-		2,373,410
Capital assets, being depreciated:				
Building and improvements	15,040,694	-	-	15,040,694
Equipment	1,197,769	-	-	1,197,769
Total capital assets being depreciated	16,238,463	-	-	16,238,463
Less accumulated depreciation for:				
Building and improvements	12,650,080	228,474	-	12,878,554
Equipment	1,178,194	13,742	-	1,191,936
Total accumulated depreciation	13,828,274	242,216	-	14,070,490
Governmental activities, net	$ 4,783,599	$ 242,216	$	$ 4,541,383

	July 1, 2012	Increases	Decreases	June 30, 2013
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 22,966,200	$ -	$ -	$ 22,966,200
Construction in progress	35,664,061	15,269,524	(23,510,536)	27,423,049
Total capital assets not being depreciated	58,630,261	15,269,524	(23,510,536)	50,389,249
Capital assets being depreciated:				
Building and improvements	529,204,025	25,653,728	-	554,857,753
Equipment	8,796,738	464,568	(1,510,941)	7,750,365
Total capital assets being depreciated	538,000,763	26,118,296	(1,510,941)	562,608,118
Less accumulated depreciation for:				
Building and improvements	296,278,749	15,499,103	-	311,777,852
Equipment	8,632,142	29,945	(1,510,941)	7,151,146
Total accumulated depreciation	304,910,891	15,529,048	(1,510,941)	318,928,998
Business-type activities capital assets, net	$ 291,720,133	$ 25,858,772	$ (23,510,536)	$ 294,068,369

5. Capital Assets (continued)

Current-period depreciation expense was charged to function as follows:

Governmental Activity -	
Rental Housing and Assistance Program	$ 242,216
Business-Type Activities:	
Federal Low Rent Program	12,715,747
Housing Revolving Fund	841,076
Housing for Elders Revolving Fund	1,440,125
Central Office Cost Center Fund	15,501
Internal Services	14,233
Others	501,535
Total depreciation expense – business-type activities	15,528,217
Total depreciation expense	$ 15,770,433

At June 30, 2013, capital assets for the proprietary funds consisted of the following:

	Enterprise Funds							
	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
Land	$ 13,093,629	$ 2,252,881	$ 6,104,817	$ -	$ 1,514,873	$ 22,966,200	$ -	$ 22,966,200
Buildings and improvements	454,190,822	29,639,159	56,014,907	42,857	14,970,008	554,857,753	-	554,857,753
Equipment, Furniture and fixtures	5,043,959	252,521	214,676	150,524	-	5,661,680	2,088,685	7,750,365
Construction in Progress	24,385,566	763,380	2,273,540	563	-	27,423,049	-	27,423,049
Less accumulated depreciation	274,247,853	12,354,123	27,076,493	51,300	3,478,688	317,208,457	1,720,541	318,928,998
Net property and Equipment	$ 222,466,123	$ 20,553,818	$ 37,531,447	$ 142,644	$13,006,193	$ 293,700,225	$ 368,144	$294,068,369

6. Commitments and Contingencies

a. Lease Commitments

The Authority leases from the City and County of Honolulu the land upon which its former Banyan Street Manor Project building is situated on, and subleases it to the Project's new owner. The lease is for a term of 55 years beginning May 27, 2011. Lease rent in the amount of $75 was prepaid by the new owner for the entire term of the lease. As part of the sales price of the Project building, reserves and operating funds on May 27, 2011, $75 was allocated for the ground lease interest and other property, as defined in the agreement.

The Authority leases the land upon which its former Wilikina Apartments Project building is situated on to its new owner. The lease is for a term of 65 years beginning May 22, 2012. Lease rent in the amount of $1 was prepaid by the new owner for the entire term of the lease.

b. Construction Contracts

At June 30, 2013, the Federal Low Rent Program fund and the Capital Projects fund had outstanding construction contract commitments to expend approximately $4,079,000 and $20,465,000, respectively, for the construction and renovation of housing projects.

c. Consulting Agreement

In conjunction with the sale of Kuhio Park Terrace Towers (see Note 4), the Authority entered into a consulting agreement with the developer to provide the developer with certain consulting services related to the rehabilitation of the Project. The consulting fee is 19.7 percent of the total development fee charged to the buyer by the developer, or $3,176,488. As part of the initial sale agreement, the buyer is to receive state tax credits which are expected to be paid/released by May 2016. If the buyer, in accordance with terms defined in the sale agreement, determines that unpaid state tax credits should be released, the Authority would be obligated to pay the buyer for these state tax credits up to its portion of the consulting fees earned and received. The Authority would be able to recover amounts paid to the buyer upon payment/release of the previously unpaid tax credits by the State.

In accordance with the consulting agreement, the amount paid to the Authority shall be held in an interest bearing escrow account by an escrow agent mutually agreed upon by the Authority and the buyer until the state tax credit release date, which is estimated to be May 2016. Approximately $806,000 of restricted cash recorded under the Central Officer Center as of June 30, 2013 represents consulting fees earned and received, was subsequently deposited into an approved escrow account.

6. Commitments and Contingencies (continued)

d. Torts

The Authority is involved in various actions, the outcome of which, in the opinion of management and the Attorney General, will not have a material adverse effect on the Authority's financial position except for the OHA and Kuhio Park Terrace lawsuits described below. Losses, if any, are either covered by insurance or will be a liability against the State of Hawaii.

e. Workers' Compensation Policy

The State is self-insured for workers' compensation. Accordingly, the Authority is liable for workers' compensation claims filed by its employees. Liabilities for workers' compensation claims are established if information indicates that it is probable that liabilities have been incurred and the amount of those claims can be reasonably estimated. The basis for estimating the liabilities for unpaid claims include the effects of specific incremental claim adjustment expenses, salvage and subrogation, and other allocated or unallocated claim adjustment expenses. These liabilities include an amount for claims that have been incurred but not reported. As of June 30, 2013, the Authority has determined there is not a significant liability for workers' compensation claims.

f. Accumulated Sick Leave Pay

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limitation. It may be taken only in the event of illness and is not convertible to pay upon termination of employment. However, a State employee who retires or leaves government service in good standing with 60 days or more of unused sick leave is entitled to additional service credit in the Employees' Retirement System of the State of Hawaii (ERS). Accumulated sick leave at June 30, 2013 amounted to approximately $4,188,000.

g. Deferred Compensation Plan

In 1984, the State established a deferred compensation plan, which enables State employees to defer a portion of their compensation. The State Department of Human Resources Development has the fiduciary responsibility of administering the plan. Deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

6. Commitments and Contingencies (continued)

h. Litigation

OHA v. HHA et al., Civil No. 95-2682-07 (First Circuit)

The lands transferred to the United States by the Republic of Hawaii at Hawaii's annexation to the United States in 1898 are commonly referred to as the ceded lands. Upon Hawaii's admission to the Union in 1959, title to ceded lands still held by the United States and to lands, which the United States acquired, by exchange for ceded lands after 1898 was conveyed by the United States to the State of Hawaii. Section 5 of the Admission Act expressly provided that those lands were to be held by the State as a public trust. Certain rental housing projects of the Authority are situated on parcels of land, which are to be held by the State as a public trust under Section 5.

In 1979, the State legislature (the "Legislature") adopted HRS Chapter 10 ("Chapter 10,"), which, as amended in 1980, specified, among other things, that OHA expend 20 percent of all funds derived by the State from the Ceded Lands for the betterment of Native Hawaiians.

In 1987, in Trustees of the Office of Hawaiian Affairs v. Yamasaki, 69 Haw. 154 (1987) ("Yamasaki"), the Hawaii Supreme Court concluded that Chapter 10 was insufficiently clear regarding the amount of monies OHA was entitled to receive from the public trust lands.

In 1990, in response to Yamasaki, the Legislature adopted Act 304, Session Laws of Hawaii 1990, which (i) defined "public land trust" and "revenue," (ii) reiterated that 20 percent of the now defined "revenue" derived from the "public land trust" was to be expended by OHA for the betterment of native Hawaiians, and (iii) established a process for OHA and the Director of Finance of the State jointly to determine the amount of monies which the State would pay OHA to retroactively settle all of OHA's claims for the period June 16, 1980 through June 30, 1991. Since fiscal year 1992 and until the first quarter of fiscal year 2002, the State, through its departments and agencies paid 20 percent of "revenues" to OHA on a quarterly basis.

6. Commitments and Contingencies (continued)

h. Litigation (continued)

OHA v. HHA et al., Civil No. 95-2682-07 (First Circuit) (continued)

In 1995, OHA filed suit against the State to secure additional compensation and an itemized accounting of the sums previously paid to OHA for five specifically identified parcels of Ceded Lands which were transferred to the Hawaii Housing Authority for its use to develop, construct and manage additional affordable public rental housing units under HRS Chapter 201G. On January 11, 2000, all proceedings in this suit were stayed pending the Hawaii Supreme Court's decision in the State's appeal in OHA I. OHA disagrees that the repeal and revival of the pre-Yamasaki law by the Hawaii Supreme Court's September 12, 2001, decision in OHA I should also require dismissal of the claims OHA makes in *OHA v. HHA*, and the case remains pending.

The State intends to defend vigorously against all of OHA's claims. It is currently unable to predict with reasonable certainty the magnitude of its potential liability, if any, for such claims. Resolution of all of OHA's claims in OHA's favor could have a material adverse effect on the State's financial condition.

Fetu Kolio, et al. v. State of Hawaii, et al., Civil No. 11-00266 LEK-RLP (USDC) & Civil No. 11-1-0795-04 GWBC (1st Cir.)

On April 21, 2011, the plaintiffs filed two lawsuits in federal and state courts. The plaintiffs are residents of the Mayor Wright Homes, a 364 public housing project built in 1953 and financed by HUD. In the federal action, the plaintiffs seek declaratory and injunctive relief and damages for alleged violations of the ADA, the Rehabilitation Act, and the Fair Housing Amendments. The plaintiffs' state court complaint alleges causes of action for breach of implied warranty of habitability and breach of lease, and alleges lack of hot water, vermin infestation, and inadequate security. The plaintiffs were denied Class Action Certification in both the State and Federal cases in September 2012.

As of June 30, 2013, the USDC case has been settled with the plaintiffs for $20,000. The settlement will be requested from general funds from the 2014 Hawaii State Legislature. The State case is ongoing.

6. Commitments and Contingencies (continued)

h. Litigation (continued)

Steven Rodrigues v. Corbit Ahn, et al., Civil No 10-1-1411-06 (1st Cir.)

In August 2009, Iris Rodrigues-Kaikana was murdered by Corbit Ahn at the Kamehameha Homes in Kalihi. Kamehameha Homes ("KH") is operated by the Hawaii Public Housing Authority (which is adminitratively attached to DHS). Neither Iris, who was 18 years old, or Ahn were residents at KH. Both may have visited residents of KH on the evening of the murder, although this has not been confirmed. The Complaint alleges, among other things, that the State: failed to secure, to properly monitor and light the premises; "encouraged hoodlums like Defendant Ahn to enter the premises"; removed gates to keep "gangsters" out; "allowed sexual predators onto the premises"; and refused to enforce a curfew for hoodlums.

Defendant Ahn was criminally convicted of murder in July 2012. He is appealing his conviction, and he was granted a Motion to Stay his civil action in October 2012 until his criminal appeal is resolved.

The State intends to vigorously defend this case and plans to file a dispositive motion after discovery has been completed.

7. Retirement Plan

a. Plan Description

All eligible employees of the State and Counties are required by Chapter 88 of the Hawaii Revised Statutes to become members of the Employees' Retirement System of the State of Hawaii (ERS), a cost-sharing multiple-employer public employee retirement plan. The ERS provides retirement benefits as well as death and disability benefits. The ERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for ERS. That report may be obtained from ERS.

7. Retirement Plan (continued)

a. Plan Description (continued)

The ERS consists of a contributory plan and a noncontributory plan. Employees covered by Social Security on June 30, 1984 were given the option of joining the noncontributory plan or remaining in the contributory plan. All new employees hired after June 30, 1984, who are covered by Social Security, are generally required to join the noncontributory plan. Both plans provide a monthly retirement allowance based on the employee's age, years of credited service, and average final compensation (AFC). The AFC is the average salary earned during the five highest paid years of service, including the vacation payment, if the employee became a member prior to January 1, 1971. The AFC for members hired on or after this date is based on the three highest paid years of service excluding the vacation payment. All benefits vest after five and ten years of credited service for the contributory and noncontributory plans, respectively. All contributions, benefits and eligibility requirements are governed by Chapter 88.

On July 1, 2006, a new hybrid contributory plan became effective pursuant to Act 179, SLH of 2004. Members in the hybrid plan are eligible for retirement at age 62 with 5 years of credited services or age 55 and 30 years of credit service. Members will receive a benefit multiplier of 2% for each year of credited service in the hybrid plan. The benefit payment options are similar to the current contributory plan. Almost 58,000 current members, all members of the noncontributory plan and certain members of the contributory plan are eligible to join the new hybrid plan. Most of the new employees hired from July 1, 2006 are required to join the new hybrid plan.

b. Funding Policy

Most covered employees of the contributory plan are required to contribute 7.8 percent of their salary. Police officers, firefighters, investigators of the department of the prosecuting attorney and the attorney general, narcotics enforcement investigators, and public safety investigators are required to contribute 12.2 percent of their salary. The actuarial cost or funding method used to calculate the total employer contribution required is the entry age normal actuarial cost method. Effective July 1, 2005, employer contribution rates are a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liability.

The Authority's contributions requirements as of June 30, 2013, 2012 and 2011 were approximately $1,789,000, $1,571,000, and $1,537,000, respectively.

8. Other Post Retirement Employee Benefits

The Authority contributes to the Employers Union Trust Fund (EUTF), an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003, pursuant to Act 88, SLH of 2001. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees, and their dependents. The eligibility requirements for retiree health benefits are as follows:

For employees hired before July 1, 1996, the Authority pays the entire base monthly contribution for employees retiring with 10 years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with at less than 10 years of service, the Authority makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the Authority pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the Authority pays 75% of the base monthly contribution. For those employees retiring with at least 25 years of service, the Authority pays 100% of the base monthly contribution. Retirees in this category can elect family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less than 10 years of service, the Authority makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the Authority pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service the Authority pays 75% of the base monthly contribution. For those employees retiring with at least 25 years of service, the Authority pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

Annual OPEB Cost and Net OPEB Obligation

It is the State's policy that measurement of the actuarial valuation and the annual required contribution (ARC) for postretirement healthcare and life are made for the state as a whole and are not separately computed for the individual state departments and agencies such as the Authority. The state allocates the ARC to the various departments and agencies based upon a systematic methodology. The Authority's contribution for the year ended June 30, 2013, was approximately $1,176,000, which represented 27% of the Authority's share of the ARC for postretirement healthcare and life insurance benefits of approximately $4,301,000. The Authority's contribution for the years ended June 30, 2012 and 2011 were approximately $834,000 and $737,000, respectively.

8. Other Post Retirement Employee Benefits (continued)

The following is a summary of changes in postretirement liability during the fiscal year ended June 30, 2013:

Balance at June 30, 2012	$ 9,289,299
Additions	4,301,427
Deletions	(1,176,006)
Balance at June 30, 2013	$ 12,414,720

As of June 30, 2013, the postretirement liability balance of approximately $12,415,000 was included in long-term accrued expenses under the Central Office Cost Center Fund.

The State's Comprehensive Annual Financial Report includes the required footnote disclosure and required supplementary information on the State's OPEB benefit plans.

9. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2013 is as follows:

Current Due from	Housing Choice Voucher	Section 8 Contract Admin	Federal Low-Rent Program	Central Office Cost Center Fund	Internal Services Fund	Non-major Enterprise
General Fund	$ -	$ -	$ -	$ -	$ -	$ 97,464
Federal Low-Rent Program	-	-	-	3,563,793	-	-
Housing Revolving Fund	-	-	-	36,964	-	307,865
Housing for Elders Revolving Fund	-	-	-	78,224	-	132,572
Central Office Cost Center	-	-	-	-	9,185	19,965
Nonmajor – Enterprise	213,450	126,337	1,988,375	6,167,329	102	147,823
Total	$ 213,450	$ 126,337	$ 1,988,375	$ 9,846,310	$ 9,287	$ 705,689

Noncurrent Due to	General	Housing Choice Voucher	Federal Low-Rent Program	Housing Revolving Fund
Central Office Cost Center	$ 17,732	$ 220,062	$ 6,174,685	$ 518,508

The current interfund receivable and payable balances are due to interfund services provided or reimbursable expenditures and payments between funds. The non-current balance represents the respective fund's share of the Authority's OPEB liability recorded under the Central Office Cost Center Fund as of year-end.

10. Net Transfers

The composition of net transfer balances reflected in the financial statements as of June 30, 2013 is as follows:

Transfer From	Federal Low Rent Program	Housing Revolving Fund	Housing For Elders Revolving Fund	Central Office Cost Center Fund	Non-Major Enterprise Funds
General Fund	$ 1,565,618	$ 383,613	$ 1,462,346	$ 151,420	$ 179,522
Capital Projects	612,598	672	39,418	2,236,957	-
Section 8 Contract Administration	-	-	-	-	177,774
Housing Elders Revolving Fund	-	-	-	266,760	-
Central Office Cost Center	1,049,782	-	-	-	-
Total	$ 3,227,998	$ 384,285	$ 1,501,764	$ 2,655,137	$ 357,296

The following describes the transfers noted above:

General Fund: The General Fund expended approximately $3,742,000 from the current year annual State of Hawaii appropriations to pay for rental housing service shortfalls under certain enterprise funds.

Section 8 Contract: The Section 8 Contract expended approximately $178,000 to pay for Non-Major Enterprise service shortfalls.

Capital Projects: The Capital Projects Fund expended approximately $2,890,000 from the current year annual State of Hawaii appropriations to primarily pay for capital improvement administrative expenses and rental housing service repairs and maintenance under certain enterprise funds.

Central Office Cost Center: The Central Office Cost Center expended approximately $1,050,000 to pay for repairs and maintenance for certain enterprise funds.

Housing for Elders Revolving Fund: The Housing for Elders Revolving Fund expended approximately $267,000 to pay for administrative expenses under the Central Office Cost Center fund.

11. Capital Contributions

During 2013, the Capital Projects Fund expended approximately $7,843,000 from the current year annual State of Hawaii appropriations to pay for capital outlays that were contributed to enterprise funds. The Housing Revolving Fund contributed approximately $2,565,000 of capital improvements to Kekumu at Waikoloa Project under other enterprise funds (see Note 4). The composition of capital contribution balances reflected in the financial statements as of June 30, 2013 is as follows:

Contributed From	Federal Low Rent Program	Housing Revolving Fund	Housing For Elders Revolving Fund	Central Office Cost Center	Non-Major Enterprise Funds	Total
Capital Projects Fund	$ 6,833,181	$ 644,279	$ 206,317	$ 77,717	$ -	$ 7,761,494
Housing Revolving Fund	-	-	-	-	2,565,200	2,565,200
Total	$ 6,833,181	$ 644,279	$ 206,317	$ 77,717	$ 2,565,200	$ 10,326,694

Required Supplementary Information
Other Than Management's Discussion and Analysis

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2013

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 5,087,603	$ 5,087,603	$ 5,087,603
Expenditures -			
Rental housing and assistance program	5,087,603	5,087,603	4,827,015
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 260,588

	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	$ 24,305,739	$ 24,305,739	$ 24,299,861
Expenditures -			
Rental housing and assistance program	24,305,739	24,305,739	26,459,840
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ -	$ -	$ (2,159,979)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS (continued)

Year ended June 30, 2013

	Section 8 Contract Administration		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	$ 25,551,741	$ 25,551,741	$ 25,551,741
Expenditures -			
Rental housing and assistance program	25,551,741	25,551,741	25,330,525
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 221,216

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
BUDGET-TO-GAAP RECONCILIATION

Year ended June 30, 2013

	General Fund	Housing Choice Voucher Program	Section 8 Contract Administration
Excess (deficiency) of revenues over (under) expenditures and other sources and uses - actual on budgetary basis	$ 260,588	$ (2,159,979)	$ 221,216
Reserve for encumbrance at year end*	1,299,440	-	-
Expenditures for liquidation of prior year's encumbrances	(874,861)	-	-
Reversion of prior year's allotments	(260,588)	-	-
Accrual adjustments, operating transfers and other	(277,865)	1,058,725	(223,602)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES - US GAAP BASIS	$ 146,714	$ (1,101,254)	$ (2,386)

* Amount reflects the encumbrance balance included in continuing appropriation.

See accompanying independent auditor's report

Supplementary Information

Hawaii Public Housing Authority

COMBINING STATEMENT OF NET POSITION – NONMAJOR OTHER ENTERPRISE FUNDS

June 30, 2013

ASSETS	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Current Assets:						
Cash	$ 13,433	$ 457,201	$ 182,025	$ 8,207,781	$ 13,541	$ 8,873,981
Tenant receivables, less allowance for doubtful accounts	-	-	4,172	-	-	4,172
Other	-	-	-	23,820	-	23,820
Due from other funds	14,863	5,102	-	685,724	-	705,689
Due from other state agencies	-	-	-	31,743	-	31,743
Deposits held in trust	-	-	27,496	-	-	27,496
Total current assets	28,296	462,303	213,693	8,949,068	13,541	9,666,901
Capital Assets, less accumulated depreciaiton	-	1,514,873	2,559,856	-	8,931,464	13,006,193
Total assets	$ 28,296	$ 1,977,176	$ 2,773,549	$ 8,949,068	$ 8,945,005	$ 22,673,094

See accompanying independent auditor's report.

COMBINING STATEMENT OF NET POSITION – NONMAJOR OTHER ENTERPRISE FUNDS (continued)

June 30, 2013

LIABILITIES AND NET POSITION	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Current Liabilities:						
Accounts payable	$ -	$ -	$ 4,875	$ 19,492	$ -	$ 24,367
Accrued expenses - other	-	-	-	111	95,998	96,109
Due to other funds	29,145	95,665	158,467	8,360,139	-	8,643,416
Due to State of Hawaii	-	-	-	571,402	-	571,402
Security deposits	-	-	26,884	-	11,109	37,993
Total current liabilities	29,145	95,665	190,226	8,951,144	107,107	9,373,287
Net Position:						
Invested in capital assets, net of related debt	-	1,514,873	2,559,856	-	8,931,464	13,006,193
Unrestricted	(849)	366,638	23,467	(2,076)	(93,566)	293,614
Total net position	(849)	1,881,511	2,583,323	(2,076)	8,837,898	13,299,807
Total liabilities and net position	$ 28,296	$ 1,977,176	$ 2,773,549	$ 8,949,068	$ 8,945,005	$ 22,673,094

See accompanying independent auditor's report.

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Hawaii Public Housing Authority

COMBINING STATEMENT OF REVENUES AND EXPENSES – NONMAJOR OTHER ENTERPRISE FUNDS

Year ended June 30, 2013

	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Operating Revenues:						
Rental	$ -	$ -	$ 335,803	$ -	$ 465,285	$ 801,088
Other	-	-	78	-	-	78
Total operating revenues	-	-	335,881	-	465,285	801,166
Operating Expenses:						
Depreciation	-	-	5,343	-	496,192	501,535
Administration	-	12,235	191,786	-	375,756	579,777
Recovery of losses	-	-	-	-	(45,517)	(45,517)
Professional services	849	19,328	5,123	-	3,379	28,679
Insurance	-	2,824	-	-	607	3,431
Repairs and maintenance	-	1,050	74,743	-	56,733	132,526
Utilities	-	13,805	104,518	-	305,316	423,639
Total operating expenses	849	49,242	381,513	-	1,192,466	1,624,070
Operating loss	(849)	(49,242)	(45,632)	-	(727,181)	(822,904)
Nonoperating Revenue:						
Other income	-	-	931,594	-	7	931,601
Net nonoperating revenue	-	-	931,594	-	7	931,601
(Loss) income before transfers	(849)	(49,242)	885,962	-	(727,174)	108,697
Capital Contributions	-	-	2,565,200	-	-	2,565,200
Net Transfers	-	-	177,774	-	179,522	357,296
Change in net position	$ (849)	$ (49,242)	$ 3,628,936	$ -	$ (547,652)	$ 3,031,193

See accompanying independent auditor's report.

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Hawaii Public Housing Authority

COMBINING STATEMENT OF CHANGES IN NET POSITION – NONMAJOR OTHER ENTERPRISE FUNDS

Year ended June 30, 2013

	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Net Position at July 1, 2012	$ -	$ 1,930,753	$ (1,045,613)	$ (2,076)	$ 9,385,550	$ 10,268,614
Change in Net Position	(849)	(49,242)	3,628,936	-	(547,652)	3,031,193
Net Position at June 30, 2013	$ (849)	$ 1,881,511	$ 2,583,323	$ (2,076)	$ 8,837,898	$ 13,299,807

See accompanying independent auditor's report.

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Hawaii Public Housing Authority

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR OTHER ENTERPRISE FUNDS

Year ended June 30, 2013

	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Cash Flows from Operating Activities:						
Cash received from renters	$ -	$ -	$ 336,860	$ -	$ 512,762	$ 849,622
Cash payments to suppliers	(849)	(116,751)	(376,170)	-	(724,039)	(1,217,809)
Cash receipts from (payments to) other funds	849	(4,492)	184,254	5,134,407	224,818	5,539,836
Other	-	-	78	(122,809)	-	(122,731)
Net cash (used in) provided by operating activities	-	(121,243)	145,022	5,011,598	13,541	5,048,918
Cash Flows from Noncapital Financing Activities:						
Receipts from HUD	-	46,461	-	-	-	46,461
Net cash provided by noncapital financing activities	-	46,461	-	-	-	46,461
Net (decrease) increase in cash	-	(74,782)	145,022	5,011,598	13,541	5,095,379
Cash at July 1, 2012	13,433	531,983	37,003	3,196,183	-	3,778,602
Cash at June 30, 2013	$ 13,433	$ 457,201	$ 182,025	$ 8,207,781	$ 13,541	$ 8,873,981

See accompanying independent auditor's report.

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Hawaii Public Housing Authority

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR OTHER ENTERPRISE FUNDS (continued)

Year ended June 30, 2013

	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Cash Flows from Operating Activities:						
Reconciliation of operating loss to net cash (used in) provided by operating activities:						
Operating loss	$ (849)	$ (49,242)	$ (45,632)	$ -	$ (727,181)	$ (822,904)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:						
Depreciation	-	-	5,343	-	496,192	501,535
Recovery of losses	-	-	-	-	(45,517)	(45,517)
Changes in assets and liabilities:						
Tenant receivables	-	-	-	-	47,477	47,477
Due from other funds	-	168	-	380,497	224,818	605,483
Due from other state agencies	-	-	-	(3,038)	-	(3,038)
Other receivables	-	-	-	(23,820)	-	(23,820)
Deposits held in trust	-	-	(849)	-	-	(849)
Accounts payable	-	(67,509)	-	(95,951)	-	(163,460)
Other accrued expenses	-	-	-	2	17,752	17,754
Due to other funds	849	(4,660)	184,254	4,753,908	-	4,934,351
Security deposits	-	-	1,906	-	-	1,906
Net cash (used in) provided by operating activities	$ -	$ (121,243)	$ 145,022	$ 5,011,598	$ 13,541	$ 5,048,918

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS

June 30, 2013

ASSETS	Equipment Rental	Vehicle Rental	Total
Current Assets:			
Cash	$ 726,756	$ 250,658	$ 977,414
Accrued interest receivable	154	101	255
Other receivable	-	1,072	1,072
Due from other funds	1,328	7,959	9,287
Total current assets	728,238	259,790	988,028
Capital Assets, less accumulated depreciation	41,194	326,950	368,144
Total assets	$ 769,432	$ 586,740	$ 1,356,172
LIABILITIES AND NET POSITION			
Net Position:			
Invested in capital assets	41,194	326,950	368,144
Unrestricted	728,238	259,790	988,028
Total net position	769,432	586,740	1,356,172
Total liabilities and net position	$ 769,432	$ 586,740	$ 1,356,172

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS

Year ended June 30, 2013

	Equipment Rental	Vehicle Rental	Total
Operating Revenue - Rental	$ 3,620	$ 12,160	$ 15,780
Operating Expenses:			
Administration	58	-	58
Professional services	1,245	1,599	2,844
Depreciation	3,170	11,063	14,233
Total operating expenses	4,473	12,662	17,135
Operating loss	(853)	(502)	(1,355)
Nonoperating Revenue -			
Interest Income	2,380	1,593	3,973
Change in net position	1,527	1,091	2,618
Net Position at July 1, 2012	767,905	585,649	1,353,554
Net Position at June 30, 2013	$ 769,432	$ 586,740	$ 1,356,172

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

Year Ended June 30, 2013

	Equipment Rental	Vehicle Rental	Total
Cash Flows from Operating Activities:			
Cash receipts from other funds	$ 3,234	$ 4,201	$ 7,435
Other cash payments	(1,303)	(3,697)	(5,000)
Net cash provided by operating activities	1,931	504	2,435
Cash Flows from Capital and Related Financing Activity:			
Payments for acquisition of property and equipment	(42,250)	(338,013)	(380,263)
Net cash used in capital and related financing activity	(42,250)	(338,013)	(380,263)
Cash Flows From Investing Activity -			
Receipts of Interest	2,466	1,622	4,088
Net cash provided by investing activity	2,466	1,622	4,088
Net decrease in cash	(37,853)	(335,887)	(373,740)
Cash at July 1, 2012	764,609	586,545	1,351,154
Cash at June 30, 2013	$726,756	$250,658	$ 977,414

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS (continued)

Year Ended June 30, 2013

	Equipment Rental	Vehicle Rental	Total
Cash Flows from Operating Activities:			
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	$ (853)	$ (502)	$ (1,355)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	3,170	11,063	14,233
Changes in assets and liabilities:			
Other receivable	-	(1,071)	(1,071)
Due from other funds	(386)	(7,959)	(8,345)
Due to other funds	-	(1,027)	(1,027)
Net cash provided by operating activities	$ 1,931	$ 504	$ 2,435

See accompanying independent auditor's report.

Hawaii Public Housing Authority

RECONCILIATION OF CASH

June 30, 2013

The Authority's cash consists of the following as of June 30, 2013:

Equity in State Treasury investment pool - Gov't Wide	$	12,118,818
Cash in banks		53,223,353
Deposits held in trust		27,496
	$	65,369,667

Total cash is in agreement with the State Comptroller's central accounting records as of June 30, 2013, as reconciled below:

	Appropriation symbol		June 30, 2013
Cash in State Treasury			
Special Funds	S-05-337-K	$	20,592
	S-07-337-K		60,200
	S-08-337-K		10,433
	S-09-337-K		111,502
	S-10-337-K		109,606
	S-11-337-K		7,143
	S-12-337-K		169
	S-13-337-K		2,059,351
	S-05-308-K		70
	S-07-308-K		1,357
	S-09-308-K		2,672
	S-10-308-K		20,534
	S-08-304-K		89,005
	S-13-308-K		551,675
	S-07-332-K		9,510
	S-13-332-K		7,852,052
	S-12-335-K		252,309
	S-12-336-K		728,910
Trust Funds	T-11-913-K		353
	T-12-913-K		32,169
Total cash held in State Treasury as reported by State Comptrollers accounting records carried forward			11,919,612

See accompanying independent auditor's report.

Hawaii Public Housing Authority

RECONCILIATION OF CASH (continued)

June 30, 2013

	Appropriation symbol	June 30, 2013
Subtotal brought forward		11,919,612
Reconciling items:		
Deposit in Transit not recorded by DAGS		210,308
State Treasury Investment Pool Write-down		(11,102)
		199,206
Cash held outside State Treasury:		
Cash in bank		53,223,353
Deposits held in trust		27,496
		53,250,849
Cash on statement of net assets, including Fiduciary Fund		$ 65,369,667

See accompanying independent auditor's report.

Hawaii Public Housing Authority
Summary of Capital Projects
Report As Of 01/31/14

FEDERAL BUDGET/OBLIGATION: Capital Fund Program (CFP) (Operations, Admin, Mgt Improv)

	Total CFP Appropriation	Budget Construction Activities (BLI 1411-1501)	Budget Operations (BLI 1406)	Budget Management Improvements (BLI 1408)	Budget Administration (BLI 1410)	Budget Contingency (BLI 1502)	CFP Obligated	% Obligated	Balance	Obligation Deadline	Notes
CFP 719	$12,526,177	$8,569,161	$2,416,486	$54,497	$1,252,617	$233,416	$12,237,807	97.70%	$288,370	4/14/12	Fully Obligated. LOCCS created 09-12-09
CFP 720	$12,389,235	$8,622,676	$2,477,847	$249,788	$1,038,924		$12,060,498	97.35%	$328,737	7/14/12	Fully Obligated. LOCCS created 06-23-10
CFP 721	$10,301,898	$7,103,340	$2,060,380	$107,988	$1,030,190		$9,768,565	94.82%	$533,333	8/2/13	Fully Obligated. LOCCS created 07-13-11
CFP 722	$9,454,397	$6,855,432	$1,500,880	$150,000	$945,440	$4,646	$3,230,344	34.17%	$6,224,054	3/11/14	LOCCS created 03-12-12
CFP 723	$9,066,970	$7,816,855	$193,418	$150,000	$906,697		$0	0.00%	$9,066,970	9/8/15	LOCCS created 08-09-13
CFP Budget Totals	**$57,285,440**	**$39,544,357**	**$10,978,340**	**$998,138**	**$5,528,543**	**$238,062**	**$49,910,947**	**87%**	**$7,374,493**		

FEDERAL EXPENDITURE: Capital Fund Program (CFP) (Operations, Admin, Mgt Improv)

	Total CFP Appropriation	Expended Construction Activities (BLI 1411-1501)	Expended Operations (BLI 1406)	Expended Management Improvements (BLI 1408)	Expended Administration (BLI 1410)	Expended Contingency (BLI 1502)	Expended to Date Total Funds	% Expended	Balance	Expenditure Deadline	Notes
CFP 719	$12,526,177	$8,141,507	$2,416,486	$54,497	$1,249,723	$0	$11,862,213	94.70%	$663,964	4/14/14	LOCCS created 09-12-09
CFP 720	$12,389,235	$7,000,494	$1,238,924	$177,742	$1,038,924	$0	$9,456,083	76.32%	$2,933,152	7/14/14	LOCCS created 06-23-10
CFP 721	$10,301,898	$4,855,803	$0	$35,805	$0	$0	$4,891,609	47.48%	$5,410,289	8/2/15	LOCCS created 07-13-11
CFP 722	$9,454,397	$256,253	$0	$1,483	$0	$0	$257,735	2.73%	$9,196,662	3/11/16	LOCCS created 03-12-12
CFP 723	$9,066,970	$0	$0	$0	$0	$0	$0	0.00%	$9,066,970	9/8/17	LOCCS created 08-09-13
CFP Expenditure Totals	**$57,285,440**	**$28,647,806**	**$6,178,156**	**$705,392**	**$3,550,020**	**$0**	**$39,081,374**	**68.22%**	**$18,204,066**		

STATE: Capital Improvement Program (CIP)

	State GO Bond Appropriation	HPHA Budget	HPHA Encumbered	HPHA Expended	HPHA % Expended Against Budget	HPHA Budget Balance	CIP Encumbrance Deadline	Notes	ACT/SLH
FY 07-08 Elevator	$4,939,503	$4,591,697	$4,591,697	4,179,058	91.01%	$412,639	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 07-08 Lump Sum CIP	$19,910,000	$17,809,280	$15,802,595	14,516,938	81.51%	$3,292,342	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 08-09 Elevator	$6,410,000	$4,263,049	$4,263,049	3,171,837	74.40%	$1,091,212	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 08-09 Lump Sum CIP	$10,000,000	$3,374,706	$3,374,706	2,394,289	70.95%	$980,417	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 09-10 Lump Sum CIP	$7,913,000	$7,898,571	$7,882,201	7,204,404	91.21%	$694,167	6/30/12	Allotment Granted - Blanket Encumbrance (1)	ACT 162/2009 as amended by ACT 180/2010
FY 10-11 Lump Sum CIP	$4,500,000	$4,384,799	$4,270,004	3,602,799	82.17%	$782,000	6/30/12	Allotment Granted - Blanket Encumbrance (1)	ACT 162/2009 as amended by ACT 180/2010
FY 11-12 CIP Totals	$31,120,000	$28,827,325	$11,764,232	4,066,242	14.11%	$24,761,083	6/30/14	Allotment Granted	ACT 164/2011 as amended by ACT 106/2012
FY 12-13 CIP Totals	$60,222,000	$60,222,000	$15,247,522	6,429,767	10.68%	$53,792,233	6/30/14	Allotment Granted	ACT 164/2011 as amended by ACT 106/2012
FY 13-14 Lump Sum CIP	$45,643,000	$45,643,000	$1,562,569	0	0.00%	$45,643,000	6/30/16	Allotment Granted	ACT 134/2013 as amended by ACT 106/2012
FY 14-15 Lump Sum CIP	$0	$0	$0	0	#DIV/0!	$0	6/30/16		ACT 134/2013
STATE CIP TOTALS	**$145,014,503**	**$131,371,427**	**$67,196,007**	**$45,565,333**		**$85,806,094**			

KEY

1411 - Audit Costs
1430 - Fees & Costs
1450 - Site Improvement
1460 - Dwelling Structures
1465 - Dwelling Equipment
1470 - Non-Dwelling Structures
1499 - Development Activities
1501 - Collateralization or Debt Service Paid by PHA
1502 - Budget Contingency

Federal Capital Fund Program Budget
These are HPHA CFP budget numbers a/o the upper left corner date. The rows reflect the CFP fund grant, the columns represent the manner in which the funds are currently budgeted. The obligation deadline indicates the date by which these funds must be at least 92% obligated.

Federal Capital Fund Program Actual
These are HPHA CFP actual expenditures a/o the upper left corner date. The rows reflect the CFP fund grant, the columns represent the manner in which these funds are currently being expended. The expenditure deadline indicates the date by which these funds must be expended.

State Capital Improvement Program Budget and Expenditure
These are HPHA CIP budget and actual expenditures a/o the upper left corner date. The rows reflect the CIP fund appropriation, the columns represent budget, encumbrance and expenditures. The encumbrance deadline indicates the date by which the funds must be encumbered.