

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13

Quarterly Report to Partners

December 31, 2016



March 28, 2017

Re: WNC Housing Tax Credit Fund VI, L.P., Series 13 (the “Partnership”)

Dear Investor:

We are pleased to provide you with the Partnership Form 10-Q for the quarterly period ended December 31, 2016.

If you have any questions please contact Investor Services by phone or email investorservices@wncinc.com

Best regards,

WNC & ASSOCIATES, INC.
Investor Services

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 333-124115

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13

California
(State or other jurisdiction of
incorporation or organization)

20-2355224
(I.R.S. Employer
Identification No.)

17782 Sky Park Circle
Irvine, CA
(Address of principal executive offices)

92614-6404
(Zip Code)

(714) 662-5565
(Telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

INDEX TO FORM 10-Q

For the Quarterly Period Ended December 31, 2016

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements	
	Condensed Balance Sheets	
	As of December 31, 2016 and March 31, 2016	3
	Condensed Statements of Operations	
	For the Three and Nine Months Ended December 31, 2016 and 2015	4
	Condensed Statement of Partners' Equity (Deficit)	
	For the Nine Months Ended December 31, 2016	5
	Condensed Statements of Cash Flows	
	For the Nine Months Ended December 31, 2016 and 2015	6
	Notes to Condensed Financial Statements	7

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

CONDENSED BALANCE SHEETS
(Unaudited)

	<u>December 31, 2016</u>	<u>March 31, 2016</u>
ASSETS		
Cash and cash equivalents	\$ 299,096	\$ 315,082
Investments in Local Limited Partnerships, net (Notes 2 and 3)	2,323,066	3,235,861
Due from affiliates, net (Note 5)	-	-
Other assets	-	2,643
	<u> </u>	<u> </u>
Total Assets	\$ <u>2,622,162</u>	\$ <u>3,553,586</u>
 LIABILITIES AND PARTNERS' EQUITY (DEFICIT)		
Liabilities:		
Payables to Local Limited Partnerships (Note 4)	\$ 245,113	\$ 245,113
Accrued fees and expenses due to General Partner and affiliates (Note 3)	<u>1,436,738</u>	<u>1,874,186</u>
	<u> </u>	<u> </u>
Total Liabilities	<u>1,681,851</u>	<u>2,119,299</u>
Partners' Equity (Deficit):		
General Partner	574,271	(16,428)
Limited Partners (25,000 Partnership Units authorized; 20,807 and 20,931 Partnership Units issued and outstanding, respectively)	<u>366,040</u>	<u>1,450,715</u>
	<u> </u>	<u> </u>
Total Partners' Equity (Deficit)	<u>940,311</u>	<u>1,434,287</u>
	<u> </u>	<u> </u>
Total Liabilities and Partners' Equity (Deficit)	\$ <u>2,622,162</u>	\$ <u>3,553,586</u>

See accompanying notes to condensed financial statements

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

CONDENSED STATEMENTS OF OPERATIONS

For the Three and Nine Months Ended December 31, 2016 and 2015
(Unaudited)

	2016		2015	
	Three Months	Nine Months	Three Months	Nine Months
Operating income:				
Reporting fees	\$ -	\$ 3,558	\$ 3,558	\$ 3,558
Operating expenses and loss:				
Amortization (Note 1)	-	463	462	2,165
Asset management fees (Note 3)	17,116	51,348	29,107	87,321
Legal and accounting fees	12,885	84,069	75,152	322,093
Impairment loss (Note 1)	-	702,972	-	1,052,460
Write off of advances to Local Limited Partnerships (Note 5)		-	-	177,000
Write off of other assets	-	2,643		-
Asset management expenses	364	364	1,677	5,066
Other	(6,446)	38,328	1,539	21,843
Total operating expenses and loss	23,919	880,187	107,937	1,667,948
Loss from operations	(23,919)	(876,629)	(104,379)	(1,664,390)
Equity in losses of Local Limited Partnerships (Note 2)	(69,786)	(209,360)	(3,637)	(10,911)
Gain on sale of Local Limited Partnership	-	-	6,460	6,460
Other income	-	-	-	1,403,251
Interest income	100	228	32	96
Net loss	\$ (93,605)	\$ (1,085,761)	\$ (101,524)	\$ (265,494)
Net loss allocated to:				
General Partner	\$ (94)	\$ (1,086)	\$ (102)	\$ (265)
Limited Partners	\$ (93,511)	\$ (1,084,675)	\$ (101,422)	\$ (265,229)
Net loss per Partnership Unit	\$ (4)	\$ (52)	\$ (5)	\$ (13)
Outstanding weighted Partnership Units	20,807	20,807	20,951	20,951

See accompanying notes to condensed financial statements

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

CONDENSED STATEMENT OF PARTNERS' EQUITY (DEFICIT)

For the Nine Months Ended December 31, 2016
(Unaudited)

	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
Partners' equity (deficit) at March 31, 2016	\$ (16,428)	\$ 1,450,715	\$ 1,434,287
Net loss	(1,086)	(1,084,675)	(1,085,761)
Forgiveness of debt (Note 6)	<u>591,785</u>	<u>-</u>	<u>591,785</u>
Partners' equity (deficit) at December 31, 2016	<u>\$ 574,271</u>	<u>\$ 366,040</u>	<u>\$ 940,311</u>

See accompanying notes to condensed financial statements

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

CONDENSED STATEMENTS OF CASH FLOWS

For the Nine Months Ended December 31, 2016 and 2015
(Unaudited)

	2016	2015
Cash flows from operating activities:		
Net loss	\$ (1,085,761)	\$ (265,494)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization	463	2,165
Equity in losses of Local Limited Partnerships	209,360	10,911
Impairment loss	702,972	1,052,460
(Increase) decrease in other assets	2,643	(7,743)
Write off of advances to Local Limited Partnerships	-	177,000
Gain on sale of Local Limited Partnership	-	(6,460)
Increase (decrease) in accrued fees and expenses due to General Partner and affiliates	154,337	(105,986)
	(15,986)	856,853
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Contributions to Local Limited Partnerships	-	(9,644)
Advances to Local Limited Partnerships	-	(177,000)
Net proceeds from sale of Local Limited Partnerships	-	6,460
Distributions received from Local Limited Partnerships	-	6,503
	-	(173,681)
Net cash used in investing activities		
Cash flows from financing activities:		
Repayment of advances to General Partner and affiliates	-	(872,287)
	-	(872,287)
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(15,986)	(189,115)
Cash and cash equivalents, beginning of period	315,082	325,510
Cash and cash equivalents, end of period	\$ 299,096	\$ 136,395
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Taxes paid	\$ -	\$ -
 NONCASH INVESTING AND FINANCING ACTIVITIES:		
The Partnership has decreased its investments in Local Limited Partnerships and decreased its capital contributions payable for tax credits not generated.	\$ -	\$ 77,961
Limited Partners' equity was decreased and due to General Partner and affiliates was increased for distributions paid on behalf of the Partnership	\$ -	\$ 247,264

See accompanying notes to condensed financial statements

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

CONDENSED STATEMENTS OF CASH FLOWS

For the Nine Months Ended December 31, 2016 and 2015
(Unaudited)

General Partner's equity was increased and due to General Partner
and affiliates was decreased for forgiveness of debt from
advances previously made to the Partnership

\$ 591,785 \$ -

See accompanying notes to condensed financial statements

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

NOTES TO CONDENSED FINANCIAL STATEMENTS

For the Quarterly Period Ended December 31, 2016
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying condensed unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q for quarterly reports under Section 13 or 15(d) of the Securities Exchange Act of 1934. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended December 31, 2016 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2017. For further information, refer to the financial statements and footnotes thereto included in the Partnership's annual report on Form 10-K for the fiscal year ended March 31, 2016.

Organization

WNC Housing Tax Credit Fund VI, L.P., Series 13, a California Limited Partnership (the "Partnership"), was formed on February 7, 2005 under the laws of the State of California, and commenced operations on December 14, 2005. The Partnership was formed to invest primarily in other limited partnerships and limited liability companies (the "Local Limited Partnerships") which own and operate multi-family housing complexes (the "Housing Complexes") that are eligible for Low Income Housing Tax Credits. The local general partners (the "Local General Partners") of each Local Limited Partnership retain responsibility for maintaining, operating and managing the Housing Complex. Each Local Limited Partnership is governed by its agreement of limited partnership (the "Local Limited Partnership Agreement").

The general partner of the Partnership is WNC National Partners, LLC (the "General Partner"). The general partner of the General Partner is WNC & Associates, Inc. ("Associates"). The chairman and the president of Associates owns all of the outstanding stock of Associates. The business of the Partnership is conducted primarily through Associates, as the Partnership and General Partner have no employees of their own.

The Partnership shall continue in full force and effect until December 31, 2070, unless terminated prior to that date, pursuant to the partnership agreement or law.

The financial statements include only activity relating to the business of the Partnership and do not give effect to any assets that the partners may have outside of their interests in the Partnership, or to any obligations, including income taxes of the partners.

Pursuant to a registration statement filed with the U.S. Securities and Exchange Commission (the "SEC") on April 18, 2005, the Partnership commenced a public offering of 25,000 units of limited partnership interest ("Partnership Units") at a price of \$1,000 per Partnership Unit. The required minimum offering amount of \$1,400,000 was achieved by December 14, 2005. Total subscriptions for 20,981 Partnership Units had been accepted, representing \$20,965,400, which is net of volume discounts of \$4,540 and dealer discounts of \$11,060. Holders of Partnership Units are referred to herein as "Limited Partners." As of December 31, 2016 and March 31, 2016, a total of 20,807 and 20,931 Partnership Units remain outstanding, respectively. The General Partner has a 0.1% interest in operating profits and losses, taxable income and losses, cash available for distribution from the Partnership and tax credits. The Limited Partners will be allocated the remaining 99.9% interest in proportion to their respective investments.

The proceeds from the disposition of any of the Housing Complexes will be used first to pay debts and other obligations per the respective Local Limited Partnership Agreement. Any remaining proceeds will then be paid to the partners of the Local Limited Partnership, including the Partnership, in accordance with the terms of the particular Local Limited Partnership Agreement. The sale of a Housing Complex may be subject to other restrictions and obligations.

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

NOTES TO CONDENSED FINANCIAL STATEMENTS - CONTINUED

For the Quarterly Period Ended December 31, 2016
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accordingly, there can be no assurance that a Local Limited Partnership will be able to sell its Housing Complex. Even if it does so, there can be no assurance that any significant amounts of cash will be distributed to the Partnership. Should such distributions occur, the Limited Partners will be entitled to receive distributions from the proceeds remaining after payment of Partnership obligations and funding reserves, equal to their capital contributions and their return on investment (as defined in the Partnership Agreement). The General Partner would then be entitled to receive proceeds equal to its capital contributions from the remainder. Any additional sale or refinancing proceeds will be distributed 90% to the Limited Partners (in proportion to their respective investments) and 10% to the General Partner.

Risks and Uncertainties

An investment in the Partnership and the Partnership's investments in Local Limited Partnerships and their Housing Complexes are subject to risks. These risks may impact the tax benefits of an investment in the Partnership, and the amount of proceeds available for distribution to the Limited Partners, if any, on liquidation of the Partnership's investments. Some of those risks include the following:

The Low Income Housing Tax Credits rules are extremely complicated. Noncompliance with these rules results in the loss of future Low Income Housing Tax Credits and the fractional recapture of Low Income Housing Tax Credits already taken. In most cases the annual amount of Low Income Housing Tax Credits that an individual can use is limited to the tax liability due on the person's last \$25,000 of taxable income. The Local Limited Partnerships may be unable to sell the Housing Complexes at a price which would result in the Partnership realizing cash distributions or proceeds from the transaction. Accordingly, the Partnership may be unable to distribute any cash to its Limited Partners. Low Income Housing Tax Credits may be the only benefit from an investment in the Partnership.

The Partnership has invested in a limited number of Local Limited Partnerships. Such limited diversity means that the results of operation of each single Housing Complex will have a greater impact on the Partnership. With limited diversity, poor performance of one Housing Complex could impair the Partnership's ability to satisfy its investment objectives. Each Housing Complex is subject to mortgage indebtedness. If a Local Limited Partnership failed to pay its mortgage, it could lose its Housing Complex in foreclosure. If foreclosure were to occur during the first 15 years (the "Compliance Period"), the loss of any remaining future Low Income Housing Tax Credits, a fractional recapture of prior Low Income Housing Tax Credits, and a loss of the Partnership's investment in the Housing Complex would occur. The Partnership is a limited partner or a non-managing member of each Local Limited Partnership. Accordingly, the Partnership will have very limited rights with respect to management of the Local Limited Partnerships. The Partnership will rely totally on the Local General Partners. Neither the Partnership's investments in Local Limited Partnerships, nor the Local Limited Partnerships' investments in Housing Complexes, are readily marketable. To the extent the Housing Complexes receive government financing or operating subsidies, they may be subject to one or more of the following risks: difficulties in obtaining tenants for the Housing Complexes; difficulties in obtaining rent increases; limitations on cash distributions; limitations on sales or refinancing of Housing Complexes; limitations on transfers of interests in Local Limited Partnerships; limitations on removal of Local General Partners; limitations on subsidy programs; and possible changes in applicable regulations. Uninsured casualties could result in loss of property and Low Income Housing Tax Credits and recapture of Low Income Housing Tax Credits previously taken. The value of real estate is subject to risks from fluctuating economic conditions, including employment rates, inflation, tax, environmental, land use and zoning policies, supply and demand of similar Housing Complexes, and neighborhood conditions, among others.

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

NOTES TO CONDENSED FINANCIAL STATEMENTS - CONTINUED

For the Quarterly Period Ended December 31, 2016
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The ability of Limited Partners to claim tax losses from the Partnership is limited. The IRS may audit the Partnership or a Local Limited Partnership and challenge the tax treatment of tax items. The amount of Low Income Housing Tax Credits and tax losses allocable to Limited Partners could be reduced if the IRS were successful in such a challenge. The alternative minimum tax could reduce tax benefits from an investment in the Partnership. Changes in tax laws could also impact the tax benefits from an investment in the Partnership and/or the value of the Housing Complexes.

The Partnership currently has insufficient working capital to fund its operations. Associates has agreed to continue providing advances sufficient enough to fund the operations and working capital requirements of the Partnership through February 28, 2018.

Anticipated future and existing cash resources of the Partnership are not sufficient to pay existing liabilities of the Partnership. A significant portion of the existing liabilities are the payables to Local Limited Partnerships and those payables are the first priority to be paid. If the Partnership does not have enough cash to pay those liabilities the General Partner or an affiliate will fund the necessary cash to pay the liabilities. The remaining portion of the payables is due to the General Partner or an affiliate. Though the amounts payable to the General Partner and/or its affiliates are contractually currently payable, the Partnership anticipates that the General Partner and/or its affiliates will not require the payment of these contractual obligations until capital reserves are in excess of the aggregate of then existing contractual obligations and then anticipated future foreseeable obligations of the Partnership. The Partnership would be adversely affected should the General Partner and/or its affiliates demand current payment of the existing contractual obligations and or suspend services for this or any other reason.

No trading market for the Partnership Units exists or is expected to develop. Limited Partners may be unable to sell their Partnership Units except at a discount and should consider their Partnership Units to be a long-term investment. Individual Limited Partners will have no recourse if they disagree with actions authorized by a vote of the majority of Limited Partners.

Exit Strategy

The Compliance Period for a Housing Complex is generally 15 years following construction or rehabilitation completion. Associates was one of the first in the industry to offer syndicated investments in Low Income Housing Tax Credits. The initial programs have completed their Compliance Periods.

Upon the sale of a Local Limited Partnership interest or Housing Complex after the end of the Compliance Period, there would be no recapture of Low Income Housing Tax Credits. A sale prior to the end of the Compliance Period could result in recapture if certain conditions are not met. None of the Housing Complexes has completed its 15-year Compliance Period.

With that in mind, the General Partner is continuing its review of the Housing Complexes. The review considers many factors, including extended use requirements (such as those due to mortgage restrictions or state compliance agreements), the condition of the Housing Complexes, and the tax consequences to the Limited Partners from the sale of the Housing Complexes.

Upon identifying those Housing Complexes with the highest potential for a successful sale, refinancing or re-syndication, the Partnership expects to proceed with efforts to liquidate them. The objective is to maximize the Limited Partners' return wherever possible and, ultimately, to wind down the Partnership as Low Income Housing Tax Credits are no longer available. Local Limited Partnership interests may be disposed of any time by the General Partner in its discretion. While liquidation of the Housing Complexes continues to be evaluated, the dissolution of the Partnership was not imminent as of December 31, 2016.

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

NOTES TO CONDENSED FINANCIAL STATEMENTS - CONTINUED

For the Quarterly Period Ended December 31, 2016
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

During the year ended March 31, 2011, the Partnership sold two Local Limited Partnerships, Fernwood Meadows, L.P. ("Fernwood") and Sierra's Run, L.P. ("Sierra's Run") for disposition in order to generate sufficient equity to complete the purchase of additional low income housing tax credits for Davenport Housing VII, L.P. ("Davenport", see Note 2 to the audited financial statements).

Fernwood and Sierra's Run will complete their Compliance Periods in 2022; therefore there is a risk of tax credit recapture. The maximum exposure of recapture (excluding the interest and penalties related to the recapture) is \$177,508 and \$170,246, respectively, for Fernwood and Sierra's Run, which equates to \$16.57 per Partnership Unit in the aggregate. Under the circumstances, the General Partner believes there is a reasonable expectation that each Local Limited Partnership will continue to be operated as qualified low income housing for the balance of its Compliance Period, and, accordingly, does not anticipate that there will be any recapture.

As of March 31, 2016, the underlying Housing complexes of Pleasant Village Limited Partnership ("Pleasant Village") and Grove Village Limited Partnership ("Grove Village") were sold resulting in the termination of the Partnership's Local Limited Partnership interest. The Partnership also gifted its Local Limited Partnership interest in 909 4th YMCA Limited Partnership to an unrelated nonprofit corporation. There was no risk of tax credit recapture to the investors for all three of the dispositions.

The proceeds from the disposition of any of the Housing Complexes will be used first to pay debts and other obligations per the respective Local Limited Partnership Agreement. Any remaining proceeds will then be paid to the partners of the Local Limited Partnership, including the Partnership, in accordance with the terms of the particular Local Limited Partnership Agreement. The sale of a Housing Complex may be subject to other restrictions and obligations. Accordingly, there can be no assurance that a Local Limited Partnership will be able to sell its Housing Complex. Even if it does so, there can be no assurance that any significant amounts of cash will be distributed to the Partnership, as the proceeds first would be used to pay Partnership obligations and funding of reserves.

Method of Accounting for Investments in Local Limited Partnerships

The Partnership accounts for its investments in Local Limited Partnerships using the equity method of accounting, whereby the Partnership adjusts its investment balance for its share of the Local Limited Partnerships' results of operations and for any contributions made and distributions received. The Partnership reviews the carrying amount of an individual investment in a Local Limited Partnership for possible impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such investment may not be recoverable. Recoverability of such investment is measured by the estimated value derived by management, generally consisting of the sum of the remaining future Low Income Housing Tax Credits estimated to be allocable to the Partnership and the estimated residual value to the Partnership. If an investment is considered to be impaired, the Partnership reduces the carrying value of its investment in any such Local Limited Partnership. The accounting policies of the Local Limited Partnerships, generally, are expected to be consistent with those of the Partnership. Costs incurred by the Partnership in acquiring the investments are capitalized as part of the investment account and were being amortized over 27.5 years (see Notes 2 and 3).

"Equity in losses of Local Limited Partnerships" for the periods ended December 31, 2016 and 2015 has been recorded by the Partnership. Management's estimate for the nine-month periods is based on either actual unaudited results reported by the Local Limited Partnerships or historical trends in the operations of the Local Limited Partnerships. Equity in losses of Local Limited Partnerships allocated to the Partnership is not recognized to the extent that the investment balance would be adjusted below zero. If the Local Limited Partnerships report net income in future years, the Partnership will resume applying the equity method only after its share of such net income equals the share of net losses not recognized during the period(s) the equity method was suspended.

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

NOTES TO CONDENSED FINANCIAL STATEMENTS - CONTINUED

For the Quarterly Period Ended December 31, 2016
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

In accordance with the accounting guidance for the consolidation of variable interest entities, the Partnership determines when it should include the assets, liabilities, and activities of a variable interest entity (VIE) in its financial statements, and when it should disclose information about its relationship with a VIE. The analysis that must be performed to determine which entity should consolidate a VIE focuses on control and economic factors. A VIE is a legal structure used to conduct activities or hold assets, which must be consolidated by a company if it is the primary beneficiary because it has (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb losses or receive benefits that could potentially be significant to the VIE. If multiple unrelated parties share such power, as defined, no party will be required to consolidate the VIE. Further, the guidance requires continual reconsideration of the primary beneficiary of a VIE.

Based on this guidance, the Local Limited Partnerships in which the Partnership invests meet the definition of a VIE because the owners of the equity at risk in these entities do not have the power to direct their operations. However, management does not consolidate the Partnership's interests in these VIEs, as it is not considered to be the primary beneficiary since it does not have the power to direct the activities that are considered most significant to the economic performance of these entities. The Partnership currently records the amount of its investment in these Local Limited Partnerships as an asset on its balance sheets, recognizes its share of partnership income or losses in the statements of operations, and discloses how it accounts for material types of these investments in its financial statements. The Partnership's balance in investment in Local Limited Partnerships, plus the risk of recapture of tax credits previously recognized on these investments, represents its maximum exposure to loss. The Partnership's exposure to loss on these Local Limited Partnerships is mitigated by the condition and financial performance of the underlying Housing Complexes as well as the strength of the Local General Partners and their guarantee against credit recapture to the investors in the Partnership.

Distributions received by the Partnership are accounted for as a reduction of the investment balance. Distributions received after the investment has reached zero are recognized as income. As of December 31, 2016 and March 31, 2016, one of the remaining investment balances had reached zero.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenses during the reporting period. Actual results could materially differ from those estimates.

Cash and Cash Equivalents

The Partnership considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. As of December 31, 2016 and March 31, 2016, the Partnership had \$299,071 and \$315,082 in cash equivalents, respectively.

Reporting Comprehensive Income

The Partnership had no items of other comprehensive income for all periods presented.

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

NOTES TO CONDENSED FINANCIAL STATEMENTS - CONTINUED

For the Quarterly Period Ended December 31, 2016
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes

The Partnership has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. Income tax returns filed by the Partnership are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2013 remain open.

Net Income (Loss) Per Partnership Unit

Net income (loss) per Partnership Unit includes no dilution and is computed by dividing income (loss) available to Limited Partners by the weighted average number of Partnership Units outstanding during the period. Calculation of diluted net income (loss) per Partnership Unit is not required.

Revenue Recognition

The Partnership is entitled to receive reporting fees from the Local Limited Partnerships. The intent of the reporting fees is to offset (in part) administrative costs incurred by the Partnership in corresponding with the Local Limited Partnerships. Due to the uncertainty of the collection of these fees, the Partnership recognizes reporting fees as collections are made.

Amortization

Acquisition fees and costs were being amortized over 27.5 years using the straight-line method. Amortization expense for the nine months ended December 31, 2016 and 2015 was \$463 and \$2,165, respectively.

Impairment

The Partnership reviews its investments in Local Limited Partnership for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value of such investments may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the investment to the sum of the total amount of the remaining Low Income Housing Tax Credits allocated to the Partnership and any estimated residual value of the investment. For the nine months ended December 31, 2016 and 2015, impairment loss related to investments in Local Limited Partnerships was \$668,766 and \$991,757, respectively.

The Partnership also evaluates its intangibles for impairment in connection with its investments in Local Limited Partnerships. Impairment on the intangibles is measured by comparing the Partnership's total investment balance after impairment of investments in Local Limited Partnerships to the sum of the total of the remaining Low Income Housing Tax Credits allocated to the Partnership and any estimated residual value of the investments. During the nine months ended December 31, 2016 and 2015, an impairment loss of \$34,206 and \$60,703, respectively, was recorded against related intangibles.

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

NOTES TO CONDENSED FINANCIAL STATEMENTS - CONTINUED

For the Quarterly Period Ended December 31, 2016
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Impact of Recent Accounting Pronouncements

In January 2014, the FASB issued an amendment to the accounting and disclosure requirements for investments in qualified affordable housing projects. The amendments provide guidance on accounting for investments by a reporting entity in flow-through limited liability entities that manage or invest in affordable housing projects that qualify for the low-income housing tax credit. The amendments permit reporting entities to make an accounting policy election to account for their investments in qualified affordable housing projects using the proportional amortization method if certain conditions are met. Under the proportional amortization method, an entity amortizes the initial cost of the investment in proportion to the tax credits and other tax benefits received, and recognize the net investment performance in the income statement as a component of income tax expense (benefit). The amendments are effective for interim and annual periods beginning after December 15, 2014 and should be applied retrospectively to all periods presented. Early adoption was permitted. The adoption of this update did not materially affect the Partnership's financial statements.

In February 2015, the FASB issued ASU No. 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis". This will improve certain areas of consolidation guidance for reporting organizations that are required to evaluate whether to consolidate certain legal entities such as limited partnerships, limited liability corporations and securitization structures. ASU 2015-02 simplifies and improves GAAP by: eliminating the presumption that a general partner should consolidate a limited partnership, eliminating the indefinite deferral of FASB Statement No. 167, thereby reducing the number of Variable Interest Entity (VIE) consolidation models from four to two (including the limited partnership consolidation model) and clarifying when fees paid to a decision maker should be a factor to include in the consolidation of VIEs. ASU 2015-02 is effective for periods beginning after December 15, 2015. The adoption of this update did not materially affect the Partnership's financial statements.

WNC HOUSING TAX CREDIT FUND VI, L.P., SERIES 13
(A California Limited Partnership)

NOTES TO CONDENSED FINANCIAL STATEMENTS - CONTINUED

For the Quarterly Period Ended December 31, 2016
(Unaudited)

NOTE 2 - INVESTMENTS IN LOCAL LIMITED PARTNERSHIPS

As of December 31, 2016 and March 31, 2016, the Partnership owns Local Limited Partnership interests in 5 Local Limited Partnerships, each of which owns one Housing Complex consisting of an aggregate of 146 apartment units. The respective Local General Partners of the Local Limited Partnerships manage the day to day operations of the entities. Significant Local Limited Partnership business decisions require approval from the Partnership. The Partnership, as a limited partner, is generally entitled to 99.98%, as specified in the Local Limited Partnership Agreements, of the operating profits and losses, taxable income and losses, and Low Income Housing Tax Credits of the Local Limited Partnerships.

The following is a summary of the equity method activity of the investments in Local Limited Partnerships for the periods presented below:

	For the Nine Months Ended December 31, 2016	For the Year Ended March 31, 2016
Investments per balance sheet, beginning of period	\$ 3,235,861	\$ 4,648,056
Equity in losses of Local Limited Partnerships	(209,360)	(279,147)
Impairment loss	(702,972)	(1,052,460)
Tax credit adjustment	-	(77,961)
Amortization of acquisition fees and costs	(463)	(2,627)
Investments per balance sheet, end of period	\$ 2,323,066	\$ 3,235,861
	For the Nine Months Ended December 31, 2016	For the Year Ended March 31, 2016
Investments in Local Limited Partnerships, net	\$ 2,323,066	\$ 3,201,192
Acquisition fees and costs, net of accumulated amortization of \$0 and \$1,386	-	34,669
Investments per balance sheet, end of period	\$ 2,323,066	\$ 3,235,861

NOTE 2 - INVESTMENTS IN LOCAL LIMITED PARTNERSHIPS, continued

Selected financial information for the six months ended December 31, 2016 and 2015 from the unaudited combined condensed financial statements of the Local Limited Partnerships in which the Partnership has invested is as follows:

	<u>2016</u>	<u>2015</u>
Revenues	\$ <u>809,000</u>	\$ <u>2,040,000</u>
Expenses:		
Interest expense	210,000	690,000
Depreciation and amortization	320,000	405,000
Operating expenses	<u>516,000</u>	<u>1,703,000</u>
Total expenses	<u>1,046,000</u>	<u>2,798,000</u>
Net loss	\$ <u>(237,000)</u>	\$ <u>(758,000)</u>
Net loss allocable to the Partnership	\$ <u>(236,000)</u>	\$ <u>(757,000)</u>
Net loss recorded by the Partnership	\$ <u>(209,000)</u>	\$ <u>(11,000)</u>

Certain Local Limited Partnerships have incurred significant operating losses and/or have working capital deficiencies. In the event these Local Limited Partnerships continue to incur significant operating losses, additional capital contributions by the Partnership may be required to sustain operations of such Local Limited Partnerships. If additional capital contributions are not made when they are required, the Partnership's investments in certain of such Local Limited Partnerships could be impaired, and the loss and recapture of the related Low Income Housing Tax Credits could occur.

Troubled Housing Complexes

Davenport started construction in October 2006 and was scheduled to be completed in June 2008. Construction was delayed due to the original Local General Partner defaulting on his construction guarantee, and resulting in disputed mechanic liens on the property. In November 2008, a co-Local General Partner, Shelter Resource Corporation, was admitted into the Partnership, due to restrictions implemented by the Iowa Finance Authority ("IFA"). Subsequently, with IFA's approval, the defaulting original Local General Partner was removed from the Partnership leaving Shelter Resource Corporation as the sole Local General Partner.

As of March 31, 2010, the property was 100% completed and a certificate of occupancy was granted for both buildings in December 2009. The Partnership engaged all sub-contractors to sign new construction contracts, along with lien releases for any and all work done after their engagement. During the year ended March 31, 2011, the Partnership voluntarily advanced \$846,175 to Davenport for construction related costs. There were no additional advances made to Davenport due to the additional investment made, as discussed below.

The project was fully completed as of March 31, 2010 and it achieved stabilized operations by June 2010. In June 2010 the property achieved 85% occupancy and has maintained occupancy of 80% to 100% to the date of this filing. Davenport has been awarded state historical tax credits from the State of Iowa, federal historical credits and federal Low Income Housing Tax Credits. The State historical credits are given in the form of a refund check from the State in conjunction with the State tax return filing. The net amount of the check after applicable federal taxes will be

NOTE 2 - INVESTMENTS IN LOCAL LIMITED PARTNERSHIPS, continued

contributed back to the property to help fund construction shortfalls. Davenport was also allocated additional federal Low

Income Housing Tax Credits as well as federal historical tax credits. Upon the Limited Partners' approval of the dispositions of Sierra Run's and Fernwood, the Partnership made the additional investment in Davenport. See the exit strategy in Note 1 regarding the dispositions of Sierra's Run and Fernwood. On July 1, 2010, the Partnership committed additional capital to Davenport in the amount of \$2,490,651. This additional commitment generated \$408,710 of federal historic credits and \$3,582,550 of additional federal Low Income Housing Tax Credits which were allocated to the partners of the Partnership.

As of December 31, 2016, the property is on the watch list due to a low year-to-date DCR, low physical and economic occupancy, and low replacement reserves. Operating expenses were reduced to \$4,846 per unit during the same period and breakeven would be achieved at 96% occupancy. This is a small, 20 unit property and three vacant units have a material impact on rental revenue. Turnover has not historically been an issue at this senior property and move-outs are typically due to declining health of the resident. Rent concessions are not required to lease the vacant units. The Local General Partner's operating deficit guarantee expired in 2013. The operating cash account, and increases in the accounts payable account have addressed the operating deficit. Due to negative cash flow for the year, the replacement reserve was not fully funded as required. WNC is in discussions to possibly replace the Local General Partner of Davenport Housing VII, L.P.

Grove Village Limited Partnership and Pleasant Village Limited Partnership were disposed of during prior periods. These Local Limited partnerships were under IRS audit related to the LIHTCs and the Partnership filed a lawsuit against the Local General Partner. During the nine months ended December 31, 2015, the Partnership settled the disputed and received \$1,300,000 of settlement proceeds which were included in other income. The Partnership also received a final escrow release from the sale of Grove village Limited Partnership during the nine months ended December 31, 2015 totaling \$103,251 which was also included in other income.

NOTE 3 - RELATED PARTY TRANSACTIONS

Under the terms of the Partnership Agreement, the Partnership has paid or is obligated to the General Partner or its affiliates for the following fees:

- (a) Acquisition fees of up to 7% of the gross proceeds from the sale of Partnership Units as compensation for services rendered in connection with the acquisition of Local Limited Partnerships. At the end of all periods presented, the Partnership incurred acquisition fees of \$1,468,670. Impairment on the intangibles is measured by comparing the Partnership's total investment balance after impairment of investments in Local Limited Partnerships to the sum of the total of the remaining Low Income Housing Tax Credits allocated to the Partnership. If an impairment loss related to the acquisition fees is recorded, the accumulated amortization is reduced to zero at that time. As of all periods presented, the acquisition fees were fully amortized or impaired.
- (b) A non-accountable acquisition costs of 2% of the gross proceeds from the sale of Partnership Units as an expense reimbursement in connection with the acquisition of Local Limited Partnerships. As of the end of all periods presented, the Partnership incurred acquisition costs of \$419,620, which have been included in investments in Local Limited Partnerships. Accumulated amortization of these capitalized costs was \$0 and \$1,386 as of December 31, 2016 and March 31, 2016, respectively. Impairment on the intangibles is measured by comparing the Partnership's total investment balance after impairment of investments in Local Limited Partnerships to the sum of the total of the remaining Low Income Housing Tax Credits allocated to the Partnership. If an impairment loss related to the acquisition costs is recorded, the accumulated amortization is reduced to zero at that time. As of December 31, 2016, the acquisition costs were fully amortized or impaired.

NOTE 3 - RELATED PARTY TRANSACTIONS, continued

- (c) An annual asset management fee accrues in an amount equal to 0.5% of the Invested Assets of the Partnership. "Invested Assets" is defined as the sum of the Partnership's Investment in Local Limited Partnerships, plus the reserves of the Partnership of up to 5% of gross Partnership Unit sales proceeds, and the Partnership's allocable share of the amount of the mortgage loans and other debts related to the Housing Complexes owned by such Local Limited Partnerships. Asset management fees of \$51,348 and \$87,321 were incurred during the nine months ended

December 31, 2016 and 2015, respectively. No payments were made during either of the nine months ended December 31, 2016 and 2015.

- (d) The Partnership reimburses the General Partner or its affiliates for operating expenses incurred by the Partnership and paid for by the General Partner or its affiliates on behalf of the Partnership. Operating expense reimbursements paid were \$20,845 and \$552,713 during the nine months ended December 31, 2016 and 2015, respectively.
- (e) A subordinated disposition fee will be paid in an amount equal to 1% of the sales price of real estate sold. Payment of this fee is subordinated to the Limited Partners receiving a return on investment (as defined in the Partnership Agreement) and is payable only if the General Partner or its affiliates render services in the sales effort. No disposition fees have been incurred for all periods presented.
- (f) WNC Holding, LLC (“Holding”), a wholly owned subsidiary of Associates, acquires investments in Local Limited Partnerships using funds from a secured warehouse line of credit. Such investments are warehoused by Holding until transferred to syndicated partnerships as investors are identified. The transfer of the warehoused investments is typically achieved through the admittance of the syndicated partnership as the Limited Partner of the Local Limited Partnership and the removal of Holding as the Limited Partner. Consideration paid to Holding for the transfer of its interest in the Local Limited Partnership generally consists of cash reimbursement of capital contribution installment(s) paid to the Local Limited Partnerships by Holding, assumption of the remaining capital contributions payable due to the Local Limited Partnership and financing costs and interest incurred by Holding. As of all periods presented, the Partnership incurred financing costs of \$772 and interest of \$267 which are included in investments in Local Limited Partnerships. If an impairment loss related to the financing costs and interest is recorded, the accumulated amortization is reduced to zero at that time. As of December 31, 2016, the financing costs and interest were fully amortized or impaired.
- (g) Payables to the General Partner or affiliates include \$0 and \$139,101 at December 31, 2016 and March 31, 2016, respectively, of advances that had been made to the Partnership by the General Partner or an affiliate to aid the Partnership in providing funding to two Local Limited Partnerships which were experiencing operational issues and \$0 and \$247,264 at December 31, 2016 and March 31, 2016, respectively, of distributions paid to the Limited Partners on behalf of the Partnership.

The accrued fees and expenses due to the General Partner and affiliates consist of the following at:

	<u>December 31, 2016</u>		<u>March 31, 2016</u>
Asset management fee payable	\$ 1,410,489	\$	1,359,141
Reimbursement for expenses paid by the General Partner or affiliates	26,249		128,680
Payable to General Partner or affiliates	<u>-</u>		<u>386,365</u>
Total	<u>\$ 1,436,738</u>	<u>\$</u>	<u>1,874,186</u>

NOTE 3 - RELATED PARTY TRANSACTIONS, continued

The General Partner and/or its affiliates do not anticipate that these accrued fees will be paid until such time as capital reserves are in excess of future foreseeable working capital requirements of the Partnership.

NOTE 4 - PAYABLES TO LOCAL LIMITED PARTNERSHIPS

Payables to Local Limited Partnerships amounting to \$245,113 at December 31, 2016 and March 31, 2016, represent amounts which are due at various times based on conditions specified in the Local Limited Partnership Agreements. These contributions are payable in installments and are generally due upon the Local Limited Partnerships achieving certain operating and development benchmarks (generally within two years of the Partnership’s initial investment). The payables to Local Limited Partnerships are subject to adjustment in certain circumstances.

NOTE 5 – DUE FROM AFFILIATES, NET

The Partnership is not obligated to fund advances to the Local Limited Partnerships. Occasionally, when Local Limited Partnerships encounter operational issues the Partnership may decide to advance funds to assist the Local Limited Partnership with its operational issues.

As of December 31, 2016 and March 31, 2016, the Partnership advanced \$763,336 to Davenport Housing VII, L.P., in which the Partnership is a limited partner. All advances were reserved in full in the year they were advanced.

As of March 31, 2016 the Partnership advanced \$2,880,986 to Pleasant Village in which the Partnership was a limited partner. During the year ended March 31, 2016, total advances of \$224,544 were made and written off due to collectability and \$1,529,133 of receivables and related allowances were written off due to the disposition of Pleasant Village.

NOTE 6 – FORGIVENESS OF DEBT

During the nine months ended December 31, 2016, the Partnership was relieved of debt which was owed to the General Partner or an affiliate totaling \$591,785. The debt was a result of advances that had previously been made to the Partnership by the General Partner or affiliate to aid the Partnership with operational issues. The forgiveness of debt is accounted for as an equity transaction.

WNC Housing Tax Credit Fund VI, L.P., Series 13
C/O WNC & Associates, Inc
17782 Sky Park Circle
Irvine, CA 92614-6404