

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

**March 19, 2015
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting Minutes, January 15, 2015 (**Pages 1 – 11**)
- B. Executive Session Minutes, August 21, 2014 (not for public release)
- C. Executive Session Minutes, October 28, 2014 (not for public release)
- D. Executive Session Minutes, January 15, 2015 (not for public release)

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 Mark Nishino to the Maui Eviction Board for a Two-Year Term Expiring on February 2017 and to Reappoint Douglas Kaya to the Oahu Eviction Board for an additional Two-Year Term Expiring on March 2017 (**Pages 12 – 16**)
- B. Motion: To Approve the Updated Utility Allowance Rates for April 1, 2015 to May 31, 2016 for the Section 8 Housing Choice Voucher Program and to Authorize the Executive Director to Accept Comments on the Updated Utility Rates as Required (**Pages 17 – 100**)
- C. Motion: To Accept the Hawaii Public Housing Authority's Single Audit Testing on Internal Controls and Compliance for Fiscal Year July 1, 2013 Ending June 30, 2014 and to Authorize the Executive Director to Submit the Audit and Management Responses to the Federal Audit

Clearinghouse and U.S. Department of Housing and Urban Development as Required (**Pages 101 – 202**)

- D. Motion: To Select a Name for the Proposed Nonprofit Corporation or Delegate Authority to the Executive Director to Select a Name for the Proposed Nonprofit Corporation (**Pages 203 – 205**)

V. REPORTS

- A. Executive Director's Report Highlights: (**Pages 206 – 255**)
- Property Management and Maintenance Services Branch
 - Occupancy and Rent Collection Status
 - Mixed finance private public partnership developments
 - Section 8 Lease up Status and Program Activity
 - Design and Construction Project Updates
 - Contracts Executed During January 2015
 - Request for Appointment of Board Finance Task Force to Review HPHA's Proposed Operating Budget for FY 2015-2016

VI. FOR DISCUSSION

- A. Jeanne A. Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03) (**Page 266**)

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 on any item listed above. 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, JANUARY 15, 2015
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, January 15, 2015 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, Vice Chairperson
Director Myoung Oh, Secretary
Director Julie Black-Caspillo
Director Morgan Kaya
Director Sheri Tanaka
Director Rachael Wong and DHS Designee Pankaj Bhanot

Deputy Attorney General, John Wong

EXCUSED: Director Gilbert De Motta

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Chong Gu, Chief Financial Management Advisor
Kiriko Oishi, Chief Compliance Officer
Dawn Takeuchi Apuna, Chief Planner
Rick Sogawa, Procurement Officer
Joanna Renken, Acting Public Housing Supervisor VI
Becky Choi, State Housing Development Administrator
Stephanie Fo, Section 8 Subsidy Programs Branch Chief
Renee Blondin-Nip, Hearings Officer
Gary Nakatsu, Data Processing Supervisor
Shirley Befitel, Personnel Officer
Clarence Allen, Fiscal Officer
Rochelle Akamine, Resident Services Program Specialist
Taryn Chikamori, Secretary to the Board

OTHERS PRESENT (and signing in as):
Andrew Nakoa, Mayor Wright Homes resident

Proceedings:

Chairperson Gierlach declared a quorum present.

Chairperson Gierlach introduced Rachael Wong, Director of the Department of Human Services Director as the newest member of the Hawaii Public Housing Authority's Board of Directors.

Executive Director Hakim Ouansafi introduced Pankaj Bhanot, Deputy Director of the Department of Human Services, who will serve as Director Wong's designee in her absence.

Approval of Minutes:

Director Kaya moved,

To approve the Regular Meeting Minutes of November 20, 2014 and Special Meeting Minutes of November 24, 2014.

The minutes were unanimously approved.

Public Testimony:

Andrew Nakoa, Mayor Wright Homes resident, stated he lived at Mayor Wright Homes (MWH) for 31 years and he wants to dispute his rent because it is too high. He stated his rent was raised from \$400 to \$1,800. He stated he paid \$900 and borrowed \$300 from family to pay what he can.

Executive Director Ouansafi informed the Board that he will discuss the matter in Executive Session.

For Action:

Director Espero moved,

To Appoint Ayotunde Adewunmi to the Hilo Eviction Board for a Two-Year Term Expiring on January 2017.

Executive Director Ouansafi stated that staff is recommending approval of Mr. Adewunmi. He stated Mr. Adewunmi is fair and the Hilo Eviction Board is in need of additional members.

The motion was unanimously approved.

For Action:

Director Oh moved,

To Authorize the Hawaii Public Housing Authority to Hold Public Hearings on the Draft PHA Annual Plan for Fiscal Year 2015 – 2016.

Executive Director Ouansafi stated that the HPHA is required to submit the Five Year and Annual Public Housing Agency (PHA) Plan to the U.S. Department of Housing and Urban Development (HUD) by April 17, 2015. The plan describes HPHA's programs and proposed policy changes for the coming fiscal year. The HPHA will be posting the notice of hearing in the Star Advertiser, Maui News, Garden Island, Tribune Herald, and West Hawaii Today.

Executive Director Ouansafi stated that the HPHA has been meeting with the Resident Advisory Board (RAB) on the PHA plan since October 2014.

Executive Director Ouansafi highlighted some of the proposed changes, including: 1) reducing Section 8 inspections from every year to every other years if the unit was in excellent condition; 2) allowing the HPHA the option to bypass the Section 8 waitlist to issue Section 8 vouchers to tenants that need to be relocated due to reasonable accommodations, domestic violence, or safety issues; and 3) allowing public housing tenants to add more than one person to the lease as long it does not require a bigger unit or result in overcrowding.

Executive Director Ouansafi stated that after the public hearing, if there are any substantial comments the HPHA will review the draft plan and may propose changes to the Board.

Director Wong asked if the HPHA receives a lot of testimony during the public hearing. Executive Director Ouansafi stated that HPHA receives comments from the public hearing and the HPHA also receives input from the RAB.

The motion was unanimously approved.

For Action:

Director Oh moved,

To Adopt Proposed Changes to the Hawaii Public Housing Authority's Admissions and Continued Occupancy Policy for Federally Assisted Public Housing Regarding its Pet Policy.

Executive Director Ouansafi reported that the HPHA is updating its Pet Policy for federal public housing. The proposed changes to the existing policy provides clarifications on certain dog breeds that are considered dangerous or that will exceed the size limit;

limits the size of a fish tank to 5 gallons; limits families to one pet; and makes other clarifications on assistance animal. All tenants currently with pets will be grandfathered in.

Chairperson Gierlach asked if the public will be able to comment. Executive Director Ouansafi responded that the proposed changes will be sent to all public housing tenants for their comments.

Director Oh stated on page 59 under definition of pets it states "a dog or cat shall not exceed 21 pounds" but the last sentence states "exceeds 26 pounds. Kiriko Oishi, Compliance Officer, clarified that the list is examples of dogs that may weigh less than 26 pounds as a puppy, but as adults may weigh more than the 21 pound weight limit.

The motion was unanimously approved.

For Action:

Director Black-Caspillo moved,

To Delegate Authority to the Executive Director to Track Legislative Measures and Provide Testimony in Accordance with the Positions and Policy Directives Previously Adopted by the Board of Directors.

Executive Director Ouansafi stated that the Attorney General's Office requested that an official motion be made to allow the Executive Director to testify on behalf of the Board and the Hawaii Public Housing Authority (HPHA). This action item was the result of an advisory from the Office of Information Practices regarding a dispute at another State agency.

Director Wong asked about the HPHA's previous practice regarding legislative testimony. Executive Director Ouansafi responded that the practice has been for the Executive Director to testify on behalf of the Board and HPHA, but there was never a formal motion.

Deputy Attorney Wong clarified that the Board needs to make a motion for the action item as stated on the agenda and then make a motion to amend the item.

Director Oh moved,

To Amend the Motion To Delegate Authority to the Executive Director to Track Legislative Measures and Provide Testimony in Accordance with the Positions and Policy Directives Previously Adopted by the Board of Directors or on Behalf of the Hawaii Public Housing Authority.

The motion to amend the main motion was unanimously approved.

Director Castillo Black moved,

To Delegate Authority to the Executive Director to Track Legislative Measures and Provide Testimony in Accordance with the Positions and Policy Directives Previously Adopted by the Board of Directors or on Behalf of the Hawaii Public Housing Authority.

The motion was unanimously approved.

Executive Director's Report:

- Executive Director Ouansafi stated that the HPHA is operating at a high occupancy rate and units that are vacant have been planned vacancies due to modernization work.
- Executive Director Ouansafi reported that there is arsenic in the soil at the Lanakila Homes property. To mitigate the arsenic in the soil could cost the HPHA between \$9 to \$10 million. Staff continues to work with the design and environmental consultants on a mitigation plan.
- Executive Director Ouansafi reported the HPHA met (separately) with the new Budget and Finance (B&F) Director and the DHS Director to help provide for the release of \$6 million in administrative expenses to HPHA. B&F was still questioning why the HPHA couldn't just use its federal funds for the management of State funded CIP projects. Executive Director Ouansafi informed B&F that federal funds should not be used to support State funded CIP activities.
- Executive Director Ouansafi reported that staff is also concentrating on the public private partnerships and redevelopment activities. The HPHA is in negotiations for the redevelopment of Mayor Wright Homes and that the request for proposal was issued for the redevelopment of the School Street property.
- Executive Director Ouansafi reported that Section 8 program will be issuing voucher to 300 families in the next 60 days. He reported that the HPHA has requested funds from the Legislature to pay for administrative costs. The 6-year plan is to increase Section 8 by 1,000 additional vouchers. He stated that the Section 8 waitlist has been closed since 2006, and anticipates that HPHA will be able to request board approval to reopen the Section 8 waitlist in March.
- Executive Director Ouansafi reported that the HPHA wants to increase the inventory by 9,600 units along the Department of Transportation's (DOT) mass transit development line. Executive Director Ouansafi reported that HPHA plans to use public-private partnerships for the development of additional low-income units. Most of the properties that are being discussed are federal properties so the Annual Contributions Contract (ACC) can be leveraged.

Executive Director Ouansafi reported that Makua Alii has 362 units and the HPHA would like to increase that to 700 – 1,000 units and start construction by the end of 2017.

Executive Director Ouansafi reported that Mayor Wright Homes has already been launched and would like to see some kind of occupancy by 2017. Executive Director Ouansafi reported some details about the MWH are: 1) built in 1952 on 14.85 acres 2) has 36 two-story buildings, and 3) 364 federal units. The proposed use is to increase the number of units to 1,200-1,500 mixed income units.

Executive Director Ouansafi reported that the HPHA hopes to gain 350 units in the Iwilei area. For the Kapalama area, the HPHA is considering increasing unit count by 700 units, although the Governor is looking at 1,000 units.

Executive Director Ouansafi reported that the Kalihi area has 30 acres and the HPHA can increase units to 1,500 to 2,300 units.

Executive Director Ouansafi reported that 2 years ago staff was looking into renovating Puuwai Momi, but staff has refocused on repair items that will maintain Puuwai Momi in a safe, decent and sanitary condition, until staff can bring ideas to the Board about redevelopment.

Executive Director Ouansafi reported the Pearl Highland area has a lot of land but only has 36 units.

Executive Director Ouansafi reported that Westloch/Waipahu has 260 units, but enough land to increase to 700 to 1,000 units.

Executive Director Ouansafi reported that the State owns a parcel near UH West Oahu and the HPHA is requesting an Executive Order from the Governor to use the land for affordable housing.

Executive Director Ouansafi reported that the HPHA has presented this presentation to the State and the City and County of Honolulu (C & C) to get a head start on what the HPHA will need. The HPHA will also be able to apply for \$30 to \$35 million in the Choice Neighborhood Initiative (CNI) grant and 14% of the grant will need to be used on the neighborhood.

Executive Director Ouansafi reported that the Kuhio Park Terrace (KPT) Low Rise is not on the list because negotiations have already started with the Michaels Development. Executive Director Ouansafi reported that KPT had a master redevelopment agreement that was previously executed and he believes that it is not geared to the State. Michaels has agreed to some changes.

- Executive Director Ouansafi reported that the auditor confirmed that the HPHA is in the best financial situation he has seen. The HPHA met the deadline for the

Comprehensive Annual Financial Report (CAFR). The HUD deadline for submittal of the financial data submission and the single audit is March 2015.

Chairperson Gierlach congratulated the staff for all the hard work and for recognizing the needs of the HPHA.

Executive Director Ouansafi recognized Senator Suzanne Chun Oakland and Representative Mark Hashem for being great partners with the HPHA.

- Executive Director Ouansafi reported that HUD conducted a labor standard audit of the Construction Management Branch (CMB) and there was only one issue. The issue was \$1,000 out of \$100 million. The law that states that once the HPHA enters into a contract the prevailing wage needs to be paid. The error has been corrected and affected 4 employees at one of the construction companies.
- Executive Director Ouansafi reported that there was a protest submitted to Department of Commerce and Consumer Affairs (DCCA) on one of the contract awards, but DCCA dismissed the case.
- Executive Director Ouansafi reported that because of all the redevelopment work the HPHA hired a new employee Dean Sakata who will be starting at the end of the month. Mr. Sakata has been with Hawaii Housing Finance Development Corporation (HHFDC) for many years.
- Director Espero asked if the Section 8 vouchers will be issued to the preference list first. Executive Director Ouansafi responded that although the Board voted to remove the preference list, the policy has not been implemented yet. The HPHA will be issuing the vouchers to the preference list and once all the families on the preference list have been served then the HPHA will go by first come, first serve basis.
- Director Black Caspillo asked if the proposed housing will have individual electric meters. Executive Director Ouansafi responded that there will be individual meters.

Executive Director Ouansafi also reported that the HPHA has worked with the Hawaiian Electric Company (HECO) and they will no longer be requiring deposits from HPHA's public housing tenants. The tenants that already paid their deposits will be refunded. HECO also has agreed to notify the HPHA if a tenant has not paid their bill, so the HPHA can have the tenant work with a non-profit organization on helping with the bill.

Director Wong left at 9:48 a.m. and was replaced by Designee Bhanot.

Chairperson Gierlach asked that discussion item: Board Consideration for the Formation of a Nonprofit Corporation be added to the agenda.

Director Oh moved,

To Add to the Agenda Discussion item: Board Consideration for the Formation of a Nonprofit Corporation.

The motion was unanimously approved.

Executive Director Ouansafi reported that the HPHA will be bringing a "For Action" next month regarding creating a non-profit organization. The non-profit will be able to undertake projects that the HPHA would not. For example, the non-profit may act as a developer in mixed finance projects, accept donations and gifts for tenants (scholarships), and generate alternative sources of energy (e.g., wind farm).

Executive Director Ouansafi reported that staff has come up with several different names and are open to suggestions. Some of the suggestions are Hawaii Housing Services, Hawaii Affordable Housing Communities, and Housing Opportunities & Partnership Endeavors (HOPE).

Chairperson Gierlach asked if other public housing authorities (PHA) have a nonprofit organization. Executive Director Ouansafi responded that many housing authorities have a non-profit subsidiary or affiliate and HUD has encouraged these kinds of endeavors.

Director Espero asked if the nonprofit would be able to bid for contracts and would that be a conflict of interest. Executive Director Ouansafi responded that a non-profit arm would be able to bid for contracts and the procurement would be handled to avoid any conflict of interest. The HPHA will also be able to enter into partnerships with the nonprofit. The HPHA's attorneys are putting a list together with all the information.

Director Espero asked how the nonprofit will be funded. Executive Director Ouansafi responded that the nonprofit would need to earn fees.

Director Espero asked who will oversee the nonprofit. Executive Director Ouansafi responded the Executive Director and a Board created for the nonprofit.

Designee Bhanot asked if the Board is allowed to create the nonprofit or if a statute is needed. Executive Director Ouansafi responded that there already is a statute, but the Board still needs to approve it.

Director Tanaka commented that the name HOPE is already being used with the Circuit Courts and recommended eliminating that name from the list.

Director Kaya recommended that she would like to eliminate using "corporation" in the name of the proposed non-profit.

Director Black-Caspillo stated she would to eliminate using "affordable" in the name.

Deputy Attorney General Wong asked for clarification on the Board's recommendations. Executive Director Ouansafi clarified that staff was just looking for Board feedback and that a formal action will be taken next month. Executive Director Ouansafi also stated that the public can make suggestions.

Executive Director Ouansafi asked that if the Board has any suggestions that they email him the information. Executive Director Ouansafi stated that staff will do research on the top five choices.

Director Tanaka moved at 10:07 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. Executive Session Minutes for November 20, 2014; and November 24, 2014;**
- 2. *Kolio v. State of Hawaii, Hawaii Public Housing Authority; Case No. 13-000785*) Eviction Appeal and Oral Arguments Before the Supreme Court.**
- 3. Office of the Inspector General Investigation;**
- 4. Testimony of Mr. Nakoa.**

The motion was unanimously approved.

The Board reconvened from Executive Session at 10:23 a.m.

Chairperson Gierlach reported that the Board approved the minutes of November 20, 2014; November 24, 2014 and discussed the status of the Office of the Inspector General (IG) investigation of various tenants, the status of the Kolio case, and the testimony of Mr. Nakoa.

Adjournment:

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

Director Tanaka moved,

To adjourn the Regular Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned at 10:25 a.m.

MINUTES CERTIFICATION

Minutes Prepared by:


Taryn T. Chikamori
Secretary to the Board

MAR 19 2015
Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on March 19 2015: [] As Presented [] As Amended


Myoung Oh
Director/Board Secretary

MAR 19 2015
Date

March 19, 2015

FOR ACTION

MOTION: To Appoint Mark Nishino to the Maui Eviction Board for a Two-Year Term Expiring on February 2017 and to Reappoint Douglas Kaya to the Oahu Eviction Board for an additional Two-Year Term Expiring on March 2017

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. Nishino formerly served on the Maui Eviction Board for many years and decided to return to the board to provide a much needed service to the Authority. Mr. Nishino is currently employed with Central Pacific Bank in Maui as a financial officer and has extensive experience in banking and property management. Mr. Nishino would be a valuable asset to the Maui Eviction Board and he has expressed a willingness to serve as a member of the Maui Eviction Board for a two-year term.
- B. Mr. Kaya is a retired college professor of speech with experience in mediation and conflict resolution. He has been a member of the Oahu Eviction Board since 2005 and has expressed a willingness to continue to serve as a member of the Oahu Eviction Board for an additional two-year term.

III. RECOMMENDATION

That the Hawaii Public Housing Authority Board of Directors approve the Appointment of Mark Nishino to the Maui Eviction Board for a Two Year Term Expiring on February 2017 and the Reappointment of Douglas Kaya to the Oahu Eviction Board for an additional Two Year Term Expiring on March 2017.

Attachments:

- A. List of Eviction Board Members and Term Appointments
- B. Resume of Mark Nishino
- C. Resume of Douglas Kaya

Prepared by: Renee Blondin-Nip, Hearings Officer RD.

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



David Gierlach, Chairperson

Attachment A

**EVICTIION 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:			
Douglaslas Kaya	03/17/05	03/31/15	9
Radiant Chase	01/25/02	07/31/15	12
Stanley Young**	07/15/10	07/15/16	4
Wanda Camara*	12/19/13	12/19/15	1
Oahu B:			
Jane Moana Gray*	08/31/79	07/31/15	35
Earl Mente	12/19/97	07/31/15	17
Joyce Nakamura	02/20/98	07/31/15	16
Oahu C:			
Solomon Kuresa*	05/16/97	07/31/15	17
Sylvianne Young	12/19/97	07/31/15	17
Sylvia Wilmeth	11/18/10	11/31/16	4
Hilo:			
Jane Moana Gray**	06/21/07	06/30/15	7
George DeMello*	09/20/07	07/31/15	7
Keith Biho	02/18/10	02/29/16	4
Ayotunde Adewunmi	01/15/15	01/15/17	New Member
Joanne Luiz*	02/29/14	02/29/16	1
Kauai:			
Fay Rapoza	10/10/13	10/30/15	1
Jane Moana Gray**	06/21/07	06/30/15	7
Arde Long-Yamashita*	02/31/08	02/31/16	5
Kona:			
Jane Moana Gray**	06/21/07	06/30/15	7
Ross Oue	05/15/92	07/31/15	22
Arleila Andrade	09/15/10	09/31/16	4
Mary Hoffman*	10/10/13	10/30/15	1
Maui:			
Wanda Camara**	12/19/13	12/19/15	1
Robert G. Hill	03/01/08	02/28/16	6

* Resident Member

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

Revised 01/30/15

FOR ACTION

MOTION: To Approve the Updated Utility Allowance Rates for April 1, 2015 to May 31, 2016 for the Section 8 Housing Choice Voucher Program and to Authorize the Executive Director to Accept Comments on the Updated Utility Rates as Required

I. FACTS

- A. Under the provisions of the U.S. Housing Act of 1937, to keep assisted housing affordable for lower-income households, federal housing law directs that the resident's share of rent should equal 30 percent of the household's adjusted monthly income. In interpreting the federal housing law, the U.S. Department of Housing and Urban Development (HUD) has defined the total resident payment for "rent" to include both shelter and the costs for reasonable amounts of utilities. The amount that a Public Housing Authority (PHA) determines is necessary to cover the resident's reasonable utility costs is the utility allowance.
- B. Such allowances are estimates of the expenses associated with different types of utilities and their uses. The utilities for which allowances may be provided include electricity, natural gas, propane, fuel oil, wood or coal, and water and sewage service, as well as garbage collection. The functions, or end-uses, covered by an allowance may include space heating, water heating, cooling, refrigeration, lighting, or appliances. Allowances are not provided for telephone service.
- C. Whether a household receives an allowance for a given utility service depends on the actual services the voucher holder is responsible for. This is determined by the private landlord and is verified by staff.

II. DISCUSSION

- A. This year, the HPHA contracted National Facility Consultants, Inc. to conduct the utility allowance study.
- B. The Section 8 allowances were developed in accordance with the requirements in 24 CFR Part 982.517. Allowances were established for each type of housing to reflect the actual reasonable utility consumption for an energy conservative household.

C. Rates were collected for each applicable utility for each type of property. All rate schedules were verified and any adjustments to rates were collected for the year period from January 1, 2014 through December 31, 2014. This is consistent with the approach utilized by the HPHA for the Public Housing program where adjustments that fluctuate every month are averaged over the preceding year. It should be noted that in cases where utility companies were granted an increase in their base rates by regulatory authorities, the monthly energy cost adjustments were reduced by the amount of the increase for the months prior to the effective date of the increase in order to prevent over compensation.

D. For water and sewer rates, the "single-family" rate was utilized for all types of housing based on information provided by the Board of Water Supply. The Board representative indicated that the multifamily rate is only used when the bill includes multiple units and that the single-family rate is used for an individual bill, regardless of the actual type of housing. Since a participant would not be provided the allowance if it were paid by the building owner, the multifamily rate was not utilized.

E. Allowances for the Purchase of Refrigerators and Stoves

In accordance with HUD regulations, the cost of purchasing a refrigerator or stove is also included in the allowance. For refrigerators, a purchase price of \$500 was assumed and that amount was amortized over a five-year period at an interest rate of 26%. For stoves, a purchase price of \$450 was assumed and that amount was also amortized over a five-year period at an interest rate of 26%. The prices are based upon the Home Depot price for a base GE appliance. The interest rates are based upon that charged on a Home Depot credit account.

F. The chart below reflects a side by side comparison of the proposed 2015 all electric allowance amounts vs. the current all electric allowances by dwelling type and bedroom size.

All Electric	Prop. 2015	Current										
	0 BR	0 BR	1 BR	1 BR	2 BR	2 BR	3 BR	3 BR	4 BR	4 BR	5 BR	5 BR
Single Family House	\$100	\$151	\$115	\$176	\$153	\$234	\$197	\$287	\$235	\$339	\$265	\$389
Duplex	\$100	\$133	\$115	\$155	\$153	\$212	\$197	\$264	\$235	\$314	\$265	\$363
Townhouse	\$100	\$133	\$116	\$155	\$153	\$212	\$197	\$264	\$235	\$314	\$265	\$363
Highrise	\$99	\$123	\$114	\$143	\$152	\$192	\$196	\$236	\$234	\$277	\$264	\$316
Lowrise	\$99	\$124	\$115	\$144	\$153	\$201	\$196	\$254	\$234	\$304	\$265	\$354

The current allowance amounts are decreasing (amounts range from \$24-\$124) which increases the amount of rent paid by the voucher holder to the landlord. This decreases the amount of assistance paid by HPHA to the landlord.

Here's an example a landlord is renting his studio in a low rise building for \$1000. The tenant's total payment is \$224. The landlord is requiring the tenant to pay all of the electric. ($\$224 - \$99 = \$125$) The tenant pays \$125 in rent to the landlord and the HPHA pays \$875 to the landlord. Last year, the tenant would have paid \$100 to the landlord and the HPHA would have paid \$900 to the landlord.

	<u>Current</u>	<u>Proposed</u>
Gross Rent	\$1000	\$1000
Tenant rent (30% of gross)	\$224	\$224
Utility Allowance provided to the tenant	<\$124>	<\$99>
Tenant pays landlord	\$100	\$125
HPHA pays landlord	\$900	\$875

- G. The proposed utility allowance rates will be mailed to all voucher holders with a 30-day comment period.

III. RECOMMENDATION

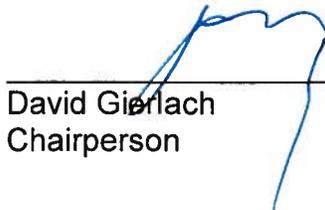
That the Board of Directors Approve the Updated Utility Allowance Rates for April 1, 2015 to May 31, 2016 for the Section 8 Housing Choice Voucher Program and to Authorize the Executive Director to Accept Comments on the Updated Utility Rates as Required.

Prepared by: Stephanie Fo, Acting Section 8 Subsidy Programs Branch Chief 

Attachments:

2015 Proposed Utility Chart – Single Family
2015 Proposed Utility Chart – Duplex
2015 Proposed Utility Chart – Townhouse
2015 Proposed Utility Chart – Highrise
2015 Proposed Utility Chart – Lowrise
Section 8 Utility Allowance Study

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



David Gierlach
Chairperson

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-01
(exp. 09/30/2015)

See Public Reporting Statement and Instructions on back

Locality		Unit Type					Date (mm/dd/yyyy)
Hawaii Public Housing Authority		Single Family					04/01/2015
Utility or Service	Monthly Dollar Allowances						
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Oil / Electric						
	d. Coal / Other						
Cooking	a. Natural Gas	33	33	33	38	38	
	b. Bottle Gas						
	c. Oil / Electric	27	27	27	33	33	
	d. Coal / Other						
Other Electric	58	58	66	74	82	83	
Air Conditioning							
Water Heating (Solar)	a. Natural Gas	28	40	64	88	112	136
	b. Bottle Gas						
	c. Oil / Electric	15	30	60	90	120	149
	d. Coal / Other	5	11	16	27	38	48
Water	18	23	36	45	58	67	
Sewer	80	85	93	102	110	119	
Trash Collection							
Range/Microwave	14	14	14	14	14	14	
Refrigerator	15	15	15	15	15	15	
all elec.	100	115	153	197	235	265	

Actual Family Allowances To be used by the family to compute allowance.
Complete below for the actual unit rented.

		Utility or Service	per month cost
Name of Family		Heating	\$
Address of Unit		Cooking	
		Other Electric	
		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
Number of Bedrooms		Other	
		Total	\$

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-016
(exp. 09/30/201)

See Public Reporting Statement and Instructions on back

Locality		Unit Type					Date (mm/dd/yyyy)
Hawaii Public Housing Authority		Duplex					04/01/2015
Utility or Service	Monthly Dollar Allowances						
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Oil / Electric						
	d. Coal / Other						
Cooking	a. Natural Gas	33	33	33	38	38	
	b. Bottle Gas						
	c. Oil / Electric	27	27	27	33	33	
	d. Coal / Other						
Other Electric	58	58	66	74	82	83	
Air Conditioning							
Water Heating (Solar)	a. Natural Gas	28	40	64	88	112	
	b. Bottle Gas						
	c. Oil / Electric	15	30	60	90	120	
	d. Coal / Other	5	11	16	27	38	
Water	18	23	36	45	58	67	
Sewer	80	85	93	102	110	119	
Trash Collection							
Range/Microwave	14	14	14	14	14	14	
Refrigerator	15	15	15	15	15	15	
all elec.	100	115	153	197	235	265	

Actual Family Allowances To be used by the family to compute allowance.

Complete below for the actual unit rented.

		Utility or Service	per month cost
Name of Family		Heating	\$
Address of Unit		Cooking	
		Other Electric	
Number of Bedrooms		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
		Other	
		Total	\$

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-016
(exp. 09/30/201)

See Public Reporting Statement and Instructions on back

Locality		Hawaii Public Housing Authority					Unit Type	Townhouse		Date (mm/dd/yyyy)
Utility or Service		Monthly Dollar Allowances								
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR			
Heating	a. Natural Gas									
	b. Bottle Gas									
	c. Oil / Electric									
	d. Coal / Other									
Cooking	a. Natural Gas	33	33	33	38	38	38			
	b. Bottle Gas									
	c. Oil / Electric	27	27	27	33	33	33			
	d. Coal / Other									
Other Electric		58	59	66	74	82	83			
Air Conditioning										
Water Heating (Solar)	a. Natural Gas	28	40	64	88	112	136			
	b. Bottle Gas									
	c. Oil / Electric	15	30	60	90	120	149			
	d. Coal / Other	5	11	16	27	38	48			
Water		18	23	36	45	58	67			
Sewer		80	85	93	102	110	119			
Trash Collection										
Range/Microwave		14	14	14	14	14	14			
Refrigerator		15	15	15	15	15	15			
all elec.		100	116	153	197	235	265			

Actual Family Allowances To be used by the family to compute allowance.
Complete below for the actual unit rented.

		Utility or Service	per month cost
Name of Family		Heating	\$
		Cooking	
		Other Electric	
		Air Conditioning	
Address of Unit		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
Number of Bedrooms		Other	
		Total	\$

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-016
(exp. 09/30/201)

See Public Reporting Statement and Instructions on back

Locality Hawaii Public Housing Authority	Unit Type Highrise	Date (mm/dd/yyyy) 04/01/2015
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Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Oil / Electric						
	d. Coal / Other						
Cooking	a. Natural Gas	33	33	33	38	38	38
	b. Bottle Gas						
	c. Oil / Electric	27	27	27	33	33	33
	d. Coal / Other						
Other Electric		57	57	65	73	81	82
Air Conditioning							
Water Heating (Solar)	a. Natural Gas	28	40	64	88	112	136
	b. Bottle Gas						
	c. Oil / Electric	15	30	60	90	120	149
	d. Coal / Other	5	11	16	27	38	48
Water		18	23	36	45	58	67
Sewer		80	85	93	102	110	119
Trash Collection							
Range/Microwave		14	14	14	14	14	14
Refrigerator		15	15	15	15	15	15
all elec.		99	114	152	196	234	264

Actual Family Allowances To be used by the family to compute allowance.

Complete below for the actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service	per month cost
Heating	\$
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
Total	\$

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-016
(exp. 09/30/2015)

See Public Reporting Statement and Instructions on back

Locality		Unit Type					Date (mm/dd/yyyy)
Hawaii Public Housing Authority		Lowrise					04/01/2015
Utility or Service	Monthly Dollar Allowances						
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Oil / Electric						
	d. Coal / Other						
Cooking	a. Natural Gas	33	33	33	38	38	
	b. Bottle Gas						
	c. Oil / Electric	27	27	27	33	33	
	d. Coal / Other						
Other Electric	57	58	66	73	81	83	
Air Conditioning							
Water Heating (Solar)	a. Natural Gas	28	40	64	88	112	
	b. Bottle Gas						
	c. Oil / Electric	15	30	60	90	120	
	d. Coal / Other	5	11	16	27	38	
Water	18	23	36	45	58	67	
Sewer	80	85	93	102	110	119	
Trash Collection							
Range/Microwave	14	14	14	14	14	14	
Refrigerator	15	15	15	15	15	15	
all elec.	99	115	153	196	234	265	

Actual Family Allowances To be used by the family to compute allowance.
Complete below for the actual unit rented.

Name of Family		Utility or Service	per month cost
Address of Unit		Heating	\$
		Cooking	
		Other Electric	
		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
Number of Bedrooms		Other	
		Total	\$

SECTION 8 UTILITY ALLOWANCE STUDY

JANUARY 30, 2015

HAWAII PUBLIC HOUSING AUTHORITY

MR. HAKIM OUANSAFI
EXECUTIVE DIRECTOR
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
HONOLULU, HAWAII 96817
808.832.4694

025



PREPARED BY: NATIONAL FACILITY CONSULTANTS, INC.
1225 JOHNSON FERRY ROAD, SUITE 460
MARIETTA, GEORGIA 30068 770.977.4134





January 30, 2015

Ms. Stephanie L. Fo
Chief, Section 8 Subsidy Programs Branch
Hawaii Public Housing Authority
1002 North School Street, Building D
Honolulu, Hawaii 96817

Dear Ms. Fo:

Enclosed, please find the report of the Section 8 Utility Allowance Study for the Hawaii Public Housing Authority for your review and consideration. This report is provided in accordance with Purchase Order #15K00809 dated November 6, 2014.

The enclosed report includes a summary of the methodology utilized in the establishment of the consumption allowances including any assumptions that were made. The cost allowances utilize current rates and adjustments averaged over the period from January 1, 2014 through December 31, 2014, consistent with the current Public Housing allowance methodology. A Form HUD-52667 is provided for each housing type and the backup calculations are provided under the tab for each housing type.

As you are aware, the field office must be provided a copy of the allowances, along with the backup information. We will forward an electronic copy of the report for this purpose to expedite HUD's review. Once reviewed, the allowances can be implemented.

As always, we appreciate this opportunity to work with you and the Hawaii Public Housing Authority. If you should have any questions or concerns regarding the allowances or need additional information or clarification of any kind, please don't hesitate to contact me at (770) 977-4134.

Sincerely,

W. Sawyer Shirley
President
NFC, Inc.

WSS/mp

SECTION 8 UTILITY ALLOWANCES

FOR THE

HAWAII PUBLIC HOUSING AUTHORITY

January 30, 2015

INTRODUCTION

The Hawaii Public Housing Authority (HPHA) contracted with National Facility Consultants, Inc. (NFC) to develop allowances for tenant-purchased utilities for units under the U. S. Department of HUD's Section 8 Housing Choice Voucher program. NFC has assisted the HPHA with the development and update of utility allowances for the Low-Income Public Housing Program and we utilized a similar approach to develop the Section 8 allowances.

The Section 8 allowances were developed in accordance with the requirements set forth at 24 CFR Part 982.517 Utility Allowance Schedule utilizing the methodology employed by the HPHA under the Public Housing Program regarding the application of rates and associated adjustments. Allowances were established for each type of housing to reflect the actual *reasonable* utility consumption for an energy conservative household.

Allowances for each type of housing are provided on Form HUD-52667 under the next tab. The backup calculations are provided under the tab for each type of housing. Note that only the allowances for the applicable tenant-paid utility and actual equipment are to be provided. The base charge for electrical service is included under the Other Electric category, which should be provided to all participants unless all utilities are paid by the owner.

METHODOLOGY AND ASSUMPTIONS

As indicated above, the allowances were developed in accordance with the regulations set forth at 24 CFR Part 982.517, which require PHAs to establish utility allowances *must be determined based on the typical*

cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. As a result, no allowance is provided for heat or air-conditioning, as these are not customary in the locality.

The allowances for each housing type are based upon the customary construction type and equipment for the locality. Since NFC developed the site-based allowances for the Public Housing program, that information was utilized to determine the expected equipment in Section 8 rental units.

Allowances were developed for the following usages:

- Allowances were developed for lighting based upon the prevalent fixtures utilized in the locality. The wattage of bulbs was multiplied by an estimate of the daily usage and then converted to a monthly usage. Since incandescent bulbs are no longer produced after January 1, 2014; any lamps that were included in the calculation (as a result of a room not having fixed fixtures) or any fixture that would have a standard base were assumed to have a 13-watt Compact Fluorescent Light (CFL) bulb.
- Miscellaneous small appliance usage was estimated based upon the regulatory standard of an energy-conservative household of modest circumstances. Allowances were provided for clocks, coffee makers, computers, computer monitors, fans, hair dryers, irons, microwave ovens, radios, smoke detectors, telephones, and televisions and were adjusted, as reasonably needed, for the size of the unit and number of occupants. The estimated watts per appliance were multiplied by the hours of daily use and converted to a total monthly usage estimate. It should be noted that the list of items is not intended to be exact; rather, it is intended to reflect an estimate of usage based upon the standard. For example, an individual household may not use a computer, but may use a gaming system instead and the allowance is intended to cover that usage. It is not intended to include the usage of excessive equipment beyond the standard.
- Usage for a refrigerator is provided as a non Energy-Star, frost-free model that utilizes a total of 600 kWh per year.
- An allowance for cooking was established for efficiency to two-bedroom units and then for three bedroom to five bedroom units to adjust for extensive changes in numbers of occupants.

- An allowance for water heating was established for each unit size based upon the maximum number of occupants in a unit in accordance with the Authority's occupancy standards as stated in the Administrative Plan. In addition, a more accurate estimate of the inlet water temperature was utilized; therefore, there was a decrease in the consumption for this category.
- An allowance for solar water heating was established for each unit size based upon the number of occupants. Staff should verify that the solar system is in good repair prior to applying that allowance.
- Allowances were also developed for the cost of various types of medical equipment in accordance with the requirements under Section 504 of the Housing and Redevelopment Act. As the Authority grants reasonable accommodation for the various allowances, they should be provided to the resident accordingly. These medical allowances are presented for each housing type under the applicable tab.
- Water and sewer allowances were developed based on the expected usage of an energy-conservative household. It was assumed that the maximum number of occupants (based on occupancy standards) is in the household to provide a "worst-case" scenario.

Rates were collected for each applicable utility for each type of property. All rate schedules were verified and any adjustments to rates were collected for the year period from January 1, 2014 through December 31, 2014. This is consistent with the approach utilized by the HPHA for the Public Housing program where adjustments that fluctuate every month are averaged over the preceding year. It should be noted that in cases where utility companies were granted an increase in their base rates by regulatory authorities, the monthly energy cost adjustments were reduced by the amount of the increase for the months prior to the effective date of the increase in order to prevent over compensation.

Where rate schedules are graduated with increased rates are in effect for higher usage, the entire first two tiers were averaged to formulate a weighted average rate for the resident. Since all of the total consumption allowances are above the total for the consumption of the first tier yet below the consumption of the first two tiers combined, this is also to the benefit of the participant.

For water and sewer rates, the "single-family" rate was utilized for all types of housing based on information provided by the Board of Water Supply. The Board representative indicated that the

multifamily rate is only used when the bill includes multiple units and that the single-family rate is used for an individual bill, regardless of the actual type of housing. Since a participant would not be provided the allowance if it were paid by the building owner, the multifamily rate was not utilized.

ALLOWANCES FOR THE PURCHASE OF REFRIGERATORS AND STOVES

In accordance with HUD regulations, the cost of purchasing a refrigerator or stove is also included in the allowance. For refrigerators, a purchase price of \$500 was assumed and that amount was amortized over a five-year period at an interest rate of 26%. For stoves, a purchase price of \$450 was assumed and that amount was also amortized over a five-year period at an interest rate of 26%. The prices are based upon the Home Depot price for a base GE appliance. The interest rates are based upon that charged on a Home Depot credit account.

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-016
(exp. 09/30/201)

See Public Reporting Statement and Instructions on back

Locality Hawaii Public Housing Authority	Unit Type Single Family	Date (mm/dd/yyyy) 03/01/2015
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Utility or Service	Monthly Dollar Allowances					
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating						
a. Natural Gas						
b. Bottle Gas						
c. Oil / Electric						
d. Coal / Other						
Cooking						
a. Natural Gas	33	33	33	38	38	38
b. Bottle Gas						
c. Oil / Electric	27	27	27	33	33	33
d. Coal / Other						
Other Electric	58	58	66	74	82	83
Air Conditioning						
Water Heating						
a. Natural Gas	28	40	64	88	112	136
b. Bottle Gas						
c. Oil / Electric	15	30	60	90	120	149
(Solar) d. Coal / Other	5	11	16	27	38	48
Water	18	23	36	45	58	67
Sewer	80	85	93	102	110	119
Trash Collection						
Range/Microwave	14	14	14	14	14	14
Refrigerator	15	15	15	15	15	15
Other -- specify						

Actual Family Allowances To be used by the family to compute allowance. Complete below for the actual unit rented.		Utility or Service	per month cost
Name of Family		Heating	\$
Address of Unit		Cooking	
Number of Bedrooms		Other Electric	
		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
		Other	
		Total	\$

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-016
(exp. 09/30/201)

See Public Reporting Statement and Instructions on back

Locality		Unit Type					Date (mm/dd/yyyy)
Hawaii Public Housing Authority		Duplex					03/01/2015
Utility or Service	Monthly Dollar Allowances						
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Oil / Electric						
	d. Coal / Other						
Cooking	a. Natural Gas	33	33	33	38	38	
	b. Bottle Gas						
	c. Oil / Electric	27	27	27	33	33	
	d. Coal / Other						
Other Electric	58	58	66	74	82	83	
Air Conditioning							
Water Heating (Solar)	a. Natural Gas	28	40	64	88	112	
	b. Bottle Gas						
	c. Oil / Electric	15	30	60	90	120	
	d. Coal / Other	5	11	16	27	38	
Water	18	23	36	45	58	67	
Sewer	80	85	93	102	110	119	
Trash Collection							
Range/Microwave	14	14	14	14	14	14	
Refrigerator	15	15	15	15	15	15	
Other -- specify							

Actual Family Allowances To be used by the family to compute allowance. Complete below for the actual unit rented.		Utility or Service	per month cost
Name of Family		Heating	\$
		Cooking	
		Other Electric	
		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
Address of Unit		Other	
		Total	\$
Number of Bedrooms			

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-016
(exp. 09/30/201)

See Public Reporting Statement and Instructions on back

Locality Hawaii Public Housing Authority	Unit Type Townhouse	Date (mm/dd/yyyy) 03/01/2015
--	-------------------------------	--

Utility or Service	Monthly Dollar Allowances					
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating						
a. Natural Gas						
b. Bottle Gas						
c. Oil / Electric						
d. Coal / Other						
Cooking						
a. Natural Gas	33	33	33	38	38	38
b. Bottle Gas						
c. Oil / Electric	27	27	27	33	33	33
d. Coal / Other						
Other Electric	58	59	66	74	82	83
Air Conditioning						
Water Heating						
a. Natural Gas	28	40	64	88	112	136
b. Bottle Gas						
c. Oil / Electric	15	30	60	90	120	149
d. Coal / Other	5	11	16	27	38	48
(Solar)						
Water	18	23	36	45	58	67
Sewer	80	85	93	102	110	119
Trash Collection						
Range/Microwave	14	14	14	14	14	14
Refrigerator	15	15	15	15	15	15
Other -- specify						

Actual Family Allowances To be used by the family to compute allowance.

Complete below for the actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service	per month cost
Heating	\$
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
Total	\$

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-016
(exp. 09/30/201)

See Public Reporting Statement and Instructions on back

Locality Hawaii Public Housing Authority	Unit Type Lowrise	Date (mm/dd/yyyy) 03/01/2015
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Utility or Service	Monthly Dollar Allowances					
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating						
a. Natural Gas						
b. Bottle Gas						
c. Oil / Electric						
d. Coal / Other						
Cooking						
a. Natural Gas	33	33	33	38	38	38
b. Bottle Gas						
c. Oil / Electric	27	27	27	33	33	33
d. Coal / Other						
Other Electric	57	58	66	73	81	83
Air Conditioning						
Water Heating						
a. Natural Gas	28	40	64	88	112	136
b. Bottle Gas						
c. Oil / Electric	15	30	60	90	120	149
d. Coal / Other	5	11	16	27	38	48
(Solar)						
Water	18	23	36	45	58	67
Sewer	80	85	93	102	110	119
Trash Collection						
Range/Microwave	14	14	14	14	14	14
Refrigerator	15	15	15	15	15	15
Other -- specify						

Actual Family Allowances To be used by the family to compute allowance. Complete below for the actual unit rented.		Utility or Service	per month cost
Name of Family Address of Unit Number of Bedrooms		Heating	\$
		Cooking	
		Other Electric	
		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
		Other	
		Total	\$

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-016
(exp. 09/30/201)

See Public Reporting Statement and Instructions on back

Locality		Unit Type					Date (mm/dd/yyyy)
Hawaii Public Housing Authority		Highrise					03/01/2015
Utility or Service	Monthly Dollar Allowances						
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Oil / Electric						
	d. Coal / Other						
Cooking	a. Natural Gas	33	33	33	38	38	
	b. Bottle Gas						
	c. Oil / Electric	27	27	27	33	33	
	d. Coal / Other						
Other Electric	57	57	65	73	81	82	
Air Conditioning							
Water Heating (Solar)	a. Natural Gas	28	40	64	88	112	136
	b. Bottle Gas						
	c. Oil / Electric	15	30	60	90	120	149
	d. Coal / Other	5	11	16	27	38	48
Water	18	23	36	45	58	67	
Sewer	80	85	93	102	110	119	
Trash Collection							
Range/Microwave	14	14	14	14	14	14	
Refrigerator	15	15	15	15	15	15	
Other -- specify							

Actual Family Allowances To be used by the family to compute allowance.
Complete below for the actual unit rented.

		Utility or Service	per month cost
Name of Family		Heating	\$
		Cooking	
Address of Unit		Other Electric	
		Air Conditioning	
		Water Heating	
		Water	
Number of Bedrooms		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
		Other	
		Total	\$

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Single Family
Utility Type: Electric
Utility Provider: HECO

Average Residential DSM Adjustments (per kWh)

Month	Amount	Month	Amount
January-14	\$0.001067	July-14	\$0.001423
February-14	\$0.001067	August-14	\$0.001423
March-14	\$0.001067	September-14	\$0.001423
April-14	\$0.001423	October-14	\$0.001423
May-14	\$0.001423	November-14	\$0.001423
June-14	\$0.001423	December-14	\$0.001423
Average Adjustment			\$0.001334

Average Energy Cost Adjustment Factors (per kWh)

Month	Amount	Month	Amount
January-14	\$0.05946	July-14	\$0.05721
February-14	\$0.07338	August-14	\$0.05901
March-14	\$0.05978	September-14	\$0.05988
April-14	\$0.06057	October-14	\$0.05155
May-14	\$0.05541	November-14	\$0.03694
June-14	\$0.05685	December-14	\$0.02659
Average Adjustment			\$0.05472

IRP Cost Recovery Provision

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Single Family
Utility Type: Electric
Utility Provider: HECO

Rate Adjustment

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

Summary of Rate Schedule -- Schedule "R"

Monthly Customer Base Charge*:	\$10.29
Non-Fuel Energy Charge**:	\$0.089205
Base Fuel/Energy Charge:	\$0.136062
IRP Cost Recovery Provision (Applies to Above 3 Charges):	0.000%
Rate Adjustment (Applies to Above 3 Charges):	0.000%
Average Residential DSM Adjustments:	\$0.001334
Average Energy Cost Adjustment Factors:	\$0.05472
Public Benefits Surcharge/Avg Purch Power Adj/RBA Rate Adj/RE Surcharge:	\$0.062605

* Includes Green Infrastructure Fee Surcharge

2015 Utility Allowances

Hawaii Public Housing Authority

Property Description: Single Family
 Utility Type: Electric
 Utility Provider: HECO

Consumption Allowances (kWh per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic	Electric Cooking	Electric Water Heating	Solar Water Heating*	Total
0	32	56	50	138	78	43	16	274
1	34	56	50	139	78	87	31	335
2	36	76	50	162	78	174	47	460
3	43	92	50	185	95	261	78	619
4	45	113	50	208	95	348	110	760
5	47	114	50	211	95	434	141	882

* Distribution by bedroom size based on number of occupants

Cost Allowances (\$ per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic**	Electric Cooking	Electric Water Heating	Solar Water Heating	Total
0	\$11.07	\$19.10	\$17.20	\$58	\$27	\$15	\$5	\$105
1	\$11.61	\$19.10	\$17.20	\$58	\$27	\$30	\$11	\$125
2	\$12.43	\$26.12	\$17.20	\$66	\$27	\$60	\$16	\$169
3	\$14.74	\$31.67	\$17.20	\$74	\$33	\$90	\$27	\$223
4	\$15.56	\$38.70	\$17.20	\$82	\$33	\$120	\$38	\$272
5	\$16.24	\$39.19	\$17.20	\$83	\$33	\$149	\$48	\$314

**Total Basic Includes Monthly Customer Base Charge. This is the amount for Other Electric.

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Single Family
Utility Type: Electric
Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	2	104	38
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 1

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Single Family
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	2	26	3	156	57
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 3

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	3	26	3	234	85
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Single Family
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	4	26	3	312	114
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 5

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	5	26	3	390	142
Lamps	0	0	4	0	0
Hall/Stairs	3	13	3	117	43
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Single Family
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 1

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Single Family
Utility Type: Electric
Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	2	2	24.0	2.9	35
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 3

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	3	2	24.0	4.3	52
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Single Family
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	4	2	24.0	5.8	69
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Number of Bedrooms: 5

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	5	2	24.0	7.2	86
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

2015 Allowances for Medical Equipment

Hawaii Public Housing Authority

Property Description:

Single Family

Utility Type:

Electric

Utility Provider:

HECO

Description	Frequency	kWh/Year	kWh/Month	Monthly Dollar Allowance
Air Conditioner, window type, 10,000 BtuH unit	Continuously As Needed	2,750	229	\$78.82
Oxygen Concentrator, 400W	18 Hrs/Day	2,628	219	\$75.32
Nebulizer, 75W	2 Hrs/Day	60	5	\$1.72
Electric Hospital Bed, 200W	.2 Hrs/Day	12	1	\$0.34
Alternating Pressure Pad, 70W	24 Hrs/Day	612	51	\$17.54
Low Air-Loss Mattress, 120W	24 Hrs/Day	1,056	88	\$30.27
Power Wheelchair/ Scooter, 550W, Full-Time Use	4 Hrs/Day Charge Time	803	67	\$23.01
Feeding Tube, 120W	12 Hrs/Day	526	44	\$15.06
CPAP Machine, 30W	10 Hrs/Day	110	9	\$3.14
Leg Pump, 14W	6 Hrs/Day	31	3	\$0.88

2015 Rate Calculation Form

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Single Family

Fuel Adjustment Cost (FAC) (per Therm)

Month	Amount	Month	Amount
January-14	\$0.8854	July-14	\$1.6277
February-14	\$1.3287	August-14	\$1.3092
March-14	\$0.6223	September-14	\$1.4398
April-14	\$1.4050	October-14	\$1.0439
May-14	\$1.5962	November-14	\$0.6994
June-14	\$1.7682	December-14	\$0.4736
Average Adjustment			\$1.1833

Summary of Rate Schedule -- Schedule 20 - Residential

Monthly Customer Base Charge: \$8.50

Commodity Charge -- All Therms \$3.8871

Average Fuel Adjustment Cost: \$1.1833

Applicable Tax Rate 4.712%

2015 Utility Allowances

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Single Family

Consumption Allowances (Therms per Month)

Bedroom Size	Cooking	Individual Water Heating	Total
0	4.50	5.25	9.75
1	4.50	7.50	12.00
2	4.50	12.00	16.50
3	5.50	16.58	22.08
4	5.50	21.08	26.58
5	5.50	25.67	31.17

Cost Allowances (\$ per Month)

Bedroom Size	Cooking*	Individual Water Heating	Total
0	\$33	\$28	\$61
1	\$33	\$40	\$73
2	\$33	\$64	\$97
3	\$38	\$88	\$126
4	\$38	\$112	\$150
5	\$38	\$136	\$174

*Total Basic Includes Monthly Customer Base Charge

Water and Sewer Allowance Calculation

Hawaii Public Housing Authority

Property Description: Single Family
 Utility Type: Water/Sewer
 Utility Provider: City/County of Honolulu

Standards Used in Calculating Water Usage				
Fixture/Use	Gallons	Times	Frequency	Description
Toilet	3.5	X	5	Flushes per Person per Day
Shower	15	X	1	Showers per Person per Day
Dishwasher	3	X	0.5	Dishloads per Person per Day
Laundry	8	X	0.2	Loads per Person per Day
Cooking	0.1	X	3	Meals per Person per Day
Handwashing	0.1	X	10	Handwashings per Person per Day
Other	5	X	1	Allowance per Person per Day

Calculation of Monthly Water Usage						
Bedroom Size >>>	0	1	2	3	4	5
# Occupants >>>	1	2	4	6	8	10
Toilet	17.5	35	70	105	140	175
Shower	15	30	60	90	120	150
Diswasher	1.5	3	6	9	12	15
Clothes	1.6	3.2	6.4	9.6	12.8	16
Cooking	0.3	0.6	1.2	1.8	2.4	3
Handwashing	1	2	4	6	8	10
Other	5	10	20	30	40	50
Gallons per Day	41.9	83.8	167.6	251.4	335.2	419
Gallons per Month	1274	2549	5098	7647	10196	12745
Water Billing Gallons	2000	3000	6000	8000	11000	13000
Sewer Billing Gallons*	2000	3000	5000	7000	9000	11000

Water Rate Schedule	
Base Charge	\$9.26
Charge per 1000 Gals	\$4.42

Sewer Rate Schedule	
Base Charge	71.81
Charge per 1000 Gals	4.29

Monthly Cost Allowances						
Bedroom Size >>>	0	1	2	3	4	5
Water Allowance	\$18	\$23	\$36	\$45	\$58	\$67
Sewer Allowance	\$80	\$85	\$93	\$102	\$110	\$119

*Actual consumption reduced by 20% for water irrigation factor

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Duplex
 Utility Type: Electric
 Utility Provider: HECO

Average Residential DSM Adjustments (per kWh)

Month	Amount	Month	Amount
January-14	\$0.001067	July-14	\$0.001423
February-14	\$0.001067	August-14	\$0.001423
March-14	\$0.001067	September-14	\$0.001423
April-14	\$0.001423	October-14	\$0.001423
May-14	\$0.001423	November-14	\$0.001423
June-14	\$0.001423	December-14	\$0.001423
Average Adjustment			\$0.001334

Average Energy Cost Adjustment Factors (per kWh)

Month	Amount	Month	Amount
January-14	\$0.05946	July-14	\$0.05721
February-14	\$0.07338	August-14	\$0.05901
March-14	\$0.05978	September-14	\$0.05988
April-14	\$0.06057	October-14	\$0.05155
May-14	\$0.05541	November-14	\$0.03694
June-14	\$0.05685	December-14	\$0.02659
Average Adjustment			\$0.05472

IRP Cost Recovery Provision

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Duplex
Utility Type: Electric
Utility Provider: HECO

Rate Adjustment

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

Summary of Rate Schedule -- Schedule "R"

Monthly Customer Base Charge*: \$10.29

Non-Fuel Energy Charge**: \$0.089205

Base Fuel/Energy Charge: \$0.136062

IRP Cost Recovery Provision (Applies to Above 3 Charges): 0.000%

Rate Adjustment (Applies to Above 3 Charges): 0.000%

Average Residential DSM Adjustments: \$0.001334

Average Energy Cost Adjustment Factors: \$0.05472

Public Benefits Surcharge/Avg Purch Power Adj/RBA Rate Adj/RE Surcharge: \$0.062605

* Includes Green Infrastructure Fee Surcharge

2015 Utility Allowances

Hawaii Public Housing Authority

Property Description: Duplex
 Utility Type: Electric
 Utility Provider: HECO

Consumption Allowances (kWh per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic	Electric Cooking	Electric Water Heating	Solar Water Heating*	Total
0	32	56	50	138	78	43	16	274
1	34	56	50	139	78	87	31	335
2	36	76	50	162	78	174	47	460
3	43	92	50	185	95	261	78	619
4	45	113	50	208	95	348	110	760
5	47	114	50	211	95	434	141	882

* Distribution by bedroom size based on number of occupants

Cost Allowances (\$ per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic**	Electric Cooking	Electric Water Heating	Solar Water Heating	Total
0	\$11.07	\$19.10	\$17.20	\$58	\$27	\$15	\$5	\$105
1	\$11.61	\$19.10	\$17.20	\$58	\$27	\$30	\$11	\$125
2	\$12.43	\$26.12	\$17.20	\$66	\$27	\$60	\$16	\$169
3	\$14.74	\$31.67	\$17.20	\$74	\$33	\$90	\$27	\$223
4	\$15.56	\$38.70	\$17.20	\$82	\$33	\$120	\$38	\$272
5	\$16.24	\$39.19	\$17.20	\$83	\$33	\$149	\$48	\$314

**Total Basic Includes Monthly Customer Base Charge. This is the amount for Other Electric.

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Duplex
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	2	104	38
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 1

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Duplex
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	2	26	3	156	57
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 3

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	3	26	3	234	85
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Duplex
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	4	26	3	312	114
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 5

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	5	26	3	390	142
Lamps	0	0	4	0	0
Hall/Stairs	3	13	3	117	43
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Duplex
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 1

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Duplex
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	2	2	24.0	2.9	35
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 3

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	3	2	24.0	4.3	52
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Duplex
Utility Type: Electric
Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	4	2	24.0	5.8	69
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Number of Bedrooms: 5

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	5	2	24.0	7.2	86
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

2015 Allowances for Medical Equipment

Hawaii Public Housing Authority

Property Description: Duplex
Utility Type: Electric
Utility Provider: HECO

Description	Frequency	kWh/Year	kWh/Month	Monthly Dollar Allowance
Air Conditioner, window type, 10,000 BtuH unit	Continuously As Needed	2,750	229	\$78.82
Oxygen Concentrator, 400W	18 Hrs/Day	2,628	219	\$75.32
Nebulizer, 75W	2 Hrs/Day	60	5	\$1.72
Electric Hospital Bed, 200W	.2 Hrs/Day	12	1	\$0.34
Alternating Pressure Pad, 70W	24 Hrs/Day	612	51	\$17.54
Low Air-Loss Mattress, 120W	24 Hrs/Day	1,056	88	\$30.27
Power Wheelchair/ Scooter, 550W, Full-Time Use	4 Hrs/Day Charge Time	803	67	\$23.01
Feeding Tube, 120W	12 Hrs/Day	526	44	\$15.06
CPAP Machine, 30W	10 Hrs/Day	110	9	\$3.14
Leg Pump, 14W	6 Hrs/Day	31	3	\$0.88

2015 Rate Calculation Form

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Duplex

Fuel Adjustment Cost (FAC) (per Therm)

Month	Amount	Month	Amount
January-14	\$0.8854	July-14	\$1.6277
February-14	\$1.3287	August-14	\$1.3092
March-14	\$0.6223	September-14	\$1.4398
April-14	\$1.4050	October-14	\$1.0439
May-14	\$1.5962	November-14	\$0.6994
June-14	\$1.7682	December-14	\$0.4736
Average Adjustment			\$1.1833

Summary of Rate Schedule -- Schedule 20 - Residential

Monthly Customer Base Charge: \$8.50
Commodity Charge -- All Therms \$3.8871
Average Fuel Adjustment Cost: \$1.1833
Applicable Tax Rate 4.712%

2015 Utility Allowances

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Duplex

Consumption Allowances (Therms per Month)

Bedroom Size	Cooking	Individual Water Heating	Total
0	4.50	5.25	9.75
1	4.50	7.50	12.00
2	4.50	12.00	16.50
3	5.50	16.58	22.08
4	5.50	21.08	26.58
5	5.50	25.67	31.17

Cost Allowances (\$ per Month)

Bedroom Size	Cooking*	Individual Water Heating	Total
0	\$33	\$28	\$61
1	\$33	\$40	\$73
2	\$33	\$64	\$97
3	\$38	\$88	\$126
4	\$38	\$112	\$150
5	\$38	\$136	\$174

*Total Basic Includes Monthly Customer Base Charge

Water and Sewer Allowance Calculation

Hawaii Public Housing Authority

Property Description: Duplex
 Utility Type: Water/Sewer
 Utility Provider: City/County of Honolulu

Standards Used in Calculating Water Usage				
Fixture/Use	Gallons	Times	Frequency	Description
Toilet	3.5	X	5	Flushes per Person per Day
Shower	15	X	1	Showers per Person per Day
Dishwasher	3	X	0.5	Dishloads per Person per Day
Laundry	8	X	0.2	Loads per Person per Day
Cooking	0.1	X	3	Meals per Person per Day
Handwashing	0.1	X	10	Handwashings per Person per Day
Other	5	X	1	Allowance per Person per Day

Calculation of Monthly Water Usage						
Bedroom Size >>>	0	1	2	3	4	5
# Occupants >>>	1	2	4	6	8	10
Toilet	17.5	35	70	105	140	175
Shower	15	30	60	90	120	150
Diswasher	1.5	3	6	9	12	15
Clothes	1.6	3.2	6.4	9.6	12.8	16
Cooking	0.3	0.6	1.2	1.8	2.4	3
Handwashing	1	2	4	6	8	10
Other	5	10	20	30	40	50
Gallons per Day	41.9	83.8	167.6	251.4	335.2	419
Gallons per Month	1274	2549	5098	7647	10196	12745
Water Billing Gallons	2000	3000	6000	8000	11000	13000
Sewer Billing Gallons*	2000	3000	5000	7000	9000	11000

Water Rate Schedule	
Base Charge	\$9.26
Charge per 1000 Gals	\$4.42

Sewer Rate Schedule	
Base Charge	71.81
Charge per 1000 Gals	4.29

Monthly Cost Allowances						
Bedroom Size >>>	0	1	2	3	4	5
Water Allowance	\$18	\$23	\$36	\$45	\$58	\$67
Sewer Allowance	\$80	\$85	\$93	\$102	\$110	\$119

*Actual consumption reduced by 20% for water irrigation factor

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Townhouse
 Utility Type: Electric
 Utility Provider: HECO

Average Residential DSM Adjustments (per kWh)

Month	Amount	Month	Amount
January-14	\$0.001067	July-14	\$0.001423
February-14	\$0.001067	August-14	\$0.001423
March-14	\$0.001067	September-14	\$0.001423
April-14	\$0.001423	October-14	\$0.001423
May-14	\$0.001423	November-14	\$0.001423
June-14	\$0.001423	December-14	\$0.001423
Average Adjustment			\$0.001334

Average Energy Cost Adjustment Factors (per kWh)

Month	Amount	Month	Amount
January-14	\$0.05946	July-14	\$0.05721
February-14	\$0.07338	August-14	\$0.05901
March-14	\$0.05978	September-14	\$0.05988
April-14	\$0.06057	October-14	\$0.05155
May-14	\$0.05541	November-14	\$0.03694
June-14	\$0.05685	December-14	\$0.02659
Average Adjustment			\$0.05472

IRP Cost Recovery Provision

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Townhouse
Utility Type: Electric
Utility Provider: HECO

Rate Adjustment

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

Summary of Rate Schedule -- Schedule "R"

Monthly Customer Base Charge*:	\$10.29
Non-Fuel Energy Charge**:	\$0.089205
Base Fuel/Energy Charge:	\$0.136062
IRP Cost Recovery Provision (Applies to Above 3 Charges):	0.000%
Rate Adjustment (Applies to Above 3 Charges):	0.000%
Average Residential DSM Adjustments:	\$0.001334
Average Energy Cost Adjustment Factors:	\$0.05472
Public Benefits Surcharge/Avg Purch Power Adj/RBA Rate Adj/RE Surcharge:	\$0.062605

* Includes Green Infrastructure Fee Surcharge

2015 Utility Allowances

Hawaii Public Housing Authority

Property Description: Townhouse
 Utility Type: Electric
 Utility Provider: HECO

Consumption Allowances (kWh per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic	Electric Cooking	Electric Water Heating	Solar Water Heating*	Total
0	33	56	50	139	78	43	16	275
1	35	56	50	140	78	87	31	336
2	37	76	50	163	78	174	47	462
3	44	92	50	186	95	261	78	620
4	46	113	50	209	95	348	110	761
5	48	114	50	212	95	434	141	883

* Distribution by bedroom size based on number of occupants

Cost Allowances (\$ per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic**	Electric Cooking	Electric Water Heating	Solar Water Heating	Total
0	\$11.48	\$19.10	\$17.20	\$58	\$27	\$15	\$5	\$105
1	\$12.02	\$19.10	\$17.20	\$59	\$27	\$30	\$11	\$126
2	\$12.84	\$26.12	\$17.20	\$66	\$27	\$60	\$16	\$169
3	\$15.15	\$31.67	\$17.20	\$74	\$33	\$90	\$27	\$224
4	\$15.96	\$38.70	\$17.20	\$82	\$33	\$120	\$38	\$272
5	\$16.64	\$39.19	\$17.20	\$83	\$33	\$149	\$48	\$314

**Total Basic Includes Monthly Customer Base Charge. This is the amount for Other Electric.

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Townhouse
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	2	104	38
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 1

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Townhouse
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	2	26	3	156	57
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 3

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	3	26	3	234	85
Lamps	0	0	4	0	0
Hall/Stairs	3	13	3	117	43
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Townhouse
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	4	26	3	312	114
Lamps	0	0	4	0	0
Hall/Stairs	3	13	3	117	43
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 5

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	2	13	3	78	28
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	5	26	3	390	142
Lamps	0	0	4	0	0
Hall/Stairs	4	13	3	156	57
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Townhouse
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 1

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Townhouse
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	2	2	24.0	2.9	35
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 3

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	3	2	24.0	4.3	52
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Townhouse
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	4	2	24.0	5.8	69
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Number of Bedrooms: 5

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	5	2	24.0	7.2	86
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

2015 Allowances for Medical Equipment

Hawaii Public Housing Authority

Property Description:
Utility Type:
Utility Provider:

Townhouse
Electric
HECO

Description	Frequency	kWh/Year	kWh/Month	Monthly Dollar Allowance
Air Conditioner, window type, 10,000 BtuH unit	Continuously As Needed	2,750	229	\$78.82
Oxygen Concentrator, 400W	18 Hrs/Day	2,628	219	\$75.32
Nebulizer, 75W	2 Hrs/Day	60	5	\$1.72
Electric Hospital Bed, 200W	.2 Hrs/Day	12	1	\$0.34
Alternating Pressure Pad, 70W	24 Hrs/Day	612	51	\$17.54
Low Air-Loss Mattress, 120W	24 Hrs/Day	1,056	88	\$30.27
Power Wheelchair/ Scooter, 550W, Full-Time Use	4 Hrs/Day Charge Time	803	67	\$23.01
Feeding Tube, 120W	12 Hrs/Day	526	44	\$15.06
CPAP Machine, 30W	10 Hrs/Day	110	9	\$3.14
Leg Pump, 14W	6 Hrs/Day	31	3	\$0.88

2015 Rate Calculation Form

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Townhouse

Fuel Adjustment Cost (FAC) (per Therm)

Month	Amount	Month	Amount
January-14	\$0.8854	July-14	\$1.6277
February-14	\$1.3287	August-14	\$1.3092
March-14	\$0.6223	September-14	\$1.4398
April-14	\$1.4050	October-14	\$1.0439
May-14	\$1.5962	November-14	\$0.6994
June-14	\$1.7682	December-14	\$0.4736
Average Adjustment			\$1.1833

Summary of Rate Schedule -- Schedule 20 - Residential

Monthly Customer Base Charge: \$8.50
Commodity Charge -- All Therms \$3.8871
Average Fuel Adjustment Cost: \$1.1833
Applicable Tax Rate 4.712%

2015 Utility Allowances

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Townhouse

Consumption Allowances (Therms per Month)

Bedroom Size	Cooking	Individual Water Heating	Total
0	4.50	5.25	9.75
1	4.50	7.50	12.00
2	4.50	12.00	16.50
3	5.50	16.58	22.08
4	5.50	21.08	26.58
5	5.50	25.67	31.17

Cost Allowances (\$ per Month)

Bedroom Size	Cooking*	Individual Water Heating	Total
0	\$33	\$28	\$61
1	\$33	\$40	\$73
2	\$33	\$64	\$97
3	\$38	\$88	\$126
4	\$38	\$112	\$150
5	\$38	\$136	\$174

*Total Basic Includes Monthly Customer Base Charge

Water and Sewer Allowance Calculation

Hawaii Public Housing Authority

Property Description: Townhouse
 Utility Type: Water/Sewer
 Utility Provider: City/County of Honolulu

Standards Used in Calculating Water Usage				
Fixture/Use	Gallons	Times	Frequency	Description
Toilet	3.5	X	5	Flushes per Person per Day
Shower	15	X	1	Showers per Person per Day
Dishwasher	3	X	0.5	Dishloads per Person per Day
Laundry	8	X	0.2	Loads per Person per Day
Cooking	0.1	X	3	Meals per Person per Day
Handwashing	0.1	X	10	Handwashings per Person per Day
Other	5	X	1	Allowance per Person per Day

Calculation of Monthly Water Usage						
Bedroom Size >>>	0	1	2	3	4	5
# Occupants >>>	1	2	4	6	8	10
Toilet	17.5	35	70	105	140	175
Shower	15	30	60	90	120	150
Diswasher	1.5	3	6	9	12	15
Clothes	1.6	3.2	6.4	9.6	12.8	16
Cooking	0.3	0.6	1.2	1.8	2.4	3
Handwashing	1	2	4	6	8	10
Other	5	10	20	30	40	50
Gallons per Day	41.9	83.8	167.6	251.4	335.2	419
Gallons per Month	1274	2549	5098	7647	10196	12745
Water Billing Gallons	2000	3000	6000	8000	11000	13000
Sewer Billing Gallons*	2000	3000	5000	7000	9000	11000

Water Rate Schedule	
Base Charge	\$9.26
Charge per 1000 Gals	\$4.42

Sewer Rate Schedule	
Base Charge	71.81
Charge per 1000 Gals	4.29

Monthly Cost Allowances						
Bedroom Size >>>	0	1	2	3	4	5
Water Allowance	\$18	\$23	\$36	\$45	\$58	\$67
Sewer Allowance	\$80	\$85	\$93	\$102	\$110	\$119

*Actual consumption reduced by 20% for water irrigation factor

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Lowrise
 Utility Type: Electric
 Utility Provider: HECO

Average Residential DSM Adjustments (per kWh)

Month	Amount	Month	Amount
January-14	\$0.001067	July-14	\$0.001423
February-14	\$0.001067	August-14	\$0.001423
March-14	\$0.001067	September-14	\$0.001423
April-14	\$0.001423	October-14	\$0.001423
May-14	\$0.001423	November-14	\$0.001423
June-14	\$0.001423	December-14	\$0.001423
Average Adjustment			\$0.001334

Average Energy Cost Adjustment Factors (per kWh)

Month	Amount	Month	Amount
January-14	\$0.05946	July-14	\$0.05721
February-14	\$0.07338	August-14	\$0.05901
March-14	\$0.05978	September-14	\$0.05988
April-14	\$0.06057	October-14	\$0.05155
May-14	\$0.05541	November-14	\$0.03694
June-14	\$0.05685	December-14	\$0.02659
Average Adjustment			\$0.05472

IRP Cost Recovery Provision

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Lowrise
Utility Type: Electric
Utility Provider: HECO

Rate Adjustment

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

Summary of Rate Schedule -- Schedule "R"

Monthly Customer Base Charge*:	\$10.29
Non-Fuel Energy Charge**:	\$0.089205
Base Fuel/Energy Charge:	\$0.136062
IRP Cost Recovery Provision (Applies to Above 3 Charges):	0.000%
Rate Adjustment (Applies to Above 3 Charges):	0.000%
Average Residential DSM Adjustments:	\$0.001334
Average Energy Cost Adjustment Factors:	\$0.05472
Public Benefits Surcharge/Avg Purch Power Adj/RBA Rate Adj/RE Surcharge:	\$0.062605

* Includes Green Infrastructure Fee Surcharge

2015 Utility Allowances

Hawaii Public Housing Authority

Property Description: Lowrise
 Utility Type: Electric
 Utility Provider: HECO

Consumption Allowances (kWh per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic	Electric Cooking	Electric Water Heating	Solar Water Heating*	Total
0	31	56	50	137	78	43	16	273
1	33	56	50	138	78	87	31	334
2	35	76	50	161	78	174	47	459
3	42	92	50	184	95	261	78	618
4	44	113	50	207	95	348	110	759
5	46	114	50	210	95	434	141	881

* Distribution by bedroom size based on number of occupants

Cost Allowances (\$ per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic**	Electric Cooking	Electric Water Heating	Solar Water Heating	Total
0	\$10.66	\$19.10	\$17.20	\$57	\$27	\$15	\$5	\$104
1	\$11.20	\$19.10	\$17.20	\$58	\$27	\$30	\$11	\$125
2	\$12.02	\$26.12	\$17.20	\$66	\$27	\$60	\$16	\$168
3	\$14.33	\$31.67	\$17.20	\$73	\$33	\$90	\$27	\$223
4	\$15.15	\$38.70	\$17.20	\$81	\$33	\$120	\$38	\$271
5	\$15.83	\$39.19	\$17.20	\$83	\$33	\$149	\$48	\$313

**Total Basic Includes Monthly Customer Base Charge. This is the amount for Other Electric.

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Lowrise
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	1	13	3	39	14
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	2	104	38
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 1

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	1	13	3	39	14
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Lowrise
Utility Type: Electric
Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	1	13	3	39	14
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	2	26	3	156	57
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 3

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	1	13	3	39	14
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	3	26	3	234	85
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Lowrise
Utility Type: Electric
Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	1	13	3	39	14
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	4	26	3	312	114
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 5

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	1	13	3	39	14
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	5	26	3	390	142
Lamps	0	0	4	0	0
Hall/Stairs	3	13	3	117	43
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Lowrise
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 1

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Lowrise
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	2	2	24.0	2.9	35
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 3

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	3	2	24.0	4.3	52
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Lowrise
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	4	2	24.0	5.8	69
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Number of Bedrooms: 5

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	5	2	24.0	7.2	86
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

2015 Allowances for Medical Equipment

Hawaii Public Housing Authority

Property Description: Lowrise
 Utility Type: Electric
 Utility Provider: HECO

Description	Frequency	kWh/Year	kWh/Month	Monthly Dollar Allowance
Air Conditioner, window type, 10,000 BtuH unit	Continuously As Needed	2,750	229	\$78.82
Oxygen Concentrator, 400W	18 Hrs/Day	2,628	219	\$75.32
Nebulizer, 75W	2 Hrs/Day	60	5	\$1.72
Electric Hospital Bed, 200W	.2 Hrs/Day	12	1	\$0.34
Alternating Pressure Pad, 70W	24 Hrs/Day	612	51	\$17.54
Low Air-Loss Mattress, 120W	24 Hrs/Day	1,056	88	\$30.27
Power Wheelchair/ Scooter, 550W, Full-Time Use	4 Hrs/Day Charge Time	803	67	\$23.01
Feeding Tube, 120W	12 Hrs/Day	526	44	\$15.06
CPAP Machine, 30W	10 Hrs/Day	110	9	\$3.14
Leg Pump, 14W	6 Hrs/Day	31	3	\$0.88

2015 Rate Calculation Form

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Lowrise

Fuel Adjustment Cost (FAC) (per Therm)

Month	Amount	Month	Amount
January-14	\$0.8854	July-14	\$1.6277
February-14	\$1.3287	August-14	\$1.3092
March-14	\$0.6223	September-14	\$1.4398
April-14	\$1.4050	October-14	\$1.0439
May-14	\$1.5962	November-14	\$0.6994
June-14	\$1.7682	December-14	\$0.4736
Average Adjustment			\$1.1833

Summary of Rate Schedule -- Schedule 20 - Residential

Monthly Customer Base Charge: \$8.50
Commodity Charge -- All Therms \$3.8871
Average Fuel Adjustment Cost: \$1.1833
Applicable Tax Rate 4.712%

085

2015 Utility Allowances

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Lowrise

Consumption Allowances (Therms per Month)

Bedroom Size	Cooking	Individual Water Heating	Total
0	4.50	5.25	9.75
1	4.50	7.50	12.00
2	4.50	12.00	16.50
3	5.50	16.58	22.08
4	5.50	21.08	26.58
5	5.50	25.67	31.17

Cost Allowances (\$ per Month)

Bedroom Size	Cooking*	Individual Water Heating	Total
0	\$33	\$28	\$61
1	\$33	\$40	\$73
2	\$33	\$64	\$97
3	\$38	\$88	\$126
4	\$38	\$112	\$150
5	\$38	\$136	\$174

*Total Basic Includes Monthly Customer Base Charge

Water and Sewer Allowance Calculation

Hawaii Public Housing Authority

Property Description: Lowrise
 Utility Type: Water/Sewer
 Utility Provider: City/County of Honolulu

Standards Used in Calculating Water Usage				
Fixture/Use	Gallons	Times	Frequency	Description
Toilet	3.5	X	5	Flushes per Person per Day
Shower	15	X	1	Showers per Person per Day
Dishwasher	3	X	0.5	Dishloads per Person per Day
Laundry	8	X	0.2	Loads per Person per Day
Cooking	0.1	X	3	Meals per Person per Day
Handwashing	0.1	X	10	Handwashings per Person per Day
Other	5	X	1	Allowance per Person per Day

Calculation of Monthly Water Usage						
Bedroom Size >>>	0	1	2	3	4	5
# Occupants >>>	1	2	4	6	8	10
Toilet	17.5	35	70	105	140	175
Shower	15	30	60	90	120	150
Diswasher	1.5	3	6	9	12	15
Clothes	1.6	3.2	6.4	9.6	12.8	16
Cooking	0.3	0.6	1.2	1.8	2.4	3
Handwashing	1	2	4	6	8	10
Other	5	10	20	30	40	50
Gallons per Day	41.9	83.8	167.6	251.4	335.2	419
Gallons per Month	1274	2549	5098	7647	10196	12745
Water Billing Gallons	2000	3000	6000	8000	11000	13000
Sewer Billing Gallons*	2000	3000	5000	7000	9000	11000

Water Rate Schedule	
Base Charge	\$9.26
Charge per 1000 Gals	\$4.42

Sewer Rate Schedule	
Base Charge	71.81
Charge per 1000 Gals	4.29

Monthly Cost Allowances						
Bedroom Size >>>	0	1	2	3	4	5
Water Allowance	\$18	\$23	\$36	\$45	\$58	\$67
Sewer Allowance	\$80	\$85	\$93	\$102	\$110	\$119

*Actual consumption reduced by 20% for water irrigation factor

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Highrise
Utility Type: Electric
Utility Provider: HECO

Average Residential DSM Adjustments (per kWh)

Month	Amount	Month	Amount
January-14	\$0.001067	July-14	\$0.001423
February-14	\$0.001067	August-14	\$0.001423
March-14	\$0.001067	September-14	\$0.001423
April-14	\$0.001423	October-14	\$0.001423
May-14	\$0.001423	November-14	\$0.001423
June-14	\$0.001423	December-14	\$0.001423
Average Adjustment			\$0.001334

Average Energy Cost Adjustment Factors (per kWh)

Month	Amount	Month	Amount
January-14	\$0.05946	July-14	\$0.05721
February-14	\$0.07338	August-14	\$0.05901
March-14	\$0.05978	September-14	\$0.05988
April-14	\$0.06057	October-14	\$0.05155
May-14	\$0.05541	November-14	\$0.03694
June-14	\$0.05685	December-14	\$0.02659
Average Adjustment			\$0.05472

IRP Cost Recovery Provision

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

2015 Rate Calculation Form

Hawaii Public Housing Authority

Property Description: Highrise
Utility Type: Electric
Utility Provider: HECO

Rate Adjustment

Month	Amount	Month	Amount
January-14	0.000%	July-14	0.000%
February-14	0.000%	August-14	0.000%
March-14	0.000%	September-14	0.000%
April-14	0.000%	October-14	0.000%
May-14	0.000%	November-14	0.000%
June-14	0.000%	December-14	0.000%
Average Adjustment			0.000%

Summary of Rate Schedule -- Schedule "R"

Monthly Customer Base Charge*:	\$10.29
Non-Fuel Energy Charge**:	\$0.089205
Base Fuel/Energy Charge:	\$0.136062
IRP Cost Recovery Provision (Applies to Above 3 Charges):	0.000%
Rate Adjustment (Applies to Above 3 Charges):	0.000%
Average Residential DSM Adjustments:	\$0.001334
Average Energy Cost Adjustment Factors:	\$0.05472
Public Benefits Surcharge/Avg Purch Power Adj/RBA Rate Adj/RE Surcharge:	\$0.062605

* Includes Green Infrastructure Fee Surcharge

2015 Utility Allowances

Hawaii Public Housing Authority

Property Description: Highrise
 Utility Type: Electric
 Utility Provider: HECO

Consumption Allowances (kWh per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic	Electric Cooking	Electric Water Heating	Solar Water Heating*	Total
0	30	56	50	135	78	43	16	272
1	31	56	50	137	78	87	31	332
2	34	76	50	160	78	174	47	458
3	40	92	50	183	95	261	78	616
4	43	113	50	205	95	348	110	758
5	45	114	50	209	95	434	141	879

* Distribution by bedroom size based on number of occupants

Cost Allowances (\$ per Month)

Bedroom Size	Lights	Misc.	Refrig.	Total Basic**	Electric Cooking	Electric Water Heating	Solar Water Heating	Total
0	\$10.25	\$19.10	\$17.20	\$57	\$27	\$15	\$5	\$104
1	\$10.80	\$19.10	\$17.20	\$57	\$27	\$30	\$11	\$125
2	\$11.61	\$26.12	\$17.20	\$65	\$27	\$60	\$16	\$168
3	\$13.92	\$31.67	\$17.20	\$73	\$33	\$90	\$27	\$222
4	\$14.74	\$38.70	\$17.20	\$81	\$33	\$120	\$38	\$271
5	\$15.42	\$39.19	\$17.20	\$82	\$33	\$149	\$48	\$313

**Total Basic Includes Monthly Customer Base Charge. This is the amount for Other Electric.

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Highrise
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	0	0	3	0	0
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	2	104	38
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 1

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	0	0	3	0	0
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	1	26	3	78	28
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Highrise
Utility Type: Electric
Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	0	0	3	0	0
Living Room	1	39	5	195	71
Dining Room	0	0	2	0	0
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	2	26	3	156	57
Lamps	0	0	4	0	0
Hall/Stairs	1	13	3	39	14
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 3

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	0	0	3	0	0
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	3	26	3	234	85
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Lighting Usage Tables

Hawaii Public Housing Authority

Property Description: Highrise
Utility Type: Electric
Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	0	0	3	0	0
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	4	208	76
Bedroom	4	26	3	312	114
Lamps	0	0	4	0	0
Hall/Stairs	2	13	3	78	28
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Number of Bedrooms: 5

Area Description	Number of Fixtures	Watts per Fixture	Hours per Day	Watts per Day	kWh per Year
Porches	0	0	3	0	0
Living Room	1	39	5	195	71
Dining Room	1	26	2	52	19
Kitchen	1	128	4	512	187
Pantry	1	13	2	26	9
Bathroom	1	52	3	156	57
Bedroom	5	26	3	390	142
Lamps	0	0	4	0	0
Hall/Stairs	3	13	3	117	43
Closet	1	13	1	13	5
Utility	0	0	1	0	0
Storage	1	13	1	13	5

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Highrise
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 0

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 1

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	1	2	24.0	1.4	17
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	1	60	4.0	7.2	86
Hair Dryer	1	1200	0.1	3.0	36
Iron	1	1100	0.1	4.7	57
Microwave Oven	1	800	0.2	4.1	49
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Highrise
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 2

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	2	2	24.0	2.9	35
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	1	15	6.0	2.7	32
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	1	100	4.0	12.0	144

Number of Bedrooms: 3

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	3	2	24.0	4.3	52
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	2	60	4.0	14.4	173
Hair Dryer	2	1200	0.1	6.0	72
Iron	1	1100	0.3	9.4	113
Microwave Oven	1	800	0.3	8.2	98
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Miscellaneous Small Appliance Usage Tables

Hawaii Public Housing Authority

Property Description: Highrise
 Utility Type: Electric
 Utility Provider: HECO

Number of Bedrooms: 4

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	4	2	24.0	5.8	69
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

Number of Bedrooms: 5

Area Description	Number of Appliances	Watts per Appliance	Hours per Day	kWh per Month	kWh per Year
Clocks	5	2	24.0	7.2	86
Coffee Maker	1	1000	0.2	5.1	61
Computer, Desktop	1	65	2.0	3.9	47
Computer Monitor, 15"	1	35	4.0	4.2	50
Fan	3	60	4.0	21.6	259
Hair Dryer	3	1200	0.1	9.0	108
Iron	1	1100	0.4	14.2	170
Microwave Oven	1	800	0.5	12.2	147
Radio	2	15	6.0	5.4	65
Smoke Detector	2	2	24.0	2.9	35
Telephone	1	6	24.0	4.3	52
Television	2	100	4.0	24.0	288

2015 Allowances for Medical Equipment

Hawaii Public Housing Authority

Property Description: Highrise
 Utility Type: Electric
 Utility Provider: HECO

Description	Frequency	kWh/Year	kWh/Month	Monthly Dollar Allowance
Air Conditioner, window type, 10,000 BtuH unit	Continuously As Needed	2,750	229	\$78.82
Oxygen Concentrator, 400W	18 Hrs/Day	2,628	219	\$75.32
Nebulizer, 75W	2 Hrs/Day	60	5	\$1.72
Electric Hospital Bed, 200W	.2 Hrs/Day	12	1	\$0.34
Alternating Pressure Pad, 70W	24 Hrs/Day	612	51	\$17.54
Low Air-Loss Mattress, 120W	24 Hrs/Day	1,056	88	\$30.27
Power Wheelchair/ Scooter, 550W, Full-Time Use	4 Hrs/Day Charge Time	803	67	\$23.01
Feeding Tube, 120W	12 Hrs/Day	526	44	\$15.06
CPAP Machine, 30W	10 Hrs/Day	110	9	\$3.14
Leg Pump, 14W	6 Hrs/Day	31	3	\$0.88

Water and Sewer Allowance Calculation

Hawaii Public Housing Authority

Property Description: Highrise
 Utility Type: Water/Sewer
 Utility Provider: City/County of Honolulu

Standards Used in Calculating Water Usage				
Fixture/Use	Gallons	Times	Frequency	Description
Toilet	3.5	X	5	Flushes per Person per Day
Shower	15	X	1	Showers per Person per Day
Dishwasher	3	X	0.5	Dishloads per Person per Day
Laundry	8	X	0.2	Loads per Person per Day
Cooking	0.1	X	3	Meals per Person per Day
Handwashing	0.1	X	10	Handwashings per Person per Day
Other	5	X	1	Allowance per Person per Day

Calculation of Monthly Water Usage						
Bedroom Size >>>	0	1	2	3	4	5
# Occupants >>>	1	2	4	6	8	10
Toilet	17.5	35	70	105	140	175
Shower	15	30	60	90	120	150
Diswasher	1.5	3	6	9	12	15
Clothes	1.6	3.2	6.4	9.6	12.8	16
Cooking	0.3	0.6	1.2	1.8	2.4	3
Handwashing	1	2	4	6	8	10
Other	5	10	20	30	40	50
Gallons per Day	41.9	83.8	167.6	251.4	335.2	419
Gallons per Month	1274	2549	5098	7647	10196	12745
Water Billing Gallons	2000	3000	6000	8000	11000	13000
Sewer Billing Gallons*	2000	3000	5000	7000	9000	11000

Water Rate Schedule	
Base Charge	\$9.26
Charge per 1000 Gals	\$4.42

Sewer Rate Schedule	
Base Charge	71.81
Charge per 1000 Gals	4.29

Monthly Cost Allowances						
Bedroom Size >>>	0	1	2	3	4	5
Water Allowance	\$18	\$23	\$36	\$45	\$58	\$67
Sewer Allowance	\$80	\$85	\$93	\$102	\$110	\$119

*Actual consumption reduced by 20% for water irrigation factor

2015 Rate Calculation Form

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Highrise

Fuel Adjustment Cost (FAC) (per Therm)

Month	Amount	Month	Amount
January-14	\$0.8854	July-14	\$1.6277
February-14	\$1.3287	August-14	\$1.3092
March-14	\$0.6223	September-14	\$1.4398
April-14	\$1.4050	October-14	\$1.0439
May-14	\$1.5962	November-14	\$0.6994
June-14	\$1.7682	December-14	\$0.4736
Average Adjustment			\$1.1833

Summary of Rate Schedule -- Schedule 20 - Residential

Monthly Customer Base Charge: \$8.50
Commodity Charge -- All Therms \$3.8871
Average Fuel Adjustment Cost: \$1.1833
Applicable Tax Rate 4.712%

2015 Utility Allowances

Hawaii Public Housing Authority

Utility Type: LP -- Utility
Property Description: Highrise

Consumption Allowances (Therms per Month)

Bedroom Size	Cooking	Individual Water Heating	Total
0	4.50	5.25	9.75
1	4.50	7.50	12.00
2	4.50	12.00	16.50
3	5.50	16.58	22.08
4	5.50	21.08	26.58
5	5.50	25.67	31.17

Cost Allowances (\$ per Month)

Bedroom Size	Cooking*	Individual Water Heating	Total
0	\$33	\$28	\$61
1	\$33	\$40	\$73
2	\$33	\$64	\$97
3	\$38	\$88	\$126
4	\$38	\$112	\$150
5	\$38	\$136	\$174

*Total Basic Includes Monthly Customer Base Charge

March 19, 2015

FOR ACTION

MOTION: To Accept the Hawaii Public Housing Authority's Single Audit Testing on Internal Controls and Compliance for Fiscal Year July 1, 2013 Ending June 30, 2014 and to Authorize the Executive Director to Submit the Audit and Management Responses to the Federal Audit Clearinghouse and U.S. Department of Housing and Urban Development as Required

I. FACTS

- A. The audit of the Hawaii Public Housing Authority's (HPHA) financial statements for fiscal year ending June 30, 2014, was performed by our independent auditor, KMH, LLP.
- B. KMH is responsible to express an opinion on compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the HPHA's major federal programs.
- C. KMH has also completed the single audit testing on internal controls and compliance. Management responses and corrective action plans in response to the auditor's findings are included.
- D. The single audit findings are submitted to the Federal Single Audit Clearinghouse and the U.S. Department of Housing and Urban Development no later than March 2015.

II. DISCUSSION

- A. The draft single audit includes three findings: 1) Significant deficiency related to the timely reconciliation of the HPHA's inter fund; 2) Material weakness related eligibility under the federal public housing program; and 3) eligibility, reporting, special terms and provisions under the Section 8 voucher program.
- B. Over the last several year, the HPHA has been able to make significant progress in addressing audit findings from previous years reducing the number and severity of findings.

- C. In order to continue its progress, the HPHA will continue to conduct quality control monitoring and secure specialized training for staff on technical program matters.

II. RECOMMENDATION

That the Board of Director accept the Single Audit for the Fiscal Year beginning July 1, 2013 and Ending June 30, 2014 and authorize the Executive Director to submit the audit and management responses to the Federal Audit Clearinghouse and the U.S. Department of Housing and Urban Development as required

Attachment A: Single Audit Findings for Fiscal Year July 1, 2013 Ending June 30, 2014

Prepared by: Chong Gu, Chief Financial Management Advisor CG

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

David Gierlach
Chairperson



Hawaii Public Housing Authority

Financial Statements

June 30, 2014

Together with Independent Auditor's Report

DRAFT

Submitted by

**THE AUDITOR
STATE OF HAWAII**

TBD

Mr. Hakim Ouansafi
Executive Director
Hawaii Public Housing Authority
State of Hawaii

Dear Mr. Ouansafi:

This is our report on the financial audit of the Hawaii Public Housing Authority (Authority) as of and for the fiscal year ended June 30, 2014. Our audit was performed in accordance with the terms of our contract with the State of Hawaii and with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, Government Auditing Standards, *Audits of States, Local Governments, and Non-Profit Organizations*.

OBJECTIVES OF THE AUDIT

The primary purpose of our audit was to form an opinion on the fairness of the presentation of the Authority's basic financial statements as of and for the fiscal year ended June 30, 2014, and to comply with the requirements of OMB Circular A-133. The objectives of the audit were as follows:

1. To provide a basis for an opinion on the fairness of the presentation of the Authority's basic financial statements.
2. To determine whether expenditures and other disbursements have been made and all revenues and other receipts to which the Authority is entitled have been collected and accounted for in accordance with the laws, rules and regulations, and policies and procedures of the State of Hawaii and the federal government.
3. To determine whether the Authority has established sufficient internal controls to properly manage federal financial assistance programs and to comply with the applicable laws and regulations.
4. To determine whether the Authority has complied with the laws and regulations that may have a material effect on the basic financial statements and on its major federal financial assistance programs.

SCOPE OF THE AUDIT

Our audit was performed in accordance with auditing standards generally accepted in the United States of America as prescribed by the American Institute of Certified Public Accountants; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133. The scope of our audit included an examination of the transactions and accounting records of the Authority as of and for the fiscal year ended June 30, 2014.

ORGANIZATION OF THE REPORT

This report is presented in five parts as follows:

- Part I – The basic financial statements and related notes of the Authority as of and for the fiscal year ended June 30, 2014, and our opinion on the basic financial statements.
- Part II – Our report on internal control over financial reporting and compliance.
- Part III – Our report on compliance for each major program; internal control over compliance; and report on schedule of expenditures of federal awards.
- Part IV – The schedule of findings and questioned costs and management responses
- Part V – The summary schedule of prior audit findings.

We wish to express our sincere appreciation for the excellent cooperation and assistance extended by the officers and staff of the Authority.

Sincerely,

Wilcox Choy
Partner

Table of Contents

	Page
PART I FINANCIAL SECTION	
Independent Auditor's Report	6-8
Management's Discussion and Analysis	9-20
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	21-22
Statement of Activities	23
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26
Reconciliation of the Change in Fund Balances to the Statement of Activities	27
Proprietary Funds	
Statement of Net Position - Proprietary Funds	28-29
Reconciliation of the Proprietary Funds Net Position to the Statement of Net Position	30
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	31-32
Reconciliation of the Change In Net Position of the Proprietary Funds to the Statement of Activities	33
Statement of Cash Flows - Proprietary Funds	34-36
Notes to the Basic Financial Statements	37-64

Table of Contents (continued)

	Page
Required Supplementary Information Other Than Management's Discussion and Analysis	65
Budgetary Comparison Schedule – Major Governmental Funds	66-67
Budgetary Comparison Schedule – Budget-to-GAAP Reconciliation	68
Supplementary Information	69
Schedule of Expenditures of Federal Awards	70-71
Financial Data Schedule	72-78
PART II INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	79-81
PART III INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133	82-86
PART IV SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND MANAGEMENT RESPONSES	87-95
PART V SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	96-100

PART I
FINANCIAL SECTION

DRAFT

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, 2014 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.

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, 2014, 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.

Emphasis Matter

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, 2014, 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 9 through 20 and pages 66 to 68, 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 Schedule of Federal Awards on pages 70 through 71, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is not a required part of the basic financial statements.

The accompanying Financial Data Schedule on pages 72 through 77 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Federal Awards and the Financial Data Schedule 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 Schedule of Federal Awards and the Financial Data Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2014 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

KMH LLP

Honolulu, Hawaii

TBD

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2014

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, 2014. 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 fiscal year ended June 30, 2014, readers should review this in conjunction with the financial statements that follow.

INTRODUCTION

The HPHA is a full service agency, administratively attached to the State's Department of Human Services, for administrative purposes only. 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, 2013 to June 30, 2014, the HPHA administered the following major programs:

- **Federal 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).
- **State public housing programs**
The HPHA administered over 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 and Veterans Affairs Supportive Housing Program, and the State funded rental assistance program, subsidizing monthly rental payments to qualified households.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2014

- Federal rental assistance program
HPHA manages 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).

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, the assets of the HPHA exceeded its liabilities by \$483.00 million (net Position). Of this amount, \$302.95 million was invested in capital assets, net of related debt. (As detailed on *Government-Wide Statement of Net Position, page 19*)
- The HPHA's government wide net position increased by \$30.79 million. The increase in net position is the offsetting activities in government activities and business-type activities as follows:
 - a. Governmental activities increase in net assets of \$26.02 million is primarily due to State allotted appropriations of \$49.63 million, net of lapsed funds of \$0.73 million and net transfers out of \$6.68 million (as detailed on *Government-Wide Statement of Activities, page 20*).
 - b. Business-type activities increase in net assets of \$4.76 million (as detailed on *Government-Wide Statement of Activities, page 20*) is primarily due to capital contributions of \$14.48 million; net transfers in of \$6.68 million from Governmental Activities and loss before transfers of \$16.40 million (*Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 29*).

The capital contribution is related to the Capital Project fund's current year capital outlay of \$14.63 million (as detailed on *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, page 23*) 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 23*).

The loss before transfers of \$16.40 million 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 28 and 29*).

Hawaii Public Housing Authority

Management Discussion and Analysis

June 30, 2014

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. The report is a summary generated from over 500,000 transactions or approximately 2,000 transactions per day.

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 and liabilities, with the difference between the two reported as net position. The statement displays the financial position of the HPHA. Over time, increases or decreases in net position may serve as an indicator of 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 two categories:

- **Governmental activities.** The activities in this section are primarily supported by State appropriations and 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 current financial resources measurement focus and the modified accrual basis of accounting. 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.

Hawaii Public Housing Authority

Management Discussion and Analysis

June 30, 2014

- **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.

Fund Financial Statements: The HPHA uses fund accounting to ensure and demonstrate fiscal accountability. A fund is 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 can be found in the *Supplementary Information* section.

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.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table was derived from the government-wide statement of net position.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

HAWAII PUBLIC HOUSING AUTHORITY Condensed Statements of Net Positions June 30, 2014 & June 30, 2013 (In thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 129,689	\$ 104,158	\$ 68,316	\$ 66,188	\$ 198,005	\$ 170,346
Capital assets	4,720	4,541	298,227	294,068	302,947	298,609
Other assets	-	-	8,716	8,131	8,716	8,131
Total Assets	\$ 134,409	\$ 108,699	\$ 375,259	\$ 368,387	\$509,668	\$477,086
Current and other liabilities	\$ 3,178	\$ 3,473	\$ 6,788	\$ 7,472	\$ 9,966	\$ 10,945
Long-term liabilities	89	104	16,611	13,820	16,700	13,924
Total Liabilities	3,267	3,577	23,399	21,292	26,666	24,869
Net position:						
Invested in capital assets, net of related debt	4,720	4,541	298,226	294,068	302,946	298,609
Restricted	2,276	3,851	-	-	2,276	3,851
Unrestricted	124,146	96,730	53,634	53,027	177,780	149,757
Total net position	131,142	105,122	351,860	347,095	483,002	452,217
Total liabilities & net position	\$ 134,409	\$ 108,699	\$ 375,259	\$ 368,387	\$ 509,668	\$ 477,086

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 \$483.00 million. \$302.95 million of net position was invested in capital assets, net of related debt. As discussed in the financial highlights, net position increased by \$30.79 million during the fiscal period (as detailed on *Government-Wide Statement of Net Position and Statement of Activities, pages 19 and 20*).

Of the HPHA's total assets, \$302.95 million (or 59.4%) 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 18*) in the amount of \$193.43 million and comprises 37.9% of total assets. Amounts in "Due from the state of Hawaii" represent available State allotted appropriations 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.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2014

Accounts payable and accrued current expenses of \$7.86 million comprise 78.9% of the HPHA's total current liabilities (as detailed in the *Government-Wide Statement of Net Position, page 19*). Long term liabilities increased by \$2.78 million from the prior year. This is primarily due to the net increase in other post retirement employee benefits liability of \$2.73 million (as detailed in the *Notes to the Financial Statements, #8, page 58*.) 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.

The following financial information was derived from the government-wide statement of activities.

HAWAII PUBLIC HOUSING AUTHORITY Government-Wide Statements of Activities Years Ended June 30, 2014 and June 30, 2013 (In thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for services	\$ -	\$ -	\$ 19,315	\$ 18,015	\$ 19,315	\$ 18,015
Operating grants and contributions	52,662	50,910	20,358	21,511	73,020	72,421
Capital grants and contributions	-	-	13,869	12,466	13,869	12,466
Other income	-	-	47	2,311	47	2,311
General Revenues:						
State allotted appropriations, net of lapsed funds	49,630	93,063	-	-	49,630	93,063
Total revenues	102,292	143,973	53,589	54,303	155,881	198,276
Expenses						
Governmental Activities						
Rental housing assistance program	69,590	60,771	-	-	69,590	60,771
Business-type activities						
Rental assistance program	-	-	58,285	53,466	58,285	53,466
Housing development program	-	-	8,591	7,803	8,591	7,803
Other	-	-	3,109	3,810	3,109	3,810
Total governmental-wide expenses	69,590	60,771	69,985	65,079	139,575	125,850
Excess (deficiency) of revenues over (under) expenses	32,702	83,202	(16,396)	(10,776)	16,306	72,426
Capital contributions	-	-	14,479	7,762	14,479	7,762
Transfers	(6,682)	(6,810)	6,682	6,810	-	-
CHANGES IN NET POSITION	26,020	76,392	4,765	3,796	30,785	80,188
Total net position, beginning of year	105,122	28,730	347,095	343,299	452,217	372,029
Total net position, end of year	\$ 131,142	\$105,122	\$ 351,860	\$ 347,095	\$ 483,002	\$452,217

Hawaii Public Housing Authority

Management Discussion and Analysis

June 30, 2014

Statement of Activities

Operating grants and contributions increased by \$0.60 million in the current year from \$72.42 million to \$73.02 million. Capital grants and contributions increased by \$1.40 million in the current year from \$12.47 million to \$13.87 million. HUD operating subsidies for federal public housing program decreased by \$1.15 million or 5.4%, from \$21.51 million in prior year to \$20.36 million. Contributing to the higher business-type activities operating loss of \$16.44 million for the year (as detailed in the *Government – Wide Statement of Activities, Page 20*), 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 \$16.40 million.

Governmental activities net position increased by \$26.02 million from prior year's \$105.12 million to current year's \$131.14 million. This increase is primarily due to State allotted appropriations of \$49.63 million net of lapsed capital funds of \$0.73 million, and net transfers out of \$6.68 million (as detailed in *Government-Wide Statement of Activities, Page 20*).

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 (as detailed in *Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balance, page 23*).

- At the end of the fiscal year, combined fund balances amounted to \$126.51 million, of which \$121.76 million was reserved for capital projects, an increase of \$25.83 million, in comparison with the prior year's combined fund balance of \$100.68 million (as detailed in *Governmental Funds, Balance Sheet, page 21 and Statement of Revenues, Expenditures and Changes in Fund Balances, page 23*).
- Under the General Fund, excess of revenues over expense at the end of the fiscal year was \$3.94 million. However, \$4.27 million was transferred out of the General Fund to support the HPHA's business type activities (as detailed in *Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances, page 23*).
- The Capital Project Fund balance increased by \$27.77 million, to \$121.76 million from prior year's \$93.99 million (as detailed on *Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balances, page 23*). The HPHA received allotted appropriations of \$44.60 million net of lapsed fund of \$0.40 million. Capital outlay was \$14.63 million, and net transfer out was \$2.20 million.

Hawaii Public Housing Authority

Management Discussion and Analysis

June 30, 2014

- The Housing Choice Voucher Program fund balance decreased by \$1.58 million, to \$2.28 million. This is mainly because the voucher payment of \$24.03 million is more than the HUD annual contribution of \$23.83 million, with the operating expenses paid by cash reserve from prior years, as required by HUD directives.
- The Section 8 Contract Administration fund balance decreased by \$0.04 million to \$1.81 million. Revenue exceeded expenses by \$0.17 million, offset by operating transfer out of \$0.21 million.

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 HUD-mandated 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 federal housing projects for administrative services and general oversight.
- Combined Proprietary Funds losses before transfers amounted to \$16.40 million (*Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 29*) compared with prior year loss of \$10.78 million. The change is a combination of an increase in Other Revenue of \$1.3 million, offset by increases in expenses such as Repair and Maintenance of \$0.54 million and Personnel expense by \$1.65 million in order to address the vacant units.
- The COCC finished the current year with a loss before transfers of approximately \$0.002 million (*Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, pages 28 and 29*), in comparison to prior year's loss of approximately \$2.04 million. This is primarily due to increase in Other Income of \$1.14 million, from prior year's \$0.54 million, offset by approximately \$1.37 million increase related to staff cost. As a result, the COCC's net position decreased by \$0.13 million from the prior year.
- Under the Federal Low Rent Program, net loss before transfers increased by \$4.58 million to \$10.63 million, compared to prior year net loss of \$6.05 million. The variance was mainly due to Repair and Maintenance Expenses increase of \$4.08 million. The Net Position of this program increased by \$6.24 million, mainly because Capital Contribution increased by \$5.97 million, from prior year's \$6.83 million (*Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 29*).
- The State family projects or Housing Revolving fund losses before transfers amounted to \$2.06 million. This is mainly because rental income received is not sufficient to support operational expenditures (*Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 29*).

Hawaii Public Housing Authority

Management Discussion and Analysis

June 30, 2014

- Similarly, the State elderly and disabled or Housing for Elderly fund's rental income received is insufficient to support the fund's operational expenditures, resulting in loss before transfers amounting to \$2.65 million (*Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Position, page 29*).
- Other Enterprise Funds loss before transfers amounted to approximately \$1.03 million (*Proprietary Funds, Statement of Revenues, Expenses and Changes in Net Positions, page 29*) compared with prior year income of \$0.11 million.

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 69*).

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Hawaii Public Housing Authority

Management Discussion and Analysis

June 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION

The HPHA's investment in capital assets for the fiscal year ended June 30, 2014 is approximately \$302.95 million (*net of related debt*). This investment in capital assets includes land, buildings and improvements, equipment, furniture, and fixtures, and construction in progress (Detailed in *Notes to the Financial Statements, #5, page 49 through 51*).

HPHA Capital Assets Years ended June 30, 2014 and June 30, 2013 (In thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 2,373	\$ 2,373	\$ 22,966	\$ 22,966	\$ 25,339	\$ 25,339
Buildings and improvements	15,325	15,041	573,984	554,858	589,309	569,899
Equipment	1,292	1,198	7,836	7,750	9,128	8,948
Construction in progress	23	-	28,954	27,423	28,977	27,423
Total	19,013	18,612	633,740	612,997	652,753	631,609
Accumulated Depreciation	(14,293)	(14,071)	(335,514)	(318,929)	(349,807)	(333,000)
Total Capital Assets Net	\$ 4,720	\$ 4,541	\$ 298,226	\$ 294,068	\$ 302,946	\$ 298,609

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

Major Projects Outstanding FY2014 (construction in progress) at the end of the year

- AMP 30 Puuwai Momi, Electrical System Repairs, \$2.70 million
- AMP 30 Salt Lake Apartment, Upgrade Electrical Power, \$0.39 million
- AMP 31 Kalihi Valley Homes, Site & Dwelling Improvements, \$0.73 million
- AMP 31 Hauiki Homes, Upgrade Electrical Distribution System, \$0.40 million
- AMP 34 Makua Alii, Reroofing and Structural Repairs, \$2.99 million
- AMP 34 Kalakaua Homes, Reroofing, Exterior Repairs, Site Improvement and ADA Accessibility, \$0.63 million
- AMP 37 Lanakila Homes I, Physical Improvements, \$0.94 million
- AMP 38 Hale Nana Kai O Kea, Site and Dwelling Improvements, \$2.65 million
- AMP 42 Hale Po'ai, Building Improvements, \$2.22 million
- AMP 45 Koolau Village, ADA Compliance, \$0.49 million
- AMP 45 Hookipa Kahaluu, ADA Compliance, \$0.41 million
- AMP 49 Wahiawa Terrace, Renovation of Vacant Units Statewide - Group B, \$0.69 million

Hawaii Public Housing Authority

Management Discussion and Analysis

June 30, 2014

- AMP 50 Palolo Valley Homes, Homes Modernization & Physical Improvements, \$9.52 million

Debt Activity

As of June 30, 2014, 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, 2014.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

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 assets 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.

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 may 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.

Hawaii Public Housing Authority

Management Discussion and Analysis

June 30, 2014

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 filed. At this point, the parties have settled both of the lawsuits.

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.

On July 11, 2014, Governor Neil Abercrombie and the HPHA announced the redevelopment project of Mayor Wright Homes. Subsequently, the HPHA issued a Request for Qualification to pursue a public/private partnership for the redevelopment, which will be a mixed used, mixed income, mixed financing model that will allow the State to preserve existing public housing and increase low income rental housing stock. The project will revitalize the Kalihi-Palama neighborhood. Negotiation with the top-ranked bidder has started.

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, 2014

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash	\$ 3,329,003	\$ 61,657,917	\$ 64,986,920
Restricted cash	886,078	2,432,164	3,318,242
Due from State of Hawaii	125,128,276	-	125,128,276
Receivables:			
Accrued interest	-	1,083	1,083
Tenant receivables, less allowance for doubtful receivables of \$1,731,398	-	421,742	421,742
Other	26,345	45,513	71,858
	<u>26,345</u>	<u>468,338</u>	<u>494,683</u>
Internal balances	(1,846,758)	1,846,758	-
Due from other state agencies	-	173,227	173,227
Due from HUD	95,745	1,131,690	1,227,435
Inventories	-	563,600	563,600
Prepaid expenses and other assets	2,070,131	10,244	2,080,375
Deposits held in trust	-	32,202	32,202
Total current assets	<u>129,688,820</u>	<u>68,316,140</u>	<u>198,004,960</u>
Notes Receivable	-	8,716,630	8,716,630
Capital Assets, less accumulated depreciation	<u>4,719,959</u>	<u>298,226,549</u>	<u>302,946,508</u>
Total assets	<u>\$ 134,408,779</u>	<u>\$ 375,259,319</u>	<u>\$ 509,668,098</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 GOVERNMENT-WIDE
 STATEMENT OF NET POSITION (continued)

June 30, 2014

LIABILITIES AND NET POSITION	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Liabilities:			
Accounts payable	\$ 2,742,143	\$ 2,602,996	\$ 5,345,139
Accrued expenses	435,798	2,081,596	2,517,394
Due to State of Hawaii	-	571,402	571,402
Security deposits	-	829,617	829,617
Deferred income	-	702,040	702,040
Total current liabilities	<u>3,177,941</u>	<u>6,787,651</u>	<u>9,965,592</u>
Accrued Expenses	88,821	16,611,211	16,700,032
Commitments and Contingencies			
Net Position:			
Invested in capital assets, net of related debt	4,719,959	298,226,549	302,946,508
Restricted by legislation and contractual agreements	2,275,523	-	2,275,523
Unrestricted	<u>124,146,535</u>	<u>53,633,908</u>	<u>177,780,443</u>
Total net position	<u>131,142,017</u>	<u>351,860,457</u>	<u>483,002,474</u>
Total liabilities and net position	<u>\$ 134,408,779</u>	<u>\$ 375,259,319</u>	<u>\$ 509,668,098</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES

Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (expense) revenue and changes in net assets		
		Charges for services and other revenues	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activity --							
Rental Housing and Assistance Program	\$ 69,590,016	\$ -	\$ 52,661,878	\$ -	\$ (16,928,138)	\$ -	\$ (16,928,138)
Total governmental activities	69,590,016	-	52,661,878	-	(16,928,138)	-	(16,928,138)
Business-type activities:							
Rental assistance program	58,284,924	13,426,776	20,358,082	13,868,576	-	(10,631,490)	(10,631,490)
Rental housing program	8,590,735	3,668,423	-	-	-	(4,922,312)	(4,922,312)
Others	3,108,774	2,220,454	-	-	-	(888,320)	(888,320)
Total business-type activities	69,984,433	19,315,653	20,358,082	13,868,576	-	(16,442,122)	(16,442,122)
Total government-wide	\$ 139,574,449	\$ 19,315,653	\$ 73,019,960	\$ 13,868,576	(16,928,138)	(16,442,122)	(33,370,260)
State Allotted Appropriations, net of lapsed funds of \$729,459					49,629,893	-	49,629,893
Other Non-Program Revenue					-	47,068	47,068
Capital Contributions					-	14,478,767	14,478,767
Net Transfers					(6,682,061)	6,682,061	-
Total general revenues and transfers					42,947,832	21,207,896	64,155,728
Change in net position					26,019,694	4,765,774	30,785,468
Net Position at July 1, 2013					105,122,323	347,094,683	452,217,006
Net Position at June 30, 2014					\$ 131,142,017	\$ 351,860,457	\$ 483,002,474

The accompanying notes are an integral part of this statement

Hawaii Public Housing Authority

GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2014

ASSETS	General	Capital Projects	Housing Choice Voucher	Section 8 Contract Administration	Total Governmental Funds
Current Assets:					
Cash	\$ -	\$ -	\$ 1,363,845	\$ 1,965,158	\$ 3,329,003
Restricted cash	-	-	886,078	-	886,078
Due from State of Hawaii	1,240,182	123,888,094	-	-	125,128,276
Other receivables	-	-	26,345	-	26,345
Due from other funds	487,463	-	705,539	126,337	1,319,339
Due from HUD	-	-	-	95,745	95,745
Prepaid expenses and other assets	35,217	-	2,034,914	-	2,070,131
Total assets	<u>\$ 1,762,862</u>	<u>\$ 123,888,094</u>	<u>\$ 5,016,721</u>	<u>\$ 2,187,240</u>	<u>\$ 132,854,917</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts payable	\$ 545,633	\$ 2,125,264	\$ 65,718	\$ 5,528	\$ 2,742,143
Accrued expenses	6,599	-	210,139	219,060	435,798
Due to other funds	475,268	-	2,159,399	156,391	2,791,058
Total current liabilities	1,027,500	2,125,264	2,435,256	380,979	5,968,999
Due to other funds	69,097	-	305,942	-	375,039
Fund Balances:					
Restricted by legislation and contractual agreements	-	-	2,275,523	-	2,275,523
Committed	-	22,137,718	-	-	22,137,718
Assigned	666,265	99,625,112	-	1,806,261	102,097,638
Total fund balances	666,265	121,762,830	2,275,523	1,806,261	126,510,879
Total liabilities and fund balances	<u>\$ 1,762,862</u>	<u>\$ 123,888,094</u>	<u>\$ 5,016,721</u>	<u>\$ 2,187,240</u>	<u>\$ 132,854,917</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

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

June 30, 2014

Total fund balance - governmental funds		\$ 126,510,879
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	4,719,959	
Long-term compensated absences are not due and payable in the current period and therefore are not reported in the funds	(88,821)	4,631,138
Net position of governmental activities		<u>\$ 131,142,017</u>

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, 2014

	General	Capital Projects	Housing Choice Voucher	Section 8 Contract Administration	Total Governmental Funds
Revenues:					
Intergovernmental – HUD annual contributions and others	\$ -	\$ -	\$ 23,832,638	\$ 28,800,635	\$ 52,633,273
State allotted appropriations, net of lapsed funds of \$729,459	5,031,490	44,598,403	-	-	49,629,893
Other	-	-	28,414	191	28,605
Total revenues	5,031,490	44,598,403	23,861,052	28,800,826	102,291,771
Expenditures:					
Housing assistance payments	456,380	-	24,034,950	27,645,657	52,136,987
Personnel services	395,484	-	624,061	60,066	1,079,611
Administration	163,190	-	683,248	886,673	1,733,111
Professional services	32,531	-	29,512	39,988	102,031
Security	235	-	-	-	235
Repairs and maintenance	279	-	-	-	279
Capital outlays	10,662	14,626,430	-	-	14,637,092
Other	29,629	-	64,345	-	93,974
Total expenditures	1,088,390	14,626,430	25,436,116	28,632,384	69,783,320
Excess (deficiency) of revenues over (under) expenditures	3,943,100	29,971,973	(1,575,064)	168,442	32,508,451
Other Financing Uses - Transfers Out	(4,270,521)	(2,201,929)	-	(209,611)	(6,682,061)
Net change in fund balances	(327,421)	27,770,044	(1,575,064)	(41,169)	25,826,390
Fund Balances at July 1, 2013	993,686	93,992,786	3,850,587	1,847,430	100,684,489
Fund Balances at June 30, 2014	\$ 666,265	\$ 121,762,830	\$ 2,275,523	\$ 1,806,261	\$ 126,510,879

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

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

Year ended June 30, 2014

Net change in fund balances - total governmental funds		\$ 25,826,390
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 \$14,478,767 of capital contribution outlays, is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	401,393	
Less current year depreciation expense	<u>(222,817)</u>	178,576
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		<u>14,728</u>
Change in net assets of governmental activities		<u>\$ 26,019,694</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

June 30, 2014

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	\$ 21,388,991	\$ 534,257	\$ 3,062,582	\$ 31,960,728	\$ 3,712,788	\$ 60,659,346	\$ 998,571
Restricted cash	-	-	-	2,432,164	-	2,432,164	-
	<u>21,388,991</u>	<u>534,257</u>	<u>3,062,582</u>	<u>34,392,892</u>	<u>3,712,788</u>	<u>63,091,510</u>	<u>998,571</u>
Receivables:							
Accrued interest	-	117	687	-	-	804	279
Tenant receivables, less allowance for doubtful accounts of \$1,731,398	383,791	32,368	875	-	4,708	421,742	-
Other	-	7,061	431	-	38,021	45,513	-
	<u>383,791</u>	<u>39,546</u>	<u>1,993</u>	<u>-</u>	<u>42,729</u>	<u>468,059</u>	<u>279</u>
Due from other funds	2,406,037	480,414	174,479	4,035,457	2,094,659	9,191,046	7,041
Due from other state agencies	-	-	-	33,375	139,852	173,227	-
Due from HUD	1,131,690	-	-	-	-	1,131,690	-
Inventories	458,425	21,004	50,957	33,214	-	563,600	-
Prepaid expenses and other assets	-	-	-	10,244	-	10,244	-
Deposits held in trust	-	-	-	-	32,202	32,202	-
	<u>25,768,934</u>	<u>1,075,221</u>	<u>3,290,011</u>	<u>38,505,182</u>	<u>6,022,230</u>	<u>74,661,578</u>	<u>1,005,891</u>
Total current assets							
Notes Receivable	8,716,630	-	-	-	-	8,716,630	-
Due from Other Funds	-	-	-	2,178,555	-	2,178,555	-
Capital Assets, less accumulated depreciation	227,816,686	21,418,294	36,101,300	120,555	12,445,871	297,902,706	323,843
	<u>262,302,250</u>	<u>22,493,515</u>	<u>39,391,311</u>	<u>40,804,292</u>	<u>18,468,101</u>	<u>383,459,469</u>	<u>1,329,734</u>
Total assets							

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION (continued)

June 30, 2014

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	\$ 2,129,955	\$ 38,062	\$ 112,578	\$ 221,908	\$ 100,493	\$ 2,602,996	\$ -
Accrued expenses	1,128,505	50,858	22,884	769,578	109,771	2,081,596	-
Due to other funds	580,262	1,015,516	640,763	606,453	4,883,374	7,726,368	-
Due to State of Hawaii	-	-	-	-	571,402	571,402	-
Security deposits	602,464	36,211	146,933	-	44,009	829,617	-
Deferred income	667,910	24,607	-	9,523	-	702,040	-
Total current liabilities	5,109,096	1,165,254	923,158	1,607,462	5,709,049	14,514,019	-
Accrued Expenses	744,111	63,469	-	15,803,631	-	16,611,211	-
Due to Other Funds	1,197,862	605,654	-	-	-	1,803,516	-
Total liabilities	7,051,069	1,834,377	923,158	17,411,093	5,709,049	32,928,746	-
Commitments and Contingencies							
Net Position:							
Invested in capital assets, net of related debt	227,816,686	21,418,294	36,101,300	120,555	12,445,871	297,902,706	323,843
Unrestricted	27,434,495	(759,156)	2,366,853	23,272,644	313,181	52,628,017	1,005,891
Total net position	255,251,181	20,659,138	38,468,153	23,393,199	12,759,052	350,530,723	1,329,734
Total liabilities and net position	\$ 262,302,250	\$ 22,493,515	\$ 39,391,311	\$ 40,804,292	\$ 18,468,101	\$ 383,459,469	\$ 1,329,734

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

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

June 30, 2014

Total net position of enterprise funds	\$ 350,530,723
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	<u>1,329,734</u>
Net position of business-type activities	<u>\$ 351,860,457</u>

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, 2014

	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	\$ 13,196,836	\$ 1,074,857	\$ 2,025,704	\$ -	\$ 873,273	\$ -	\$ 17,170,670	\$ 37,070
Fee-for-service	-	-	-	9,485,882	-	(9,485,882)	-	-
Other	229,940	14,855	162,835	1,683,852	16,431	-	2,107,913	-
Total operating revenues	13,426,776	1,089,712	2,188,539	11,169,734	889,704	(9,485,882)	19,278,583	37,070
Operating Expenses								
Project	6,856,278	-	-	-	-	-	6,856,278	-
Personnel services	9,282,140	666,727	-	9,979,593	-	-	19,928,460	-
Depreciation	13,646,647	869,693	1,419,756	21,526	560,322	-	16,517,944	67,339
Administration	4,508,515	363,684	1,532,901	247,818	729,503	(5,047,470)	2,334,951	-
Provision for (recovery of) losses	223,252	51,264	1,624	53,371	(20,187)	-	309,324	-
Professional services	233,626	33,526	14,923	383,296	4,333	-	669,704	2,990
Security	1,878,049	-	516	13,092	-	-	1,891,657	-
Insurance	594,220	31,605	125,445	20,233	2,232	-	773,735	-
Repairs and maintenance	9,282,660	294,310	368,142	239,966	247,413	(4,438,412)	5,994,079	-
Utilities	11,731,389	842,882	1,381,069	114,154	394,620	-	14,464,114	-
Payments in lieu of taxes	48,148	-	-	717	-	-	48,865	-
Capital expenditures	-	-	-	124,993	-	-	124,993	-
Total operating expenses	58,284,924	3,153,691	4,844,376	11,198,759	1,918,236	(9,485,882)	69,914,104	70,329
Operating loss carried forward	(44,858,148)	(2,063,979)	(2,655,837)	(29,025)	(1,028,532)	-	(50,635,521)	(33,259)

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, 2014

	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	(44,858,148)	(2,063,979)	(2,655,837)	(29,025)	(1,028,532)	-	(50,635,521)	(33,259)
Nonoperating Revenues:								
HUD operating subsidies	20,358,082	-	-	-	-	-	20,358,082	-
HUD capital fund subsidies	13,868,576	-	-	-	-	-	13,868,576	-
Other revenues	4,088	1,662	6,626	27,022	849	-	40,247	6,821
Net nonoperating revenues	34,230,746	1,662	6,626	27,022	849	-	34,266,905	6,821
Loss before transfers	(10,627,402)	(2,062,317)	(2,649,211)	(2,003)	(1,027,683)	-	(16,368,616)	(26,438)
Capital Contributions	12,797,748	1,561,671	119,348	-	-	-	14,478,767	-
Net Transfers	4,071,521	909,910	1,338,761	(125,059)	486,928	-	6,682,061	-
Change in net position	6,241,867	409,264	(1,191,102)	(127,062)	(540,755)	-	4,792,212	(26,438)
Net Position at July 1, 2013	249,009,314	20,249,874	39,659,255	23,520,261	13,299,807	-	345,738,511	1,356,172
Net Position at June 30, 2014	\$ 255,251,181	\$ 20,659,138	\$ 38,468,153	\$ 23,393,199	\$ 12,759,052	\$ -	\$ 350,530,723	\$ 1,329,734

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, 2014

Change in net position - total enterprise funds	\$ 4,792,212
Change in net position - internal service funds	<u>(26,438)</u>
Change in net position of business-type activities	<u>\$ 4,765,774</u>

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The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

Year ended June 30, 2014

	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	\$ 13,139,154	\$ 1,069,219	\$ 2,025,546	\$ -	\$ 894,234	\$ 17,128,153	\$ -
Cash payments to employees	(9,282,140)	(660,235)	-	(7,219,141)	-	(17,161,516)	-
Cash payments to suppliers	(35,669,863)	(1,565,624)	(3,386,518)	(1,157,836)	(1,379,622)	(43,159,463)	-
Cash (payments to) receipts from other funds	(4,306,495)	1,187,329	1,594,249	20,501,411	(4,649,049)	14,327,445	39,315
Other cash receipts (payments)	991,937	14,750	369,404	1,684,925	(26,756)	3,034,260	(1,918)
Net cash (used in) provided by operating activities	(35,127,407)	45,439	602,681	13,809,359	(5,161,193)	(25,831,121)	37,397
Cash Flows from Noncapital Financing Activity --							
HUD operating subsidy received	20,358,083	-	-	-	-	20,358,083	-
Net cash provided by noncapital financing activities	20,358,083	-	-	-	-	20,358,083	-
Cash Flows from Capital and Related Financing Activities:							
HUD capital subsidy received	15,047,841	-	-	-	-	15,047,841	-
Payments for acquisition of property and equipment	(6,199,462)	(172,498)	(76,830)	-	-	(6,448,790)	(23,037)
Issuance of note receivable	(585,645)	-	-	-	-	(585,645)	-
Other	4,088	-	-	-	-	4,088	3,805
Net cash provided by (used in) capital and related financing activities	8,266,822	(172,498)	(76,830)	-	-	8,017,494	(19,232)
Subtotal carried forward	(6,502,502)	(127,059)	525,851	13,809,359	(5,161,193)	2,544,456	18,165

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (continued)

Year ended June 30, 2014

	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	(6,502,502)	(127,059)	525,851	13,809,359	(5,161,193)	2,544,456	18,165
Cash Flows from Investing Activity --							
Receipts of Interest	-	1,633	8,083	27,022	-	36,738	2,992
Net cash provided by investing activities	-	1,633	8,083	27,022	-	36,738	2,992
Net (decrease) increase in cash	(6,502,502)	(125,426)	533,934	13,836,381	(5,161,193)	2,581,194	21,157
Cash at July 1, 2013	27,891,493	659,683	2,528,648	20,556,511	8,873,981	60,510,316	977,414
Cash at June 30, 2014	<u>\$ 21,388,991</u>	<u>\$ 534,257</u>	<u>\$ 3,062,582</u>	<u>\$ 34,392,892</u>	<u>\$ 3,712,788</u>	<u>\$ 63,091,510</u>	<u>\$ 998,571</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (continued)
 Year ended June 30, 2014

	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) income to net cash (used in) provided by operating activities:							
Operating (loss) income	\$ (44,858,148)	\$ (2,063,979)	\$ (2,655,837)	\$ (29,025)	\$ (1,028,532)	\$ (50,635,521)	\$ (33,259)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:							
Depreciation	13,646,647	869,693	1,419,756	21,526	560,322	16,517,944	67,339
Provision for (recovery of) losses	223,252	51,264	1,624	53,371	(20,187)	309,324	-
Loss on capital asset write off	-	-	206,569	563	-	207,132	-
Changes in assets and liabilities:							
Tenant receivables	(230,182)	2,054	(158)	-	19,651	(208,635)	-
Other receivables	761,997	(105)	(431)	-	(14,201)	747,260	1,072
Due from other funds	3,653,859	429,496	1,164,282	10,438,226	(1,388,970)	14,296,893	2,245
Due from other state agency	-	-	-	510	(108,109)	(107,599)	-
Inventories	371,671	7,023	39,143	(8,163)	-	409,674	-
Prepaid expenses and other assets	-	-	-	(1,401)	-	(1,401)	-
Deposits held in trust	-	-	-	-	(4,706)	(4,706)	-
Accounts payable	(451,770)	(4,124)	(17,054)	180,542	76,126	(216,280)	-
Accrued expenses	(456,879)	3,976	14,842	2,575,907	13,662	2,151,508	-
Due to other funds	(7,960,354)	757,833	429,967	577,303	(3,272,265)	(9,467,516)	-
Security deposits	(52,553)	(4,288)	(22)	-	6,016	(50,847)	-
Deferred income	225,053	(3,404)	-	-	-	221,649	-
Net cash (used in) provided by operating activities	<u>\$ (35,127,407)</u>	<u>\$ 45,439</u>	<u>\$ 602,681</u>	<u>\$ 13,809,359</u>	<u>\$ (5,161,193)</u>	<u>\$ (25,831,121)</u>	<u>\$ 37,397</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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, 2014, 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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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 and proprietary funds. 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.

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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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, 2014 has been reported in the government-wide financial statements.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

1. Organization and Significant Accounting Policies (continued)

c. Measurement Focus and Basis of Accounting (continued)

iii. Proprietary Funds

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

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.

The financial activities of the Authority that are reported in the accompanying fund financial statements have been classified into the following major and non-major governmental and proprietary funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

1. Organization and Significant Accounting Policies (continued)

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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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:

	<u>Governmental Activities</u>	<u>Proprietary Fund and Business-Type Activities</u>
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

Materials and supplies inventories are stated at the lower of cost or market, with cost being determined principally using the first-in, first-out method. The cost of inventories is recorded as an expenditure when consumed.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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 \$677,000.

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

Balance at July 1, 2013	Additions	Reductions	Balance at June 30, 2014
<u>\$2,138,000</u>	<u>\$1,164,000</u>	<u>\$1,140,000</u>	<u>\$2,162,000</u>

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

1. Organization and Significant Accounting Policies (continued)

k. Vacation (continued)

As of June 30, 2014, approximately \$124,000 and \$2,038,000 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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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 March 2012, the GASB issued GASB Statement No. 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 this statement were adopted on July 1, 2013. The adoption of this statement did not result in a material effect on the financial statements.

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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

1. Organization and Significant Accounting Policies (continued)

o. Recently Adopted/Issued Accounting Pronouncements (continued)

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 were adopted on July 1, 2013. The adoption of this statement did not result in a material effect on the financial statements.

In May 2014, the GASB approved an exposure draft for issuance which will significantly revise the existing GASB standards contained in GASB Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. If adopted as exposed, the revised accounting for other postemployment benefits (OPEB) will mirror the accounting and reporting framework used in GASB 68 described above. The exposure draft as issued will be effective for the Authority's financial statements for the year ended June 30, 2018.

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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

2. Budgeting and Budgetary Control (continued)

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 schedules 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.

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, 2014 is set forth in the required supplementary information.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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, 2014, total cash, including restricted cash and deposits, reported in the statement of net position is \$68,337,364 which consisted of the following:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
State pool and petty cash	\$ -	\$ 7,270,113	\$ 7,270,113
Cash in bank (book balance)	<u>4,215,085</u>	<u>56,819,964</u>	<u>61,035,049</u>
	4,215,085	64,090,077	68,305,162
Deposits held in trust	<u>-</u>	<u>32,202</u>	<u>32,202</u>
Total Cash	<u>\$ 4,215,085</u>	<u>\$ 64,122,279</u>	<u>\$ 68,337,364</u>

Bank balance of cash in bank was approximately \$64,595,000, of which \$750,000 was covered by federal depository insurance and \$63,845,000 by collateral held by the pledging financial institution's trust department or agent in the name of the Authority.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

4. 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.

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, 2014, 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	\$ 53,835,931
Deferred gain	<u>(49,019,301)</u>
Net note receivable	<u>\$ 4,816,630</u>

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

4. 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, 2014, the Authority loaned the full \$3,900,000 to the buyer, which is included in the accompanying statement of net position under the Federal Low Rent Program.

5. Capital Assets

Capital assets activity for the year ended June 30, 2014 was as follows:

	July 1, 2013	Increases	Decreases	June 30, 2014
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,373,410	\$ -	\$ -	\$ 2,373,410
Construction in progress	-	22,543	-	22,543
Total capital assets not being depreciated	2,373,410	22,543	-	2,395,953
Capital assets, being depreciated:				
Building and improvements	15,040,694	284,750	-	15,325,444
Equipment	1,197,769	94,100	-	1,291,869
Total capital assets being depreciated	16,238,463	378,850	-	16,617,313
Less accumulated depreciation for:				
Building and improvements	12,878,554	212,759	-	13,091,313
Equipment	1,191,936	10,058	-	1,201,994
Total accumulated depreciation	14,070,490	222,817	-	14,293,307
Governmental activities, net	\$ 4,541,383	\$ 178,576	\$ -	\$ 4,719,959

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

5. Capital Assets (continued)

	July 1, 2013	Increases	Decreases	June 30, 2014
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 22,966,200	\$ -	\$ -	\$ 22,966,200
Construction in progress	27,423,049	20,886,474	(19,355,520)	28,954,003
Total capital assets not being depreciated	50,389,249	20,886,474	(19,355,520)	51,920,203
Capital assets being depreciated:				
Building and improvements	554,857,753	19,126,591	-	573,984,344
Equipment	7,750,365	85,918	-	7,836,283
Total capital assets being depreciated	562,608,118	19,212,509	-	581,820,627
Less accumulated depreciation for:				
Building and improvements	311,777,852	16,458,478	-	328,236,330
Equipment	7,151,146	126,805	-	7,277,951
Total accumulated depreciation	318,928,998	16,585,283	-	335,514,281
Business-type activities capital assets, net	<u>\$ 294,068,369</u>	<u>\$ 23,513,700</u>	<u>\$ (19,355,520)</u>	<u>\$ 298,226,549</u>

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

Governmental Activity -	
Rental Housing and Assistance Program	\$ 222,817
Business-Type Activities:	
Federal Low Rent Program	13,646,647
Housing Revolving Fund	869,693
Housing for Elders Revolving Fund	1,419,756
Central Office Cost Center Fund	21,526
Internal Services	67,339
Others	560,322
Total depreciation expense – business-type activities	16,585,283
Total depreciation expense	<u>\$ 16,808,100</u>

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

5. Capital Assets (continued)

At June 30, 2014, capital assets for the proprietary funds consisted of the following:

	Enterprise Funds						Internal Service Funds	Total
	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center	Other Enterprise Funds	Total Enterprise Funds		
Land	\$ 13,093,629	\$ 2,252,881	\$ 6,104,817	\$ -	\$ 1,514,873	\$ 22,966,200	\$ -	\$ 22,966,200
Buildings and improvements	471,748,936	31,207,636	56,014,907	42,857	14,970,008	573,984,344	-	573,984,344
Equipment, Furniture and fixtures	5,106,840	252,521	214,676	150,524	-	5,724,561	2,111,722	7,836,283
Construction in Progress	25,761,782	929,072	2,263,149	-	-	28,954,003	-	28,954,003
Less accumulated depreciation	287,894,501	13,223,816	28,496,249	72,826	4,039,010	333,726,402	1,787,879	335,514,281
Net property and Equipment	<u>\$ 227,816,686</u>	<u>\$21,418,294</u>	<u>\$ 36,101,300</u>	<u>\$ 120,555</u>	<u>\$12,445,871</u>	<u>\$ 297,902,706</u>	<u>\$ 323,843</u>	<u>\$298,226,549</u>

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, 2014, the Federal Low Rent Program fund and the Capital Projects fund had outstanding construction contract commitments to expend approximately \$8,017,000 and \$22,138,000, respectively, for the construction and renovation of housing projects.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

6. Commitments and Contingencies (continued)

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 \$2,432,000 of restricted cash recorded under the Central Office Cost Center as of June 30, 2014 is held in an approved escrow account.

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 lawsuit 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, 2014, the Authority has determined there is not a significant liability for workers' compensation claims.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

6. Commitments and Contingencies (continued)

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; accordingly, sick leave is not accrued in the accompanying statement of net position. 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, 2014 amounted to approximately \$4,834,000.

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.

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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

6. Commitments and Contingencies (continued)

h. Litigation (continued)

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

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.

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.

Act 015, Session Law Hawaii 2012 signed into law on April 11, 2012, conveyed about 25 acres of lands controlled and managed by the Hawaii Community Development Authority to the Office of Hawaiian Affairs, to settle OHA’s past ceded land claims. The law took effect on July 1, 2012.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

6. Commitments and Contingencies (continued)

h. Litigation (continued)

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, 2014, the USDC case has been settled with the plaintiffs for \$20,000. The settlement was requested from general funds from the 2014 Hawaii State Legislature. The State case has been settled with the plaintiffs for \$350,000. The settlement will be requested from general funds from the 2015 Hawaii State Legislature.

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 Authority (which is administratively 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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

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.

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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

7. Retirement Plan (continued)

b. Funding Policy

Covered employees of the contributory plan who became members as of June 30, 2012 or after June 30, 2012 are required to contribute 7.8% or 9.8% of their salary, respectively. Police officers, firefighters, investigators or the departments of the country prosecuting attorney and the attorney general, narcotics enforcement investigators and public safety investigators who became members as of June 30, 2012 or after June 30, 2012 are required to contribute 12.2% or 14.2% of their salary, respectively. Covered employees of the hybrid plan who became members as of June 30, 2012 or after June 30, 2012 are required to contribute 6% or 8% of their salary, respectively. The funding method used to calculate the total employer contribution requirement 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, 2014, 2013 and 2012 were approximately \$1,965,000, \$1,789,000, and \$1,571,000, 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 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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

8. Other Post Retirement Employee Benefits (continued)

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, 2014, was approximately \$1,273,000, which represented 32% of the Authority's share of the ARC for postretirement healthcare and life insurance benefits of approximately \$4,004,000. The Authority's contribution for the years ended June 30, 2013 and 2012 were approximately \$1,176,000 and \$834,000, respectively.

The following is a summary of changes in postretirement liability during the fiscal year ended June 30, 2014:

Balance at June 30, 2013	\$ 12,414,720
Additions	4,003,919
Deletions	<u>(1,272,924)</u>
Balance at June 30, 2014	<u>\$ 15,145,715</u>

As of June 30, 2014, the postretirement liability balance 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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

9. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2014 is as follows:

Current Due from	General Fund	Housing Choice Voucher	Section 8 Contract Admin	Housing Revolving Fund	Housing for Elders Revolving Fund	Federal Low-Rent Program	Central Office Cost Center Fund	Internal Services Fund	Non-major Enterprise
General Fund	\$ -	\$ 475,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Housing Choice Voucher	-	-	-	-	-	-	2,061,612	-	97,787
Section 8 Contract Admin	-	-	-	-	-	-	-	-	156,391
Federal Low Rent Program	-	52,133	-	3,095	-	-	-	93	524,941
Housing Revolving Fund	-	-	-	-	43,812	-	-	-	971,704
Housing for Elders Revolving Fund	-	-	-	-	-	-	412,541	-	228,222
Central Office Cost Center	1,329	-	-	299,087	-	304,210	-	1,827	-
Nonmajor Enterprise	486,134	178,138	126,337	178,232	130,667	2,101,827	1,561,304	5,121	115,614
Total	\$ 487,463	\$ 705,539	\$ 126,337	\$ 480,414	\$ 174,479	\$ 2,406,037	\$ 4,035,457	\$ 7,041	\$ 2,094,659
		Noncurrent Due to		General	Housing Choice Voucher	Federal Low-Rent Program	Housing Revolving Fund		
		Central Office Cost Center		\$ 69,097	\$ 305,942	\$ 1,197,862	\$ 605,654		

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.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

10. Net Transfers

The composition of net transfer balances reflected in the financial statements as of June 30, 2014 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	\$ 1,504,534	\$ 769,376	\$ 1,521,262	\$ 198,032	\$ 277,317
Capital Projects	2,047,290	110,196	44,443	-	-
Section 8 Contract					
Administration	-	-	-	-	209,611
Federal Low Rent Program	-	2,564	-	-	-
Housing Elders Revolving Fund	-	-	-	226,944	-
Central Office Cost Center	522,261	27,774	-	-	-
Total	<u>\$ 4,074,085</u>	<u>\$ 909,910</u>	<u>\$ 1,565,705</u>	<u>\$ 424,976</u>	<u>\$ 486,928</u>

The following describes the transfers noted above:

General Fund: The General Fund expended approximately \$4,271,000 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 \$210,000 to pay for Non-Major Enterprise service shortfalls.

Capital Projects: The Capital Projects Fund expended approximately \$2,202,000 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.

Federal Low Rent Program: The Federal Low Rent Program expended approximately \$2,600 to pay for repairs and maintenance for certain enterprise funds.

Central Office Cost Center: The Central Office Cost Center expended approximately \$550,000 to pay for repairs and maintenance for certain enterprise funds.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2014

10. Net Transfers (continued)

Housing for Elders Revolving Fund: The Housing for Elders Revolving Fund expended approximately \$227,000 to pay for administrative expenses under the Central Office Cost Center fund.

11. Capital Contributions

During 2014, the Capital Projects Fund expended approximately \$14,479,000 from the current year annual State of Hawaii appropriations to pay for capital outlays that were contributed to enterprise funds. The composition of capital contribution balances reflected in the financial statements as of June 30, 2014 is as follows:

<u>Contributed From</u>	<u>Federal Low Rent Program</u>	<u>Housing Revolving Fund</u>	<u>Housing For Elders Revolving Fund</u>	<u>Total</u>
Capital Projects Fund	\$ 12,797,748	\$ 1,561,671	\$ 119,348	\$ 14,478,767

**Required Supplementary Information
Other Than Management's Discussion and Analysis**

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Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2014

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	\$ 5,359,352	\$ 5,359,352	\$ 5,359,352
Expenditures -			
Rental housing and assistance program	5,359,352	5,359,352	5,031,490
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ 327,862
	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	\$ 23,361,461	\$ 23,361,461	\$ 23,361,461
Expenditures -			
Rental housing and assistance program	23,361,461	23,361,461	25,435,899
DEFICIENCY OF REVENUES UNDER EXPENDITURES	\$ -	\$ -	\$ (2,074,438)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS (continued)

Year ended June 30, 2014

	<u>Section 8 Contract Administration</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>
Revenues -			
HUD contributions	<u>\$ 28,800,635</u>	<u>\$ 28,800,635</u>	<u>\$ 28,800,635</u>
Expenditures -			
Rental housing and assistance program	<u>28,800,635</u>	<u>28,800,635</u>	<u>28,592,374</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 208,261</u></u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
BUDGET-TO-GAAP RECONCILIATION

Year ended June 30, 2014

	<u>General Fund</u>	<u>Housing Choice Voucher Program</u>	<u>Section 8 Contract Administration</u>
Excess (deficiency) of revenues over (under) expenditures and other sources and uses - actual on budgetary basis	\$ 327,862	\$ (2,074,438)	\$ 208,261
Reserve for encumbrance at year end*	1,240,182	-	-
Expenditures for liquidation of prior year's encumbrances	(1,025,534)	-	-
Reversion of prior year's allotments	(327,862)	-	-
Accrual adjustments, operating transfers and other	<u>(542,069)</u>	<u>499,374</u>	<u>(249,430)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES AND OTHER USES - US GAAP BASIS	<u>\$ (327,421)</u>	<u>\$ (1,575,064)</u>	<u>\$ (41,169)</u>

* Amount reflects the encumbrance balance included in continuing appropriation.

See accompanying independent auditor's report

Supplementary Information

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Hawaii Public Housing Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2014

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development:</u>		
Section 8 Project-Based Cluster --		
Section 8 Housing Assistance Payments - Special Allocations	14.195	\$ 28,841,995
Public and Indian Housing	14.850	20,358,082
Section 8 Housing Choice Vouchers	14.871	25,436,116
Public Housing Capital Fund	14.872	<u>13,868,576</u>
Total federal expenditures		<u>\$ 88,504,769</u>

The accompanying note is an integral part of this schedule.

Hawaii Public Housing Authority

Note to the Schedule of Expenditures of Federal Awards
Year ended June 30, 2014

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Hawaii Public Housing Authority (the Authority) and is presented on the accrual basis of accounting and in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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Hawaii Public Housing Authority
 Financial Data Schedule
 Entity-Wide Balance Sheet
 June 30, 2014

Line Item Number	Description	Federal	Section 8	Section 8	State/Local	Business Activities	Internal Service	Central Office Cost Center	Elimination	Total
		Low Rent Program	Housing Assistance Payments 14.195	Housing Choice Voucher Program 14.871						
111	Cash - Unrestricted	20,786,527	1,965,158	1,363,845	-	7,114,155	998,571	31,960,728	-	64,188,984
113	Cash - Other Restricted	-	-	886,078	-	-	-	2,432,164	-	3,318,242
114	Cash - Tenant Security Deposits	602,464	-	-	-	227,674	-	-	-	830,138
100	Total Cash	21,388,991	1,965,158	2,249,923	-	7,341,829	998,571	34,392,892	-	68,337,364
121	Accounts Receivable - PHA Projects	-	-	20,686	-	-	-	-	-	20,686
122	Accounts Receivable - HUD Other Projects	1,131,690	95,745	-	-	-	-	-	-	1,227,435
124	Accounts Receivable - Other Government	-	-	-	125,128,276	139,852	-	33,374	-	125,301,502
125	Accounts Receivable - Miscellaneous	-	-	5,659	-	45,513	-	-	-	51,172
126	Accounts Receivable - Tenants	973,165	-	-	-	872,205	-	-	-	1,845,370
126.1	Allowance for Doubtful Accounts - Tenants	(589,374)	-	-	-	(834,254)	-	-	-	(1,423,628)
129	Accrued Interest Receivable	-	-	-	-	804	279	-	-	1,083
120	Total Receivables, Net of Allowances for Doubtful Accounts	1,515,481	95,745	26,345	125,128,276	224,120	279	33,374	-	127,023,620
142	Prepaid Expenses and Other Assets	-	-	2,034,914	35,217	-	-	10,244	-	2,080,375
143	Inventories	508,853	-	-	-	71,961	-	33,214	-	614,028
143.1	Allowance for Obsolete Inventories	(50,428)	-	-	-	-	-	-	-	(50,428)
144	Inter Program Due From	2,406,037	126,337	705,539	487,463	2,749,552	7,041	6,214,013	(12,695,982)	-
	Total Other Current Assets	2,864,462	126,337	2,740,453	522,680	2,821,513	7,041	6,257,471	(12,695,982)	2,643,975
150	Total Current Assets	25,768,934	2,187,240	5,016,721	125,650,956	10,387,462	1,005,891	40,683,737	(12,695,982)	198,004,959
161	Land	13,093,629	-	-	2,373,410	9,872,571	-	-	-	25,339,610
162	Buildings	471,748,936	-	-	15,325,444	102,192,540	-	42,857	-	589,309,777
163	Furniture, Equipment & Machinery - Dwellings	3,329,340	-	-	-	99,089	-	-	-	3,428,429
164	Furniture, Equipment & Machinery - Administration	1,777,500	-	-	1,291,869	368,106	2,111,723	150,524	-	5,699,722
166	Accumulated Depreciation	(287,894,501)	-	-	(14,293,307)	(45,759,063)	(1,787,880)	(72,826)	-	(349,807,577)
167	Construction in Progress	25,761,782	-	-	22,543	3,192,222	-	-	-	28,976,547
160	Total Capital Assets, Net of Accumulated Depreciation	227,816,686	-	-	4,719,959	69,965,465	323,843	120,555	-	302,946,508
171	Notes, Loans and Mortgages Receivable - Non-Current	8,716,630	-	-	-	-	-	-	-	8,716,630
	Total Other Non-Current Assets	8,716,630	-	-	-	-	-	-	-	8,716,630
180	Total Non-Current Assets	236,533,316	-	-	4,719,959	69,965,465	323,843	120,555	-	311,663,138
190	Total Assets	262,302,250	2,187,240	5,016,721	130,370,915	80,362,927	1,329,734	40,804,292	(12,695,982)	509,668,097
312	Accounts Payable <= 90 Days	1,376,658	5,506	65,703	528,732	130,645	-	221,908	-	2,329,152
313	Accounts Payable >90 Days Past Due	-	-	-	-	37,136	-	-	-	37,136
321	Accrued Wage/Payroll Taxes Payable	336,138	3,060	37,736	2,055	25,970	-	361,103	-	766,062
322	Accrued Compensated Absences - Current Portion	291,553	-	30,279	4,532	24,890	-	254,275	-	605,529
331	Accounts Payable - HUD PHA Programs	-	22	-	-	-	-	-	-	22
333	Accounts Payable - Other Government	48,148	-	527	-	571,402	-	-	-	620,077
341	Tenant Security Deposits	602,464	-	-	-	227,674	-	-	-	830,138
342	Deferred Revenues	667,910	-	-	-	47,491	-	9,523	-	724,928
345	Other Current Liabilities	753,491	-	39,723	894,733	-	-	154,206	-	1,842,153
346	Accrued Liabilities - Other	452,466	216,000	36,000	1,247,444	180,413	-	-	-	2,132,323
347	Inter Program - Due To	1,778,130	156,391	2,159,399	475,268	6,539,653	-	606,447	(11,715,288)	-
310	Total Current Liabilities	6,306,958	380,979	2,369,367	3,152,764	7,785,274	-	1,607,462	(11,715,288)	9,887,516
353	Non-current Liabilities - Other	-	-	65,889	-	12,189	-	-	-	78,078
354	Accrued Compensated Absences - Non Current	744,111	-	-	88,821	63,467	-	658,515	-	1,554,914
357	Accrued Pension and OPEB Liabilities	-	-	305,942	69,097	605,654	-	15,145,116	(980,694)	15,145,115
350	Total Non-Current Liabilities	744,111	-	371,831	157,918	681,310	-	15,803,631	(980,694)	16,778,107
300	Total Liabilities	7,051,069	380,979	2,741,198	3,310,682	8,466,584	-	17,411,093	(12,695,982)	26,665,623
508.1	Invested in capital assets, net of related debt	227,816,686	-	-	4,719,959	69,965,465	323,843	120,555	-	302,946,508
511.1	Restricted Fund Balance	-	-	2,275,523	-	-	-	-	-	2,275,523
512.1	Unrestricted Net Assets	27,434,495	1,806,261	-	122,340,274	1,920,878	1,005,891	23,272,644	-	177,780,443
513	Total Equity/Net Assets	255,251,181	1,806,261	2,275,523	127,060,233	71,886,343	1,329,734	23,393,199	-	483,002,474
600	Total Liabilities and Equity/Net Assets	262,302,250	2,187,240	5,016,721	130,370,915	80,362,927	1,329,734	40,804,292	(12,695,982)	509,668,097

See accompanying independent auditor's report

Hawaii Public Housing Authority
 Financial Data Schedule
 Entity-Wide Revenue and Expense Summary
 June 30, 2014

Line Item Number	Description	Federal	Section 8	Section 8	State/Local	Business Activities	Internal Service	Central Office Cost Center	Elimination	Total
		Low Rent Program	Housing Assistance Payments	Housing Choice Voucher Program						
70300	Net Tenant Rental Revenue	12,972,435	-	-	-	3,935,241	-	-	-	16,907,676
70400	Tenant Revenue - Other	224,401	-	-	-	38,593	-	-	-	262,994
70500	Total Tenant Revenue	13,196,836	-	-	-	3,973,834	-	-	-	17,170,670
70600	HUD PHA Operating Grants	31,195,200	28,800,635	23,423,962	-	-	-	-	-	83,419,797
70610	Capital Grants	5,118,416	-	-	-	-	-	-	-	5,118,416
70710	Management Fee	-	-	-	-	-	-	3,684,774	(3,684,774)	-
70720	Asset Management Fee	-	-	-	-	-	-	315,480	(315,480)	-
70730	Book Keeping Fee	-	-	-	-	-	-	660,226	(660,226)	-
70740	Front Line Service Fee	-	-	-	-	-	-	4,825,402	(4,825,402)	-
70750	Other Fees	-	-	-	-	-	-	1,683,853	-	1,683,853
70700	Total Fee Revenue	36,313,616	28,800,635	23,423,962	-	-	-	11,169,735	(9,485,882)	90,222,066
70800	Other Government Grants	-	-	-	49,629,893	-	-	-	-	49,629,893
71100	Investment Income - Unrestricted	4,088	191	217	-	8,288	3,016	27,020	-	42,820
71400	Fraud Recovery	-	-	12,928	-	-	-	-	-	12,928
71500	Other Revenue	229,940	-	423,945	-	194,121	40,875	-	-	888,881
	Total Other Revenue	234,028	191	437,090	49,629,893	202,409	43,891	27,020	-	50,574,522
70000	Total Revenue	49,744,480	28,800,826	23,861,052	49,629,893	4,176,243	43,891	11,196,755	(9,485,882)	157,967,258
91100	Administrative Salaries	3,066,323	39,652	485,112	300,088	253,273	-	5,752,038	-	9,896,486
91200	Auditing Fees	118,035	24,084	29,267	32,412	36,723	2,990	100,935	-	344,446
91300	Management Fee	3,008,433	-	274,092	6,810	395,439	-	-	(3,684,774)	-
91310	Book-keeping Fee	409,536	-	171,308	4,268	75,114	-	-	(660,226)	-
91400	Advertising and Marketing	5,421	-	-	-	-	-	14,256	-	19,677
91500	Employee Benefit contributions - Administration	730,414	20,414	121,134	75,858	66,350	-	1,821,034	-	2,835,204
91600	Office Expenses	462,551	15,360	35,587	23,682	63,058	-	428,839	-	1,029,077
91700	Legal Expense	103,526	544	245	119	14,934	-	258,472	-	377,840
91800	Travel	25,635	-	910	490	960	-	82,331	-	110,326
91900	Other	1,452,538	884,119	8,955	16,114	723,091	-	29,143	-	3,113,960
91000	Total Operating - Administrative	9,382,412	984,173	1,126,610	459,841	1,628,942	2,990	8,487,048	(4,345,000)	17,727,016
92000	Asset Management Fee	315,480	-	-	-	-	-	-	(315,480)	-
92200	Relocation Costs	19,515	-	-	-	-	-	-	-	19,515
92400	Tenant Services - Other	100,005	-	142,782	85,498	-	-	1,025	-	329,310
92500	Total Tenant Services	435,000	-	142,782	85,498	-	-	1,025	(315,480)	348,825
93100	Water	2,539,616	-	813	626	294,527	-	3,199	-	2,838,781
93200	Electricity	3,600,712	-	26,225	19,733	1,425,105	-	98,312	-	5,170,087
93300	Gas	1,914,273	-	-	-	187,691	-	-	-	2,101,964
93400	Fuel	-	-	-	-	-	-	1,451	-	1,451
93600	Sewer	3,676,377	-	1,344	835	710,965	-	11,192	-	4,400,713
93800	Other Utilities Expense	411	-	-	-	-	-	-	-	411
93000	Total Utilities	11,731,389	-	28,382	21,194	2,618,288	-	114,154	-	14,513,407

See accompanying independent auditor's report

Hawaii Public Housing Authority
 Financial Data Schedule
 Entity-Wide Revenue and Expense Summary
 June 30, 2014

Line Item Number	Description	Section 8		Section 8		Business Activities	Internal Service	Central Office Cost Center	Elimination	Total
		Federal	Housing Assistance	Housing Choice						
		Low Rent Program	Payments	Voucher Program	State/Local					
94100	Ordinary Maintenance and Operations - Labor	3,655,302	-	-	-	368,311	-	1,366,740	-	5,390,353
94200	Ordinary Maintenance and Operations - Materials and Other	3,039,381	-	251	118	294,556	-	114,261	-	3,448,567
94300	Ordinary Maintenance and Operations Contracts	9,979,095	-	21,369	11,217	1,594,136	-	182,173	(4,825,402)	6,962,588
94500	Employee Benefit Contributions - Ordinary Maintenance	1,609,176	-	-	-	125,073	-	692,603	-	2,426,852
94000	Total Maintenance	18,282,954	-	21,620	11,335	2,382,076	-	2,355,777	(4,825,402)	18,228,360
95200	Protective Services - Other Contract Costs	2,169,107	-	-	-	206,748	-	3,970	-	2,379,825
95300	Protective Services - Other	1,925	-	437	235	516	-	9,122	-	12,235
95000	Total Protective Services	2,171,032	-	437	235	207,264	-	13,092	-	2,392,060
96110	Property Insurance	510,423	-	276	269	113,825	-	5,822	-	630,615
96120	Liability Insurance	49,711	-	1,413	859	33,411	-	8,675	-	94,069
96130	Workmen's Compensation	161,995	-	2,827	1,522	3,225	-	22,231	-	191,800
96140	All Other Insurance	34,086	-	1,212	652	44,445	-	5,788	-	86,183
96100	Total Insurance Premiums	756,215	-	5,728	3,302	194,906	-	42,516	-	1,002,667
96200	Other General Expenses	3,596,317	2,554	57,785	31,067	31	-	69,234	-	3,756,988
96300	Payments in Lieu of Taxes	48,148	-	-	-	-	-	717	-	48,865
96400	Bad debt - Tenant Rents	223,252	-	-	-	32,701	-	53,371	-	309,324
96800	Severance Expense	58,719	-	17,822	4,810	236	-	40,298	-	121,885
96000	Total Other General Expenses	3,926,436	2,554	75,607	35,877	32,968	-	163,620	-	4,237,062
96900	Total Operating Expenses	46,685,438	986,727	1,401,166	617,282	7,064,444	2,990	11,177,232	(9,485,882)	58,449,397
97000	Excess of Operating Revenue over Operating Expenses	3,059,042	27,814,099	22,459,886	49,012,611	(2,888,201)	40,901	19,523	-	99,517,861
97100	Extraordinary Maintenance	22,989	-	-	-	1,239	-	-	-	24,228
97300	Housing Assistance Payments	16,809	27,645,657	23,635,995	456,380	-	-	-	-	51,754,841
97350	HAP Portability-In	-	-	398,955	-	-	-	-	-	398,955
97400	Depreciation Expense	13,646,646	-	-	222,818	2,849,771	67,339	21,526	-	16,808,100
Subtotal	Total Expenses	13,686,444	27,645,657	24,034,950	679,198	2,851,010	67,339	21,526	-	68,986,124
90000	Total Expenses	60,371,882	28,632,384	25,436,116	1,296,480	9,915,454	70,329	11,198,758	(9,485,882)	127,435,521
10010	Operating Transfer In	4,071,521	-	-	52,619	2,735,848	-	424,976	(7,284,964)	-
10020	Operating transfer Out	-	(209,611)	-	(6,525,069)	(249)	-	(550,035)	7,284,964	-
10030	Operating Transfers from/to Primary Government	-	-	-	401,394	-	-	-	-	401,394
10091	Inter Project Excess Cash Transfer In	3,700,000	-	-	-	-	-	-	-	3,700,000
10092	Inter Project Excess Cash Transfer Out	(3,700,000)	-	-	-	-	-	-	-	(3,700,000)
10100	Total Other financing Sources (Uses)	4,071,521	(209,611)	-	(6,071,056)	2,735,599	-	(125,059)	-	401,394
10000	Excess (deficiency) of total revenue over (under) total expenses	(6,555,881)	(41,169)	(1,575,064)	42,262,357	(3,003,612)	(26,438)	(127,062)	-	30,933,131
11030	Beginning Equity	249,009,314	1,847,430	3,850,587	99,424,306	73,208,936	1,356,172	23,520,261	-	452,217,006
1040-070	Equity transfer of capital contributions from capital projects fund	12,797,748	-	-	(14,626,430)	1,681,019	-	-	-	(147,663)
	Ending Equity	255,251,181	1,806,261	2,275,523	127,060,233	71,886,343	1,329,734	23,393,199	-	483,002,474

See accompanying independent auditor's report

Hawaii Public Housing Authority
 Financial Data Schedule
 Project Balance Sheet
 June 30, 2014

Line Item Number	Description	HI001000030	HI001000031	HI001000032	HI001000033	HI001000034	HI001000035	HI001000037	HI001000038	HI001000039	HI001000040	HI001000043	HI001000044	HI001000045	HI001000046	HI001000049	HI001000050	HI001000052	Total Project
111	Cash - Unrestricted	1,956,924	1,399,100	2,601,732	1,299,877	2,012,810	1,949,290	1,031,638	1,098,958	799,063	821,882	870,533	1,103,218	1,758,355	322,122	553,634	1,206,391	-	20,786,527
114	Cash - Tenant Security Deposits	46,620	52,065	51,164	49,945	74,159	79,811	35,000	36,121	23,766	23,218	25,867	30,573	31,169	13,160	17,880	11,946	-	602,464
120	Total Cash	2,003,544	1,451,165	2,652,896	1,349,822	2,086,969	2,029,101	1,066,638	1,135,079	822,829	845,100	896,400	1,133,791	1,790,524	335,282	571,514	1,218,337	-	21,388,991
122	Accounts Receivable - HUD Other Projects	121,966	282	4,134	564	24,671	5,957	460,800	83,550	1,692	564	1,410	65,118	2,652	68,285	13,795	278,250	-	1,131,690
126	Accounts Receivable - Tenants	104,256	92,275	28,153	27,323	73,029	54,887	5,936	141,340	145,749	33,430	54,022	123,736	23,791	33,818	22,867	8,553	-	973,165
126.1	Allowance for Doubtful Accounts - Tenants	(96,762)	(48,277)	(14,338)	(9,719)	(46,173)	(42,525)	(2,133)	(62,569)	(89,809)	(17,110)	(32,413)	(75,773)	(14,493)	(18,420)	(13,992)	(4,968)	-	(588,374)
129	Total Receivables, Net of Allowances for Doubtful Accounts	129,460	44,280	17,949	18,169	51,527	18,319	444,503	163,321	57,932	16,884	23,819	113,081	11,960	83,883	22,670	278,935	-	1,515,481
143	Inventories	45,987	81,162	10,542	7,242	77,013	60,864	3,802	59,404	10,371	35,075	12,971	25,213	56,458	9,523	9,034	24,192	-	508,853
143.1	Allowance for Obsolete Inventories	(4,557)	(6,061)	(1,045)	(718)	(7,632)	(6,032)	(377)	(5,887)	(1,028)	(3,476)	(1,285)	(2,489)	(5,595)	(944)	(895)	(2,397)	-	(50,428)
144	Inter Program Due From	171,636	156,311	153,966	158,198	239,758	242,745	155,615	134,100	89,968	354,774	104,130	110,697	101,620	66,954	84,613	80,932	-	2,406,037
	Total Other Current Assets	213,066	211,432	163,463	164,722	309,139	297,577	159,040	187,617	99,311	386,373	115,816	133,411	152,483	75,533	92,752	102,727	-	2,864,462
150	Total Current Assets	2,346,070	1,706,877	2,834,308	1,532,712	2,447,835	2,344,997	1,990,281	1,485,017	979,772	1,248,357	1,035,235	1,380,283	1,954,957	494,408	686,936	1,609,999	-	25,768,934
161	Land	2,534,474	550,848	207,679	319,507	297,702	1,953,866	1,707,058	548,446	512,058	419,374	955,313	815,673	125,880	192,885	1,639,118	313,138	-	13,093,629
162	Buildings	36,281,260	53,531,408	21,519,484	37,991,570	30,811,264	30,558,905	59,247,704	31,613,064	28,296,902	10,654,323	33,052,574	33,647,137	29,242,371	16,644,977	16,719,579	3,936,406	-	471,748,936
163	Furniture, Equipment & Machinery - Dwellings	72,608	105,792	1,211,821	338,439	234,607	262,283	276,575	154,490	116,727	42,624	55,005	159,476	103,545	89,639	34,187	71,522	-	3,329,340
164	Furniture, Equipment & Machinery - Administration	397,847	157,071	187,717	98,483	91,492	131,120	232,946	164,450	79,008	69,064	19,048	40,821	13,654	7,734	5,989	81,056	-	1,777,500
166	Accumulated Depreciation	(30,218,850)	(28,850,196)	(16,804,679)	(21,796,301)	(19,586,708)	(17,828,480)	(28,788,529)	(20,642,811)	(14,082,771)	(10,291,786)	(16,272,912)	(21,484,089)	(23,147,250)	(6,494,062)	(12,174,718)	(3,630,359)	-	(287,894,501)
167	Construction in Progress	3,544,527	807,907	297,869	304,108	3,841,713	23,287	1,380,114	3,154,805	458,177	202,877	-	191,181	1,322,017	225,158	685,241	9,523,001	-	25,781,782
168	Total Capital Assets, Net of Accumulated Depreciation	12,611,866	28,302,828	6,619,701	17,255,806	15,490,070	15,300,961	36,055,868	14,992,444	13,380,701	1,096,476	17,809,028	13,370,199	7,660,247	10,666,331	6,909,396	10,294,764	-	227,816,686
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,716,630
	Total Other Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,716,630
180	Total Non-Current Assets	12,611,866	28,302,828	6,619,701	17,255,806	15,490,070	15,300,961	36,055,868	14,992,444	13,380,701	1,096,476	17,809,028	13,370,199	7,660,247	10,666,331	6,909,396	10,294,764	-	236,533,316
190	Total Assets	14,957,936	30,069,705	9,454,009	18,788,518	17,937,705	17,645,958	37,746,149	18,477,461	14,360,473	11,061,463	18,844,263	14,750,482	9,815,204	11,160,829	7,596,332	11,895,763	-	262,302,250
312	Accounts Payable <= 90 Days	75,138	62,113	37,177	24,338	21,380	11,413	480,457	89,159	37,540	64,063	96,570	73,510	203,560	35,792	30,268	34,140	-	1,376,658
321	Accrued Wage/Payroll Taxes Payable	53,561	34,978	28,165	28,861	49,912	47,434	35,970	32,325	24,932	-	-	-	-	-	-	-	-	336,138
322	Accrued Compensated Absences - Current Portion	46,387	38,442	23,166	24,112	42,392	41,444	28,119	24,492	22,999	-	-	-	-	-	-	-	-	291,553
333	Accounts Payable - Other Government	-	-	-	-	-	-	30,873	7,453	6,765	-	-	-	-	3,957	-	-	-	48,148
341	Tenant Security Deposits	46,620	52,065	51,164	49,945	74,159	79,811	35,000	36,121	23,766	23,218	25,867	30,573	31,169	13,160	17,880	11,946	-	602,464
342	Deferred Revenues	15,764	47,823	13,891	27,288	89,936	24,148	9,070	75,369	79,824	116,797	24,398	88,081	19,045	4,635	8,486	12,755	-	667,910
345	Other Current Liabilities	139,970	7,732	6,056	6,857	25,952	6,454	7,478	88,271	6,455	7,163	7,468	67,918	9,466	71,666	18,100	277,484	-	753,491
346	Accrued Liabilities - Other	55,828	32,264	39,066	24,929	17,118	43,423	25,712	49,509	11,674	46,756	19,296	45,875	7,867	10,647	13,638	8,664	-	452,466
347	Inter Program - Due To	184,398	143,813	373,135	144,530	340,601	207,087	144,633	127,188	112,747	-	-	-	-	-	-	-	-	1,778,130
310	Total Current Liabilities	617,664	419,230	571,820	330,860	671,480	461,214	787,912	530,887	328,702	258,017	173,899	306,957	271,127	139,157	86,372	344,989	-	6,306,858
354	Accrued Compensated Absences - Non Current	118,305	98,034	59,097	61,508	108,160	105,727	71,734	62,664	58,882	-	-	-	-	-	-	-	-	744,111
350	Total Non-Current Liabilities	118,305	98,034	59,097	61,508	108,160	105,727	71,734	62,664	58,882	-	-	-	-	-	-	-	-	744,111
300	Total Liabilities	736,969	517,264	630,917	392,368	779,640	566,941	859,646	593,561	385,584	258,017	173,899	306,957	271,127	139,157	86,372	344,989	-	7,051,049
508.1	Invested in capital assets, net of related debt	12,611,866	28,302,828	6,619,701	17,255,806	15,490,070	15,300,961	36,055,868	14,992,444	13,380,701	1,096,476	17,809,028	13,370,199	7,660,247	10,666,331	6,909,396	10,294,764	-	227,816,686
512.1	Unrestricted Net Assets	1,610,101	1,189,613	2,203,391	1,140,344	1,668,025	1,778,056	820,635	891,466	594,188	9,708,970	861,635	1,074,326	1,683,830	355,341	800,564	1,256,010	-	27,434,495
513	Total Equity/Net Assets	14,221,967	29,492,441	8,823,092	18,396,160	17,158,095	17,079,017	38,876,503	15,893,910	13,974,889	10,803,446	18,870,643	14,444,526	9,344,077	11,821,672	7,509,960	11,560,774	-	256,251,181
600	Total Liabilities and Equity/Net Assets	14,957,936	30,069,705	9,454,009	18,788,518	17,937,705	17,645,958	37,746,149	18,477,461	14,360,473	11,061,463	18,844,263	14,750,482	9,815,204	11,160,829	7,596,332	11,895,763	-	262,302,250

See accompanying independent auditor's report

Hawaii Public Housing Authority
 Financial Data Schedule
 Project Revenue and Expense Summary
 June 30, 2014

Line Item Number	Description	H1001000030	H1001000031	H1001000032	H1001000033	H1001000034	H1001000035	H1001000037	H1001000038	H1001000039	H1001000040	H1001000043	H1001000044	H1001000045	H1001000046	H1001000049	H1001000050	H1001000052	Total Project
70300	Net Tenant Rental Revenue	1,554,448	904,993	1,124,698	822,230	1,549,387	1,806,988	678,819	910,002	653,453	690,096	389,672	553,214	485,376	205,056	426,427	217,576	-	12,972,435
70400	Tenant Revenue - Other	25,739	58,404	10,081	4,091	11,443	16,513	8,011	2,341	5,695	23,290	20,660	10,925	4,841	75	4,681	-	-	224,401
70500	Total Tenant Revenue	1,580,187	963,397	1,134,779	826,321	1,560,830	1,823,501	686,830	912,343	659,148	713,376	410,332	564,139	490,217	215,577	426,502	222,257	-	13,196,836
70600	HJUD PHA Operating Grants	3,091,711	2,127,762	2,201,601	1,786,009	2,697,977	2,744,195	2,056,760	1,727,025	2,241,483	1,845,948	1,642,032	1,418,632	955,009	975,563	788,477	808,058	2,086,958	31,195,200
70610	Capital Grants	390,379	159,354	-	-	-	-	467,620	2,358,742	-	559,679	-	746,090	129,897	54,598	144,161	109,098	-	5,118,416
70700	Total Fee Revenue	3,482,090	2,286,116	2,201,601	1,786,009	2,697,977	2,744,195	2,524,380	4,085,767	2,241,483	2,408,627	1,642,032	2,164,722	1,084,706	1,030,159	932,638	917,156	2,086,958	36,313,816
71100	Investment Income - Unrestricted	2,807	287	864	486	179	435	78	287	76	121	146	197	320	29	125	171	-	4,088
71500	Other Revenue	6,700	911	14	-	47,511	49,414	17,999	13,938	4,819	402	26,957	22,334	11,040	17,085	10,816	-	-	229,940
	Total Other Revenue	6,987	1,198	878	486	47,690	49,849	18,077	14,225	4,895	523	27,103	22,531	11,360	17,114	10,941	171	-	234,028
70000	Total Revenue	5,073,264	3,250,711	3,337,258	2,612,816	4,306,497	4,617,645	3,229,287	5,012,335	2,905,528	3,119,526	2,079,467	2,761,392	1,586,283	1,285,850	1,370,081	1,139,584	2,086,958	49,744,480
91100	Administrative Salaries	461,156	272,181	237,803	243,064	457,825	415,814	431,046	287,150	258,694	-	-	-	-	-	-	-	-	3,086,323
91200	Auditing Fees	7,377	7,377	7,377	7,377	7,377	7,378	7,378	7,378	7,377	7,378	7,378	7,378	7,378	7,135	7,620	7,377	-	118,035
91300	Management Fee	255,854	275,107	269,793	277,295	433,632	438,258	223,162	232,099	133,334	68,894	75,741	106,174	108,559	29,510	46,928	36,093	-	3,008,433
91310	Book-keeping Fee	30,699	33,008	32,370	33,271	52,028	52,584	26,778	27,852	15,999	15,031	17,814	22,426	20,229	9,114	11,948	8,385	-	409,536
91400	Advertising and Marketing	-	5,256	-	-	-	-	165	-	-	-	-	-	-	-	-	-	-	5,421
91500	Employee Benefit contributions - Administration	117,596	66,285	46,550	47,577	93,492	67,931	123,364	82,213	85,406	-	-	-	-	-	-	-	-	730,414
91600	Office Expenses	33,483	25,663	47,000	16,558	44,669	27,743	38,636	38,718	31,899	21,313	46,195	20,177	10,469	16,754	35,299	7,975	-	462,551
91700	Legal Expense	82	1,125	80,288	1,203	140	8,180	428	82	63	6,950	82	83	4,554	83	81	82	-	103,528
91800	Travel	349	-	-	-	-	-	7,643	5,406	11,272	-	965	-	-	-	-	-	-	25,635
91900	Other	36,552	33,292	26,579	27,359	36,685	66,958	(29,561)	12,105	19,301	153,770	170,920	194,461	305,925	137,013	131,772	129,407	-	1,452,538
91900	Total Operating - Administrative	943,148	719,294	747,760	654,304	1,125,848	1,084,846	829,037	693,003	564,355	273,336	319,095	350,698	455,112	199,608	233,648	189,319	-	9,382,412
92000	Asset Management Fee	(87,120)	44,760	43,680	44,760	69,960	70,440	-	38,520	-	-	-	31,200	27,120	-	18,000	14,160	-	315,480
92200	Relocation Costs	10,712	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,803	-	19,515
92400	Tenant Services - Other	37,005	12,962	3,919	7,060	7,173	135	1,952	-	-	3,935	-	2,661	15,389	-	3,935	3,879	-	100,005
92500	Total Tenant Services	(39,403)	57,722	47,599	51,820	77,133	70,575	1,952	38,520	-	3,935	-	33,861	42,509	-	21,935	26,842	-	435,000
93100	Water	153,892	264,692	261,646	169,638	160,414	151,883	113,042	299,331	115,087	219,622	124,573	154,752	157,298	45,245	68,250	70,451	-	2,539,616
93200	Electricity	1,026,429	76,538	97,877	54,987	509,618	590,589	140,464	172,020	271,996	138,670	159,883	62,331	44,018	55,987	178,622	20,683	-	3,600,712
93300	Gas	20,938	-	395,516	154,108	143,823	252,421	38,688	232,824	75,162	253,981	130,221	47,999	34,685	38,011	65,114	30,782	-	1,914,273
93600	Sewer	324,681	342,008	364,109	352,317	431,808	466,723	60,384	127,797	123,553	249,027	45,395	277,899	252,614	35,241	103,853	118,958	-	3,676,377
93800	Other Utilities Expense	-	-	-	-	-	-	21	390	-	-	-	-	-	-	-	-	-	411
93900	Total Utilities	1,535,940	683,238	1,119,148	731,050	1,245,643	1,481,416	352,609	831,972	586,188	861,300	460,072	542,981	488,615	174,484	415,839	240,874	-	11,731,389
94100	Ordinary Maintenance and Operations - Labor	539,142	361,412	350,336	358,999	582,638	551,821	321,290	362,479	227,185	-	-	-	-	-	-	-	-	3,655,302
94200	Ordinary Maintenance and Operations - Materials & Other	277,094	245,848	588,355	434,412	199,735	109,220	115,921	101,400	80,181	141,167	238,277	210,965	139,376	35,562	88,368	33,500	-	3,039,381
94300	Ordinary Maintenance and Operations Contracts	569,437	306,843	1,185,778	786,802	649,486	87,076	410,626	494,783	451,370	758,794	786,286	1,335,162	678,612	341,445	582,676	553,919	-	9,979,095
94500	Employee Benefit Contributions - Ordinary Maintenance	229,323	156,146	158,844	162,772	246,422	253,244	134,274	161,128	107,023	-	-	-	-	-	-	-	-	1,609,176
94600	Total Maintenance	1,614,996	1,070,249	2,283,313	1,742,985	1,678,281	1,001,361	982,111	1,119,790	865,759	899,961	1,024,563	1,546,127	817,988	377,007	671,044	587,419	-	18,282,954
95200	Protective Services - Other Contract Costs	287,050	543,743	574,650	138,432	89,366	258,974	-	-	-	276,892	-	-	-	-	-	-	-	2,169,107
95300	Protective Services - Other	-	119	-	-	478	1,328	-	-	-	-	-	-	-	-	-	-	-	1,925
95000	Total Protective Services	287,050	543,862	574,650	138,432	89,366	259,452	1,328	-	-	276,892	-	-	-	-	-	-	-	2,171,032
96110	Property Insurance	33,496	35,452	34,608	35,459	55,504	55,855	37,700	30,472	18,596	71,729	9,684	34,618	21,672	9,878	14,385	11,315	-	510,423
96120	Liability Insurance	7,321	2,067	1,464	1,524	1,967	2,137	1,352	1,526	1,004	1,500	9,069	1,800	3,645	3,936	9,399	-	-	49,711
96130	Workmen's Compensation	4,592	4,436	3,670	3,820	4,833	5,558	3,819	2,235	2,233	34,093	-	56,397	21,330	-	-	14,979	-	161,995
96140	All Other Insurance	1,544	2,400	977	496	487	730	1,619	742	853	4,772	-	11,837	4,565	124	-	2,940	-	34,086
96100	Total Insurance Premiums	46,953	44,355	40,719	41,299	62,791	64,280	44,490	34,975	22,686	112,094	18,753	104,652	51,212	13,938	23,784	29,234	-	756,215

See accompanying independent auditor's report

Hawaii Public Housing Authority
 Financial Data Schedule
 Project Revenue and Expense Summary
 June 30, 2014

Line Item Number	Description	HI001000030	HI001000031	HI001000032	HI001000033	HI001000034	HI001000035	HI001000037	HI001000038	HI001000039	HI001000040	HI001000043	HI001000044	HI001000045	HI001000046	HI001000049	HI001000050	HI001000052	Total Project
96200	Other General Expenses	104,611	50,065	26,774	41,843	62,766	111,437	233,143	209,223	125,534	41,841	104,607	104,609	125,531	83,682	62,771	20,922	2,086,958	3,596,317
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	30,873	7,453	6,765	-	-	-	-	3,057	-	-	-	48,148
96400	Bad debt - Tenant Rents	58,642	39,656	(10,788)	(49,159)	10,385	16,799	(1,603)	28,252	48,693	309	19,679	46,562	10,492	6,074	(2,611)	1,870	-	223,252
96800	Severance Expense	1,075	9,821	-	-	23,925	17,759	-	-	5,139	-	-	-	-	-	-	-	-	58,719
96900	Total Other General Expenses	164,328	99,542	15,986	(7,316)	97,076	145,995	262,413	244,928	187,131	42,150	124,286	151,171	136,023	92,813	60,160	22,792	2,086,958	3,926,436
96900	Total Operating Expenses	4,553,012	3,218,262	4,829,175	3,352,574	4,376,158	4,087,925	2,473,940	2,963,188	2,228,119	2,469,668	1,946,768	2,729,480	1,991,459	857,851	1,426,410	1,096,480	2,086,958	46,685,438
97000	Excess of Operating Revenue over Operating Expenses	520,252	32,449	(1,491,817)	(739,758)	(69,661)	529,720	755,347	2,049,147	679,407	649,858	132,898	21,902	(405,176)	407,999	(56,329)	43,104	-	3,059,042
97100	Extraordinary Maintenance	-	-	4,354	4,532	-	-	-	14,103	-	-	-	-	-	-	-	-	-	22,989
97300	Housing Assistance Payments	12,006	-	-	2,097	-	-	-	-	-	-	-	1,592	-	770	344	-	-	16,809
97400	Depreciation Expense	1,123,889	2,554,973	308,096	746,925	758,091	876,410	2,034,726	575,636	693,366	29,976	894,648	1,119,075	772,558	522,882	605,460	31,935	-	13,646,646
	Subtotal	1,135,895	2,554,973	312,450	753,554	758,091	876,410	2,034,726	589,739	693,366	29,976	894,648	1,119,075	774,150	522,882	606,230	32,279	-	13,686,444
99000	Total Expenses	5,688,907	5,773,235	5,141,625	4,106,128	5,132,249	4,964,335	4,508,666	3,552,927	2,919,485	2,499,644	2,841,417	3,848,565	2,765,609	1,380,733	2,032,640	1,128,759	2,086,958	60,371,882
10010	Operating Transfer In	507,706	361,077	510,280	206,901	487,453	416,674	183,065	431,203	40,055	203,493	119,785	352,400	164,372	-	78,800	8,257	-	4,071,521
10091	Inter Project Excess Cash Transfer In	1,600,000	-	-	-	-	-	550,000	150,000	600,000	500,000	-	-	-	150,000	150,000	-	-	3,700,000
10092	Inter Project Excess Cash Transfer Out	-	(300,000)	-	-	(750,000)	(950,000)	-	(500,000)	-	-	(500,000)	(700,000)	-	-	-	-	-	(3,700,000)
10100	Total Other financing Sources (Uses)	2,107,706	61,077	510,280	206,901	(262,547)	(533,326)	733,065	(68,797)	190,055	803,493	619,785	(500,000)	(700,000)	150,000	228,800	8,257	-	4,071,521
10000	Excess (deficiency) of total revenue over (under) total expenses	1,492,063	(2,461,447)	(1,294,087)	(1,286,411)	(1,088,299)	(880,016)	(546,314)	1,390,611	176,096	1,423,375	(142,165)	(1,244,773)	(1,714,954)	35,117	(433,759)	19,082	-	(6,555,881)
11030	Beginning Equity	11,792,751	31,371,612	9,706,528	19,216,459	17,893,549	17,211,642	36,865,087	11,679,978	13,520,575	9,261,500	18,811,121	15,565,994	9,841,487	9,353,062	7,463,763	9,654,226	-	249,009,314
10000	Excess (deficiency) of total revenue	1,492,063	(2,461,447)	(1,294,087)	(1,286,411)	(1,088,299)	(880,016)	(546,314)	1,390,611	176,096	1,423,375	(142,165)	(1,244,773)	(1,714,954)	35,117	(433,759)	19,082	-	(6,555,881)
11040-070	Equity transfer of capital contributions	937,153	582,276	410,651	466,102	352,845	747,391	757,720	2,813,321	278,218	118,571	1,707	123,304	1,217,574	1,633,493	479,956	1,877,466	-	12,797,748
	Ending Equity	14,221,967	29,492,441	8,823,092	18,396,150	17,158,095	17,079,017	36,876,503	15,883,910	13,974,689	10,803,446	18,670,663	14,444,525	9,344,077	11,021,672	7,509,860	11,550,774	-	255,251,181

See accompanying independent auditor's report

Hawaii Public Housing Authority
 Financial Data Schedule
 GASBS NO. 54 Supplemental Reporting Schedule
 June 30, 2014

<u>FDS Line Item</u>	<u>FDS Line Item Name</u>	<u>CFDA No. 14.871 Housing Choice Voucher Program</u>	<u>CFDA No. 14.195 Section 8 Contract Administration</u>	<u>State/Local</u>	<u>Total</u>
513	Total Equity as Reported in FDS	<u>\$ 2,275,523</u>	<u>\$ 1,806,261</u>	<u>\$ 127,060,232</u>	<u>\$ 131,142,016</u>
508.3	Nonspendable Fund Balance	\$ -	\$ -	\$ 4,719,958	\$ 4,719,958
509.3	Restricted Fund Balance	2,275,523	-	-	2,275,523
510.3	Committed Fund Balance	-	-	22,137,718	22,137,718
511.3	Assigned Fund Balance	-	1,806,261	100,202,556	102,008,817
512.3	Unassigned Fund Balance	-	-	-	-
	Total Equity as Calculated	<u>\$ 2,275,523</u>	<u>\$ 1,806,261</u>	<u>\$ 127,060,232</u>	<u>\$ 131,142,016</u>

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See accompanying independent auditor's report.

PART II

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

Board of Directors
Hawaii Public Housing Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hawaii Public Housing Authority (the HPHA), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the HPHA's basic financial statements, and have issued our report thereon dated [DATE].

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the HPHA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the HPHA's internal control. Accordingly, we do not express an opinion on the effectiveness of the HPHA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

control, described in the accompany *Schedule of Findings and Questioned Costs*, item 2014-01, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the HPHA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including applicable provisions of the Hawaii Public Procurement Code (Chapter 103D of the Hawaii Revised Statutes) and procurement rules, directives and circulars, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying *Schedule of Findings and Questioned Costs* as items 2014-02 and 2014-03.

The HPHA's Response to Findings

The HPHA's responses to the findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The HPHA's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

KMH LLP

Honolulu, Hawaii

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PART III

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL
CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED
BY OMB CIRCULAR A-133**

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**Independent Auditor's Report on Compliance for Each Major
Federal Program; Report on Internal Control Over Compliance;
And Report on Schedule of Expenditures of Federal Awards Required
By OMB Circular A-133**

Board of Directors
Hawaii Public Housing Authority

Report on Compliance for Each Major Federal Program

We have audited the Hawaii Public Housing Authority's (the HPHA) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the HPHA's major federal programs for the year ended June 30, 2014. The HPHA's major federal programs are identified in the summary of the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Section 8 Housing Choice Vouchers and Public and Indian Housing

As described in items 2014-02 and 2014-03 in the accompanying *Schedule of Findings and Questioned Costs*, the HPHA did not comply with requirements regarding the following:

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Program Name</u>	<u>Compliance Requirement</u>
2014-02	14.871	Section 8 Housing Choice Vouchers	Eligibility, Reporting, Special Tests and Provisions
2014-03	14.850	Public and Indian Housing	Eligibility

Compliance with such requirements is necessary, in our opinion, for the HPHA to comply with requirements applicable to those programs.

Qualified Opinion on Section 8 Housing Choice Vouchers and Public and Indian Housing

In our opinion, except for the noncompliance described in Basis for Qualified Opinion paragraph, the HPHA complied, in all material respects, with the types compliance requirements referred to above that could have a direct and material effect on Section 8 Housing Choice Vouchers and Public and Indian Housing for the year ended June 30, 2014.

Unmodified on Public Housing Capital Fund

In our opinion, the HPHA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Public Housing Capital Fund for the year ended June 30, 2014.

Other Matters

The HPHA's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The HPHA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on this response.

Report on Internal Control Over Compliance

Management of the HPHA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the HPHA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in

accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the HPHA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as items 2014-02 and 2014-03 to be material weaknesses.

The HPHA's responses to the internal control over compliance findings identified in our audit are described in the accompany *Schedule of Findings and Questioned Costs*. The HPHA's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on these responses.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the HPHA as of and for the year ended June 30, 2014, and have issued our report thereon dated DATE, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has

been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

KMH LLP

Honolulu, Hawaii

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PART IV
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes None reported
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

Type of auditor’s report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund
14.850	Public and Indian Housing

Dollar threshold used to distinguish between type A and type B programs: \$2,655,143 (3% of federal award expended)

Auditee qualified as low-risk auditee? Yes No

Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2014

Section II – Financial Statement Findings

Finding No.: 2014-01 Non-reconciliations of General Ledger Accounts – Significant Deficiency

Criteria: Sound internal control procedures and Federal regulations require that the books and records of account should be maintained on a regular monthly basis for all programs. Such records should be reconciled to supporting documents to ensure accurate and reliable reporting.

Condition, cause & context: During the 2014 audit, we noted significant improvements in the performance of timely reconciliations for a number of funds, including the reconciliation of fixed assets for the Federal Low Rent Program and Housing for Elders Revolving Fund. With the exception of the interfund balances (capital contributions, operating transfers, receivables and payables) for various funds, the fund accountants were able to prepare and reconcile many of the other funds' accounts. Unfortunately, the accounting of interfund balances continues to have challenges in the accounting and reporting of transactions due to the lack of timely account reconciliations. Consequently, the interfund balances were not reconciled until late into the audit.

Due to the nature and high volume of transactions for the funds noted in the preceding paragraph, the development of reliable financial statements may be compromised. Financial statement preparation must involve processes to ensure that the information presented is accurate, complete and properly recorded in accordance with Government Accounting Standards.

Questioned costs: None

Effect: Failure to adequately record all related financial activities on a timely basis can lead to misstatement of financial results and noncompliance.

Recommendation: Month-end "closing" procedures should be adhered to for the agency's interfund balances.

Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2014

Section II – Financial Statement Findings (continued)

PHA Reply (Corrective Action Plan):

To strengthen the internal control mechanism and promote operational effectiveness and efficiency, HPHA has been focusing on three areas:

- 1) Standard operating procedures: the responsible office has been in the process of reviewing, analysis and streamlining the operating processes and procedures to maximize operational effectiveness and efficiency. In the process, critical systems and schedules have been developed to facilitate execution of the functions and responsibilities of the office, while the knowledge and expertise gained are to be passed onto staff.
- 2) Staffing and training: The HPHA has recruited qualified professional accountants to fill vacant positions. HPHA continues to train its staff on accounting principles, operating procedures, enterprise software, and Excel skills, through general training sessions, case studies, one-to-one tutoring, and follow-up on detected errors.
- 3) Institutionalization of sound organizational structure through office re-organization incorporating adequate division of duties, check and balances, accountability of staff assigned with fund accounting, proper and timely review, correction and control by supervisors, in pursuing an environment of professional development.

Contact Person: Chong Gu, Chief Financial Management Advisor, 808-832-4485

Target Date: Effective immediately, with ongoing review and monitoring.

Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2014

Section III – Federal Award Findings and Questioned Costs

Section 8 Housing Choice Vouchers CFDA No. 14.871

Finding No.: 2014-02 Eligibility, Reporting, Special Tests and Provisions (Reasonable Rent, Housing Assistance Payments, HOS Inspections & HOS Enforcement) – Material Weakness

Criteria: 24 CFR sections 5.230, 5.609 and 982.516 require the HPHA to gather information on income and assets, family size, housing conditions for both new and continuing participants on an annual basis. Based on the information gathered, the HPHA housing specialists assess whether or not applicants are eligible to participate in the program based on Federal eligibility guidelines.

24 CFR section 908.10 requires the HPHA to electronically submit the HUD-50058 Family Report, including the Family Self Sufficiency Addendum. Certain key line items contain information deemed critical by HUD.

24 CFR section 982.507 requires the HPHA to determine that the initial rent to owner is a reasonable rent in accordance with its administrative plan and maintain respective documentation.

24 CFR section 982.505(b) requires the HPHA to pay a monthly housing assistance payment to the landlord on behalf of the family that is calculated in accordance with Federal guidelines.

24 CFR section 982.405(a) requires the HPHA to inspect the unit leased to a family prior to the initial term of the lease, at least annually during assisted occupancy, and at other times as needed, to determine if the unit meets the HQS.

24 CFR section 982.405(b) requires the HPHA to conduct supervisory quality control HQS inspections.

Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2014

Section III – Federal Award Findings and Questioned Costs (continued)

Section 8 Housing Choice Vouchers CFDA No. 14.871 (continued)

Finding No.: 2014-02 Eligibility, Reporting, Special Tests and Provisions (Reasonable Rent, Housing Assistance Payments, HQS Inspections & HQS Enforcement) – Material Weakness (continued)

Condition, cause, and context: During our testing of participant files, we noted the following:

- 1) For 1 out of 60 tenant files tested, we noted that an annual re-examination was not performed within the most recent 12 months.
- 2) For 2 out of 60 tenant files tested, we noted no HQS inspection report.
- 3) For 2 out of 60 tenant files tested, we noted that the adjusted gross income was incorrectly calculated.
- 4) For 6 out of 60 tenant files tested, we noted that the assets and/or exempt income per the Form 50058 did not agree to the support in the file or the incorrect payment standard was used on the Form 50058.
- 5) For 1 out of 60 tenant files tested, we noted no income verification for one of the adult family members.

During our review of supervisory quality control HQS inspections, we noted the following:

- 1) For 4 out of 40 HQS enforcement samples tested, we noted that the re-inspection date and correction of the failed portion of the HQS inspection was not completed within the designated time frame.
- 2) For 4 out of 40 HQS enforcement samples tested, we noted that Housing Assistance Payments were not stopped in a timely manner upon HQS inspection failure.
- 3) For 1 out of 40 HQS enforcement samples tested, we noted no supporting documents for re-inspection.

Effect: Failure to properly monitor eligibility determination, HUD 50058 reporting requirements, reasonable rent, HQS inspections, HQS enforcement and housing assistance payments can lead to non-compliance with program requirements and potential disallowed costs.

Questioned costs: None

Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2014

Section III – Federal Award Findings and Questioned Costs (continued)

Section 8 Housing Choice Vouchers CFDA No. 14.871 (continued)

Finding No.: 2014-02 Eligibility, Reporting, Special Tests and Provisions (Reasonable Rent, Housing Assistance Payments, HQS Inspections & HQS Enforcement) – Material Weakness (continued)

Recommendation: We recommend that the HPHA enforce proper implementation of its eligibility policy and procedures and complete regular quality control review of HQS inspections.

PHA Reply (Corrective Action Plan):

The HPHA will take the following actions.

- 1) Conduct an annual review of existing policies and procedures with staff to evaluate whether existing processes are hampering HPHA from becoming fully compliant, including conducting follow up training on existing procedures that may not be followed.
- 2) Continue personnel recruitment for currently vacant positions and implement the Section 8 annual training plan and quality control checks over a reasonable sample of files.
- 3) Improve documentation of activities. For example, the HQS staff will keep a log of all calls and document when the landlord or tenant reported that the repair was completed an extension will be granted if a re-inspection can't be done before the 30 day remedy period.

The HPHA will continue to provide and support training opportunities for staff that require refresher training, and to keep abreast of changes in the federal rules.

Contact Person: Stephanie Fo, Section 8 Subsidy Programs Branch, 808-832-5933

Target Date: Monitoring and quality control reviews will occur on a regular ongoing basis.

Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2014

Section III – Federal Award Findings and Questioned Costs (continued)

Public and Indian Housing CFDA No. 14.850

Finding No.: 2014-03 Eligibility – Material Weakness

Criteria: 24 CFR section 5.601 and 24 CFR sections 960.253, 960.255 and 960.259 require the HPHA to gather information on income, family size and housing conditions for both new and continuing participants on an annual basis. Based on the information gathered, the HPHA housing specialist assess whether or not applicants are eligible to participate in the program based on Federal eligibility guidelines.

To ensure such guidelines are complied with, the HPHA initially performs a review of 10% of all annual re-exams and new placements. The monthly reviews are performed by the project managers and are submitted to the Property Management and Maintenance Service Branch (PMMSB). PMMSB conducts an error analysis, tracking the number and type of errors for each review. From the result of the analysis, program management performs a second follow up quality review.

Condition, cause, and context: During our testing of participant files, we noted the following:

- 1) For 4 out of 60 tenant files tested, we noted that income after exclusions was miscalculated, incorrectly input into the Form 50058 or not properly verified.
- 2) For 4 out of 60 tenant files tested, we noted no verification of social security numbers, disability certificate or citizenship declaration form.
- 3) For 1 out of 60 tenant files tested, we noted that the annual re-examination was not performed in a timely basis.
- 4) For 2 out of 60 tenant files tested, we noted no supporting documents for childcare costs or medical expenses or income and/or assets.
- 5) For 3 out 60 tenant files tested, we noted that the assets reported on the Form 50058 did not agree to the supporting documents.

Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2014

Section III – Federal Award Findings and Questioned Costs (continued)

Public and Indian Housing CFDA No. 14.850 (continued)

Finding No.: 2014-03 Eligibility – Material Weakness (continued)

Effect: Noncompliance. Failure to properly monitor eligibility determination and failure to adequately determine eligibility can lead to future noncompliance with program requirements and potential disallowed costs.

Questioned costs: None

Recommendation: We recommend that the HPHA enforce proper implementation of its eligibility policy and procedures.

PHA Reply (Corrective Action Plan):

PMMSB and the Compliance Office completed the revamping of the monthly monitoring form which the agency has been utilizing during the 10% quality review of all annual recertification and placement tenant files. To eliminate further errors and missing documentations, PMMSB updated the Uniformity of Tenant File Checklist as a check and balance for the specialist staff. PMMSB has continued to provide guidance; training and adoption of rules from HUD published PIH Notices that has helped streamline the eligibility process.

The HPHA will continue to have one-on-one discussions with the specialist staff on the Supervisor's Discussion Notes (SDN) in accordance with the performance appraisal system to improve performance. For the contracted properties, the monthly review is being used to enforce the contract provisions relating to performance.

The HPHA will continue to provide and support training opportunities for staff who require refresher training, and to keep abreast of changes in the federal rules.

Contact Person: Joanna Renken, Public Housing, 808-832-4675

Target Completion Date: Monitoring and quality control reviews will occur on a regular ongoing basis.

PART V

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DRAFT

Hawaii Public Housing Authority

Summary Schedule of Prior-Year Audit Findings
Year Ended June 30, 2014

Section 8 Housing Choice Vouchers Program CFDA No. 14.871

Finding No.: 2013-03 Eligibility, Reporting, Special Tests and Provisions (Reasonable Rent and Housing Assistance Payments) – Material Weakness

Condition, cause, and context: During our audit and in our discussions with management, we noted that not all of the required supervisory quality control reviews were completed during the year.

During our testing of participant files, we noted the following:

- 1) For 1 out of 80 tenant files tested, we noted that the tenant file could not be located
- 2) For 3 out of 80 tenant files tested, we noted that a declaration of citizenship or privacy form was missing and/or the Family Annual/Update Report form, used to facilitate the annual re-examination was not signed by the tenant
- 3) For 1 out 80 tenant files tested, we noted that the incorrect date of birth was indicated on the HUD 50058 form
- 4) For 1 out of 80 tenant files tested, we noted that the adjusted gross income was incorrectly calculated.
- 5) For 6 out of 80 tenant files tested, we noted that the Family Annual/Update Report form was signed by the Housing Specialist

Recommendation: We recommend that the HPHA enforce proper implementation of its eligibility policy and procedures and complete regular quality control review of participant files by program management.

Status: The comment is still applicable. See finding 2014-02.

Hawaii Public Housing Authority

Summary Schedule of Prior-Year Audit Findings
Year Ended June 30, 2014

Public Housing Capital Fund CFDA No. 14.872

Finding No.: 2013-04 Equipment and Real Property – Material Weakness

Condition, cause and context: The HPHA continues to have challenges in maintaining appropriate accounting records of its equipment and construction in progress (CIP) balances. Amounts were not properly monitored and tracked during the fiscal year. The HPHA hired a third party consultant to assist in reconciling the detailed fixed assets and CIP schedules to the general ledger and provide detailed additions and deletion listings. During the audit, we noted errors in the reconciliation of the detailed fixed assets and CIP schedules to the general ledger, which resulted in significant reclassifications between CIP assets and property and equipment, and a respective adjustment to depreciation expense.

Additionally, although the HPHA performed an inventory of all equipment during the year, the inventory was not reconciled to the fixed asset register.

Recommendation: We recommend that the HPHA maintain monthly detailed fixed assets and CIP records and reconcile these records to the general ledger on a monthly basis to ensure accurate accounting for these assets. Complete information on all assets provides excellent control for the safeguarding of these assets.

We also recommend that the status of CIP are monitored monthly to ensure that projects that are completed are properly transferred from CIP to fixed assets and depreciated accordingly.

Status: The comment is no longer applicable.

Hawaii Public Housing Authority

Summary Schedule of Prior-Year Audit Findings
Year Ended June 30, 2014

Public and Indian Housing CFDA No. 14.850

Finding No.: 2013-05 Eligibility – Material Weakness

Condition, cause, and context: During our testing of participant files, we noted the following:

- 1) For 8 out of 60 tenant files tested, we noted on annual re-examination was performed
- 2) For 10 out of 60 tenant files tested, we noted that assets and/or income were either miscalculated, not verified or not reported on the Form 50058
- 3) For 2 out of 60 tenant files tested, we noted that the annual re-examination was not performed on a timely basis
- 4) For 1 out of 60 tenant files tested, we noted unreimbursed medical expenses were either miscalculated or missing supporting documentation
- 5) For 2 out of 60 tenant files tested, we noted that social security numbers, disability certifications or citizenship declaration forms were missing for household members
- 6) For 1 out of 60 tenant files tested, we noted income was miscalculated, resulting in an error to total tenant payment
- 7) For 6 out of 60 tenant files tested, we noted that the Family Annual/Update Report form, used to facilitate the annual re-examination, was not signed by the Housing Specialist
- 8) For 2 out of 60 tenant files tested, we noted that the incorrect date of birth was indicated on the HUD 50058

Additionally, during our review of the HPHA's controls over eligibility, we were informed by program management that not all of the quality reviews of tenant files were performed due to the lack of available personnel resources at each of the projects.

Recommendation: We recommend that HPHA enforce proper implementation of its eligibility policy and procedures and establish a regular quality control review of tenant files by program management.

This review and its results should be documented for monitoring at the HPHA management level. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

Status: The comment is still applicable. See finding 2014-03.

Hawaii Public Housing Authority

Summary Schedule of Prior-Year Audit Findings
Year Ended June 30, 2014

Public and Indian Housing CFDA No. 14.850 (continued)

Finding No.: 2013-06 Allowable Costs/Cost Principles – Material Weakness

Condition, cause, and context: During our audit, we noted that work performed and charged to the AMPs by the Central Maintenance Services Section (CMSS) could not be traced back to the respective work orders. In addition, we noted that the work order report for CMSS was not properly reviewed prior to being recorded to the general ledger. As a result, an adjustment was made to reverse all CMSS charges to AMPs during the year. Additionally, for Special Teams work orders, we noted no approval from the respective AMP managers to indicate that the work was performed.

During our audit, we noted that supervisory personnel salary was improperly excluded from the front-line allocation calculation. As such, an adjustment was made to properly reflect all eligible costs in the allocation calculation.

Recommendation: We recommend that the HPHA implement policies and procedures to establish a review and approval process of supporting schedules for the charges aforementioned, as well as work orders. This review and its results should be documented for monitoring at the HPHA management level. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

Status: The comment is no longer applicable.

March 19, 2015

FOR ACTION

To Select a Name for the Proposed Nonprofit Corporation

MOTION: ~~To Approve the Purposes, Name and Board Formation of the Proposed Nonprofit Corporation~~

I. FACTS

- A. Pursuant to Hawaii Revised Statutes (HRS) § 356D-10, the Hawaii Public Housing Authority (HPHA) may exercise any or all of the powers conferred upon it, either generally or with respect to any specific public housing project through an agent that it may designate, including any corporation that is formed under the laws of this State, and for those purposes the authority may cause one or more corporations to be formed under the laws of this State.
- B. As previously presented to the Board of Directors for Discussion at the October 28, 2014 meeting, the HPHA continues to move forward in the establishment of a nonprofit corporation.
- C. On January 15, 2015, the HPHA provided for discussion to the Board of Directors considerations for the formation of a nonprofit corporation, including, identifying the purposes of the proposed nonprofit; identifying the formation of the nonprofit board of directors; and identifying the name of the nonprofit.
- D. The next steps to forming the nonprofit corporation are to draft articles of incorporation and bylaws, and filing the articles of incorporation with the State Department of Commerce and Consumer Affairs (DCCA).
- E. The purposes, board formation and name of the nonprofit corporation are required to file the articles of incorporation and bylaws.
- F. All aspects of the proposed nonprofit corporation are currently and subject to the review and consultation of outside counsel with expertise in Federal public housing and the Department of the Attorney General.

II. DISCUSSION

- A. HPHA Staff has identified the following general purposes of the proposed nonprofit corporation:

- (1) Acquiring, providing, developing, financing, rehabilitating, owning and operating decent, safe and sanitary housing affordable to persons and households of low income where no adequate housing exists for such groups;
- (2) Lessening the burdens of government by assisting the HPHA and the State in the development of housing targeted to low income households;
- (3) Combating blight and deterioration within the State;
- (4) Working to eliminate discrimination and prejudice;
- (5) Assisting in the lessening of neighborhood tensions;
- (6) Promoting social welfare through community-based development activities;
- (7) Carrying out such other activities as will benefit and support the HPHA and the State; and
- (8) Serving, directly or through a wholly owned limited liability company, as a general partner in limited partnerships which will own and operate housing for the benefit of low income persons and households, as described in (1) above.

B. HPHA staff has identified the following potential names for the proposed nonprofit corporation:

- Hawaii Housing Services
- Hawaii Housing Collaborative

C. HPHA staff is recommending the following board formation:

- The number of directors shall be five (5) unless a greater number is authorized by the HPHA Board of Directors.
- The initial and all subsequent directors shall be appointed by the HPHA Board of Directors. The HPHA Executive Director shall appoint directors meeting the following criteria (each a "Designated Director"):
 - (a) A current HPHA Board of Director;
 - (b) The current HPHA Executive Director; and
 - (c) A current employee of the HPHA.
- All directors shall not receive any remuneration for their service to the nonprofit corporation.
- The initial directors of the nonprofit corporation shall serve for a term beginning on the date on which the Articles of Incorporation of the Corporation are filed with the DCCA and ending two (2) years from the date of filing. At such time and thereafter, the HPHA Board of Directors shall appoint successor directors to serve as directors of the board for a term of two (2) years.

- As an instrumentality of the HPHA, the nonprofit corporation shall comply with all applicable state and federal statutes, rules, and regulations, including without limitation, competitive procurement and ethics laws.
- The fiscal year for the proposed nonprofit corporation shall be July 1 to June 30.

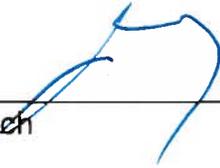
D. The HPHA's fiscal staff shall review and submit any pertinent filings with the Internal Revenue Services with regard to the nonprofit corporation's tax exempt status and/or classification.

III. RECOMMENDATION

Staff recommends that the Board approve the purposes, a name and board formation of the proposed nonprofit corporation, subject to the review and consultation of outside counsel and the Department of the Attorney General.

Prepared by: Dawn Takeuchi Apuna, Chief Planner 

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



David Gierlach
Chairperson

Property Management and Maintenance Services Branch (PMMSB)
Report for the Month of January/February 2015

A. Occupancy (Goal 98%)

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

	Federal Public Housing		State Public Housing	
	January	February	January	February
New Move-ins from the Waitlist	28	30	7	3
Internal Transfers	16	13	1	0
Vacancy (tenants who vacated from the program)	26	45	5	5

**RRA – Request for Reasonable Accommodation

H&S – Health & Safety (unit deemed uninhabitable due to flooding, loss of electrical power, etc.).

B. Formal Grievance Hearings

January 2015		
Island	Federal Public Housing	Type of Grievance Hearing Request
Oahu	2	2 nd degree assault, possession of a dangerous instrument, defacing HPHA's mailboxes. Verbal altercation with neighbor resulting in arrest.
Kauai	1	Incarcerated for drug, terroristic threatening 2 and noise disturbance.
February 2015		
Oahu	14	Failure to maintain electricity, verbal/physical assaults, drinking/noise disturbance, unauthorized occupants, criminal/drug activity.

The formal grievance process continues to be essential in affording tenants an opportunity for a hearing when the tenant disputes any Authority action or failure to act, involving the tenant's rental agreement with the Authority, or Authority's regulations which adversely affects the individual tenant's rights, duties, welfare or status.

Property Management received and scheduled the following grievance hearing requests:

Total for January 2015 - 13: two (2) scheduled in January 2015, eight (8) scheduled for February 2015 and three (3) were denied and/or cancelled.

Total for February 2015 - 22: fourteen (14) scheduled/completed in February and eight (8) scheduled for March 2015.

C. Rent Collection

- PMMSB will continue to focus on rent collection as one of our top priorities.
- For FY 2014, our collection ratio increased slightly from 89.28% in July to 89.95% in February. PMMSB is working diligently with the AMPs to monitor current and vacated tenants account receivables (TAR).

D. Program Activities

- Continuous planning and coordination with various AMPs to right-size tenants and assisting to finalize the AMPs relocation plan for upcoming modernization on their properties.
- Securing bids for mass mail-out of the revised Pet Policy. The Pet Policy is being sent to the residents for their comments.
- Coordination and collaboration on draft of HPHA's Rental Agreement is being reviewed and finalized.
- HPHA is waiting for responses on HUD's Technical Review that were submitted in December/January to regain points lost during the REAC inspections which ended December 23, 2014. Updated scores are forthcoming once the confirmed adjustments have been approved or disapproved.
- Continuing to audit tenant files for accuracy with rent calculations and program compliance.
- Review and provide comments for HPHA's new website.

E. Planned Activities for January 2015/February 2015

- Strategic planning to address REAC deficiencies with each AMP to assist in obtaining a higher score for the upcoming 2015 inspections. Mr. Liu (Program Specialist) continues to conduct site inspections and provide technical comments to improve the AMPs units and site.
- Purged current administrative files and disposed of files over 7 years old.
- Budget draft was completed and submitted to FMO by February 25, 2015 deadline.

**VACANT UNIT INFORMATION REPORT
FEDERAL PROJECTS**

Month: February 2015

(1) AMPS	(2) Number of Units Per AMP	(3) Total Vacant Units	(4) Total Move-Ins	(5) Units Rent Ready and Not Occupied in Month	(6) HUD Approved Special Service Units	(7) Units on Hold for Relocation	(8) Admin Hold (Justify in Remarks column)	(9) HUD Approved Units Scheduled Demolition	(10) Units AMP Responsible For and/or To Repair	(11) Units AMP Completed a Form A	(12) Units CMB Approved Form A	(13) Remarks Any data entered into columns (7) and (8) require an explanation.
30 Puuwai Momi	363	53	1	1	2	0	0	0	7	0	42	1 unit on hold from Puuwai Momi for H&S-Form A; 2 units on hold at Puuwai Momi for rightsizing ; 3 units at Hale Laulima on MOD status but not counted under column 12-count should be 42 not 39
31 KVH	373	29	3	2	0	0	0	0	10	0	14	ST will repair units
32 MWH	364	11	0	2	1	0	0	0	6	0	2	(8)Hotel unit for 25E, to move residents between units while bathrooms are redone 10C-Mod Unit scheduled for renovation
33 Kamehameha	373	14	0	4	2	0	0	0	8	0	0	Units on Hold for Kaahumanu Homes renovation project and temporary hotels for kitchen/bath and carpentry issues at Kamehameha Homes.
34 Kalakaua	583	18	5	5	3	1	0	0	4	0	0	(1) On hold for RELO - AMP 45
35 Kalanihua	587	15	4	7	0	0	0	0	4	0	0	(5) on hold for right sizing
37 Hilo	384	98	2	0	4	0	0	62	2	0	28	
38 Kauai	321	28	3	0	4	1	0	0	5	0	15	
39 Maui	196	24	5	0	0	0	0	0	7	0	12	
40 KH	174	8	1	2	1	0	0	4	0	0	0	
43 Kona	202	10	3	0	2	0	0	0	5	0	0	
44 Leeward	260	31	6	0	3	0	0	0	22	0	0	1057-111 ADA transfer
45 Windward	226	15	3	0	1	0	0	0	3	0	8	
46 North HI	103	7	3	0	3	0	0	0	1	0	0	
49 Wahiawa	150	- 26	1	15	1	6	0	0	0	0	3	
50 Palolo	118	27	0	0	4	0	0	0	1	0	22	The 3 units in column (8) are due to holds for HPHA relocations/right sizing
TOTAL	4,777	414	40	38	31	8	0	66	85	0	146	

*This count includes all units which are occupied or designated as social services, resident association, area office, public safety, anti-drug, administrative hold, available, CMS, sent to maintenance, maintenance hold, Capital Fund, on-scheduled modernization, relocation and scheduled for demolition.

**VACANT UNIT INFORMATION REPORT
STATE PROJECTS**

Month: February 2015

(1) AMPS	(2) Number of Units Per AMP	(3) Total Vacant Units	(4) Total Move-Ins for the entire month	(5) Units Rent Ready and Not Occupied	(6) Special Service Units	(7) Units on Hold for Relocation	(8) Admin Hold (Justify in Remarks column)	(9) Approved Units Scheduled Demolition	(10) Units AMP Responsible For and/or To Repair	(11) Units AMP Submitted a Form A	(12) Units CMB Approved Form A	(13) Remarks Any data entered into columns (7) and (8) require an explanation.
31 Puahala & Hauiki	174	27	0	10	2	0	7	0	8	0	0	Relocaiton and rightsizing. Special team will repair remaining units.
37 Hilo	30	1	0	0	1	0	0	0	0	0	0	
38 Kauai	26	0	0	0	0	0	0	0	0	0	0	
39 Maui	32	15	0	0	0	0	0	0	4	0	11	
42 Hale Poai	576	9	3	0	4	2	0	0	0	0	0	(6) 4-resident manager units (7)2-construction units
46 North Hi	26	4	0	2	1	0	0	0	1	0	0	(6)Mgr Unit
TOTAL	864	56	3	12	8	2	7	0	13	0	11	

*This count includes all units which are occupied or designated as social services, resident association, area office, public safety, anti-drug, administrative hold, available, CMS, sent to maintenance, maintenance hold, Capital Fund, on-scheduled modernization

FEDERAL PUBLIC HOUSING

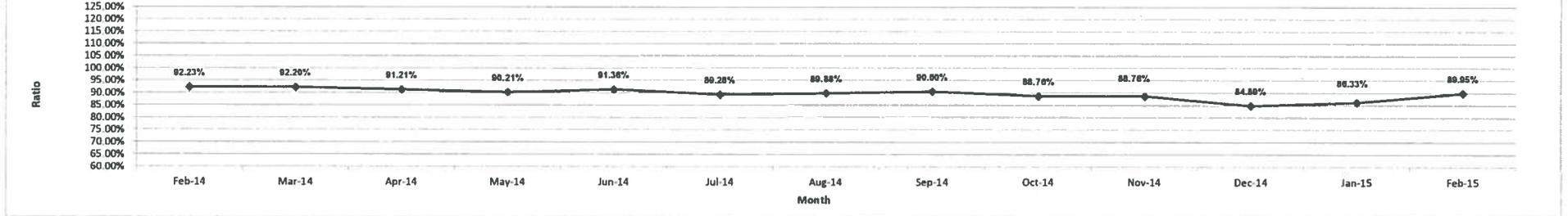
Rent Collection from February 2014 to February 2015

	Feb-14			Mar-14			Apr-14			May-14			Jun-14			Jul-14		
	Charges	Collected	Ratio															
Hawaii	\$120,346.67	\$112,670.00	93.62%	\$121,142.69	\$112,640.36	92.98%	\$126,402.27	\$114,646.17	90.70%	\$123,475.00	\$113,584.98	91.99%	\$123,583.00	\$113,942.72	92.20%	\$129,330.00	\$112,127.37	86.70%
Kauai	\$83,715.94	\$80,062.54	95.63%	\$82,796.00	\$80,041.26	96.68%	\$82,499.04	\$85,296.79	103.40%	\$84,630.00	\$85,839.42	101.43%	\$85,270.00	\$88,708.92	104.03%	\$85,123.00	\$86,101.50	101.15%
Mauai	\$62,132.00	\$46,630.52	75.05%	\$66,952.00	\$53,389.24	79.74%	\$63,783.00	\$44,324.27	69.64%	\$62,753.00	\$44,190.61	70.42%	\$83,046.00	\$46,749.36	56.29%	\$59,328.00	\$44,071.25	74.28%
Oahu	\$338,886.59	\$378,250.43	111.62%	\$343,099.97	\$384,781.02	112.15%	\$351,720.58	\$382,530.84	108.76%	\$346,606.00	\$374,695.81	108.10%	\$381,873.27	\$316,106.50	82.78%	\$347,295.09	\$387,890.14	111.69%
Total	\$1,205,069.20	\$1,108,013.49	91.95%	\$1,213,887.66	\$1,198,249.89	98.72%	\$1,234,404.89	\$1,116,787.87	90.51%	\$1,217,464.00	\$1,086,310.62	89.21%	\$1,293,772.27	\$1,145,807.50	88.60%	\$1,221,078.08	\$1,086,199.26	89.00%

Cumulative (12 Months) 02/14 - 02/15		
Charges	\$	16,118,315.00
Collected	\$	14,415,460.54
Total	\$	(1,702,854.46)
Ratio		89.44%

	Aug-14			Sep-14			Oct-14			Nov-14			Dec-14			Jan-15			Feb-15		
	Charges	Collected	Ratio																		
Hawaii	\$125,430.00	\$112,928.59	90.83%	\$139,552.83	\$127,816.75	91.65%	\$134,474.00	\$117,897.37	87.67%	\$131,524.00	\$114,722.43	87.27%	\$131,498.00	\$110,539.92	84.06%	\$133,851.00	\$111,628.52	83.40%	\$135,429.00	\$119,713.42	88.40%
Kauai	\$83,519.00	\$83,180.34	99.60%	\$84,212.00	\$80,361.09	95.43%	\$93,714.00	\$83,739.90	89.31%	\$91,837.00	\$83,801.44	91.24%	\$90,786.00	\$80,950.89	89.17%	\$90,149.20	\$80,702.62	89.52%	\$90,571.00	\$89,382.83	98.13%
Mauai	\$62,886.00	\$48,735.61	77.51%	\$64,138.00	\$51,426.39	79.88%	\$63,934.00	\$49,541.25	77.49%	\$69,283.00	\$52,954.81	76.44%	\$69,940.52	\$57,718.89	82.53%	\$63,306.00	\$50,885.37	80.38%	\$64,495.00	\$54,483.61	84.48%
Oahu	\$663,934.24	\$885,733.35	133.42%	\$1,021,859.86	\$947,344.42	92.70%	\$1,039,885.47	\$951,162.11	91.47%	\$1,039,407.76	\$917,671.38	88.30%	\$1,080,645.99	\$968,347.12	89.61%	\$996,338.72	\$884,931.59	88.78%	\$997,480.07	\$914,961.62	91.73%
Total	\$1,235,878.24	\$1,199,577.89	97.13%	\$1,319,791.69	\$1,196,648.65	90.66%	\$1,332,007.47	\$1,162,340.83	87.33%	\$1,302,673.76	\$1,089,896.85	83.66%	\$1,292,679.51	\$1,097,854.82	84.89%	\$1,269,643.92	\$1,106,148.10	86.33%	\$1,297,678.07	\$1,158,651.49	89.33%

Rent Collection Rate



STATE PUBLIC HOUSING

Occupancy from February 2014 to February 2015

	Feb-14			Mar-14			Apr-14			May-14			Jun-14			Jul-14		
	Total Units	Occ Units	Ratio															
Hawaii	56	52	92.86%	56	54	96.43%	56	53	94.64%	56	53	94.64%	56	52	92.86%	56	52	92.86%
Kauai	26	26	100.00%	26	25	96.15%	26	26	100.00%	26	26	100.00%	26	26	100.00%	26	26	100.00%
Mauai	32	26	81.25%	32	24	75.00%	32	24	75.00%	32	23	71.88%	32	23	71.88%	32	23	71.88%
Oahu	750	734	97.87%	750	733	97.73%	750	733	97.73%	750	731	97.47%	750	728	97.07%	750	726	96.80%
Total	864	838	96.99%	864	836	96.76%	864	836	96.76%	864	833	96.41%	864	829	95.85%	864	827	95.72%

Cumulative (12 Months)	
02/14 - 02/15	
Units	11,232
Tenants	10,726
Ratio	95.50%

	Aug-14			Sep-14			Oct-14			Nov-14			Dec-14			Jan-15			Feb-15		
	Total Units	Occ Units	Ratio																		
Hawaii	56	52	92.86%	56	50	89.29%	56	50	89.29%	56	49	87.50%	56	51	91.07%	56	51	91.07%	56	50	89.29%
Kauai	26	26	100.00%	26	26	100.00%	26	26	100.00%	26	25	96.15%	26	25	96.15%	26	26	100.00%	26	26	100.00%
Mauai	32	22	68.75%	32	21	65.63%	32	21	65.63%	32	21	65.63%	32	19	59.38%	32	19	59.38%	32	17	53.13%
Oahu	750	727	96.93%	750	721	96.13%	750	723	96.40%	750	720	96.00%	750	719	95.87%	750	722	96.27%	750	722	96.27%
Total	864	827	95.72%	864	818	94.68%	864	820	94.91%	864	815	94.33%	864	814	94.21%	864	818	94.68%	864	815	94.33%

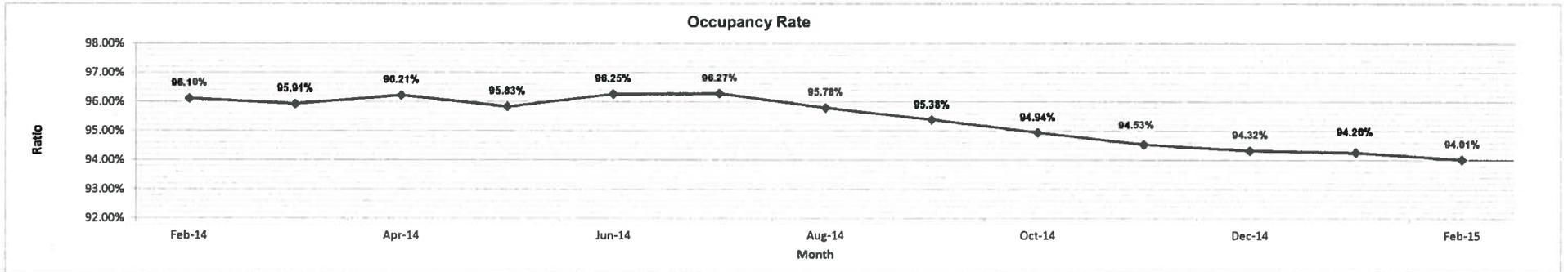
FEDERAL PUBLIC HOUSING

Occupancy from February 2014 to February 2015

	Feb-14			Mar-14			Apr-14			May-14			Jun-14			Jul-14		
	Total Units	Occ Units	Ratio															
Hawaii	627	596	95.06%	627	592	94.42%	627	597	95.22%	627	595	94.90%	627	598	95.37%	627	597	95.22%
Kauai	321	306	95.33%	321	304	94.70%	321	311	96.88%	321	312	97.20%	321	314	97.82%	321	310	96.57%
Mauai	196	180	91.84%	196	183	93.37%	196	182	92.86%	196	175	89.29%	196	181	92.35%	196	181	92.35%
Oahu	3,576	3,454	96.59%	3,576	3,448	96.42%	3,576	3,451	96.50%	3,576	3,441	96.22%	3,576	3,450	96.48%	3,576	3,456	96.64%
Total	4,720	4,530	96.10%	4,720	4,527	96.11%	4,720	4,541	96.21%	4,720	4,523	96.03%	4,720	4,543	96.25%	4,720	4,544	96.27%

Cumulative (12 Months)	
02/14 - 02/15	
Units	61,348
Tenants	58,507
Ratio	95.37%

	Aug-14			Sep-14			Oct-14			Nov-14			Dec-14			Jan-15			Feb-15		
	Total Units	Occ Units	Ratio																		
Hawaii	627	595	94.90%	627	596	95.06%	627	587	93.62%	627	594	94.74%	627	591	94.26%	627	590	94.10%	627	588	93.78%
Kauai	321	312	97.20%	321	311	96.88%	321	303	94.39%	321	304	94.70%	321	303	94.39%	321	304	94.70%	321	294	91.59%
Mauai	196	178	90.82%	196	176	89.80%	196	183	93.37%	196	175	89.29%	196	177	90.31%	196	177	90.31%	196	177	90.31%
Oahu	3,576	3,436	96.09%	3,576	3,419	95.61%	3,576	3,407	95.30%	3,576	3,388	94.77%	3,576	3,380	94.55%	3,576	3,378	94.46%	3,567	3,370	94.48%
Total	4,720	4,521	95.78%	4,720	4,502	95.38%	4,719	4,480	94.94%	4,719	4,461	94.53%	4,719	4,451	94.32%	4,720	4,448	94.20%	4,711	4,428	94.01%

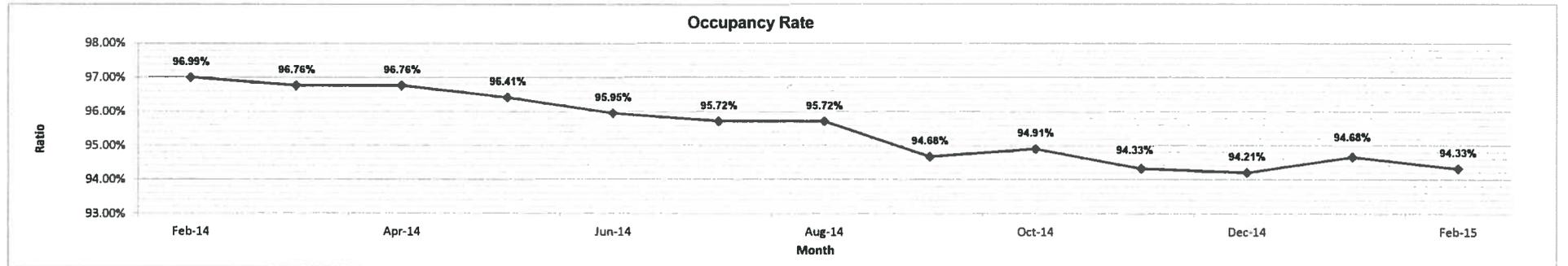


STATE PUBLIC HOUSING
Occupancy from February 2014 to February 2015

	Feb-14			Mar-14			Apr-14			May-14			Jun-14			Jul-14		
	Total Units	Occ Units	Ratio															
Hawaii	56	52	92.86%	56	54	96.43%	56	53	94.64%	56	53	94.64%	56	52	92.86%	56	52	92.86%
Kauai	26	26	100.00%	26	25	96.15%	26	26	100.00%	26	26	100.00%	26	26	100.00%	26	26	100.00%
Maui	32	26	81.25%	32	24	75.00%	32	24	75.00%	32	23	71.88%	32	23	71.88%	32	23	71.88%
Oahu	750	734	97.87%	750	733	97.73%	750	733	97.73%	750	731	97.47%	750	728	97.07%	750	726	96.80%
Total	864	836	96.99%	864	836	96.76%	864	836	96.76%	864	833	96.41%	864	829	95.95%	864	827	95.72%

Cumulative (12 Months)	
02/14 - 02/15	
Units	11,232
Tenants	10,726
Ratio	95.50%

	Aug-14			Sep-14			Oct-14			Nov-14			Dec-14			Jan-15			Feb-15		
	Total Units	Occ Units	Ratio																		
Hawaii	56	52	92.86%	56	50	89.29%	56	50	89.29%	56	49	87.50%	56	51	91.07%	56	51	91.07%	56	50	89.29%
Kauai	26	26	100.00%	26	26	100.00%	26	26	100.00%	26	25	96.15%	26	26	100.00%	26	26	100.00%	26	26	100.00%
Maui	32	22	68.75%	32	21	65.63%	32	21	65.63%	32	21	65.63%	32	19	59.38%	32	19	59.38%	32	17	53.13%
Oahu	750	727	96.93%	750	721	96.13%	750	723	96.40%	750	720	96.00%	750	719	95.87%	750	722	96.27%	750	722	96.27%
Total	864	827	95.72%	864	818	94.88%	864	820	94.91%	864	815	94.33%	864	814	94.21%	864	818	94.66%	864	816	94.33%



**Federal LIPH
HPHA Island Overview Report
as of 02/28/2015**

Island	Occupancy *								LIPH and Elderly Waiting List**				
	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	588	36	93.78%	8	8	1	1	Average Income	36	0.39%	7.57	3.68
Kauai	321	294	26	91.59%	3	10	3	0	Low Income (80%)	69	0.74%	2.79	1.83
Maui	196	177	19	90.31%	5	6	1	0	Very Low Inc. (50%)	389	4.18%	2.52	1.72
Oahu	3,567	3,370	178	94.48%	27	34	8	18	Extremely Low Inc. (30%)	8,807	94.69%	2.41	1.63
Total	4,711	4,429	259	94.01%	43	58	13	19		9,301	100.00%	2.44	1.65

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	35	\$ 7,090.50	22	\$ 8,409.42	\$ 135,429.00	\$ 119,713.42	88.40%
Kauai	46	\$ 16,984.97	30	\$ 29,994.04	\$ 90,571.00	\$ 69,392.83	76.62%
Maui	23	\$ 5,317.14	15	\$ 10,835.00	\$ 64,495.00	\$ 54,483.61	84.48%
Oahu	170	\$ 63,587.00	101	\$ 60,998.92	\$ 997,480.07	\$ 914,961.62	91.73%
Total	274	\$ 92,979.61	168	\$ 110,237.38	\$ 1,287,975.07	\$ 1,158,551.48	89.95%

* 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, Cash Receipts, and Payment Agreements (Bill Code 0001 and 0006).

**Federal LIPH
HPHA Project Overview Report
as of 02/28/2015**

AMP	Occupancy*							
	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	312	47	85.95%	1	1	1	3
31P-KVH	373	348	22	93.30%	3	4	2	3
32P-MWH	364	354	9	97.25%	0	2	0	1
33P-Kam/Kaamanu	373	361	12	96.78%	0	1	0	0
34P-Kalakaua	583	572	6	98.11%	5	6	0	5
35P-Kalanihiua	587	577	7	98.30%	4	5	0	3
37P-Hilo	322	290	31	90.06%	2	2	0	0
38P-Kauai	321	294	26	91.59%	3	10	3	0
39P-Maui	196	177	19	90.31%	5	6	1	0
40P-KPT	170	168	1	98.82%	1	0	0	1
43P-Kona	202	197	4	97.52%	3	4	1	1
44P-Leeward Oahu	260	236	24	90.77%	6	5	0	0
45P-Windward Oahu	226	215	11	95.13%	3	6	2	0
46P-Kamuela	103	101	1	98.06%	3	2	0	0
49P-Central Oahu	150	132	16	88.00%	4	3	3	2
50P-Palolo	118	95	23	80.51%	0	1	0	0
Total	4,711	4,429	259	94.01%	43	58	13	19

AMP	Non Vacated Delinquencies**				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	4	707.00	2	5,437.00	\$ 93,111.00	\$ 91,528.00	98.30%
31P-KVH	24	1,142.56	23	197.21	\$ 111,485.91	\$ 108,826.65	97.61%
32P-MWH	15	6,764.00	6	2,874.00	\$ 116,143.00	\$ 106,881.00	92.03%
33P-Kam/Kaamanu	13	6,403.16	8	4,432.44	\$ 100,567.00	\$ 91,260.98	90.75%
34P-Kalakaua	12	4,952.00	6	16,297.50	\$ 150,304.16	\$ 146,065.16	97.18%
35P-Kalanihiua	7	2,794.19	4	1,926.00	\$ 157,569.00	\$ 153,072.00	97.15%
37P-Hilo	9	1,339.00	7	1,364.00	\$ 72,132.00	\$ 67,191.00	93.15%
38P-Kauai	46	16,984.97	30	29,994.04	\$ 90,571.00	\$ 69,392.83	76.62%
39P-Maui	23	5,317.14	15	10,835.00	\$ 64,495.00	\$ 54,483.61	84.48%
40P-KPT	16	11,682.28	7	5,912.22	\$ 71,739.00	\$ 57,941.67	80.77%
43P-Kona	20	4,868.50	9	2,056.00	\$ 41,411.00	\$ 33,069.27	79.86%
44P-Leeward Oahu	64	20,065.22	37	17,857.55	\$ 62,557.00	\$ 36,807.66	58.84%
45P-Windward Oahu	9	6,453.27	6	5,377.00	\$ 61,008.00	\$ 58,677.50	96.18%
46P-Kamuela	6	883.00	6	4,989.42	\$ 21,886.00	\$ 19,453.15	88.88%
49P-Central Oahu	4	1,958.00	2	688.00	\$ 40,037.00	\$ 35,964.00	89.83%
50P-Palolo	2	665.32	0	0.00	\$ 32,959.00	\$ 27,937.00	84.76%
Total	274	\$ 92,979.61	168	\$ 110,237.38	\$ 1,287,975.07	\$ 1,158,551.48	89.95%

* Occupancy also counts Scheduled for Modernization Units.

** Occupancy reflects removal of KPT Units.

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

**State LIPH
HPHA Island Overview Report
as of 02/28/2015**

Island	Occupancy*								LIPH and Elderly Waiting List**				
	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	50	3	89.29%	0	0	0	1	Average Income	22	0.35%	7.54	3.88
Kauai	26	26	0	100.00%	0	0	0	0	Low Income (80%)	39	0.61%	2.14	1.27
Maui	32	17	15	53.13%	0	2	0	0	Very Low Inc. (50%)	304	4.79%	2.34	1.39
Oahu	750	722	10	96.27%	3	3	0	12	Extremely Low Inc. (30%)	5,984	94.25%	2.27	1.43
Total	864	815	28	94.33%	3	5	0	13		6,349	100.00%	2.29	1.44

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	11	\$ 3,719.00	3	\$ 1,298.00	\$ 19,270.00	\$ 14,133.00	73.34%
Kauai	3	\$ 1,722.30	3	\$ 821.00	\$ 7,052.00	\$ 6,260.00	88.77%
Maui	3	\$ 818.00	2	\$ 12,359.00	\$ 3,231.00	\$ 2,538.00	78.55%
Oahu	3	\$ 3,548.00	4	\$ 3,837.00	\$ 232,708.00	\$ 229,283.00	98.53%
Total	20	\$ 9,807.30	12	\$ 18,315.00	\$ 262,261.00	\$ 252,214.00	96.17%

* 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 02/28/2015**

Project	Occupancy *							
	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	41	1	89.13%	0	0	0	3
2202-Puahala Homes	128	113	6	88.28%	0	0	0	8
2204-Kawailehua	26	26	0	100.00%	0	0	0	0
2205-Kahale Mua	32	17	15	53.13%	0	2	0	0
2206-Lokahi	30	28	1	93.33%	0	0	0	0
2207-Ke Kumu Elua	26	22	2	84.62%	0	0	0	1
2401-Hale Po'ai	206	202	3	98.06%	1	0	0	0
2402-La'iola	108	106	0	98.15%	1	1	0	1
2403-Kamalu-Ho'olulu	221	220	0	99.55%	0	1	0	0
2404-Halia Hale	41	40	0	97.56%	1	1	0	0
Total	864	815	28	94.33%	3	5	0	13

Project	Non Vacated Delinquencies**				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	1	\$ -	0	\$ -	\$ 20,292.00	\$ 20,526.00	101.15%
2202-Puahala Homes	2	\$ 3,548.00	3	\$ 3,618.00	\$ 41,218.00	\$ 38,056.00	92.33%
2204-Kawailehua	3	\$ 1,722.30	3	\$ 821.00	\$ 7,052.00	\$ 6,260.00	88.77%
2205-Kahale Mua	3	\$ 818.00	2	\$ 12,359.00	\$ 3,231.00	\$ 2,538.00	78.55%
2206-Lokahi	3	\$ 1,342.00	1	\$ 338.00	\$ 11,789.00	\$ 9,107.00	77.25%
2207-Ke Kumu Elua	8	\$ 2,377.00	2	\$ 960.00	\$ 7,481.00	\$ 5,026.00	67.18%
2401-Hale Po'ai	0	\$ -	0	\$ -	\$ 59,903.00	\$ 59,903.00	100.00%
2402-La'iola	0	\$ -	0	\$ -	\$ 35,114.00	\$ 34,617.00	98.58%
2403-Kamalu-Ho'olulu	0	\$ -	1	\$ 219.00	\$ 65,833.00	\$ 65,833.00	100.00%
2404-Halia Hale	0	\$ -	0	\$ -	\$ 10,348.00	\$ 10,348.00	100.00%
Total	20	\$ 9,807.30	12	\$ 18,315.00	\$ 262,261.00	\$ 252,214.00	96.17%

* 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 January and February 2015

A. Program Activities

1. Voucher activity for January and February 2015:

- HPHA expended a total of \$1,984,103 (100.5% of eligible HUD funds received) in housing assistance payments to private landlords on behalf of 1939 voucher holders in January 2015. HPHA expended a total of \$1,972,169 (99.8% of eligible HUD funds received) in housing assistance payments to private landlords on behalf of 1950 voucher holders in February 2015.
- HPHA expended \$31,078 on behalf of 152 families served under the rent supplement program on Oahu in January 2015. HPHA expended \$31,655 on behalf of 157 families served under the rent supplement program on Oahu in February 2015.
- As of January 31, 2015, 280 veterans were assisted with Veteran's Administration Supportive Housing Vouchers (VASH). Monetary assistance was \$208,519. As of February 28, 2015, 286 veterans were assisted with Veteran's Administration Supportive Housing Vouchers (VASH). Monetary assistance was \$208,626.
- In January 2015, the 20 project based VASH units were occupied at Cloudbreak.
- In January 2015, the FSS (Family Self Sufficiency) logic model was submitted to HUD. The model measures the education, employment and sustainability goals of the program for each client.
- HUD performed a Management and Occupancy Review of the HPHA's Performance Based Contract Administration (PBCA). The purpose of HUD's PBCA program is for aiding lower income families in obtaining a decent place to live and of promoting economically mixed housing. Under the PBCA program HUD enters into ACCs (annual contributions contract) with PHAs for the administration of Section 8 HAP contracts. The ACC is the contractual mechanism to support the PHA's public purpose in making assistance payments to Section 8 project owners. The HPHA PBCA contract covers 60 properties statewide. No errors were found during the HUD review.

Waiting List	# of applicants January 2015	# of applicants February 2015	Status
Housing Choice Voucher	209	110	Wait list closed
Kuhio Park Towers	122	121	Wait list closed
Palolo Homes Project Based Section 8	3586	3586	Wait list closed
Rent Supplement Program	631	631	Wait list closed

- In January 2015 the Section 8 Branch contacted 426 applicants from the waiting list. On January 28, 2015 and January 29, 2015 the Section 8 Branch held mass meetings where the applicants received a voucher that day if they submitted all necessary documentation. Three hundred and fifteen (315) applicants showed up for the meetings. Of the 315 that showed up 153 received vouchers. We are currently working on 64 families that showed up but did not have all the necessary documents.

2. Voucher lease up activity for January and February 2015:

Voucher Type	January 2015			February 2015		
	# leased	# of vacancies	# in housing search	# leased	# of vacancies	# in housing search
Housing Choice Vouchers	4		215	7		239
VASH	5		38	6		53
Kuhio Park Towers	0	3		2	4	
Palolo Homes Project Based Section 8	0	0		0	0	
Port-In (from other agencies)	0		0	0		2

- HPHA conducted landlord outreach with the Honolulu Board of Realtors and through communication with landlords who previously rented units to section 8 voucher holders. HPHA is also currently tracking legislation that would make it illegal to discriminate against a section 8 voucher holder.

3. Inspections update:

	January 2015	February 2015
Housing Quality Standards (HQS) Inspections	75	143
HQS Re-inspections	26 failed and were reinspected	43 failed and were reinspected
Quality Control Inspections	38	38

4. Family Self Sufficiency (FSS) Program

- The Family Self Sufficiency (FSS) program assisted 60 Section 8 clients in January 2015. There were 37 active escrow accounts with a total deposit of \$3,404 in January 2015.
- The Family Self Sufficiency (FSS) program assisted 60 Section 8 clients in February 2015. There were 37 active escrow accounts with a total deposit of \$4,872 in February 2015.

Hearings Office
Report for the Month of February 2015

A. Program Activities

- Eviction cases heard for the month of February 2015, there were a total of 22 cases, 17 for rent, and 5 for non-rent. For February 2014 through February 2015, a total of 264 cases were referred with a total of 102 families evicted for this period.
- Monitor Statewide AMP rent delinquencies and submit a monitoring report to the Office of the Executive Director and Property Management Branch.
- Provide the legal and administrative support to the property managers for the successful prosecution of their cases.

B. Planned Activities

- Evaluate, review and revise eviction referrals for compliance with Hawaii Revised Statutes (HRS), Section 356D, Hawaii Administrative Rules, 17-2020 and the Admissions and Occupancy Policy (ACOP) Manual.
- Schedule and conduct federal statewide administrative eviction hearings in compliance with federal and state laws, rules, and regulations.
- Prepare findings of facts, conclusions of law, decision and order, subpoena police reports and witnesses for criminal cases.
- Schedule breach of conditions cases for due process hearings and prepare findings of fact, conclusions of law, decision and order.
- Continue to recruit new resident and non-resident eviction board members to maintain the required quorum to conduct the eviction hearings.
- Conduct Neighbor Island (Kona, Hilo, Kauai, and Maui) eviction hearings by way of video conference.

HEARINGS OFFICE-STATEWIDE FEDERAL EVICTION REFERRALS-February 2015

Total # of Cases Heard for the Months of February 2015= 22 cases

Decisions Rendered:	Rent Violations	Other Violations	
Eviction	7	4	
Evict w/cond	9	1	
10-day cure	0	0	
Withdrawn/Dismiss	1	0	
Continued	0	0	
Totals	<u>17</u>	<u>5</u>	Total = 22

Statewide Delinquent Balances

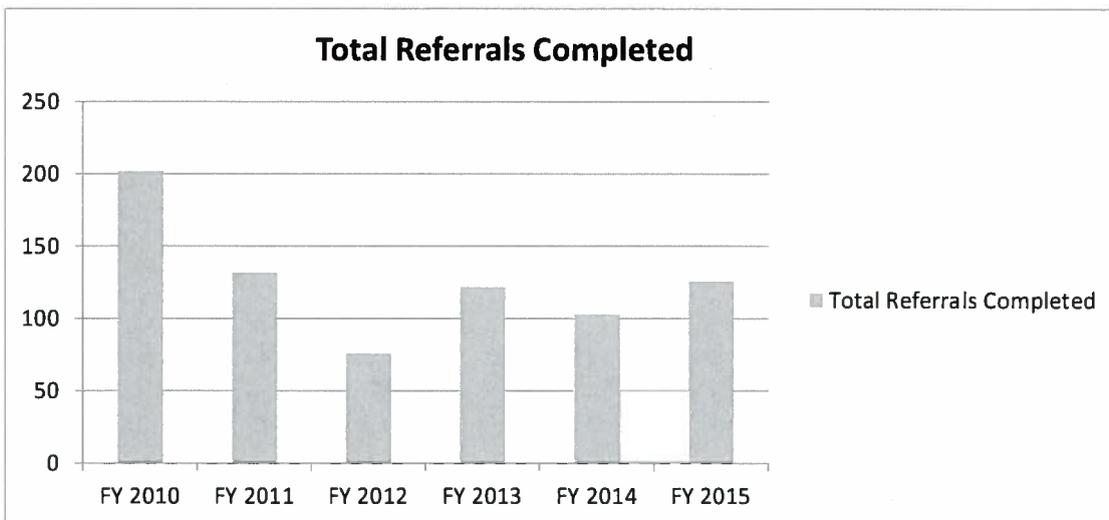
AMP 31-Kalihi Valley-\$343.00.

AMP 34-Kalakaua-\$1,444

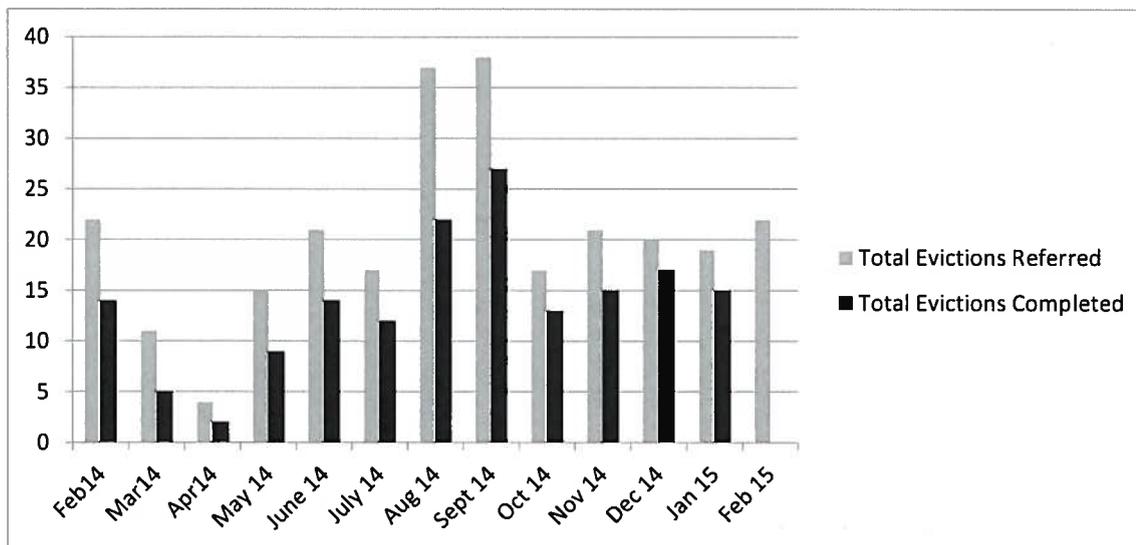
REFERRALS									
REASON FOR REFERRAL			Other	RESULT OF EVICTION REFERRAL					
MONTH	Total	Rent		Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
FY 2010	263	223	40	109	83	4	6	61	202
FY 2011	178	140	38	68	54	5	5	46	132
FY 2012	106	84	22	40	32	1	3	30	76
FY 2013	160	119	41	76	37	3	6	38	122
FY 2014	153	121	32	62	41	0	13	37	103
FY 2015	191	145	46	76	50	2	15	48	126

February 2014 -February 2015									
REFERRALS									
REASON FOR REFERRAL			Other	RESULT OF EVICTION REFERRAL					
MONTH	Total	Rent		Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
Feb14	22	16	6	9	5	0	3	5	14
Mar14	11	9	2	2	3	0	2	4	5
Apr14	4	4	0	2	0	0	0	2	2
May 14	15	9	6	4	5	0	2	4	9
June 14	21	18	3	9	5	0	2	5	14
July 14	17	13	4	10	1	1	0	5	12
Aug 14	37	30	7	11	8	0	3	15	22
Sept 14	38	26	12	13	11	0	3	11	27
Oct 14	17	12	5	6	5	1	1	4	13
Nov 14	21	17	4	6	8	0	1	6	15
Dec 14	20	15	5	8	4	0	5	3	17
Jan 15	19	15	4	11	3	0	1	4	15
Feb 15	22	17	5	11	10	0	1	0	22
TOTALS	264	201	63	102	68	2	24	68	187

FY 2010-FY 2015



February 2014-February 2015



Prepared and Reviewed by Renee Blondin-Nip on February 27, 2015

Fiscal Management Office Variance report for January 2015

Revenue – January

CFP Grant Income \$134,261 or 100% less than budget

CFP grant income is recognized when i) CFP drawing on soft cost (BLI numbers 1406, 1408 and 1410) is made; ii) CFP drawing on hard cost (BLI number larger than 1410) that funds a contract either does not meet HPHA capitalization threshold, or the contract is of general repair and maintenance in nature instead capital improvement. The actual drawing in January of \$846,670 is all for capital expenditures, therefore zero amount recognized for this line item.

State CIP Fund \$91,403 or 36% more than budget, a favorable variance

State CIP Fund income is recognized when appropriated and released State CIP fund pays i) contract of general repair and maintenance; ii) unit turnarounds and work orders. Similar to CFP Grant Income, budgeted income is spread out among the 12 months, but the actual payment varies based on contract performance and processing. The actual expenditures in January of \$386,266 has only \$41,390 as capital expenditures, the rest is recognized for this line item.

Other Income \$127,219 or 16% less than budget

The variance consists of favorable variance of \$299,991 for port-in income of Section 8 program to catch 7 months of reclassification correcting Elite accounting treatment, and favorable variance of \$139,666 for State Elders Program, majority of which is \$138,766 of electricity refund by AT&T using HPHA properties for its installed antenna; offset by \$586,389 less income than budget in COCC, which represents the difference between work orders actually being charged to beneficiary AMPs and State housing projects and the budgeted amounts.

Revenue – YTD

CFP Grant Income \$1,182,932 or 98% less than budget

Out of the CFP drawings of \$5,297,003 year-to-date, only \$24,830 meets the criteria mentioned in January variance explanation of this line item, the rest is capitalized, resulting in this variance.

State CIP Fund \$871,303 or 44% less than budget

Out of the State CIP year-to-date expenditure of \$2,916,290, \$1,097,471 meets the criteria mentioned in January variance explanation of this line item, the rest is capitalized.

Grant Income \$457,994 or 17% less than budget

The Grant Income is recognized when State general fund for repair and maintenance is used to pay for protective services and repair and maintenance contracts for federal and state housing units. Actual payments are less than budgeted for fiscal year-to-date.

Other Income \$3,622,014 or 59% less than budget

The variance consists of favorable variance of \$354,458 for Section 8, and favorable variance of \$163,048 for State Elders Program as explained in January variance explanation of this line item; offset by \$4,265,028 less income than budget in COCC, which represents the difference between work orders actually being charged to beneficiary AMPs and State housing projects and the budgeted amounts.

Expenses - January

Administrative \$415,723 or 26% less than budget, a favorable variance

It consists of noticeable favorable variances including budget savings of salary and benefit of \$194,776 and \$59,199 for COCC and HPHA-managed AMPs, respectively, Legal Expense of \$45,739 at COCC, and Administrative – Other of \$34,547. The favorable variances are offset by budget overruns of \$20,178 for salary and benefit of private companies.

Asset Management Fees \$30,337 or 100% less than budget, a favorable variance

The fees will be charged when audited FDS submission is approved.

Housing Assistance Payments \$898,091 or 23% greater than budget

Mainly due to \$598,631 more payments than budget for Section 8 Contract Administration program, related to \$576,271 more HUD subsidy received than budget, and \$308,117 more payments for Section 8 Voucher program in the efforts to issuing more vouchers, related to \$83,653 more HUD subsidy received than budget in January.

Tenant Services \$7,136 or 52% less than budget, a favorable variance

It is mainly because of \$5,914 budget savings for AMPS in January.

Bad Debt Expense \$24,378 or 100% less than budget

Mainly because change in the Elite set up, switching from direct charge method to allowance methods in compliance with GAAP. HPHA will conduct quarterly analysis of allowance balance in comparison with tenant receivables balance to provide proper level of bad debt allowance.

General Expenses \$60,773 or 213% less than budget, a favorable variance

The major component in this line item is clearing account for Pcard expenditure. As Pcard payment cycle is tight, HPHA normally pays and books the entire amount into the clearing account, afterward allocates expenses to proper expense accounts as detail information obtained. The negative (credit) amount of \$32,184 of January reflects the fact that Pcard amounts booked (debit) into the clearing account is less than the allocation (credit) amounts.

Expenses – YTD

Administrative \$1,351,616 or 13% less than budget, a favorable variance

The noticeable favorable variances include budget savings of Salary and Benefit of \$247,897 and \$581,695 for HPHA-managed AMPs and COCC, respectively; Administrative – Other of \$410,647, Legal Expense \$148,473, Office Expense of \$65,160; these budget savings are offset by budget overruns of \$247,342 of Managing Agent's Fee of \$247,342 for privately-managed AMPs, and \$180,863 at COCC for Equipment expense.

Asset Management Fees \$212,359 or 100% less than budget

The fees will be charged when audited FDS submission is approved.

Housing Assistance Payments \$4,301,677 or 16% greater than budget

Mainly due to \$4,280,001 more payment made than budget for Section 8 Contract Administration program, related to \$4,216,748 more HUD subsidy received than budget, year-to-date.

Tenant Services \$286,257 or 284% greater than budget

It contains budget overruns of \$215,862 related to relocation cost for Kalihi Valley Homes, and \$113,850 for Section 8 program related to contract with City & County of Honolulu managing the Family Self Sufficiency (FSS) program.

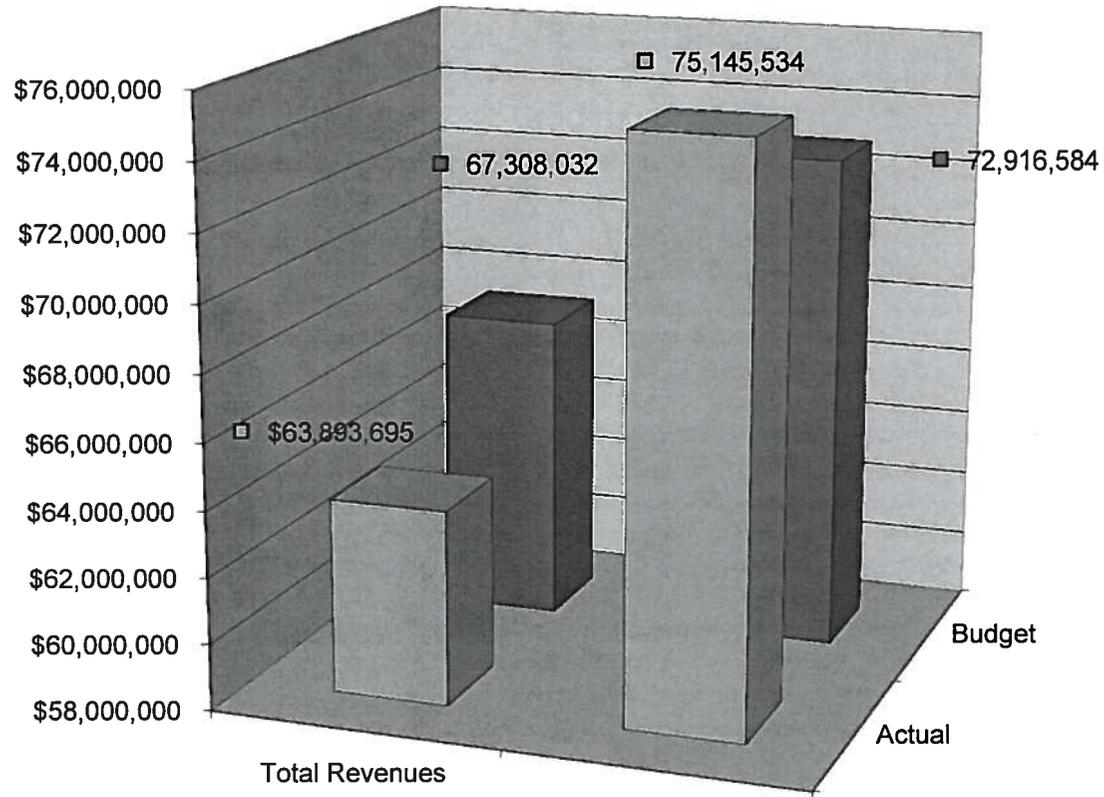
Bad Debt Expense \$78,164 or 46% less than budget

Mainly because change in the Elite set up, switching from direct charge method to allowance methods in compliance with GAAP. HPHA will conduct quarterly analysis of allowance balance in comparison with tenant receivables balance to provide proper level of bad debt allowance.

General Expenses \$216,003 or 165% greater than budget

The variance consists of clearing account of \$64,020 for AMPs and \$140,424 for COCC, respectively, not yet allocated to expense accounts for this fiscal year.

HPHA January 31, 2015 Actual vs Budget



	Total Revenues	
Actual	\$63,893,695	75,145,534
Budget	67,308,032	72,916,584

HAWAII PUBLIC HOUSING AUTHORITY
Agency Total
Actual vs Budget Comparison
For the Month of January 2015, and the 7 Months ended January 31, 2015
(Amounts in Full Dollars)

<u>Month of January 2015</u>			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	
		<u>Amount</u>	<u>%</u>
1,465,719	1,418,306	47,413	3%
6,583,553	6,087,369	496,184	8%
-	134,261	(134,261)	-100%
371,881	389,472	(17,591)	-5%
344,810	253,407	91,403	36%
402,323	375,337	26,986	7%
679,138	806,357	(127,219)	-16%
\$ 9,847,424	9,464,509	382,915	4%

1,207,764	1,623,487	415,723	26%
-	30,337	30,337	100%
391,122	406,365	15,243	4%
53,995	56,463	2,468	4%
4,798,491	3,900,400	(898,091)	-23%
6,474	13,610	7,136	52%
1,048,080	1,132,053	83,973	7%
1,952,471	1,819,508	(132,963)	-7%
190,871	194,647	3,776	2%
74,611	71,633	(2,978)	-4%
1,302,546	1,289,920	(12,626)	-1%
-	24,378	24,378	100%
(32,184)	28,589	60,773	213%
10,994,242	10,591,390	(402,852)	-4%
(1,146,818)	(1,126,881)	(19,937)	-2%

(1,146,818)	(1,126,881)	(19,937)	-2%
1,302,546	1,289,920	12,626	1%
-	24,378	(24,378)	100%
\$ 155,728	187,417	(31,689)	-17%

<u>Year to Date ended January 31, 2015</u>											
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Variance</u>						
		<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>					
REVENUES											
Dwelling Rental Income	10,117,503	9,904,512	212,991	2%	9,364,765	752,738	8%				
HUD Operating Subsidies	45,207,490	42,611,583	2,595,907	6%	40,844,854	4,362,636	11%				
CFP Grant Income	24,830	1,207,762	(1,182,932)	-98%	-	24,830	100%				
COCC Fee Income	2,637,282	2,726,274	(88,992)	-3%	2,678,362	(41,081)	-2%				
State CIP Fund	1,097,471	1,968,774	(871,303)	-44%	-	1,097,471	100%				
Grant Income	2,286,212	2,744,206	(457,994)	-17%	3,006,632	(720,421)	-24%				
Other Income	2,522,907	6,144,921	(3,622,014)	-59%	2,452,758	70,149	3%				
Total Revenues	\$ 63,893,695	67,308,032	(3,414,337)	-5%	58,347,372	5,546,323	10%				

EXPENSES							
Administrative	8,907,849	10,259,616	1,351,767	13%	7,792,311	(1,115,538)	-14%
Asset Management Fees	-	212,359	212,359	100%	-	-	0%
Management Fees	2,766,100	2,844,605	78,505	3%	2,800,420	34,321	1%
Bookkeeping Fees	382,251	395,204	12,953	3%	386,360	4,109	1%
Housing Assistance Payments	31,607,477	27,305,800	(4,301,677)	-16%	29,569,795	(2,037,682)	-7%
Tenant Services	386,924	100,667	(286,257)	-284%	203,259	(183,665)	-90%
Utilities	8,055,638	8,221,118	165,480	2%	7,896,423	(159,214)	-2%
Maintenance	11,668,857	12,565,303	896,446	7%	10,035,726	(1,633,131)	-16%
Protective Services	1,267,924	1,350,123	82,199	6%	1,202,169	(65,755)	-5%
Insurance	545,377	501,518	(43,859)	-9%	524,024	(21,353)	-4%
Depreciation Expense	9,117,822	9,029,440	(88,382)	-1%	8,615,305	(502,517)	-6%
Bad Debt Expense	92,482	170,646	78,164	46%	(11,153)	(103,634)	
General Expenses	346,834	130,831	(216,003)	-165%	653,573	306,739	47%
Total Expenses	75,145,534	73,087,230	(2,058,304)	3%	69,668,213	(5,477,320)	-8%
Net Income(Loss)	\$ (11,251,839)	\$ (5,779,198)	(5,472,641)	-95%	(11,320,841)	69,002	1%

CASH BASIS:							
Net Income(loss) per Above	(11,251,839)	(5,779,198)	(5,472,641)	-95%	(11,320,841)	(69,002)	1%
Add back non cash items:							
Depreciation Expense	9,117,822	9,029,440	88,382	-1%	8,615,305	502,517	6%
Bad Debt Expense	92,482	170,646	(78,164)	46%	(11,153)	103,634	929%
TOTAL CASH BASIS	\$ (2,041,536)	3,420,888	(5,462,424)	-160%	(2,716,690)	537,150	25%

HAWAII PUBLIC HOUSING AUTHORITY
Consolidated Balance Sheet
Agency Total (Funds 130 To 150, 007, 020, 024, 181, 265, 318 & 337)
As of January 31, 2015 and December 31, 2014

	As of January 31 2015	As of December 31 2014	Increase (Decrease)
ASSETS:			
Cash	64,211,320	63,694,049	517,270
Receivables:			
Tenant Receivables	1,940,621	1,876,143	64,478
Other	967,390	925,047	42,343
Less Allowance for Doubtful Accounts	(3,368,184)	(3,366,896)	(1,289)
Total receivables	(460,174)	(565,705)	105,531
Accrued Interest	2,040,944	2,040,671	272
Prepaid Expenses	2,380,615	2,509,257	(128,642)
Inventories	557,983	557,259	724
Interprogram Due From	13,323,804	13,025,688	298,115
Total Current Assets	82,054,491	81,261,219	793,271
Property, Plant & Equipment:			
Land	21,451,327	21,451,327	-
Buildings	559,014,328	559,014,328	-
Furniture & Equipment	5,306,570	5,239,613	66,957
Motor vehicles	494,167	494,167	-
Construction in Progress	34,535,864	33,649,246	886,618
Less: Accumulated Depreciation	(338,805,204)	(337,502,658)	(1,302,546)
Notes, Loans & Mortgage Receivable-Non Current	8,716,630	8,716,630	-
Other Long term assets	-	-	-
Total Assets	\$ 372,768,172	372,323,871	444,300
LIABILITIES AND NET ASSETS			
Accounts Payable	3,019,076	3,154,903	(135,827)
Accrued Expenses	-	-	-
Accrued Salaries & Wages	766,146	766,146	-
Accrued Vacation	2,446,189	2,446,189	-
Tenant Security Deposits	777,575	776,516	1,059
Other Liabilities & Deferred Income	2,283,618	1,449,577	834,040
Interprogram Due To	10,662,251	10,662,251	-
Total Current Liabilities	19,954,855	19,255,582	699,273
Accrued Pension and OPEB Liability	16,343,577	16,343,577	-
Accrued Liabilities - Long Term	86,373	82,969	3,404
Net Assets			
Investment in capital assets	281,997,052	282,346,023	(348,971)
Restricted Net Assets	(21,189,937)	(21,189,937)	-
Unrestricted Net Assets	86,828,092	85,590,679	1,237,413
Net Income Year to Date	(11,251,839)	(10,105,021)	(1,146,818)
Total Net Assets	336,383,367	336,641,743	(258,376)
Total Liabilities & Net Assets	\$ 372,768,172	372,323,871	444,300

HAWAII PUBLIC HOUSING AUTHORITY
Federal Low Rent Program
Actual vs Budget Comparison
For the Month of January 2015, and the 7 Months ended January 31, 2015
(Amounts in Full Dollars)

<u>Month of January 2015</u>			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	
		<u>Amount</u>	<u>%</u>
1,207,884	1,174,242	33,642	3%
1,789,741	1,921,519	(131,778)	-7%
-	134,261	(134,261)	-100%
-	-	-	0%
-	-	-	0%
342,470	253,407	89,063	35%
157,332	158,349	(1,017)	-1%
37,006	27,731	9,275	33%
\$ 3,534,433	3,669,509	(135,076)	-4%
465,737	481,751	16,014	3%
-	22,217	22,217	100%
243,496	255,369	11,873	5%
33,293	34,809	1,517	4%
-	-	-	0%
6,239	12,153	5,914	49%
888,807	967,498	78,691	8%
1,531,299	1,240,518	(290,781)	-23%
190,006	193,492	3,486	2%
66,360	57,245	(9,115)	-16%
1,105,722	1,105,722	-	0%
-	19,498	19,498	100%
(25,951)	7,341	33,292	454%
4,505,008	4,397,613	(107,395)	-2%
\$ (970,574)	(728,104)	(242,470)	-33%
(970,574)	(728,104)	(242,470)	-33%
1,105,722	1,105,722	-	0%
-	19,498	(19,498)	100%
\$ 135,148	397,116	(261,968)	-66%

<u>Year to Date ended January 31, 2015</u>										
				<u>Variance</u>				<u>Variance</u>		
<u>Actual</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Amount</u>	<u>%</u>
REVENUES										
Dwelling Rental Income	8,335,050	8,196,064	138,986	2%	7,579,002	756,048	10%			
HUD Operating Subsidies	12,598,334	13,450,633	(852,299)	-6%	11,196,614	1,401,721	13%			
CFP Grant Income	24,830	1,207,762	(1,182,932)	-98%	-	24,830	100%			
COCC Fee Income	-	-	-	0%	-	-	0%			
General Fund	-	-	-	0%	-	-	0%			
State CIP Fund	1,038,813	1,968,774	(929,961)	-47%	-	1,038,813	100%			
Grant Income	1,074,586	1,158,443	(83,857)	-7%	-	1,074,586	100%			
Other Income	273,960	194,881	79,079	41%	1,151,200	(877,240)	-76%			
Total Revenues	\$ 23,345,573	26,176,557	(2,830,984)	-11%	19,926,816	3,418,757	17%			
EXPENSES										
Administrative	3,239,619	3,348,886	109,267	3%	2,957,384	(282,235)	-10%			
Asset Management Fees	-	155,519	155,519	100%	-	-	0%			
Management Fees	1,730,458	1,787,696	57,238	3%	1,761,790	31,332	2%			
Bookkeeping Fees	235,560	243,634	8,074	3%	239,490	3,930	2%			
Housing Assistance Payments	3,789	-	(3,789)	-100%	12,250	8,461	69%			
Tenant Services	271,218	90,468	(180,750)	-200%	59,236	(211,982)	-358%			
Utilities	6,699,996	7,069,150	369,154	5%	6,564,196	(135,800)	-2%			
Maintenance	8,795,360	8,882,606	87,246	1%	7,233,769	(1,561,591)	-22%			
Protective Services	1,261,565	1,342,038	80,473	6%	1,193,532	(68,033)	-6%			
Insurance	444,993	400,802	(44,191)	-11%	417,664	(27,329)	-7%			
Depreciation Expense	7,740,054	7,740,054	-	0%	7,306,247	(433,807)	-6%			
Bad Debt Expense	92,482	136,486	44,004	32%	(11,153)	(103,634)	-929%			
General Expenses	82,977	51,387	(31,590)	-61%	400,775	317,798	79%			
Total Expenses	30,598,070	31,248,726	650,656	2%	28,135,179	(2,462,891)	-9%			
Net Income(Loss)	\$ (7,252,497)	(5,072,169)	(2,180,328)	-43%	(8,208,364)	955,866	12%			
CASH BASIS:										
Net Income(loss) per Above	(7,252,497)	(5,072,169)	(2,180,328)	-43%	(8,208,364)	955,866	12%			
Add back non cash items:										
Depreciation Expense	7,740,054	7,740,054	-	0%	7,306,247	433,807	6%			
Bad Debt Expense	92,482	136,486	(44,004)	32%	(11,153)	103,634	929%			
TOTAL CASH BASIS	\$ 580,038	2,804,371	(2,224,333)	-79%	(913,269)	1,493,308	164%			

HAWAII PUBLIC HOUSING AUTHORITY
Federal Low Rent Program by AMPs
Actual vs Budget Comparison

For the Month of January 2015, and the 7 Months ended January 31, 2015

(Amounts in Full Dollars)

Month of January 2015				Year to Date ended January 31, 2015								
Actual	Budget	Variance		ACCRUAL BASIS	Actual	Budget	Variance		Prior Year	Variance		
		Amount	%				Amount	%		Amount	%	
REVENUES												
287,046	400,921	(113,875)	-28%	Asset Management Project - 30	2,262,628	2,782,480	(519,852)	-19%	2,160,301	102,327	5%	
325,096	314,830	10,266	3%	Asset Management Project - 31	2,141,482	2,403,810	(262,328)	-11%	1,688,926	452,556	27%	
319,661	419,648	(99,987)	-24%	Asset Management Project - 32	2,237,194	2,888,762	(651,568)	-23%	1,901,611	335,583	18%	
242,643	270,360	(27,717)	-10%	Asset Management Project - 33	1,664,795	1,892,508	(227,713)	-12%	1,486,413	178,382	12%	
448,312	384,185	64,127	17%	Asset Management Project - 34	2,668,458	2,689,313	(20,855)	-1%	2,328,230	340,229	15%	
519,688	415,831	103,857	25%	Asset Management Project - 35	3,001,318	2,910,817	90,501	3%	2,426,466	574,853	24%	
159,355	181,041	(21,686)	-12%	Asset Management Project - 37	1,135,718	1,315,419	(179,701)	-14%	963,399	172,318	18%	
197,697	228,059	(30,362)	-13%	Asset Management Project - 38	1,349,443	1,684,024	(334,581)	-20%	1,224,182	125,261	10%	
138,816	165,915	(27,099)	-16%	Asset Management Project - 39	979,608	1,161,212	(181,604)	-16%	823,961	155,647	19%	
139,504	145,638	(6,134)	-4%	Asset Management Project - 40	1,055,879	1,155,536	(99,657)	-9%	969,739	86,140	9%	
118,493	152,635	(34,142)	-22%	Asset Management Project - 43	854,124	1,113,991	(259,867)	-23%	754,906	99,218	13%	
211,603	201,916	9,687	5%	Asset Management Project - 44	1,339,084	1,422,590	(83,506)	-6%	985,491	353,593	36%	
182,319	141,697	40,622	29%	Asset Management Project - 45	940,603	1,007,095	(66,492)	-7%	756,558	184,046	24%	
56,690	57,157	(467)	-1%	Asset Management Project - 46	409,990	412,798	(2,808)	-1%	351,589	58,401	17%	
96,728	104,755	(8,027)	-8%	Asset Management Project - 49	684,155	738,869	(54,714)	-7%	589,506	94,649	16%	
90,782	84,921	5,861	7%	Asset Management Project - 50	621,093	597,333	23,760	4%	515,539	105,554	20%	
\$ 3,534,433	3,669,509	(135,076)	-4%	Total Revenues	\$ 23,345,573	26,176,557	(2,830,984)	-11%	19,926,816	3,418,757	17%	
NET INCOME(LOSS)												
(55,742)	5,369	(61,111)	-1138%	Asset Management Project - 30	(567,839)	(332,487)	(235,352)	-71%	(720,380)	152,541	21%	
(325,604)	(133,786)	(191,818)	-143%	Asset Management Project - 31	(1,327,317)	(655,753)	(671,564)	-102%	(1,114,374)	(212,943)	-19%	
54,000	84,939	(30,939)	-36%	Asset Management Project - 32	(466,750)	533,281	(1,000,031)	-188%	(231,102)	(235,648)	-102%	
7,942	(38,033)	45,975	121%	Asset Management Project - 33	(439,006)	(366,522)	(72,484)	-20%	(544,741)	105,735	19%	
(24,021)	(14,000)	(10,021)	-72%	Asset Management Project - 34	(97,820)	(84,864)	(12,956)	-15%	(53,051)	(44,769)	-84%	
11,822	(39,727)	51,549	130%	Asset Management Project - 35	(120,263)	(228,362)	108,099	47%	(267,465)	147,202	55%	
(153,699)	(163,007)	9,308	6%	Asset Management Project - 37	(1,031,164)	(1,047,656)	16,492	2%	(1,310,252)	279,089	21%	
(38,090)	(80,850)	42,760	53%	Asset Management Project - 38	(357,286)	(426,519)	69,233	16%	(305,565)	(51,721)	-17%	
(61,518)	(41,248)	(20,270)	-49%	Asset Management Project - 39	(415,326)	(380,489)	(34,837)	-9%	(537,008)	121,682	23%	
(45,232)	(34,064)	(11,168)	-33%	Asset Management Project - 40	(246,100)	(88,514)	(157,586)	-178%	(307,582)	61,481	20%	
(81,720)	(83,986)	2,266	3%	Asset Management Project - 43	(551,544)	(558,811)	7,267	1%	(714,727)	163,184	23%	
(75,779)	(55,732)	(20,047)	-36%	Asset Management Project - 44	(546,062)	(517,866)	(28,196)	-5%	(769,928)	223,866	29%	
(76,644)	(47,699)	(28,945)	-61%	Asset Management Project - 45	(451,451)	(299,731)	(151,720)	-51%	(556,464)	105,013	19%	
(81,297)	(48,526)	(32,771)	-68%	Asset Management Project - 46	(406,531)	(350,498)	(56,033)	-16%	(383,879)	(22,653)	-6%	
(49,204)	(49,269)	65	0%	Asset Management Project - 49	(371,539)	(338,053)	(33,486)	-10%	(447,351)	75,812	17%	
24,211	11,515	12,696	110%	Asset Management Project - 50	143,500	70,675	72,825	103%	55,505	87,995	159%	
\$ (970,574)	(728,104)	(242,470)	-33%	Total Net Income(Loss)	\$ (7,252,497)	(5,072,169)	(2,180,328)	-43%	(8,208,364)	955,866	12%	

HAWAII PUBLIC HOUSING AUTHORITY
Federal Low Rent Program by AMPs
Actual vs Budget Comparison
For the Month of January 2015, and the 7 Months ended January 31, 2015
(Amounts in Full Dollars)

<u>Month of January 2015</u>				<u>Year to Date ended January 31, 2015</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>CASH BASIS</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Amount</u>	<u>Variance</u>
		<u>Amount</u>	<u>%</u>				<u>Amount</u>	<u>%</u>			<u>%</u>
REVENUES											
287,046	400,921	(113,875)	-28%	Asset Management Project - 30	2,262,628	2,782,480	(519,852)	-19%	2,160,301	102,327	5%
325,096	314,830	10,266	3%	Asset Management Project - 31	2,141,482	2,403,810	(262,328)	-11%	1,688,926	452,556	27%
319,661	419,648	(99,987)	-24%	Asset Management Project - 32	2,237,194	2,888,762	(651,568)	-23%	1,901,611	335,583	18%
242,643	270,360	(27,717)	-10%	Asset Management Project - 33	1,664,795	1,892,508	(227,713)	-12%	1,486,413	178,382	12%
448,312	384,185	64,127	17%	Asset Management Project - 34	2,668,458	2,689,313	(20,855)	-1%	2,328,230	340,229	15%
519,688	415,831	103,857	25%	Asset Management Project - 35	3,001,318	2,910,817	90,501	3%	2,426,466	574,853	24%
159,355	181,041	(21,686)	-12%	Asset Management Project - 37	1,135,718	1,315,419	(179,701)	-14%	963,399	172,318	18%
197,697	228,059	(30,362)	-13%	Asset Management Project - 38	1,349,443	1,684,024	(334,581)	-20%	1,224,182	125,261	10%
138,816	165,915	(27,099)	-16%	Asset Management Project - 39	979,608	1,161,212	(181,604)	-16%	823,961	155,647	19%
139,504	145,638	(6,134)	-4%	Asset Management Project - 40	1,055,879	1,155,536	(99,657)	-9%	969,739	86,140	9%
118,493	152,635	(34,142)	-22%	Asset Management Project - 43	854,124	1,113,991	(259,867)	-23%	754,906	99,218	13%
211,603	201,916	9,687	5%	Asset Management Project - 44	1,339,084	1,422,590	(83,506)	-6%	985,491	353,593	36%
182,319	141,697	40,622	29%	Asset Management Project - 45	940,603	1,007,095	(66,492)	-7%	756,558	184,046	24%
56,690	57,157	(467)	-1%	Asset Management Project - 46	409,990	412,798	(2,808)	-1%	351,589	58,401	17%
96,728	104,755	(8,027)	-8%	Asset Management Project - 49	684,155	738,869	(54,714)	-7%	589,506	94,649	16%
90,782	84,921	5,861	7%	Asset Management Project - 50	621,093	597,333	23,760	4%	515,539	105,554	20%
\$ 3,534,433	3,669,509	(135,076)	-4%	Total Revenues	\$ 23,345,573	26,176,557	(2,830,984)	-11%	19,926,816	3,418,757	17%
NET INCOME(LOSS)											
43,372	105,148	(61,776)	-59%	Asset Management Project - 30	125,959	365,966	(240,007)	-66%	(15,398)	141,357	918%
(147,710)	46,058	(193,768)	-421%	Asset Management Project - 31	(82,059)	603,155	(685,214)	-114%	20,348	(102,407)	-503%
78,396	110,335	(31,939)	-29%	Asset Management Project - 32	(293,009)	711,053	(1,004,062)	-141%	(87,087)	(205,922)	-236%
70,629	26,976	43,653	162%	Asset Management Project - 33	5,293	88,541	(83,248)	-94%	(111,084)	116,377	105%
37,881	48,202	(10,321)	-21%	Asset Management Project - 34	339,888	350,550	(10,662)	-3%	263,191	76,697	29%
93,238	44,775	48,463	108%	Asset Management Project - 35	451,669	363,152	88,517	24%	224,033	227,636	102%
(6,068)	(14,254)	8,186	57%	Asset Management Project - 37	2,405	(6,385)	8,790	138%	(142,526)	144,931	102%
18,024	(22,728)	40,752	179%	Asset Management Project - 38	50,621	(19,665)	70,286	357%	1,120	49,501	4421%
(3,737)	17,809	(21,546)	-121%	Asset Management Project - 39	(10,859)	32,910	(43,769)	-133%	(135,808)	124,949	92%
(43,048)	(30,643)	(12,405)	-40%	Asset Management Project - 40	(230,812)	(64,567)	(166,245)	-257%	(297,046)	66,233	22%
(7,950)	(9,416)	1,466	16%	Asset Management Project - 43	(23,304)	(36,821)	13,517	37%	(206,220)	182,916	89%
18,187	39,455	(21,268)	-54%	Asset Management Project - 44	146,350	148,443	(2,093)	-1%	(162,489)	308,839	190%
(12,263)	17,709	(29,972)	-169%	Asset Management Project - 45	6,105	158,125	(152,020)	-96%	(105,805)	111,910	106%
(32,026)	1,115	(33,141)	-2972%	Asset Management Project - 46	(61,634)	(3,011)	(58,623)	-1947%	(109,576)	47,941	44%
1,350	2,011	(661)	-33%	Asset Management Project - 49	(8,702)	20,907	(29,609)	-142%	(114,264)	105,562	92%
26,872	14,564	12,308	85%	Asset Management Project - 50	162,127	92,018	70,109	76%	65,339	96,787	148%
\$ 135,148	397,116	(261,968)	-66%	Total Net Income(Loss)	\$ 580,038	2,804,371	(2,224,333)	-79%	(913,269)	1,493,308	164%

233

HAWAII PUBLIC HOUSING AUTHORITY
Housing Choice Voucher Program
Actual vs Budget Comparison
For the Month of January 2015, and the 7 Months ended January 31, 2015
(Amounts in Full Dollars)

Month of January 2015				Year to Date ended January 31, 2015									
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance			
		Amount	%				Amount	%		Amount	%		
-	-	-	0%	REVENUES	-	-	-	0%	-	-	0%		
2,235,650	2,151,997	83,653	4%	Dwelling Rental Income	-	-	-	0%	-	-	0%		
-	-	-	0%	HUD Operating Subsidies	14,519,171	15,063,979	(544,808)	-4%	13,645,168	874,003	6%		
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%		
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%		
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%		
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%		
308,016	922	307,094	33307%	Other Income	360,912	6,454	354,458	5492%	295,700	65,212	22%		
\$ 2,543,666	2,152,919	390,747	18%	Total Revenues	\$ 14,880,083	15,070,433	(190,350)	-1%	13,940,868	939,215	7%		
85,334	118,626	33,292	28%	EXPENSES	608,744	757,412	148,668	20%	536,426	(72,319)	-13%		
-	-	-	0%	Administrative	-	-	-	0%	-	-	0%		
22,860	23,724	864	4%	Asset Management Fees	162,492	166,068	3,576	2%	160,740	(1,752)	-1%		
14,288	14,828	541	4%	Management Fees	101,558	103,796	2,239	2%	100,463	(1,095)	-1%		
2,306,320	1,998,203	(308,117)	-15%	Bookkeeping Fees	14,055,243	13,987,421	(67,822)	0%	13,957,084	(98,159)	-1%		
-	150	150	100%	Housing Assistance Payments	114,900	1,050	(113,850)	-10843%	143,594	28,694	20%		
2,564	2,948	385	13%	Tenant Services	27,655	20,636	(7,019)	-34%	23,069	(4,587)	-20%		
4,877	299	(4,578)	-1531%	Utilities	10,217	2,193	(8,024)	-366%	4,429	(5,788)	-131%		
67	45	(22)	-49%	Maintenance	403	315	(88)	-28%	403	-	0%		
264	471	207	44%	Protective Services	2,749	3,297	548	17%	3,888	1,139	29%		
6,176	18,733	12,557	67%	Insurance	52,638	32,695	(19,943)	-61%	72,974	20,336	28%		
2,442,748	2,178,027	(264,721)	-12%	General Expenses	15,136,599	15,074,883	(61,716)	0%	15,003,069	(133,529)	-1%		
\$ 100,917	(25,108)	126,025	502%	Total Expenses	\$ (256,516)	(4,450)	(252,066)	-5664%	(1,062,201)	805,686	76%		
100,917	(25,108)	126,025	502%	Net Income(Loss)									
-	-	-	0%	CASH BASIS:									
-	-	-	0%	Net Income(loss) per Above	(256,516)	(4,450)	(252,066)	-5664%	(1,062,201)	\$ 805,686	76%		
				Add back non cash items:									
				Depreciation Expense	-	-	-	0%	-	-	0%		
				Bad Debt Expense	-	-	-	0%	-	-	0%		
\$ 100,917	(25,108)	126,025	502%	TOTAL CASH BASIS	\$ (256,516)	(4,450)	(252,066)	-5664%	(1,062,201)	805,686	76%		

HAWAII PUBLIC HOUSING AUTHORITY
State Low Rent
Actual vs Budget Comparison
For the Month of January 2015, and the 7 Months ended January 31, 2015
(Amounts in Full Dollars)

<u>Month of January 2015</u>			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	
		<u>Amount</u>	<u>%</u>
87,712	75,382	12,330	16%
-	31,962	(31,962)	-100%
-	-	-	0%
-	-	-	0%
-	-	-	0%
3,334	1,012	2,322	229%
3,665	1,299	2,366	182%
\$ 94,711	109,655	(14,944)	-14%

21,931	38,792	16,861	43%
-	2,360	2,360	100%
15,628	17,939	2,312	13%
1,875	2,153	278	13%
-	-	-	0%
33	397	364	92%
65,333	30,666	(34,667)	-113%
52,048	77,463	25,415	33%
-	-	-	0%
5,455	2,772	(2,683)	-97%
76,879	64,253	(12,626)	-20%
-	1,507	1,507	100%
-	749	749	100%
239,181	239,051	(130)	0%
\$ (144,470)	(129,396)	(14,814)	-12%

(144,470)	(129,396)	(14,814)	-12%
76,879	64,253	12,626	-20%
-	1,507	(1,507)	100%
\$ (67,591)	(63,636)	(3,695)	-6%

<u>Year to Date ended January 31, 2015</u>										
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Variance</u>					
		<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>				
REVENUES										
Dwelling Rental Income	596,861	527,674	\$ 69,187	13%	605,669	\$ (8,808)	-1%			
HUD Operating Subsidies	-	-	-	0%	-	-	0%			
CFP Grant Income	-	-	-	0%	-	-	0%			
COCC Fee Income	-	-	-	0%	-	-	0%			
General Fund	-	-	-	0%	-	-	0%			
Grant Income	39,545	73,931	(34,386)	-47%	-	39,545	100%			
Other Income	3,554	4,622	(1,068)	-23%	33,702	(30,148)	-89%			
Total Revenues	\$ 639,960	606,227	33,733	6%	639,371	589	0%			

EXPENSES										
Administrative	175,109	249,226	74,117	30%	179,357	4,249	2%			
Asset Management Fees	-	16,520	16,520	100%	-	-	0%			
Management Fees	110,705	125,510	14,805	12%	116,831	6,126	5%			
Bookkeeping Fees	13,283	15,063	1,781	12%	14,018	735	5%			
Housing Assistance Payments	-	-	-	0%	-	-	0%			
Tenant Services	89	2,779	2,690	97%	-	(89)	-100%			
Utilities	466,766	214,662	(252,104)	-117%	457,721	(9,045)	-2%			
Maintenance	411,418	546,051	134,633	25%	506,988	95,570	19%			
Protective Services	241	-	(241)	-100%	-	(241)	-100%			
Insurance	22,514	19,404	(3,110)	-16%	18,571	(3,944)	-21%			
Depreciation Expense	538,153	449,771	(88,382)	-20%	487,016	(51,137)	-10%			
Bad Debt Expense	-	10,549	10,549	100%	-	-	0%			
General Expenses	-	5,243	5,243	100%	17,456	17,456	100%			
Total Expenses	1,738,277	1,654,778	(83,499)	-5%	1,797,957	59,680	3%			
Net Income(Loss)	\$ (1,098,317)	(1,048,551)	(49,766)	-5%	(1,158,586)	60,269	5%			

CASH BASIS:										
Net Income(loss) per Above	(1,098,317)	(1,048,551)	(49,766)	-5%	(1,158,586)	60,269	5%			
Add back non cash items:										
Depreciation Expense	538,153	449,771	88,382	-20%	487,016	51,137	10%			
Bad Debt Expense	-	10,549	(10,549)	100%	-	-	0%			
TOTAL CASH BASIS	\$ (560,164)	(588,231)	28,067	5%	(671,570)	111,406	17%			

HAWAII PUBLIC HOUSING AUTHORITY
State Elderly Program
Actual vs Budget Comparison
For the Month of January 2015, and the 7 Months ended January 31, 2015
(Amounts in Full Dollars)

<u>Month of January 2015</u>				<u>Year to Date ended January 31, 2015</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>			<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Amount</u>	<u>%</u>
		<u>Amount</u>	<u>%</u>				<u>Amount</u>	<u>%</u>			
				REVENUES							
170,123	168,682	1,441	1%	Dwelling Rental Income	1,185,592	1,180,774	\$ 4,818	0%	1,180,093	5,499	0%
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
8,762	133,000	(124,238)	-93%	Grant Income	128,491	931,000	(802,509)	-86%	-	128,491	100%
144,776	4,357	140,419	3223%	Other Income	193,547	30,499	163,048	535%	951,428	(757,881)	-80%
\$ 323,662	306,039	17,623	6%	Total Revenues	\$ 1,507,630	2,142,273	(634,643)	-30%	2,131,522	(623,892)	-29%
				EXPENSES							
19,176	26,177	7,001	27%	Administrative	143,446	183,239	39,793	22%	164,716	21,270	13%
-	5,760	5,760	100%	Asset Management Fees	-	40,320	40,320	100%	-	-	0%
35,443	36,006	563	2%	Management Fees	248,040	252,042	4,002	2%	248,540	500	0%
4,253	4,321	69	2%	Bookkeeping Fees	29,760	30,247	487	2%	29,820	60	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
71	385	314	82%	Tenant Services	193	2,695	2,502	93%	-	(193)	-100%
85,116	115,543	30,427	26%	Utilities	792,507	808,801	16,294	2%	772,762	(19,745)	-3%
92,411	146,966	54,555	37%	Maintenance	691,867	1,028,762	336,895	33%	806,059	114,191	14%
-	200	200	100%	Protective Services	301	1,400	1,099	79%	688	387	56%
6,011	7,093	1,082	15%	Insurance	56,926	49,651	(7,275)	-15%	71,444	14,518	20%
118,314	118,314	-	0%	Depreciation Expense	828,198	828,198	-	0%	816,214	(11,984)	-1%
-	3,373	3,373	100%	Bad Debt Expense	-	23,611	23,611	100%	-	-	0%
-	-	-	0%	General Expenses	-	-	-	0%	17,220	17,220	100%
360,794	464,138	103,344	22%	Total Expenses	2,791,239	3,248,966	457,727	14%	2,927,462	136,224	5%
\$ (37,132)	(158,099)	120,967	77%	Net Income(Loss)	\$ (1,283,608)	(1,106,693)	(176,915)	-16%	(795,940)	(487,668)	-61%
				CASH BASIS:							
(37,132)	(158,099)	120,967	77%	Net Income(loss) per Above	(1,283,608)	(1,106,693)	(176,915)	-16%	(795,940)	(487,668)	-61%
118,314	118,314	-	0%	Add back non cash items:							
-	3,373	(3,373)	100%	Depreciation Expense	828,198	828,198	-	0%	816,214	11,984	1%
				Bad Debt Expense	-	23,611	23,611	100%	-	-	0%
\$ 81,182	(36,412)	117,594	323%	TOTAL CASH BASIS	\$ (455,410)	(254,884)	(153,304)	-79%	20,273	(475,684)	-2346%

HAWAII PUBLIC HOUSING AUTHORITY
State Rent Supplement Program
Actual vs Budget Comparison
For the Month of January 2015, and the 7 Months ended January 31, 2015
(Amounts in Full Dollars)

Month of January 2015			
Actual	Budget	Variance	
		Amount	%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
79,706	82,976	(3,270)	-4%
-	-	-	0%
\$ 79,706	82,976	(3,270)	-4%

Year to Date ended January 31, 2015								
Actual	Budget	Variance		Prior Year	Variance			
		Amount	%		Amount	%		
-	-	-	0%	-	-	0%	-	0%
-	-	-	0%	-	-	0%	-	0%
-	-	-	0%	-	-	0%	-	0%
-	-	-	0%	-	-	0%	-	0%
307,414	580,832	(273,418)	-47%	614,707	(307,293)	-50%		
-	-	-	0%	9,375	(9,375)	-100%		
\$ 307,414	580,832	(273,418)	-47%	624,081	(316,667)	-51%		

5,354	7,834	2,480	32%
-	-	-	0%
459	561	102	18%
288	352	64	18%
30,374	39,030	8,656	22%
-	-	-	0%
376	680	304	45%
2,158	-	(2,158)	-100%
-	-	-	0%
-	18	18	100%
-	-	-	0%
39,009	48,475	9,466	20%
\$ 40,697	34,501	6,196	18%

REVENUES

Dwelling Rental Income
 HUD Operating Subsidies
 CFP Grant Income
 COCC Fee Income
 General Fund
 Grant Income
 Other Income

Total Revenues

EXPENSES

Administrative
 Asset Management Fees
 Management Fees
 Bookkeeping Fees
 Housing Assistance Payments
 Tenant Services
 Utilities
 Maintenance
 Protective Services
 Insurance
 General Expenses

Total Expenses

Net Income(Loss)

CASH BASIS:

Net Income(loss) per Above
 Add back non cash items:
 Depreciation Expense
 Bad Debt Expense

TOTAL CASH BASIS

40,697	\$	34,501	\$	6,196	18%
-	-	-	-	-	0%
-	-	-	-	-	0%
\$ 40,697		34,501		6,196	18%

40,953	54,838	13,885	25%	34,322	(6,631)	-19%
-	-	-	0%	-	-	0%
3,336	3,927	591	15%	4,101	765	19%
2,091	2,464	373	15%	2,570	479	19%
226,276	276,210	49,934	18%	273,644	47,368	17%
-	-	-	0%	-	-	0%
4,059	4,760	701	15%	4,886	827	17%
3,542	-	(3,542)	-100%	21	(3,521)	-17028%
-	-	-	0%	-	-	0%
-	126	126	100%	148	148	100%
-	-	-	0%	-	-	0%
280,256	342,325	62,069	18%	319,692	39,436	12%
\$ 27,158	238,507	(211,349)	-89%	304,389	(277,231)	-91%

27,158	\$	238,507	\$	(211,349)	-89%	304,389	\$	(277,231)	-91%
-	-	-	-	-	0%	-	-	-	0%
-	-	-	-	-	0%	-	-	-	0%
\$ 27,158		238,507		(211,349)	-89%	304,389		(277,231)	-91%

HAWAII PUBLIC HOUSING AUTHORITY
Section 8 Contract Administration
Actual vs Budget Comparison
For the Month of January 2015, and the 7 Months ended January 31, 2015
(Amounts in Full Dollars)

Month of January 2015				Year to Date ended January 31, 2015								
Actual	Budget	Amount	Variance %		Actual	Budget	Amount	Variance %	Prior Year	Amount	Variance %	
REVENUES												
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%	
2,558,162	1,981,891	576,271	29%	HUD Operating Subsidies	18,089,985	13,873,237	4,216,748	30%	16,003,073	2,086,912	13%	
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%	
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%	
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%	
-	-	-	0%	Grant Income	(103,769)	-	(103,769)	-100%	-	(103,769)	-100%	
16	-	16	100%	Other Income	115	-	115	100%	(121,935)	122,050	100%	
\$ 2,558,178	1,981,891	576,287	29%	Total Revenues	\$ 17,986,331	13,873,237	4,113,094	30%	15,881,138	2,105,193	13%	
EXPENSES												
6,199	4,817	(1,382)	-29%	Administrative	64,677	38,619	(26,058)	-67%	37,326	(27,351)	-73%	
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%	
73,237	72,766	(471)	-1%	Management Fees	511,069	509,362	(1,707)	0%	508,418	(2,651)	-1%	
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%	
2,461,798	1,863,167	(598,631)	-32%	Housing Assistance Payments	17,322,170	13,042,169	(4,280,001)	-33%	15,326,818	(1,995,352)	-13%	
-	-	-	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	2,553	-	(2,553)	-100%	1,262	(1,290)	-102%	
2,541,233	1,940,750	(600,483)	-31%	Total Expenses	17,900,468	13,590,150	(4,310,318)	-32%	15,873,825	(2,026,644)	-13%	
\$ 16,945	41,141	(24,196)	-59%	Net Income(Loss)	\$ 85,862	283,087	(197,225)	-70%	7,313	78,549	1074%	
CASH BASIS:												
16,945	\$ 41,141	\$ (24,196)	-59%	Net Income(loss) per Above	85,862	\$ 283,087	\$ (197,225)	-70%	7,313	\$ 78,549	1074%	
-	-	-	0%	Add back non cash items:								
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%	
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%	
\$ 16,945	41,141	(24,196)	-59%	TOTAL CASH BASIS	\$ 85,862	283,087	(197,225)	-70%	7,313	78,549	1074%	

HAWAII PUBLIC HOUSING AUTHORITY
Central Office Cost Center
Actual vs Budget Comparison
For the Month of January 2015, and the 7 Months ended January 31, 2015
(Amounts in Full Dollars)

Month of January 2015				Year to Date ended January 31, 2015									
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance			
		Amount	%				Amount	%		Amount	%		
				REVENUES									
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%		
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%		
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%		
371,881	389,472	(17,591)	-5%	COCC Fee Income	2,637,282	2,726,274	(88,992)	-3%	2,678,362	(41,081)	-2%		
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%		
-	-	-	0%	Grant Income	58,876	-	58,876	100%	-	58,876	100%		
185,659	772,048	(586,389)	-76%	Other Income	1,638,966	5,903,994	(4,265,028)	-72%	1,603,729	35,236	2%		
				Total Revenues	\$ 4,335,124	8,630,268	(4,295,144)	-50%	4,282,091	53,032	1%		
				EXPENSES									
604,033	945,490	341,457	36%	Administrative	4,571,788	5,627,396	1,055,608	19%	3,881,456	(690,333)	-18%		
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%		
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%		
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%		
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%		
131	525	394	75%	Tenant Services	523	3,675	3,152	86%	429	(94)	-22%		
5,885	14,718	8,833	60%	Utilities	64,655	103,109	38,454	37%	73,790	9,135	12%		
269,678	354,262	84,584	24%	Maintenance	1,756,453	2,105,691	349,238	17%	1,483,969	(272,483)	-18%		
798	910	112	12%	Protective Services	5,413	6,370	957	15%	7,546	2,132	28%		
(3,479)	4,034	7,513	186%	Insurance	18,196	28,238	10,042	36%	12,310	(5,886)	-48%		
1,631	1,631	-	0%	Depreciation Expense	11,417	11,417	-	0%	5,827	(5,590)	-96%		
(12,409)	1,766	14,175	803%	General Expenses	208,667	41,506	(167,161)	-403%	143,886	(64,780)	-45%		
				Total Expenses	6,637,112	7,927,402	1,290,290	16%	5,609,212	(1,027,900)	-18%		
				Net Income(Loss)	\$ (2,301,989)	702,866	(3,004,855)	-428%	(1,327,121)	(974,868)	-73%		
				CASH BASIS:									
(308,729)	(161,816)	(146,913)	-91%	Net Income(loss) per Above	(2,301,989)	702,866	(3,004,855)	-428%	(1,327,121)	(974,868)	-73%		
				Add back non cash items:									
1,631	1,631	-	0%	Depreciation Expense	11,417	11,417	-	0%	5,827	5,590	96%		
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%		
				TOTAL CASH BASIS	\$ (2,290,572)	714,283	(3,004,855)	-421%	(1,321,294)	(969,278)	-73%		

Construction Management Branch
Report for the Months of January/February 2015

A. Program Activities and Major Projects

- Solicitations and Contracts (Please refer to the Contract and Procurement Office Monthly Report)
- Lanakila Homes
 - a. Demolition of Phase IIIb & IV (HA 1004) – Demolition is on hold due to the discovery of high levels of arsenic and lead in the soil. The Hazard Evaluation and Emergency Response (HEER) Office is requiring a soil mitigation plan before any disturbance of the soil can proceed. Even if the site is completely demolished and no development is planned, the site still must be encapsulated with two feet of arsenic-free fill. Soil remediation is estimated to cost between \$2M to \$10M or more depending on the extent of remediation (from encapsulation to complete removal and disposal of all contaminated soil). CMB is moving in the direction of scarifying the contaminated soil to a depth of 2 – 3 feet (depending on the directive by the Department of Health) and stockpiling on site which will result in making level the currently downhill site, placing a geotextile fabric then adding 2 – 3 feet of clean soil on top and grassing. The new level site will be contained by a retaining wall. Before this can happen, the site must be characterized (tested, analyzed and mapped) and the mitigation plan approved by the HEER Office. Once approved, the soil removal work and demolition must be closely monitored and reported on to the HEER Office. The site characterization, mitigation plan and soil removal, encapsulation and clean soil placement will take upwards of a year to complete. All existing structures are still standing and the site has been completely fenced in. Unauthorized entry and vandalism is increasing. The vacant buildings are being stripped of their lumber.
 - b. Physical Improvements at Lanakila Public Housing – Phase IIIb (HA 1105) Construction of this next phase cannot proceed until the existing structures are demolished. The draft contract has been reviewed and approved by the AG. The award and the contract will be sent to the contractor for execution. However the delay due to the soil remediation issue will likely increase the new construction cost.
 - c. Fair Housing Improvements at Lanakila Homes (HA 1004) – Consultant has submitted pre-final drawings and specifications for review and comment. The scope is to provide an accessible route through the upper section of Lanakila Homes including curb ramps and crosswalks and the construction of 103 additional parking stalls located on-street and in new parking areas. The Estimated construction cost is \$715,000. The plans and specifications are currently under review and the HPHA needs to determine the amount of additional parking stalls to be constructed.

- d. Reroof Community Center at Lanakila Homes (HA 1004) – The earliest availability of the roofing material was late January 2015, however with the Longshoreman's strike, materials could not be shipped timely therefore the revised expected delivery is March 2015. The start of construction is now anticipated for mid-April 2015.
- Palolo Valley Homes Major Modernization – 22 Units
 - a. The major modernization includes 44 units. Phase I & II includes 22 units (in buildings 14 – 19).
 - b. Building 18 and 19 – Units 18A-F, 19A-F (12 units): OED approved replacement of consultant that went out of business. Contract draft is currently under progress.
 - c. Building 10 Units A through F (6 units): Emergency sewer issues. Pending approval to design next phase
- 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, there is no new update:
The HPHA sent Update Requests to the DLNR on September 12, 2014 regarding the Kaunakakai (EO 2365 and 3364) and on September 5, 2014 regarding the Wakiu (EO 3333) cottage projects' EO transfer requests to be addressed at the Board level.
- Vacant Units
 - a. Vacant Units Type C Status
 - 1. PHA Wide Type C Vacant Units
 - 1) Total Vacant Type C Units: 227
 - a) Federal: 212 units
 - b) State: 15 units
 - 1. Total in design or about to get into design: 70
 - 2. Total in construction: 97
 - 3. Total approved for Demolition by HUD: 60
 - 4. Total approved for HUD Subsidy: 108
 - 5. 2 units completed in January 2015
 - 6. 13 units completed in February 2015
 - 7.
 - 2. Status by County:
 - 1) O`ahu
 - a) 95 units total
 - b) 4 units approved for demo
 - c) 68 currently in construction contracts
 - d) 23 in design or about to be in design
 - 2) Hawai'i
 - a) 90 units total
 - b) 56 units approved for demo

- c) 14 currently in construction contracts
- d) 20 in design or about to be in design
- 3) Kaua'i
 - a) 15 units total
 - b) 15 units currently in construction contracts
- 4) Maui County
 - a) Maui
 - 1) 5 units in design or about to be in design
 - b) Mōloka'i:
 - 1) 22 units total

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.

**Contract & Procurement Office
Monthly Status Report for January/February 2015**

Solicitation(s) Issued in January/February 2015:

Solicitation No.	Title	Due Date
IFB CMB-2014-41	Invitation-for-Bids to Provide Preventive Maintenance Services to Emergency Generators at Various Public Housing Properties on the Island of Oahu, HPHA Job No. 12-006-000	2/19/2015
RFQ Q15000850	Request-for-Quotes for Heat Pump and Gas Water Heater Preventive Maintenance Services for Wahiawa Terrace on the Island of Oahu, HPHA Job No. 15-003-115-F	2/23/2015
IFB CMB-2014-42	Invitation-for-Bids to Provide Preventive Maintenance Services to Emergency Call-for-Aid Systems at Various Public Housing Properties on the Island of Oahu, HPHA Job No. 12-006-000	2/26/2015
RFQ Q15000874	Request-for-Quotes for Electrical Repairs to Bldg B at Hookipa Kahaluu on the Island of Oahu, HPHA Job No. 14-021-172	2/27/2015
RFQ OED-2015-05	Request-for-Qualifications for a Master Developer for the Mixed Income, Mixed Use Redevelopment of the HPHA's Administrative Offices and the Development of Low Income Public Housing Units on the Island of Oahu	3/10/2015
IFB CMB-2014-29	Invitation-for-Bids to Provide Improvements to Major Systems (Upgrade to Water Heaters, Heat Pumps and Booster Pumps) – Phase I at Various Public Housing Properties on the Island of Oahu, HPHA Job No. 12-006-000	3/20/2015

Protest(s) Received in January/February 2015:

- . None

Protest(s) Resolved in January/February 2015:

- None

DCCA Administrative Hearing(s) Scheduled in January/February 2015:

- None

Contract(s) Executed in January/February 2015:

Contract No.	Contractor & Description	Supp. Amount	Total Amount
CMS 15-02	Artistic Builders Corp. Provide Labor, Materials, and Equipment for Site and Dwelling Improvements to David Malo Circle (AMP 39) on the Island of Maui Completion Date: 450 Calendar Days from Notice to Proceed		\$2,989,612.62
CMS 15-01	Allied Pacific Builders, Inc. Provide Labor, Materials, and Equipment for Site and Dwelling Improvements to Hale Laulima (AMP 31) on the Island of Oahu Completion Date: 480 Calendar Days from Notice to Proceed		\$8,054,442.00
CMS 14-14-SC01	Constructors Hawaii, Inc. No-Cost Extension of Time of 180 Calendar Days for Physical Improvements to Lanakila Homes (AMP 37) – Demolition of Phase IIIb and IV on the Island of Hawaii Completion Date: June 21, 2015	n/a	\$1,682,000.00
CMS 14-05-CO02	Tomco Corp. Provide Additional Labor, Materials, and Equipment for Site and Dwelling Improvements at Hui O Hanamaulu (AMP 38) on the Island of Kauai Completion Date: May 17, 2015	\$15,018.03	\$3,734,479.87
CMS 13-29-SC02	HDR Engineering, Inc. Provide Additional Design and Consultant Services and Amend the Special Conditions for Spall Repair and Painting of 19 Buildings and Site Improvements at Kaahumanu Homes (AMP 33) on the Island of Oahu and Extension of Time of 90 Calendar Days End Date: September 19, 2016	\$42,538.34	\$537,342.34

Contract No.	Contractor & Description	Supp. Amount	Total Amount
CMS 13-22-SC01	GYA Architects, Inc. Provide Additional Design and Consultant Services for Site and Dwelling Improvements to David Malo Circle (AMP 39) on the Island of Maui End Date: August 21, 2016	\$3,088.61	\$375,896.61
CMS 13-20-SC02	M5 Architecture LLC dba Media5 Architecture Provide Additional Design and Consultant Services and Amend the Special Conditions for Site and Dwelling Improvements at Puahala Homes (AMP 31) on the Island of Oahu End Date: August 22, 2016	\$9,820.65	\$309,729.64
CMS 12-11-SC02	INK ARCH, LLC No-Cost Extension of Time of 690 Calendar Days and Amend the Special Conditions for Fair Housing Renovations at Lanakila Homes (AMP 37) on the Island of Hawaii End Date: February 18, 2017	n/a	\$133,939.75
CMS 11-02-SC07	Ralph S. Inouye Co., Ltd. Provide Additional Labor, Materials, and Equipment for Building Improvements to Hale Poai (MU 42) on the Island of Oahu Completion Date: August 9, 2015	\$410,462.00	\$2,960,756.00
CMS 10-03-SC06	Richard Matsunaga & Associates Architects, Inc. Provide Additional Design and Consultant Services and Amend the Special Conditions for ADA Accessibility Compliance for Eleele Homes, Hale Hoonanea, Home Nani and Kekaha Haaheo (AMP 38) on the Island of Kauai End Date: August 31, 2016	\$2,943.02	\$866,153.37
CMS 08-17-SC06	Architects Pacific, Inc. Provide Additional Design and Consultant Services for Building Improvements at Hale Poai (MU 42) on the Island of Oahu and Extension of Time of 365 Calendar Days End Date: February 16, 2016	\$27,846.00	\$561,867.00

Contract No.	Contractor & Description	Supp. Amount	Total Amount
PMB 12-06-SC03	Realty Laua LLC Continue to Provide Property Management, Maintenance and Resident Services to Kuhio Park Terrace – Low Rise and Kuhio Homes (AMP 40) on the Island of Oahu for an Additional 6-Month Period End Date: August 31, 2015	\$471,105.00	\$2,623,780.00
PMB 14-03-SC01	Services Hawaii Rubbish Solutions LLC Continue to Provide Refuse Collection Services for Hale Hauoli (AMP 46) on the Island of Hawaii for an Additional 12-Month Period End Date: January 31, 2016	\$35,817.60	\$71,635.20
PMB 14-02-SC01	Pacific Waste, Inc. Continue to Provide Refuse Collection Services to Noelani I, Noelani II, Ke Kumu Ekolu, and Ke Kumu Elua (AMP 46) on the Island of Hawaii for an Additional 12-Month Period End Date: January 31, 2016	\$38,320.56	\$75,512.56
PMB 13-05-SC02	Garden Isle Disposal, Inc. Contract Price Adjustment Due to Increase in County Landfill Fees for Refuse Collection Services to Kawailehua – State and Kawailehua – Federal (AMP 38) on the Island of Kauai End Date: August 31, 2015	\$2,947.67	\$40,231.40

Planned Solicitation/Contract Activities for March/April 2015

Solicitation(s):

- Issue Invitation-for-Bids for Temporary Lodging Services for Tenant Relocation Statewide.
- Issue Invitation-for-Bids for Laundry Services for AMP 34 on the Island of Oahu, AMP 37 and Ke Kumu Ekahi on the Island of Hawaii and AMP 39 on the Island of Maui.

Contract(s)

- Execute Contract to Provide Property Management and Maintenance Services for the Ka Hale Kamehaikana 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 45 on the Island of Oahu.
- 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 Property Management, Maintenance and Resident Services for MU 42 on the Island of Oahu.
- Execute Supplemental Contract to Continue to Provide Security Services for AMP 31 (Kalihi Valley Homes), AMP 32 (Mayor Wright Homes), and AMP 35 (Kalanihua, Punchbowl Homes, Makamae) on the Island of Oahu.

COMPLIANCE OFFICE

Report for Month of January/February 2015

A. Program Activities for January/February

- Approximately 116 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 (12);
 - b. Transfers for other reasons (2);
 - c. Installation of air conditioning (9);
 - d. Approval of assistance animals (8); and
 - e. Inclusion of live-in aides (6).
- Reviewed relocation plans for various properties undergoing upcoming modernization work;
- Provided new staff orientation training on compliance issues, including nondiscrimination, fair housing, language access, reasonable accommodations, and security of confidential records;
- Attended training on requirements of the Americans with Disabilities Act, Title VI of the Civil Rights Act, and Language Access Law;
- Coordinated Fair Housing training for all HPHA maintenance, management, and supervisory staff;
- Coordinated fair housing monitoring of staff under the contract with National Center for Housing Management for HPHA Self-evaluation and Transition Plan;
- Continued to coordinate work on releases and declarations of trust for additional federally-assisted public housing properties; and
- Assisted Property Management and Maintenance Services Branch in identifying lifetime registered sex offenders who may be occupying public housing units without authorization from the HPHA.

B. Planned activities for March/April

- Continue work on releases and declarations of trust forms for additional federally-assisted public housing properties;
- Work with the Fair Housing Coordinators of the Counties and Hawaii Housing Finance and Development Corporation to prepare for the joint procurement of the upcoming update to the fair housing analysis of impediments for the State of Hawaii;
- Carry out Fair Housing Month activities including Governor's proclamation regarding Fair Housing Awareness Month, co-hosting Fair Housing training workshop for the general public with the City & County of Honolulu, and awareness campaign with HPHA tenants;
- Continue to administer contract with National Center for Housing Management for HPHA Self-evaluation and Transition Plan, including reviewing results of fair housing monitoring of staff, conducting site visits to review construction plans, confirm deficiencies and site conditions, and meeting with staff to finalize draft transition plans;
- Finalize proposed changes to and provide 30 day notice to tenants and resident organizations to provide opportunity to submit written comments to the proposed changes in the rental agreement form for the federally-assisted public housing program, and consider any submitted comments prior to adoption to implement changes to the administrative rules;
- Review potential designated smoking areas at various public housing properties;
- Monitor various programs and operations for compliance with federal and state laws and regulations; and
- Continue to discuss and draft revisions to the Admissions and Continued Occupancy Policy for the Federally Assisted Low-income Public Housing Program for the Federally Assisted Low-income Public Housing Program to implement the approved changes to the Hawaii Administrative Rules.

C. Status of Declaration of Trust Project

- Releases and updated Declarations of Trust were recorded for 12 properties;
- Releases and Declarations of Trust for 4 additional properties were sent to the United States Department of Housing and Urban Development (HUD) for review and execution in November and December of 2014. These documents are currently still pending HUD review;

- The Department of the Attorney General is currently working on:
 - a. Finalizing Releases and Declarations of Trust for 24 additional properties; and
 - b. Letters to the Board of Land and Natural Resources to cancel the Executive Order for one property, withdraw another property from another Executive Order, and transfer the parcels in fee simple to HPHA.

Planning and Evaluation Office

Report for the Months of January and February 2015

A. Housing Presentation to Legislators

- On January 27, 2015, the Planning and Evaluation Office (PEO) gave a presentation to a joint legislative housing committee briefing on Hawaii Public Housing Authority (HPHA) recent accomplishments, current projects and upcoming projects.

B. Smoke-Free Public Housing

- On January 30, 2015, PEO met with the Department of Health and Tobacco Free Hawaii to discuss various approaches for implementing the State smoking ban at Hawaii Public Housing Authority properties.

C. Community Planning for Kalihi to Kaka'ako

- On January 13, 2015, Executive Director Hakim Ouansafi and PEO attended the "Community Planning for Kalihi to Kaka'ako" meeting. Attendees included Senator Susie Chun Oakland, the Howard Hughes Corporation, Dr. Tin Myaing Thein, various developers, service providers, community groups and landowners. At the meeting, Executive Director Hakim Ouansafi provided an update on the Mayor Wright Homes and School Street redevelopments.

D. City Council Committee on Public Works, Infrastructure and Sustainability Presentation

- On January 14, 2015, Executive Director Hakim Ouansafi and PEO attended the City Council Committee on Public Works, Infrastructure and Sustainability meeting to present the upcoming HPHA projects in the Transit Oriented Development zone of the Honolulu Rail line.

E. Media

- On January 13, 2015, Executive Director Hakim Ouansafi was interviewed by Hawaii News Now on the HPHA announcement of the redevelopment of the 1002 North School Street property. Please see the news story here: <http://www.hawaiinewsnow.com/story/27843277/state-seeking-alternative-affordable-housing-ideas-from-developers>
- Also on January 13, 2015, KHON2 News ran a story on the HPHA announcement of the redevelopment of the 1002 North School Street property. Please see the news story here:

<http://khon2.com/2015/01/13/state-to-add-affordable-rentals-with-n-school-street-redevelopment/>

- On January 14, 2015, the Star Advertiser ran an article on the HPHA announcement of the redevelopment of the 1002 North School Street property. Please see the article here:
<http://www.staradvertiser.com/s?action=login&f=y&id=288513141>
- On February 2, 2015, the Associated Press ran an article on a bill addressing discrimination against Section 8 voucher holders. Executive Director Hakim Ouansafi was interviewed the story. Please see the news story here:
http://hosted2.ap.org/RIPRJ/37624898f7fc47e881149bd4a0c12011/Article_2015-02-02-HI-XGR--Hawaii%20Housing/id-c8d4c892b91744caa652c3047db8b06b
- On February 23, 2015, the Hawaii Public Housing Authority released a statement regarding the alleged stabbings at Kalihi Valley Homes which was aired on KHON2 (<http://khon2.com/2015/02/23/police-arrest-suspect-in-stabbing-of-woman-2-children-in-kalihi/>) the same day and quoted in the Star Advertiser on February 24, 2015.

F. 2015 Legislative Session

- The Planning and Evaluation Office has been preparing bill drafts and testimonies and providing testimony to various legislative committees which opened Session on January 21, 2015. The status of bills that the HPHA is monitoring as of February 2, 2015, is provided as Attachment A.
- On February 17, 2015, the Planning and Evaluation Office presented an update on HPHA programs and budgets to the Joint Committee on Human Services and Human Services and Housing.

Attachment A – Current Status of Bills (as of March 2, 2105) that HPHA is monitoring

Information Technology Office (ITO)
Report for the Month of January/February 2015

A. Program Activities

- Continued to work with vendor Emphasys and HPHA staff to resolve issues with the Elite software.
 - Reviewed the Materials Inventory (MI) data provided by the AMPs, and wrote up some of the most common errors that have prevented the Emphasys programming team from importing this data into the MI module, so that it can interface with the Work Order module.
 - At the AMP Managers meeting on 2/10/15, went over some of these errors found in the Materials Inventory data with the AMPs. The missing fields and bad data must be corrected, before the data can be imported into the system. Managers are in the process of fixing it.
 - Coordinated remote assistance between Emphasys tech support and Fiscal Management Office staff to resolve problems encountered during a recent rent run that caused the February rent bills to be sent out late to tenants.
 - Also coordinated assistance between Emphasys tech support and the Fiscal Management Office staff to resolve problems encountered with the data for the 1099 forms issued to vendors.

- Continued to install new computers to replace aging machines with the outdated MS XP operating system. Approximately 75 out of 100 new computers from this batch have already been installed, and some existing Windows 7 computers that are slightly older will have to be handed down, until all XP computers have been replaced in the agency.

- Updated customized Crystal Reports in Elite for AMP demographics, delinquencies, and utility reimbursements.

- Created mailing labels for Veterans Affairs Supportive Housing (VASH) voucher holders for the Section 8 staff.

- Upgraded Autocad software to the most current version to accommodate 64 bit Windows operating systems for the Construction Management Branch.

- Helped to set up a four way Skype session to facilitate remote training.

- Compiled and updated the content for a new HPHA website in WordPress.

PERSONNEL OFFICE

Report for the Months of January through March 2015

A. Summary of HPHA Staffing:

Filled positions (FTE):	284
Vacant positions:	89
Total:	373

Tenant Aides (19 Hrs):	13
New Hires:	2
Termination:	3
Retired:	1
89day hires:	3

B. Program Activities:

- Attended Job Fair at Neal Blaisdell Center in January 2015 and UH Manoa Campus March 2015.
- At UH Manoa, screened and evaluated over 100 perspective applicants for temporary hires and full-time employment. Comments from applicants of HPHA's effort in seeking applicants and ability to outreach versus other companies referring to their jobline/joblink for employment information.
- Networked with the Hawaii Military Bases to post HPHA vacancies
- Job postings at the University of Hawaii campuses, career centers and websites.
- Completed interviews for PMMSB and Chief and Property Specialists.
- Completed final draft of the Fiscal Management Office reorganizational structure and functional statement and submitted to DHS/Management Services for final review.
- Attended department-wide Training Coordinator's meeting to discuss a new software "Learning Management System and Training Documentation Software". This software will provide the ability to provide comprehensive tracking of employees training and certification requirement.
- Completed the final draft agency-wide Training Plan. Implementation second quarter of 2015.
- Conducted training for Maintenance Supervisors and General Construction Supervisors on "How to Conduct Administrative Investigation".
- Researched and identified On-The Job (OTJ) Training Plan options for maintenance workers (Multi-Skilled Worker).
- Attended Department of Transportation/Highways Civil Rights Symposium
- Attended State Safety & Health Council meeting in February.
- Completed agency-wide Federal Occupational Safety and Health Act (OSHA) on Summary of Work-Related Injuries and Illnesses for reporting year 2014.
- Workers Compensation: 7 injuries reported and no lost time

C. Planned Activities:

- Recruitment Training for all managers and supervisors on developing selection instruments.
- Union consultation on the Fiscal Management Office reorganization and functional statement.
- Union consultation on HPHA's Discrimination/Harassment policies and procedures
- Upcoming Job Fair to recruit Tenant Aide applicants at Mayor Wright (MU3).
- Continue in researching and developing a draft OTJ training plan for maintenance workers (multi-skilled worker).
- Revise and implement the HPHA New Hire Orientation Program which will include managers as guest speakers to inform new hires about general Policies and Procedures and agency's guidelines, practices, standards, goals and expectations. This will become a more comprehensive and detailed presentation.
- Solicit nominations from HPHA staff for the 2015 DHS Incentive Awards.
- Re-establish HPHA Safety Committee with new members that will bring wealth of knowledge about safety in the workplace on March 31, 2015.

Approved by the Executive Director 
March 19, 2015

FOR DISCUSSION

SUBJECT: Jeanne A. Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03)

I. FACTS

A. A verbal report of the case will be presented by the Department of the Attorney General.

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 Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03)

Prepared by: Kiriko Oishi, Chief Compliance Officer 

Hawaii Public Housing Authority
Summary of Capital Projects
Report As Of 02/28/15

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 721	\$10,301,898	\$7,103,341	\$2,060,380	\$107,988	\$1,030,190	\$0	\$9,959,851	96.68%	\$342,047	4/17/14	Fully Obligated LOCCS created 07-13-11
CFP 722	\$9,454,397	\$6,575,559	\$1,783,398	\$150,000	\$945,440	\$0	\$9,050,454	95.73%	\$403,943	4/17/14	Fully Obligated LOCCS created 03-12-12
CFP 723	\$9,066,970	\$6,647,564	\$1,362,709	\$150,000	\$906,697	\$0	\$1,655,986	18.26%	\$7,410,984	9/8/15	LOCCS created 08-09-13
CFP 724	\$9,140,603	\$7,273,985	\$952,558	\$0	\$914,060	\$0	\$2,284,713	25.00%	\$6,855,890	5/12/16	LOCCS created 05-13-14
CFP 725	\$9,036,788	\$6,248,422	\$1,807,358	\$45,485	\$903,679	\$31,845	\$0	0.00%	\$9,036,788	4/12/17	LOCCS created 04-13-15
CFP Budget Totals	\$50,353,103	\$42,334,569	\$10,444,249	\$640,239	\$5,938,989	\$31,845	\$35,340,239	70.18%	\$24,049,852		TOTALS FOR ALL ACTIVE CFP GRANTS

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 721	\$10,301,898	\$6,043,944	\$2,060,380	\$41,648	\$1,030,190	\$0	\$9,176,153	89.07%	\$1,125,745	4/17/16	LOCCS created 07-13-11
CFP 722	\$9,454,397	\$1,992,612	\$1,431,147	\$1,488	\$945,440	\$0	\$4,370,681	46.23%	\$5,083,716	4/17/16	LOCCS created 03-12-12
CFP 723	\$9,066,970	\$770,317	\$0	\$0	\$0	\$0	\$770,317	8.50%	\$8,296,653	9/8/17	LOCCS created 08-09-13
CFP 724	\$9,140,603	\$1,808,154	\$0	\$0	\$0	\$0	\$1,808,154	19.78%	\$7,332,449	5/12/18	LOCCS created 05-13-14
CFP 725	\$9,036,788	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$9,036,788	4/12/19	LOCCS created 04-13-15
CFP Expenditure Totals	\$50,353,103	\$19,100,725	\$5,969,374	\$229,889	\$3,214,553	\$0	\$28,514,541	56.63%	\$21,838,562		TOTALS FOR ALL ACTIVE CFP GRANTS

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	\$4,217,601	91.85%	\$374,096	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	\$14,667,234	82.36%	\$3,142,046	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	\$4,142,967	\$4,142,967	\$4,134,992	99.81%	\$7,975	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	\$2,793,122	82.77%	\$581,584	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	\$7,385,532	93.50%	\$513,039	6/30/12	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 162/2009 as amended by ACT 180/2010
FY 10-11 Lump Sum CIP	\$4,500,000	\$4,384,799	\$4,270,030	\$3,719,298	84.82%	\$665,501	6/30/12	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 162/2009 as amended by ACT 180/2010
FY 11-12 CIP Totals	\$31,120,000	\$31,120,000	\$31,120,000	\$7,076,354	22.74%	\$24,043,646	6/30/14	Allotment Granted - Blanket Encumbrance (1)	ACT 164/2011 as amended by ACT 106/2012
FY 12-13 CIP Totals	\$60,222,000	\$60,222,000	\$60,222,000	\$12,108,065	20.11%	\$48,113,935	6/30/14	Allotment Granted - Blanket Encumbrance (1)	ACT 164/2011 as amended by ACT 106/2012
FY 13-14 Lump Sum CIP	\$45,643,000	\$45,643,000	\$7,346,235	\$327,440	0.72%	\$45,315,560	6/30/16	Allotment Granted	ACT 134/2013 as amended by ACT 122/2014
FY 14-15 Lump Sum CIP	\$26,000,000	\$26,000,000	\$0	\$0	0.00%	\$26,000,000	6/30/16	Partial Allotment Granted (\$19,810,350)	ACT 134/2013 as amended by ACT 122/2014
FY 15-16 Lump Sum CIP	\$5,000,000	\$5,000,000	\$0	\$0	0.00%	\$5,000,000	6/30/18		
FY 16-17 Lump Sum CIP	\$5,000,000	\$5,000,000	\$0	\$0	0.00%	\$5,000,000	6/30/18		
STATE CIP TOTALS	\$216,857,503	\$205,187,020	\$138,792,431	\$56,429,037	27.50%	\$148,757,333			TOTAL ACTIVE STATE CIP APPROPRIATIONS

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- 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.