



HOUSING COMMISSION AGENDA
Regular Meeting: June 9, 2021
Time: 8:00 a.m.

COVID-19 UPDATE: Based on guidance provided by the Centers for Disease Control Prevention, Alameda County Public Health officials and Governor Newsom’s Executive Orders, HACA’s office building is temporarily closed to the public and in-person meetings have been suspended until further notice. **The Housing Commission will conduct this meeting on Zoom and by phone.**

How to attend this meeting using the Zoom Video Conference platform:		
Members of the public may listen, view, and/or participate in this meeting using Zoom. You may have to download the Zoom app, however, using Zoom and downloading the Zoom app is free. You can access the Zoom meeting through one of the following ways:		
Click on this link:	OR	OR
https://us02web.zoom.us/j/88460095724	Use your computer or laptop and go to: https://zoom.us/join	Use your mobile device, e.g. a cell phone, iPad and/or tablet, download the Zoom app to your device. In the app tap on “Join Meeting” then type in/enter Meeting ID: <u>884 6009 5724</u>
	Type in/enter Meeting ID: <u>884 6009 5724</u>	

How to participate in this meeting by phone:
Dial: 1-888-788-0099 then when prompted, enter Meeting ID: <u>884 6009 5724</u>

PUBLIC COMMENT

If you wish to comment on a matter NOT on the agenda please email your comment(s) to melissat@haca.net, no later than **5:00 p.m., on Tuesday, June 8, 2021.** Your comment(s) will be shared during the meeting when the Chairperson calls for Public Comment. If you are attending the meeting on Zoom or by phone please wait for the Chairperson to ask for comments from the public then upon recognition by the Chairperson, state your name, comments and/or questions. To allow the opportunity for all to speak, a time limit of 3 minutes has been set for public speakers wishing to address the Housing Commission. The Chairperson has the discretion to further limit this time if warranted by the number of speakers. Anyone wishing to address the Housing Commission on an agenda item or on business introduced by the Housing Commission may do so when the Chairperson calls for comments on the agenda item. **NOTE: Only matters within the Housing Commission’s jurisdiction may be addressed.** Thank you for your understanding and flexibility during the COVID-19 public health emergency. If you have any questions, please email melissat@haca.net or call (510)727-8511.

(CONTINUED ON NEXT PAGE)



Housing Authority of the
County of Alameda

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HOUSING COMMISSION AGENDA
Regular Meeting: June 9, 2021
Time: 8:00 a.m.

1. CALL TO ORDER / ROLL CALL		
2. APPROVAL OF THE MINUTES OF THE MAY 12, 2021 MEETING	ACTION	PAGE 3
3. PUBLIC COMMENT - On matters not on the Agenda		
4. EXECUTIVE DIRECTOR'S REPORT	INFORMATION	9
5. NEW BUSINESS		
5-1. Budget Status Report	INFORMATION	11
5-2. Accept the Audit for the July 1, 2019 – June 30, 2020 Fiscal Year	ACTION	13
5-3. Resolution No. 08-21 Approving the Operating Budget for the July 1, 2021 – June 30, 2022, Fiscal Year	ACTION	18
5-4. Resolution No. 09-21 Approving Contribution to the Alameda County Employees' Retirement Association for the July 1, 2021 – June 30, 2022, Fiscal Year	ACTION	29
5-5. Appoint a Nominating Committee	ACTION	32
5-6. Program Activity Report	INFORMATION	33
6. COMMISSIONER REPORTS		
7. ADJOURNMENT		

MINUTES
May 12, 2021



**HOUSING COMMISSION
SUMMARY ACTION MINUTES
Regular Meeting: May 12, 2021
Meeting Time: 8:00 a.m.**

Based on guidance provided by the Centers for Disease Control Prevention, Governor Newsom’s Executive Orders and Alameda County Public Health officials, HACA’s office building is temporarily closed to the public and in-person meetings have been suspended until further notice. This Housing Commission meeting was conducted on the Zoom video conference platform and by phone.

1. CALL TO ORDER / ROLL CALL

CALL TO ORDER:

Chairperson Hannon called the meeting to order at 8:01 a.m.

ROLL CALL:

Present:

Chairperson Michael Hannon	Commissioner Shawn Kumagai
Vice Chairperson Christian Patz	Commissioner Sara Lamnin
Commissioner Pete Ballew	Commissioner Peggy McQuaid
Commissioner Pat Gacoscos	Commissioner Yang Shao
Commissioner Mark Gerry	

Entered after Roll Call:

Commissioner Angela Finley

2. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

*Pursuant to Government Code §54956.9 (One Case)
Philadelphia Indemnity Insurance Company vs. Housing Authority of the
County of Alameda, A157691
San Francisco County Superior Court No. CGD-16-555946*

The Housing Commission went into a Closed Session at 8:02 a.m. and returned to open session at 8:07 a.m. Chairperson Hannon reported that no reportable actions were taken during the closed session.

3. ACTION: APPROVE THE MINUTES OF THE MARCH 10, 2021, HOUSING COMMISSION MEETING

Recommendation: Approve the minutes of the March 10, 2021 meeting with an amendment to note that Cmr. McQuaid was not present for the vote on Agenda Items No. 6-3. and 6.5.

Motion/Second: McQuaid/Gacoscos.

Upon a roll call of the votes being taken the votes were:

Cmr. Ballew, Finley, Gacoscos, Gerry, Hannon, Kumagai, Lamnin, McQuaid, Patz and Shao.

Not present for the vote:

Cmr. Finley

Motion passed. **APPROVED AS RECOMMENDED.**

4. PUBLIC COMMENT: *On items not on the agenda.*

None.

5. INFORMATION: EXECUTIVE DIRECTOR'S REPORT

Kurt Wiest, Executive Director, presented his report. Mr. Wiest announced that he had been away from the office on vacation and extended his time-off due to the passing of his father. He updated the Commission on HACA's operations related to the COVID-19 pandemic. Mr. Wiest's update included a final report on the Nidus and Dyer vaccination clinics, details on how information regarding the Emergency Rental Assistance Program (ERAP) was provided to the Preserving Alameda County Housing, Inc. (PACH) tenants, and shared some new information pertaining to the American Rescue Plan Act (ARPA) which has resulted in the award of 252 Housing Choice Vouchers to HACA under HUD's new Emergency Housing Voucher (EHV) program. Lastly, Mr. Wiest reported that HACA employees who are currently working remotely have been notified to return to office and to resume working in the office by July 6. He indicated that although staff is returning to the workplace there is no definitive date yet for when HACA will open the office building to the general public.

Commission Discussion: Cmr. Kumagai, Cmr. Ballew, Cmr. Lamnin, Chairperson Hannon and Cmr. McQuaid expressed their condolences on the passing of Mr. Wiest's father. Cmr. Kumagai asked if a tenant's delinquent rent is erased under the ERAP. Mr. Wiest indicated that it would depend on the parameters of the program. Cmr. Ballew commented that the cities are interested in learning how the housing authorities and other agencies are administering their ERAP programs so that the cities can replicate the best practices. Cmr. Lamnin, Mr. Wiest and Jennifer Cado, Senior Administrative

Analyst, discussed the EHV program. Cmr. Lamnin commented that it is important that the emergency vouchers are being distributed fairly and spread across all the cities in the county.

6. NEW BUSINESS

6-1. RESOLUTION NO. 06-21: RECOGNIZING SIMON RHEE FOR HIS PARTNERSHIP AND COLLABORATION IN HACA'S PROGRAM INTEGRITY EFFORTS

Kurt Wiest presented the staff report. Mr. Wiest described the Memorandum of Understanding (MOU) between HACA and the Alameda County District Attorney's Office which provides for a sworn peace officer to assist with investigations into housing program violations and fraud. Mr. Wiest reported that Simon Rhee has been working with HACA since 2017 and recently received a new assignment. He expressed appreciation to Mr. Rhee for work and time with HACA. Mr. Wiest recommended that the Housing Commission adopt a resolution to recognize Mr. Rhee for his service.

Recommendation: Adopt Resolution No. 06-21 recognizing Simon Rhee for his work with HACA.

Commission Discussion: Mr. Wiest introduced Darrell Kelley as HACA's new Program Integrity Officer. Mr. Kelley spoke briefly about his background and commented that he is looking forward to working HACA staff. Chairperson Hannon thanked Mr. Rhee for his time and service with HACA and welcomed Mr. Kelley. Mr. Rhee thanked HACA for the recognition and for the support from HACA's staff. He commented that he will miss working with everyone at HACA.

Motion/Second: Yang/McQuaid.

Upon a roll call of the votes being taken the votes were:

Cmrs. Ballew, Finley, Gacoscos, Gerry, Hannon, Kumagai, Lamnin, McQuaid, Patz and Shao.

Motion passed. **APPROVED AS RECOMMENDED.**

6-2. RESOLUTION NO. 07-21: RECOGNIZING HALLER'S PHARMACY FOR THEIR EFFORTS IN ENABLING ACCESSIBILITY TO THE COVID-19 VACCINE FOR HACA'S ELDERLY POPULATION

Kurt Wiest presented the staff report. Mr. Wiest expressed his appreciation to Haller's Pharmacy, a local pharmacy in Fremont, California, for working with HACA on providing two vaccination clinics on-site at the elderly housing developments located at Nidus Court and Dyer Street in Union City. Mr. Wiest reported that the staff at Haller's worked with HACA staff on coordinating patient registrations, working out the

logistical details for the clinics and on the day of the actual clinics, dispensed the vaccines efficiently and with care and compassion to the seniors, their caregivers and to HACA staff. He recommended that the Housing Commission adopt Resolution No. 07-21 in recognition of Haller's Pharmacy.

Recommendation: Adopt Resolution No. 07-21 in recognition of and appreciation for Haller's Pharmacy.

Motion/Second: Gacoscos/Shao.

Commission Discussion: Cmr. Gacoscos thanked HACA staff and the staff at Haller's for hosting this clinic and making the vaccine easily accessible to the seniors.

Upon a roll call of the votes being taken the votes were:

Cmrs. Ballew, Finley, Gacoscos, Gerry, Hannon, Kumagai, Lamnin, McQuaid, Patz and Shao.

Motion passed. **APPROVED AS RECOMMENDED.**

6-3. INFORMATION: PROGRAM ACTIVITY REPORT

Mr. Wiest presented the staff report. Report received with no questions or comments from the Commission.

7. COMMISSIONER REPORTS

Vice Chairperson Patz announced that he has accepted a new job in Shasta County and will be leaving the Housing Commission.

Cmr. Lamnin talked about a resolution recently adopted by the City of Hayward calling for a transparent, inclusive, and equitable 2021 redistricting process in Alameda County.

8. ADJOURNMENT

There being no further business to discuss Chairperson Hannon adjourned the meeting at 9:23 a.m.

Respectfully submitted,

Melissa Taesali
Executive Assistant/Housing Commission Clerk

Kurt Wiest
Executive Director/Housing Commission Secretary

Approved: _____
Michael Hannon, Housing Commission Chairperson

EXECUTIVE DIRECTOR'S REPORT
June 9, 2021

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

EXECUTIVE DIRECTOR'S REPORT

Meeting Date: June 9, 2021

1. **Acceptance of HUD Emergency Housing Vouchers:** On May 12 we were notified of an award of 252 special federal housing vouchers funded through the American Rescue Plan Act. We have formally accepted HUD's award and have begun the fast-track process of utilizing this important new resource. Oscar Macias, HACA's Administrative Analyst, is working with our neighboring housing authorities to design a coordinated approach of program implementation. We are also in communication with local Continuum of Care organizations and Coordinated Entry entities to formalize partnerships to allocate the vouchers. Lease-up will begin on July 1st and continue as quickly as possible until the vouchers have all been issued.
2. **Conclusion of COVID-19 Short-Term Telecommuting Program:** Significant progress continues to be made to halt the widespread transmission of the COVID-19 virus. A variety of effective vaccines have made it possible for individuals 12 and above to be immunized. It is now estimated that over half of all adults in California have received a vaccine. As a result of this progress, I made the decision to end the Short-Term Telecommuting Program that has been in place since late March of 2020. Between now and July 6 those participating in this temporary program will be returning to work in the office.

We continue to take measures to ensure our work environment is safe for all, whether vaccinated or not, by requiring the wearing of face masks, maintaining social distance, and following other public health protocols. This month we will be installing cubicle height extenders in open areas of the office. We have not yet established a date for reopening for the general public but will continue to monitor progress on the pandemic and look for models in place for other public entities.

3. **Upcoming Management Recruitments:** Very soon we will begin the recruitment process for three management positions. Andre Velarde (Accountant), Beverly Brewer (Procurement Manager) and George Smith (Facilities Manager) are leaving or have already left HACA due to retirement or other voluntary reasons. We will miss them and desire to fill these important positions in the organization.

NEW BUSINESS

June 9, 2021

BUDGET STATUS
REPORT

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
 BUDGET STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE PERIOD ENDED MARCH 31, 2021

	Housing Choice Voucher			Housing Development Fund			PACH		
	Approved Budget FY 2020-2021	Budget 03/31/2021	Actuals 03/31/2021	Approved Budget FY 2020-2021	Budget 03/31/2021	Actuals 03/31/2021	Approved Budget FY 2020- 2021	Budget 03/31/2021	Actuals 03/31/2021
Housing Assistance Payments (HAP)									
Est. HUD PHA grants-HAP	125,754,404	94,315,803	95,477,488						
Less: Est. HAP expenses	125,676,991	94,257,743	94,098,874						
Operating Income									
Rental revenue - tenants	-	-	-	143,000	107,250	107,355	1,475,928	1,106,946	992,060
Other revenue -tenants	-	-	-	-	-	-	106,875	80,156	80,154
HUD PHA grants (Including Covid 19 Admin. Funds)	8,722,368	6,541,776	7,415,746	-	-	-	3,990,584	2,992,938	2,815,543
Other revenue	327,518	245,639	253,464	42,500	31,875	5,000	3,500	2,625	23,485
Other revenue - property management fees	-	-	-	1,758,840	1,319,130	1,319,130	-	-	-
Investment income	-	-	-	50,000	37,500	16,994	115,060	86,295	24,673
Total	9,049,886	6,787,415	7,669,210	1,994,340	1,495,755	1,448,479	5,691,947	4,268,960	3,935,915
Operating Expenses									
Administrative salaries	(4,202,521)	(3,232,709)	(2,981,179)	(459,981)	(353,832)	(395,211)	-	-	-
Administrative expenses	(2,048,368)	(1,536,276)	(1,214,020)	(204,465)	(153,349)	(81,034)	(757,461)	(568,096)	(392,453)
Property Management and Administrative Service Fees							(1,670,400)	(1,252,800)	(1,252,800)
Utilities	-	-	-	(47,716)	(35,787)	(32,598)	(227,147)	(170,360)	(171,865)
Covid 19 Expenses	(1,400,000)	(1,050,000)	(88,209)	-	-	-	-	-	-
Maintenance services	-	-	-	(133,553)	(100,165)	(139,569)	(1,144,578)	(858,434)	(930,480)
General expenses	(181,566)	(136,174)	(70,558)	(11,169)	(8,377)	(9,150)	(194,946)	(146,210)	(123,561)
Employee benefits	(2,395,437)	(1,796,578)	(1,458,268)	(317,654)	(238,240)	(256,112)	-	-	-
Total	(10,227,892)	(7,751,737)	(5,812,234)	(1,174,538)	(889,750)	(913,674)	(3,994,532)	(2,995,900)	(2,871,159)
Income (Loss)	(1,178,006)	(964,323)	1,856,976	819,802	606,005	534,805	1,697,415	1,273,060	1,064,756
Cash & Investments as of 12/31/2020			5,123,535			4,211,325			12,459,702

**

Restricted	1,850,475
Unrestricted	10,609,227
Total	12,459,702

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 9, 2021

Subject: Audit for the Fiscal Year Ending June 30, 2020

Exhibits Attached: Attachment A: Audit Report

Recommendation: Accept Report

BACKGROUND

The Housing Authority's (HACA) audit for the fiscal year ending June 30, 2020, was completed by the auditors, Harshwal & Company, LLP, on March 25, 2021.

Harshwal & Company, LLP performed a "single audit," as HACA received over \$750,000 of federal funding during the fiscal year. The audit was designed and conducted in the areas of financial operation, internal control and OMB Circular A-133 compliance.

Included in the audit report is HACA's non-profit component unit, Preserving Alameda County Housing, Inc. (PACH).

DISCUSSION and ANALYSIS

Independent Auditor's Report (pages 1-3)

In the independent auditor's report addressed to the Board of Commissioners, Harshwal & Company, LLP opines that HACA's financial statements at the fiscal year ending June 30, 2020 were stated fairly in all material respects.

Management's Discussion and Analysis (MD&A) (pages 4-11)

The MD&A serves as an introduction to the agency wide financial statements and is an overview of HACA's financial activity. It highlights changes in our financial position as well as identifies significant financial and individual fund issues. It also discusses the current year's results in comparison to the prior year's, with emphasis on the current year.

The *Statement of Net Position* presents information about HACA's financial and capital resources (assets) and its obligations to creditors (liabilities) and is similar to a balance sheet. The *Authority-Wide Statement of Net Position* is shown on Table 1, page 6.

- ❖ Total assets and deferred outflow of resources was \$53.75 million.
- ❖ Total liabilities and deferred inflow of resources was \$19.02 million.
- ❖ Total assets exceeded total liabilities by \$34.73 million (net position) and consist of the following:
 - \$11.42 million are invested in capital assets. This includes land, buildings and improvements, and furniture and equipment net of accumulated depreciation.
 - \$19.48 million are restricted net position and include (1) restricted monies received from the net proceeds of the disposition of the former Arroyo Vista public housing project in Dublin and (2) PACH replacement (capital) reserves of \$3.26 million.
 - \$3.83 million are unrestricted net position and include the Housing Development Fund, Park Terrace (Hayward), Ocean Avenue (Emeryville), and Public Housing and Housing Choice Voucher (HCV) reserves and may be used to meet ongoing obligations.

Total assets and deferred outflow of resources were relatively unchanged.

Total liabilities decreased by approximately \$2.26M, primarily due to net pension and net OPEB liabilities. Net pension liability was \$7.92M and net other post-employment benefits (OPEB) liability was \$.46 M. Please refer to Note 6 on pages 31-38, Note 7 on pages 39-45 and pages 53-56 for more information.

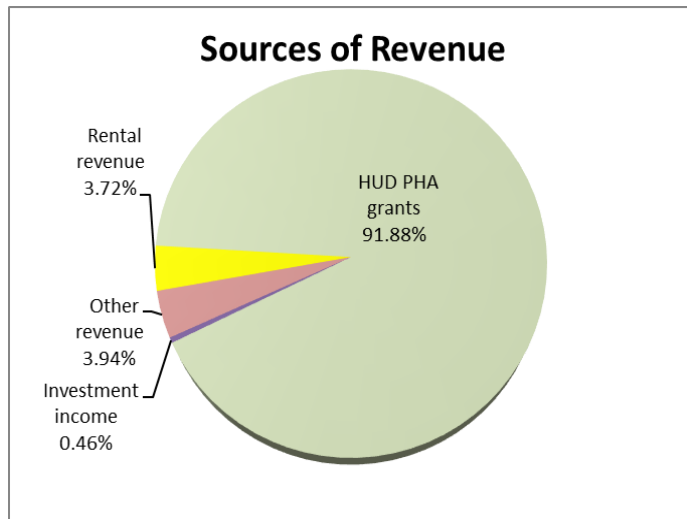
Total net position increased by \$2.27 million-- it was \$34.73 million in 2019 and \$32.46 million in 2019.

The *Statement of Revenues, Expenses and Changes in Net Position* reports HACA's revenues by source and type and its expenses by category to substantiate the change in net position (similar to net income or loss) for the fiscal year.

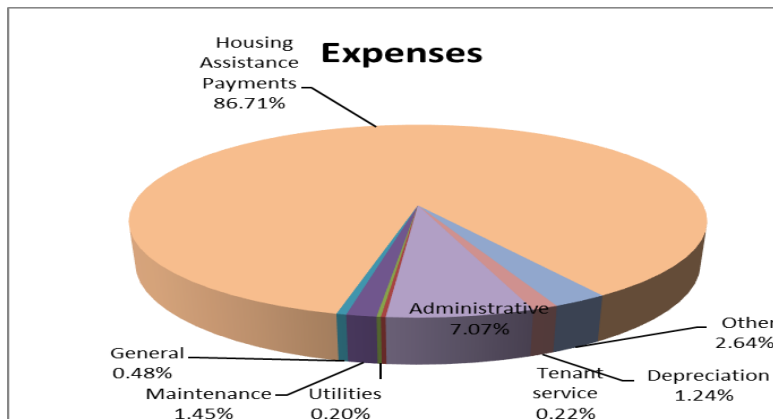
- ❖ Table 2 on page 9 shows total revenue (excluding Housing Assistance Payments-portability in) of \$144.88 million compared to \$140.46 million in 2019, an increase of \$4.42 million.

HACA AGENDA ITEM NO.: 5-2.

- HUD provided the majority of HACA’s total revenue (\$133.12 million or 91.9%) so changes in HUD funding greatly impact operating results. The HCV program received \$130.75 million in funding, which was \$2.38 million more than the previous year’s amount of \$128.37 million. The Mod Rehab program received \$0.20 million.
- Total Revenue was \$144.88 million compared to \$140.45 million in 2019. Rental revenue was relatively flat as compared to the previous year.



- Total expenses were \$142.94 million compared to \$139.89 million in 2019, an increase of \$3.05 million (2%). The largest program expenditure, as reflected in the pie chart below, was for housing assistance payments (HAP).



Audited Financial Statements (pages 14-18 and 58-72)

Harshwal & Company, LLP conducted an audit of the financial statements of each of the programs administered by HACA. Each program is considered a separate accounting entity with its own assets, liabilities, net position, revenues, and expenses.

Page 14 shows the *Statement of Net Position* for all programs. Pages 58-61 show the individual funds that make up the total.

The Low Rent Public Housing program has total net position of \$13.28 M, which includes net restricted position of \$13.23 M and net unrestricted position of \$50,870.

The Housing Choice Voucher program has total net position of -\$5.89 M. The

Housing Development Fund has a total net position balance of \$6.55 M.

Preserving Alameda County Housing, Inc. (PACH), which owns all 230 former public housing units, had total assets of \$18.25 M, total liabilities of \$0.41 M and net position of \$17.84 million. It had total revenues of \$5.3million and expenses of \$3.92 million. See also Note 15 on pages 53 and 54.

Park Terrace had a net position balance of \$1.55 million and Ocean Avenue had \$0.67 million.

Pages 16 and 63 show the *Statement of Revenues, Expenses and Changes in Net Position*. As your Commission will note, the change in net position includes depreciation expense. While depreciation is treated as an expense that reduces the results of operations, it does not have an impact on restricted or unrestricted net position. When the depreciation expense and, in some instances, changes due to acquisitions, dispositions and improvements of capital assets are excluded, the change in net position balances shows the actual operating income or loss for the year.

HACA's Low Rent Public Housing program had a net income of \$328,705.

The Housing Choice Voucher program had a net *income* of \$1.88 million.

The Housing Development Fund had a net *loss* of \$195,452*.

PACH had a net income of \$2.19 million*.

Ocean Avenue had a net operating income of 8,103*.

Park Terrace had a net operating income of \$75,145*.

**Excluding depreciation*

Summary of Auditor's Reports

In the 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 and the Independent Auditor's Report on Compliance for each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133 (pages 74- 75), the following were reported:

- No material weaknesses were identified from the testing and evaluation of HACA's internal control system.
- In testing HACA's compliance with certain provisions and requirements applicable to the programs it administered, the auditors did not identify any instances of noncompliance with program requirements.

Schedule of Findings and Questioned Costs

Section 1 – *Summary of Auditor's Results* (page 80)

Harshwal & Company, LLP issued an unmodified opinion on HACA's financial statements. This means that HACA complied with Generally Accepted Accounting Principles (GAAP) and that our financial statements were presented, in all material aspects, appropriately and fairly. HACA is considered a low-risk auditee based on past experience and overall evaluation of its operations and because a single audit has been conducted in prior years where there were no material weaknesses identified.

Sections II and III (page 81) – There were no financial statement findings or non-compliance issues identified in this and the prior fiscal year.

RECOMMENDATION

Staff recommends that your Commission accept the audited financial statements and reports for all HACA programs for the fiscal year ended June 30, 2020.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 9, 2021

Subject: Operating Budgets for Fiscal Year Ending June 30, 2022

Exhibits Attached: - Resolution No. 08-21
- Statement of Budgeted Revenues, Expenses and Changes in Net Position FYE June 30, 2022; Supporting Schedule of Expenses

Recommendation: Adopt Resolution No. 08-21 Approving Budgets

Financial Statement: See below

BACKGROUND

HACA’s 2021-2022 fiscal year (FY) starts on July 1, 2021 and will end on June 30, 2022. HUD funding, which is provided on a calendar year (CY) basis, is HACA’s primary source of income. This requires staff to estimate HUD funding for January to June 2022, the second half of our fiscal year.

On May 25, 2021, a draft budget was presented to and reviewed in detail by your Commission’s Budget/Audit/Negotiations Committee. The Committee discussed the budget in detail and recommends that your Commission approve the budgets as presented.

DISCUSSION and ANALYSIS

A summary of four program budgets is presented--one each for the Housing Choice Voucher (HCV) Program, the Housing Development Fund, Park Terrace and Ocean Avenue. An agency-wide summary of changes to net positions is provided as well. Key assumptions and facts are shown under each program below, in bulleted form.

Housing Choice Voucher (HCV) Program

For CY 2021, the HCV Program HAP renewal funding is provided at 100% of renewal needs based on prior years HAP expense with an inflation factor of 7.024%. This is the funding used to make rental subsidy payments to landlords on behalf of tenants and cannot be used for administration. In CY 2020, it was at 100% proration with a 3.544% inflation factor.

The Administrative Fee funding for CY 2021 is at approximately 82% of formula fee eligibility, which is approximately the same as CY 2020. The FY 2021-2022 budget presented today assumes the same 82% CY2021 funding levels for HAP and Administrative Fees for the second half of the fiscal year. We will not know the *actual* funding levels until Congress adopts a budget for federal fiscal year 2022 (October 1, 2021 - September 30, 2022). Note that if there is no final budget by October 1, Congress must adopt a continuing resolution until a budget is approved. If no continuing resolution is adopted the federal government shuts down.

HACA's FY 2021-2022 HCV budget projects an operating loss of \$1,593,478. The FY 2020-2021 HCV budget projected a loss of \$1,178,006. To fund the budget deficit, staff proposes a transfer of \$1,593,478 representing the budgeted deficit for FY 2021-2022 from the Housing Development Fund (HDF Local Fund). After the transfer, the HDF Local Fund is projected to have an Unrestricted Net Position (UNP) of \$2,574,182 as of 06/30/2022.

Income

- Currently, HACA's actual Housing Assistance Payment (HAP) per unit cost (PUC) is \$1,754 per month. Staff anticipates that the increases in the PUC experienced in the current fiscal year will continue due to the loss of jobs and income due to the Covid-19 pandemic. Higher rents and requested rent increases will also exert upward pressure on the PUC. The proposed budget assumes an annual average 95% lease-up rate and an average HAP of \$1,771 PUC per month. The 95% lease up rate represents the maximum vouchers that can be supported with the HAP funding that is made available by HUD. By law, HAP funds are restricted to rental subsidy payments only and cannot be used for operating or administrative costs.
- HUD compensates housing authorities for the cost of administering the HCV program through Administrative Fees. Administrative Fees are the main source of funding to cover operating costs and are paid based on the number of units leased as of the first day of each month. Every housing authority's eligibility is pro-rated, if needed, to ensure that fees paid do not exceed the funds appropriated by Congress. For more than a decade, Congress has reduced Administrative Fee funding and many housing authorities, including HACA, have implemented cost cutting measures and used their UNP to balance the budget. Note that if the Administrative Fee formula were funded at 100% HACA would not have an operating deficit.

Due to proration, income from HCV program Administrative Fees is set at the current 82% of formula eligibility for the first six months of the fiscal year (July to December 2021) and staff is assuming the same for the balance of the fiscal year (January to June 2022). This 82% may end up being slightly higher or lower, depending on HUD's final reconciliation, which typically happens at the end of the calendar year.

- Other fees earned include: modest fees to administer the CHOICES/FACT, Moderate Rehabilitation, and Shelter Plus Care programs, and portability fees. The projection for our incoming portability reflects an average of 40 contracts that we will bill to other housing authorities. We earn only 80% of the prorated Administrative Fees for these contracts. The average fee used in the budget is \$81.14 per portability unit per month, which is about \$20 less per unit than what we earn for our own voucher contracts. Staff projects an average of 110 contracts that will move into other housing authorities' jurisdictions (i.e., outgoing portability).
- Other income includes the HUD grant for the FSS Program, investment income and the fraud recovery income which, per HUD regulations, is split 50/50 between HACA and HUD.
- Total overall income decreased by 11%, primarily due to the one-time funding under the CARES Act received in FY2020-2021 which is not expected in FY2021-2022.

Expenses

- Indirect costs associated with more than one program are allocated using the percentage of total program unit method. Indirect salaries are allocated using the percentage of payroll method.
- Total overall expenses decreased by 5%, primarily due to the \$1.4 million CARES Act funding to cover anticipated Covid-19 related expenses in FY 2020-2021 which are no longer anticipated in FY2021-2022.
- Administrative Salaries and benefits increased by 15% due to negotiated wage increases and the addition of 3 funded positions (Eligibility/Housing Specialist Manager (1) and Eligibility Technician/Housing Specialist (2)). These costs were offset by the elimination of \$150,000 in contract costs.
- The budget assumes increases in health care premiums as well as HACA's employer retirement contributions to ACERA. Additional retirement expenses will be incurred depending on ACERA's actuarial study and the employer contribution rate set for HACA by the ACERA Board.

Housing Development Fund, Park Terrace, and Ocean Avenue

- HACA maintains a Housing Development Fund (HDF-Local) for low-income housing development and rehabilitation and management improvements.
- The HDF-Local Fund funds salaries, benefits and other indirect costs not allocated to the HCV program in its budget. These expenses will be charged to non-HCV projects (PACH, Ocean Avenue, Park Terrace) as property management fees.
- HDF-Local Fund also has the net pension liability balance pertaining to employees whose salaries are not directly allocated to the HCV program. While the amount is unknown at this time, additional retirement expenses will be incurred depending on the actuarial study and net pension liability balance at the end of the calendar year 2020.
- The HDF-Local Fund budget projects an income of \$777,006 as compared to \$819,802 FY2020-2021. The projected reserve balance at the beginning of the budget year is \$3.74 million. A transfer of funds from the HDF-Local Fund to the HCV program in an amount not to exceed \$1,493,478 is proposed.
- Park Terrace consists of nine units in the City of Hayward that are non-HUD assisted and rented to low-income families. Park Terrace's budget projects a net income of \$54,847. The projected reserve balance at the beginning of the budget year is \$1.23 million. The scheduled capital expenditure cost for the budget year is approximately \$51,000.
- Ocean Avenue consists of six units in the City of Emeryville that were developed using a variety of funding sources, including HUD's HOME program. There are no rental subsidies unless a Section 8 voucher holder chooses to move in. All units are rented to low-income families at rents required by the HOME program, which range from \$1,003 to \$1,280 per month. Ocean Avenue's budget projects a loss of \$23,918. The projected reserve balance at the beginning of the budget year is \$476,522. The scheduled capital expenditure cost for the budget year is approximately \$3,000.

RECOMMENDATION

The Budget/Audit/Negotiating Committee and staff recommend that your Commission adopt the Resolution approving the proposed operating budget and budgeted positions for the fiscal year ending June 30, 2022, as presented.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO.: 08-21

**APPROVING THE OPERATING BUDGET AND BUDGETED POSITIONS
FOR THE JULY 1, 2021 – JUNE 30, 2022 FISCAL YEAR**

WHEREAS, the Housing Authority of the County of Alameda operates on a July 1 – June 30 fiscal year and HUD funding is provided on a calendar year basis; and

WHEREAS, operating budgets for the Housing Authority’s various programs must be adopted prior to the beginning of the fiscal year July 1, 2021 – June 30, 2022; and

WHEREAS, the Commission’s Budget/Audit/Negotiations Committee has reviewed the proposed budgets developed by staff and recommends approval; and

WHEREAS, the fiscal year 2021-2022 has continuing challenges, including reduced funding, rising costs of operations and the uncertainty of future federal funding; and

WHEREAS, the budget deficit requires a transfer of funds from the Housing Development Fund to the Housing Choice Voucher Program;

NOW, THEREFORE, BE IT RESOLVED, that the Housing Commission does hereby approve the proposed budgets, budgeted positions and supporting schedules for the various programs as presented. The Housing Commission further authorizes the Finance Director to make the necessary transfers in an amount not to exceed \$1,593,478.

PASSED, APPROVED AND ADOPTED by the Housing Commission of the Housing Authority of the County of Alameda on this 9th day of June 2021 by the following vote:

AYES:

NOES:

ABSTAIN:

EXCUSED:

ABSENT:

Attest:

Kurt Wiest
Executive Director/Housing Commission Secretary

Michael Hannon
Housing Commission Chairperson

Adopted: _____

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Budget Statement of Revenues, Expenses and Changes in Assets
FOR THE FISCAL YEAR ENDING JUNE 30, 2022

	Housing Choice Voucher		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2021	Proposed 2022	2021	Proposed 2022	Approved 2021	Proposed 2022	Approved 2021	Proposed 2022	Approved 2021	Proposed 2022
Housing Assistance Payments (HAP)										
Est. HUD PHA grants-HAP	125,754,404	135,496,077							125,754,404	135,496,077
Less: Est. HAP expenses	125,676,991	135,537,912							125,676,991	135,537,912
Est. Addition to/(Use of) Reserves	77,413	(41,835)							77,413	(41,835)
Est. HUD-held Program Reserve (Shortfall) bal. at 6/30/20	1,622,430	1,580,595							1,622,430	1,580,595
Operating Income										
Rental revenue - tenants	-	-	143,000	143,000	166,701	180,495	89,189	81,996	398,890	405,491
Other revenue -tenants	-	-	-	-	-	-	50	50	50	50
HUD PHA grants (Including Covid 19 Admin. Funds)	8,722,368	7,836,815	-	-	-	-	-	-	8,722,368	7,836,815
Other revenue	327,518	327,518	42,500	42,500	-	-	2,269	1,000	372,287	371,018
Other revenue - property management fees	-	-	1,758,840	1,762,440	-	-	-	-	1,758,840	1,762,440
Investment income	-	-	50,000	19,000	12,400	1,599	1,200	1,000	63,600	21,599
Total	9,049,886	8,164,333	1,994,340	1,966,940	179,101	182,094	92,708	84,046	11,316,035	10,397,413
		-11%		-1%		2%		-10%		-9%
Operating Expenses			13%							
Administrative salaries	(4,202,521)	(4,830,163)	(459,981)	(511,713)	-	-	-	-	(4,662,502)	(5,341,876)
Administrative expenses	(2,048,368)	(1,993,080)	(204,465)	(104,620)	(55,500)	(55,600)	(37,900)	(39,500)	(2,346,233)	(2,192,800)
Utilities	-	-	(47,716)	(44,190)	(500)	(500)	(12,343)	(12,343)	(60,559)	(57,033)
Covid 19 Expenses	(1,400,000)	-	-	-	-	-	-	-	(1,400,000)	-
Maintenance services	-	-	(133,553)	(147,164)	(116,447)	(66,447)	(52,950)	(52,950)	(302,950)	(266,561)
General expenses	(181,566)	(181,375)	(11,169)	(14,137)	(3,900)	(4,700)	(2,668)	(3,170)	(199,303)	(203,382)
Employee benefits	(2,395,437)	(2,753,193)	(317,654)	(368,110)	-	-	-	-	(2,713,091)	(3,121,303)
Total	(10,227,892)	(9,757,811)	(1,174,538)	(1,189,934)	(176,347)	(127,247)	(105,861)	(107,963)	(11,684,638)	(11,182,955)
		-5%		1%		-39%		2%		-4%
Budgeted Income (Loss)	(1,178,006)	(1,593,478)	819,802	777,006	2,754	54,847	(13,153)	(23,918)	(368,603)	(785,542)
Unrestricted Net Position (UNP) - est. balance at 7/1/2021	**	(6,099,915)		3,740,654		1,231,831		475,523		(651,907)
Unrestricted Net Position - budgeted bal. at 6/30/2022		(8,126,285)		2,574,182		1,235,678		448,605		(3,867,820)
Capital Expenditures per schedule		-		123,600		51,000		3,000		177,600

Est. UNP @ 7/1/21 (Excluding NPL)	1,026,370	3,740,654
Budgeted Income (loss) @ 6/30/22	(1,593,478)	777,006
Proposed Transfer in/out from HDF	1,593,478	(1,593,478)
Subtotal @ 6/30/22	1,026,370	2,924,182
Estimated NPL & OPEB @ 06/30/2022	(9,152,655)	(350,000)
Est. UNP @ 6/30/22	(8,126,285)	2,574,182

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Schedule of Administrative Expenses
FOR THE FISCAL YEAR ENDING JUNE 30, 2022

Administrative Expenses	Housing Choice Voucher		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2021	Proposed 2022	Approved 2021	Proposed 2022	Approved 2021	Proposed 2022	Approved 2021	Proposed 2022	Approved 2020	Proposed 2021
Legal Fees	60,000	40,000	-	-	-	-	2,000	1,000	62,000	41,000
Staff Training	45,000	45,000	-	-	-	-	-	-	45,000	45,000
Mileage Payments	7,000	7,000	1,174	1,200	-	-	-	-	8,174	8,200
Conference Travel	50,000	50,000	-	-	-	-	-	-	50,000	50,000
Auditing Fees	32,000	32,000	5,200	5,200	-	-	-	-	37,200	37,200
Office Bldg. Expenses	143,000	143,000	-	-	-	-	-	-	143,000	143,000
Office Supplies	65,000	66,000	4,476	4,000	-	-	-	-	69,476	70,000
Copier expense	16,000	17,000	-	-	-	-	-	-	16,000	17,000
Non-Cap Furn & Eqpt	16,000	15,000	1,200	1,200	-	-	-	-	17,200	16,200
Admin. Vehicles	38,000	40,000	-	-	-	-	-	-	38,000	40,000
Publications-	27,000	25,000	-	-	-	-	-	-	27,000	25,000
Recruitment exp	5,000	5,000	-	-	-	-	-	-	5,000	5,000
Membership Dues	28,000	25,000	200	200	-	-	-	-	28,200	25,200
Telephone	35,000	35,000	3,315	6,120	-	-	-	-	38,315	41,120
Contract/Consultant Svcs	908,600	804,600	144,723	45,152	-	-	2,000	1,000	1,055,323	850,752
Computer Software Svcs	311,968	385,680	13,000	15,048	-	-	-	-	324,968	400,728
Miscellaneous Admin	-	-	6,000	6,000	-	-	-	-	6,000	6,000
Non-Cap Furn & Eqpt-MIS	42,000	45,000	-	-	-	-	-	-	42,000	45,000
Leases or Rentals	10,000	10,000	2,000	1,000	-	-	-	-	12,000	11,000
Equipment Maintenance	700	700	-	-	-	-	-	-	700	700
Postage	65,000	65,000	-	-	-	-	-	-	65,000	65,000
Printing	50,000	45,000	400		-	-	-	-	50,400	45,000
Commission Meetings	6,600	6,600	-	-	-	-	-	-	6,600	6,600
Miscellaneous	1,500	1,500	4,277	1,000	1,500	1,600	1,500	1,500	8,777	5,600
Wait List Expense	85,000	84,000	-	-	-	-	-	-	85,000	84,000
Scholarship expense	-	-	18,500	18,500	-	-	-	-	18,500	18,500
Property Management Fee	-	-	-	-	54,000	54,000	32,400	36,000	86,400	90,000
TOTAL	2,048,368	1,993,080	204,465	104,620	55,500	55,600	37,900	39,500	2,346,233	2,192,800
		-3%		-95%		0%		4%		-7%

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Schedule of Maintenance Expenses
FOR THE FISCAL YEAR ENDING JUNE 30, 2022

Maintenance Expenses	Housing Choice Voucher		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	2021	Proposed 2022	2021	Proposed 2022	2021	Proposed 2022	Approved 2021	Proposed 2022	Approved 2020	Proposed 2022
Materials										
Repair Parts	-	-			1,000	1,000	500	500	1,500	1,500
Appliances & Fixtures	-	-	-	-	2,388	2,388	1,700	1,700	4,088	4,088
Locks and Keys	-	-	-	-	-	-	600	600	600	600
Maintenance & Contracts										
Garbage Service	-	-	20,391	14,380	-	-	1,300	1,300	21,691	15,680
Repair Contractors	-	-	43,236	39,710	75,000	25,000	36,350	21,850	154,586	86,560
Other Maintenance	-	-	-	60,834	-	-	-	-	-	60,834
Equipment Repair/Rental	-	-	8,397	3,841	-	-	-	-	8,397	3,841
Window Coverings	-	-	-	-	1,200	1,200	1,000	1,000	2,200	2,200
Condo Fees	-	-	-	-	36,709	36,709	-	-	36,709	36,709
Landscape Services	-	-	10,736	3,399	-	-	10,500	21,000	21,236	24,399
Contract cost- 10th St.			25,000	25,000					25,000	25,000
Contract cost-Atherton Bldg.	-	-	24,515	-	-	-	-	-	24,515	-
Miscellaneous	-	-	1,278	-	150	150	1,000	5,000	2,428	5,150
TOTAL	-	-	133,553	147,164	116,447	66,447	52,950	52,950	302,950	266,561
				9%		-75%		0%		-14%

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Schedule of General Expenses
FOR THE FISCAL YEAR ENDING JUNE 30, 2022

General Expenses	Housing Choice Voucher		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2021	Proposed 2022	Approved 2021	Proposed 2022	Approved 2021	Proposed 2022	Approved 2021	Proposed 2022	Approved 2019	Proposed 2020
General Liability Insurance	30,000	30,000	-	-	-	-	-	-	30,000	30,000
Auto Insurance	5,000	5,000	-	-	-	-	-	-	5,000	5,000
Worker's Compensation	119,566	119,375	-	-	-	-	-	-	119,566	119,375
Unemployment	27,000	27,000	-	-	-	-	-	-	27,000	27,000
Property Insurance	-	-	11,169	14,137	2,900	3,700	1,900	2,300	15,969	20,137
Collection Loss	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	1,000	1,000	768	870	1,768	1,870
TOTAL	181,566	181,375	11,169	14,137	3,900	4,700	2,668	3,170	199,303	203,382
		0%		21%		17%		16%		2%

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Schedule of Capital Expenditures
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

Description	Housing Development Fund	Park Terrace	Ocean Avenue	Totals
Cubicle Extensions	33,600			
Camera Upgrade	90,000			90,000
Unit Rehab		48,500		48,500
Roof Replacements				-
Appliance replacements			3,000	3,000
Kitchen cabinet replacements				-
Tree trimming				-
Misc		2,500		
TOTAL	123,600	51,000	3,000	141,500

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Budgeted Positions
FOR THE FISCAL YEAR ENDING JUNE 30, 2022

Classification	Full-Time Equivalent (FTE)	Monthly Salary Range		Annual Salary Range		Annual Estimated Benefit Range		Total Annual Salary plus Benefit Range	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Account Specialist	5	\$ 4,277	\$ 5,083	\$ 51,324	\$ 61,000	\$29,768	\$ 35,380	\$ 81,092	\$ 96,380
Accountant	2	\$ 6,637	\$ 9,856	\$ 79,644	\$ 118,272	\$46,194	\$ 68,598	\$125,838	\$186,870
Financial Accounting Manager***	1	\$ 9,378	\$13,926	\$ 112,536	\$ 167,112	\$65,271	\$ 96,925	\$177,807	\$264,037
Administrative Analyst I/II	2	\$ 6,367	\$ 9,856	\$ 76,404	\$ 118,272	\$44,314	\$ 68,598	\$120,718	\$186,870
Administrative Clerk *	10	\$ 4,090	\$ 4,844	\$ 49,077	\$ 58,129	\$28,465	\$ 33,715	\$ 77,542	\$ 91,844
Deputy Director ***	1	\$10,880		\$ 130,560	\$ -	\$75,725	\$ -	\$206,285	\$ -
Eligibility Leadworker	2	\$ 5,038	\$ 6,049	\$ 60,462	\$ 72,593	\$35,068	\$ 42,104	\$ 95,530	\$114,697
Eligibility Technician ***	14	\$ 4,536	\$ 5,390	\$ 54,426	\$ 64,675	\$31,567	\$ 37,511	\$ 85,993	\$102,186
Eligibility Manager****	1			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Assistant	1	\$ 5,447	\$ 8,089	\$ 65,364	\$ 97,068	\$37,911	\$ 56,299	\$103,275	\$153,367
Executive Director	1	\$13,582	\$20,170	\$ 162,984	\$ 242,040	\$94,531	\$140,383	\$257,515	\$382,423
Facilities Manager	1	\$ 7,889	\$11,716	\$ 94,668	\$ 140,592	\$54,907	\$ 81,543	\$149,575	\$222,135
Finance Director	1	\$10,352	\$15,372	\$ 124,224	\$ 184,464	\$72,050	\$106,989	\$196,274	\$291,453
FSS Coordinator	3	\$ 4,825	\$ 5,786	\$ 57,895	\$ 69,436	\$33,579	\$ 40,273	\$ 91,474	\$109,710
FSS Leadworker (HO/FSS)	1	\$ 5,308	\$ 6,365	\$ 63,690	\$ 76,377	\$36,940	\$ 44,298	\$100,630	\$120,675
Housing Inspector	2	\$ 4,672	\$ 5,603	\$ 56,063	\$ 67,239	\$32,517	\$ 38,998	\$ 88,580	\$106,237
Housing Specialist ***	11	\$ 5,359	\$ 6,431	\$ 64,311	\$ 77,169	\$37,300	\$ 44,758	\$101,611	\$121,927
Housing Technician	1	\$ 4,367	\$ 5,306	\$ 52,409	\$ 63,676	\$30,397	\$ 36,932	\$ 82,806	\$100,607
Human Resources Manager	1	\$ 8,496	\$12,617	\$ 101,952	\$ 151,404	\$59,132	\$ 87,814	\$161,084	\$239,218
Information Technology Manager	1	\$ 9,378	\$13,926	\$ 112,536	\$ 167,112	\$65,271	\$ 96,925	\$177,807	\$264,037
Leasing Services Leadworker	3	\$ 5,782	\$ 7,019	\$ 69,388	\$ 84,232	\$40,245	\$ 48,855	\$109,633	\$133,087
Maintenance Worker II	3	\$ 6,245	\$ 6,245	\$ 74,937	\$ 74,937	\$43,463	\$ 43,463	\$118,400	\$118,400
Procurement Manager	1	\$ 7,147	\$10,614	\$ 85,764	\$ 127,368	\$49,743	\$ 73,873	\$135,507	\$201,241
Program Integrity Officer	1		**		**		**		**
Programs Manager	1	\$ 9,378	\$13,926	\$ 112,536	\$ 167,112	\$65,271	\$ 96,925	\$177,807	\$264,037
Property Aide (Part Time)	4								
Property Management Administrator	1	\$ 6,317	\$ 9,381	\$ 69,849	\$ 103,726	\$40,512	\$ 60,161	\$110,361	\$163,887
Property Management Assistant	1	\$ 4,825	\$ 5,786	\$ 57,895	\$ 69,436	\$33,579	\$ 40,273	\$ 91,474	\$109,710
Secretary	1	\$ 4,188	\$ 5,101	\$ 50,254	\$ 61,215	\$29,147	\$ 35,504	\$ 79,401	\$ 96,719
Senior Administrative Analyst	1	\$ 7,697	\$11,430	\$ 92,364	\$ 137,160	\$53,571	\$ 79,553	\$145,935	\$216,713
Special Programs Manager	1	\$ 8,496	\$12,617	\$ 101,952	\$ 151,404	\$59,132	\$ 87,814	\$161,084	\$239,218
Total	80								
*One position is less than full-time.									
**Service contract with the Alameda County District Attorney's office.									
*** Vacant positions:									
Deputy Director (1)									
Eligibility Technician (1)									
Housing Specialist (3)									
Financial Accounting Manager(1)									
**** New Position (Vacant)									

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 9, 2021

Subject: Contribution to Alameda County Employees' Retirement Association (ACERA) for Fiscal Year 2021-2022

Exhibits Attached: Resolution No. 09-21

Recommendation: Adopt the Resolution

Financial Statement: \$285,416.87 to be included in FY 2021-2022 Budget

BACKGROUND

The Housing Authority is a participating employer in the Alameda County Employees' Retirement Association (ACERA). In 1996, ACERA established a health benefits account, called a 401(h) account, to satisfy the requirements of Internal Revenue Code (IRC) Section 401(h) for providing non-vested, tax-free healthcare to the retirees of participating employers.

In 2006, changes to the IRC regulations required that participating employers establish a separate 401(h) sub-account under the overall ACERA account and make contributions through ACERA designated specifically for healthcare benefits to fund the 401(h) sub-account. To continue providing HACA retirees with non-taxable health benefits, your Commission adopted a resolution in June 2006 (Resolution No. 14-06) that authorized ACERA to establish and manage a 401(h) sub-account on our behalf.

In accordance with Section 31592.4 and Article 5.5 of the CERL, ACERA holds assets in a Supplemental Retirees' Benefits Reserve (SRBR). Once HACA makes its designated 401(h) contribution to ACERA, ACERA will automatically transfer the same amount from the SRBR to HACA's Advance Reserve Account. ACERA has consistently paid supplemental retirement and post-employment health care benefits through the SRBR since 1985.

DISCUSSION and ANALYSIS

Your Commission has authorized HACA's contribution to its 401(h) sub-account every year since 2006. The Segal Company, ACERA's actuary, has determined that HACA's contribution for fiscal year July 1, 2021 – June 30, 2022, is \$285,416.87. ACERA requires that your authorization to fund HACA's 401(h) sub-account be completed by June 30, 2021.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 09-21

RESOLUTION APPROVING 401(h) ACCOUNT PURSUANT TO SECTION 31592

WHEREAS, in 1996, the Alameda County Employee’s Retirement Association (“ACERA”) Board of Retirement informed the Board of Supervisors that, by adoption of Resolution 96-111, the Board of Retirement had established a health benefits account intended to satisfy the requirements of the Internal Revenue Code (“IRC”) Section 401(h) and the regulations thereunder (the “401(h) Account”) in order to provide non-vested, tax-free health benefits to eligible County and Participating Employer retirees (collectively, the “Retirees”); and

WHEREAS, in 1996, the Board of Supervisors adopted Resolution No. R-96-634, which provided that ACERA could offer such non-taxable benefits if the County designated a portion of its contribution to ACERA for a fiscal year as a contribution to the 401(h) Account; and

WHEREAS, under Section 31592.4 and Article 5.5 of the County Employees Retirement Law of 1937 (“CERL”), assets in the Supplemental Retiree Benefit Reserves (the “SRBR”) at the end of a fiscal year of ACERA may, in the immediately succeeding fiscal year, be transferred to the Employer Advance Reserve account of the Participating Employers, and treated as a contribution to ACERA by the County and as applicable by other Participating Employers to the extent that in the immediately succeeding fiscal year the County and other Participating Employers make contributions to ACERA’s 401(h) Account in order to pay for retiree health benefits; and

WHEREAS, Section 31592.4 and Article 5.5 of the CERL thus permit the Participating Employers to contribute to a 401(h) Account and pay for retiree health benefits for a fiscal year without increasing the Housing Authority of the County of Alameda’s (“Housing Authority”) total contributions to ACERA for that fiscal year; and

WHEREAS, commencing with the 1996-1997 fiscal year, and for each fiscal year thereafter, the County has directed that a specified portion of its fiscal year contribution to ACERA for that year be contributed to the 401(h) account; and

WHEREAS, in 2006 the Housing Authority authorized ACERA to establish and manage a 401(h) sub-account on its behalf to provide tax free health care benefits for its retirees;

NOW THEREFORE, IT IS RESOLVED AS FOLLOWS:

1. In fiscal year July 1, 2021 – June 30, 2022, Housing Authority shall contribute to ACERA **\$285,416.87** to be used only for the paying of retiree medical health benefits. This contribution shall be made on the terms and conditions set forth in the Agreement between the Housing Authority and ACERA concerning such contributions, executed on July 25, 2007.
2. This contribution shall be designated, in writing, as being only for the Housing Authority’s IRC § 401(h) Account and such designation shall be made at the time of contribution.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
RESOLUTION NO. 09-21: APPROVING 401(h) ACCOUNT PURSUANT TO SECTION 31592
JUNE 9, 2021
Page 2

- 3. Such contribution is contingent on the Board of Retirement immediately transferring, in accordance with Government Code §31592.4, an amount equal to such contribution from ACERA’s SRBR account to the Housing Authority’s Advance Reserve account. Such amount shall be treated as a contribution for pension and therefore shall be applied to reduce the pension contribution otherwise required by the Housing Authority for the fiscal year beginning July 1, 2021.
- 4. No party, including any existing or future Housing Authority employee, retiree, spouse, or dependent, shall have any vested rights, contractual rights, or other rights in or to any retiree health benefits or payment or subsidy for any such benefits nor shall any such person or ACERA have any such rights to have the Housing Authority contribute towards paying or subsidizing the cost of any retiree medical benefits provided by ACERA under the 401(h) Account or otherwise. The Housing Authority may modify or terminate, at any time and without any limitation, its decision to contribute to the Housing Authority’s 401(h) Account. This modification or termination may occur even if it may affect any employee first hired prior to the date of such modification, any person who retired prior to such date, and/or any person who became a spouse or dependent of an employee or retiree prior to such date.
- 5. All contributions by the Housing Authority to its 401(h) sub-account shall be governed by requirements of the IRC and all administrative and other applicable rules established by ACERA governing such sub-account and ACERA’s 401(h) Account.

PASSED, APPROVED, AND ADOPTED by the Housing Commission of the Housing Authority of the County of Alameda on this 9th day of June 2021, by the following vote:

AYES:

NAYS:

ABSTAIN:

EXCUSED:

ABSENT:

Attest:

Kurt Wiest
Executive Director/Housing Commission Secretary

Michael Hannon
Housing Commission Chairperson

Adopted: _____

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 9, 2021

Subject: Nominating Committee for Officers

Exhibits Attached: None

Recommendation: Appoint a Nominating Committee

DISCUSSION AND ANALYSIS

Each year, your Commission appoints a Nominating Committee to select candidates for the positions of Chairperson and Vice-Chairperson. The terms are for one year.

While the Commission bylaws stipulate that the Chairperson can serve no more than two successive full terms, the bylaws do not specify the number of terms for the Vice-Chairperson. Currently, Michael Hannon serves as the Commission Chairperson, Christian Patz serves as the Vice Chairperson. Traditionally, the Vice-Chairperson has moved up to become Chairperson (although that is not mandated), so the Nominating Committee's focus is usually on the selection of the Vice-Chairperson candidate. However, at your May meeting, Vice Chairperson Patz announced that he has accepted a new job in Shasta County and will be leaving the Commission so the Nominating Committee's focus will be on candidates for both positions.

At your July meeting the Nominating Committee will present the candidates to the Commission for approval. The newly elected officers will take office immediately and the new Chairperson will chair the July meeting.

PROGRAM ACTIVITY
REPORT

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 9, 2021

Subject: Programs Activity Report

Exhibits Attached: Section 8 Contract and Housing Assistance Payments (HAP) Report; Section 8 Average Contract Rent Report; Landlord Rental Listing Report; FSS Program Monthly Report

Recommendation: Receive Report

SECTION 8 HOUSING CHOICE VOUCHERS (HCV)

- **Lease-Up:** As of June 1, 2021, the Section 8 HCV program had 6,305 units under contract. This number includes HACA vouchers and portability clients for which we are being billed by the receiving housing authority but excludes portability clients for which we are billing the initial housing authority.
- **HCV Program Utilization:** As of June 1, 2021, the average HAP subsidy was \$1,729 and the average tenant-paid rent portion was \$561 for an average Contract Rent of \$2,290. These amounts include HACA vouchers, but do not include incoming and outgoing portability clients.
 - ❖ As of June 1, 2021, HACA had 170 outgoing billed portability contracts (i.e., HACA voucher holders who are housed in another housing authority’s jurisdiction).
 - ❖ As of June 1, 2021, HACA billed other housing authorities for 326 incoming portability contracts.
 - ❖ As of June 1, 2021, 223 of PACH’s 230 project-based voucher (PBV) units are leased with three of the vacant units anticipated to be occupied before month end. Due to COVID-19, we are leasing the two units at Nidus Court that were being held vacant to be used as temporary living units for tenants while we remodel their units at the property. We hope to resume our remodeling project soon.
- **Section 8 Contract Reports:** Copies of the Contract Reports are attached. The Section 8 Contract and HAP Report includes HACA certificates, HACA vouchers and portability clients for which we are billing the initial housing authority. The Section 8 Average Contract Rent Report includes HACA vouchers and portability clients for which we are billing the initial housing authority.
- **Landlord Rental Listings:** As of June 1, 2021, there were 89 active properties listed.

	7/6/20	8/3/20	9/1/20	10/1/20	11/4/20	12/1/20	1/4/21	2/1/21	3/1/21	4/1/21	5/3/21	6/1/21
Units	105	99	109	103	118	100	92	97	95	111	97	89

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Section 8 Contract and HAP Report for the Month of May 2021**

City	Certificates		Vouchers		MAY 2021 TOTAL		MAY 2020	MAY 2019
	Number	HAP* based on avg \$1,983	Number	HAP** based on avg \$1,756	Number	HAP		
Albany	0	\$0	12	\$21,072	12	\$21,072	12	15
Castro Valley	3	\$5,949	225	\$395,100	228	\$401,049	218	224
Dublin	3	\$5,949	410	\$719,960	413	\$725,909	401	401
Emeryville	6	\$11,898	152	\$266,912	158	\$278,810	154	144
Fremont	21	\$41,643	1,133	\$1,989,548	1,154	\$2,031,191	1,104	1,061
Hayward	40	\$79,320	1,841	\$3,232,796	1,881	\$3,312,116	1,884	1,937
Newark	6	\$11,898	226	\$396,856	232	\$408,754	231	225
Pleasanton	3	\$5,949	274	\$481,144	277	\$487,093	239	217
San Leandro	14	\$27,762	1,294	\$2,272,264	1,308	\$2,300,026	1,335	1,305
San Lorenzo	3	\$5,949	175	\$307,300	178	\$313,249	179	189
Union City	7	\$13,881	690	\$1,211,640	697	\$1,225,521	691	705
TOTALS	106	210,198	6,432	11,294,592	6,538	11,504,790	6,448	6,423

*Based on an average May Housing Assistance Payment (HAP) of \$1,983 per certificate contract

**Based on an average May Housing Assistance Payment (HAP) of \$1,756 per voucher contract

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

Section 8 Average Contract Rent Report for the Month of April 2021

City	Number of HAP Contracts (HCV Only)	Average Contract Rent	Average HAP Paid by HACA	Average Rent Paid by Family	Average Family-Paid Rent as a Percentage of Average Contract Rent
Albany	12	\$1,651	\$1,226	\$424	26%
Castro Valley	225	\$2,335	\$1,769	\$566	24%
Dublin	410	\$2,268	\$1,784	\$484	21%
Emeryville	152	\$1,906	\$1,406	\$500	26%
Fremont	1,133	\$2,441	\$1,905	\$535	22%
Hayward	1,841	\$2,218	\$1,685	\$534	24%
Newark	226	\$2,599	\$1,936	\$662	25%
Pleasanton	274	\$2,104	\$1,677	\$429	20%
San Leandro	1,294	\$2,226	\$1,687	\$539	24%
San Lorenzo	175	\$2,518	\$1,865	\$648	26%
Union City	690	\$2,476	\$1,840	\$636	26%

*Some rents may vary by \$1 due to rounding

This report includes HACA vouchers and portability clients for which we are billing the initial housing authority.



To: Kurt Wiest, Executive Director
From: Daniel Taylor, Special Programs Manager
Re: **FSS Program Summary**
CC: Linda Evans, Phyllis Harrison, Mary Sturges, Vanessa Kamerschen
Date: May 25, 2021

Program Summary	May 2021
Total Clients Under Contract:	202
MDRC:	100
Graduates:	0
Escrow Disbursed:	\$0
Ports In:	0
Ports Out:	0
Terminations:	0
New Contracts:	3

FSS PROGRAM NEWS:

FSS Presentation

On Wednesday, May 5, 2021, the FSS team gave a presentation to Anthem Blue Cross' Alameda County Community Advisory Committee (CAC). Anthem Blue Cross is a health insurance provider and a member of our Program Coordinating Committee (PCC). Anthem's CAC includes members, community advocates, and service providers. The purpose of the committee is to give feedback on Anthem's programs/policies, educate their members, make recommendations regarding member outreach, and meet their member needs. There were over forty (40) agencies in attendance. The presentation provided us with the opportunity to spread the word about FSS to other community agencies.

FSS Workshop

On Tuesday, May 18, 2021, the FSS team hosted a virtual workshop presented by Anthem Blue Cross. The workshop covered the basics of their Medi-Cal Plan, eligibility, enrollment, choosing a health plan and Anthem's specific benefits. It included:

- How to apply for Medi-Cal
- How to choose a health plan
- How to change health plans
- Dental benefits through Medi-Cal
- Additional benefits

HCV Homeownership Program Question and Answer Session

On Wednesday, May 19, 2021, Leasing Services Leadworker, Leah Fuller partnered with the FSS team to hold a Housing Choice Voucher (HCV) Homeownership program question and answer session. This session was a supplement to the HCV Homeownership program orientation that was held last month.

Case Management Referrals = 22

Job Referrals = 108

ATTACHMENT A

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
HAYWARD, CALIFORNIA**

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2020



HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
TABLE OF CONTENTS
JUNE 30, 2020

	<u>Page</u>
Independent Auditor's Report	01
Management's Discussion and Analysis (Unaudited)	04
Basic Financial Statements	
Statement of Net Position.....	14
Statement of Revenues, Expenses, and Changes in Net Position.....	16
Statement of Cash Flows.....	17
Notes to the Basic Financial Statements.....	19
Required Supplementary Information (Unaudited)	
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios.....	53
Schedule of Pension Contributions.....	54
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	55
Supplementary Information	
Combining Statement of Net Position.....	58
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	62
Combining Statement of Cash Flows.....	64
Financial Data Schedule.....	68
Compliance Section	
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 <i>Government Auditing Standards</i>	74
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	76
Schedule of Expenditures of Federal Awards.....	78
Notes to Schedule of Expenditures of Federal Awards.....	79
Schedule of Findings and Questioned Costs	80
Status of Prior Year Findings and Questioned Costs	82



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Housing Authority of the County of Alameda
Hayward, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Housing Authority of the County of Alameda (the Authority), as of and for the year ended June 30, 2020, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate remaining fund information of the Authority as of June 30, 2020, the respective changes in financial position and, where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, and required supplementary information related to Pension and OPEB on pages 53 through 56 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining and individual enterprise fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and are not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by *U.S. Department of Housing and Urban Development* and is not a required part of the basic financial statements.

The combining and individual enterprise fund financial statements, the schedule of expenditures of federal awards, and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual enterprise fund financial statements, the schedule of expenditures of federal awards, and 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 25, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Harshwal & Company LLP

Oakland, California
March 25, 2021

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

The Housing Authority of the County of Alameda ("Authority") primarily provides housing assistance to low income individuals and families. Its primary sources of funding are through grants received from the U.S. Department of Housing and Urban Development (HUD) and rents collected from the properties it owns.

The Authority's Management's Discussion and Analysis (MD&A) is designed to:

- Provide an overview of the Authority's financial activity,
- Identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges),
- Assist the reader in focusing on significant financial issues, and
- Identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the attached financial statements.

FINANCIAL HIGHLIGHTS

Total assets and deferred outflow of resources of the Authority was \$53.75 million and total liabilities and deferred inflow of resources was \$19.02 million.

The assets of the Authority exceeded its liabilities at the close of the fiscal year (FY) by \$34.73 million (net position). Of that amount, \$11.42 million was invested in capital assets; \$19.48 million was considered restricted and \$3.83 million was considered unrestricted and may be used to meet the Authority's ongoing obligations. The Authority's FY 2020 total net position increased by \$2.27 million compared to the FY 2019 balance of \$32.46 million.

Total revenues, excluding Housing Assistance Payments-Portability in, increased by approximately \$4.42 million (3%) during 2020, and were \$144.88 million and \$140.46 million for 2020 and 2019, respectively. The increase was due to funding provided by HUD.

Total expenses, excluding Housing Assistance Payments-Portability in, increased by approximately \$3.05 million (2%). Total expenses were \$142.94 million and \$139.89 million for 2020 and 2019, respectively.

The Authority's component unit, Preserving Alameda County Housing, Inc. (PACH), was formed in March 2011. The Authority is the managing agent for the properties owned by PACH. In March 2016, HACA completed the Rental Assistance Demonstration (RAD) conversion and sold its remaining 72 units of Public Housing to PACH. For FY 2020, PACH had total assets of \$18.25 million, total liabilities of \$0.41 million and net position of \$17.84 million. It had total revenues of \$5.30 million and expenses of \$3.92 million. PACH's total net position increased by \$1.37 million.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business in that all enterprise fund type activities are consolidated into columns, which add to a total for the entire Authority. The Authority-wide financial statements report information on the Authority as a whole, net of inter-fund activity.

The *Statement of Net Position* is similar to a Balance Sheet. The Statement of Net Position provides information about the Authority's financial and capital resources (assets) and its obligations to creditors (liabilities). Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year) and "Non-current." The Statement is presented in the format where assets minus liabilities equal "Net Position," formerly known as Net Assets.

Net Position (formerly Net Assets) is reported in three broad categories:

- Net Investment in Capital Assets: This component of Net Position consists of all capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as security deposits, debt covenants), grantors, contributors, laws, regulations, etc.
- Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets," or "Restricted Net Position." It represents the net available liquid assets, net of liabilities, for the entire Authority.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* is similar to an Income Statement. This Statement includes Operating Revenues, such as rental income, grant revenues, Operating Expenses, such as administrative costs, utilities, maintenance, depreciation, and Non-Operating Revenue & Expenses, such as investment income and interest expense. The focus of this statement is the "Change in Net Position," which is similar to Net Income or Loss.

The *Statement of Cash Flows* discloses net cash provided by or used for operating activities, investing activities, non-capital financing activities, and from capital and related financing activities. This statement provides answers to questions of where cash came from, what cash was used for and what caused changes in cash for the fiscal year.

The accompanying *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on fund types. The Authority consists of exclusively Enterprise Funds. The Enterprise method of accounting is similar to accounting utilized by the private sector where the determination of net income is necessary or useful to sound financial administration. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other monies. They are reported using the full accrual method of accounting.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS

The Department of Housing and Urban Development (HUD) requires the Authority to maintain many funds. Others are segregated to enhance accountability and control.

**TABLE 1
Statement of Net Position**

	The Authority		PACH		Total		Change	%
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019		
Current and other assets	\$ 8,718,507	\$ 7,426,804	\$ 9,745,009	\$ 8,270,144	\$ 18,463,516	\$ 15,696,948	\$ 2,766,568	18 %
Non-current assets	20,754,537	19,867,666	1,955,000	2,200,000	22,709,537	22,067,666	641,871	3 %
Capital assets	4,873,089	5,729,688	6,547,957	6,541,965	11,421,046	12,271,653	(850,607)	(7)%
Deferred outflows of resources	1,156,824	3,697,990	-	-	1,156,824	3,697,990	(2,541,166)	(69)%
Total assets and deferred outflows of resources	35,502,957	36,722,148	18,247,966	17,012,109	53,750,923	53,734,257	16,666	- %
Current liabilities	6,288,630	6,193,931	411,286	547,297	6,699,916	6,741,228	(41,312)	(1)%
Noncurrent liabilities	8,845,076	13,463,388	-	-	8,845,076	13,463,388	(4,618,312)	(34)%
Deferred inflows of resources	3,473,397	1,070,880	-	-	3,473,397	1,070,880	2,402,517	224 %
Total liabilities and deferred inflows of resources	18,607,103	20,728,199	411,286	547,297	19,018,389	21,275,496	(2,257,107)	(11)%
Net position:								
Net investment in capital assets	4,873,089	5,729,688	6,547,957	6,541,965	11,421,046	12,271,653	(850,607)	(7)%
Restricted	16,223,195	15,171,021	3,260,408	2,915,408	19,483,603	18,086,429	1,397,174	8 %
Unrestricted	(4,200,430)	(4,906,760)	8,028,315	7,007,439	3,827,885	2,100,679	1,727,206	82 %
Total net position	\$ 16,895,854	\$ 15,993,949	\$ 17,836,680	\$ 16,464,812	\$ 34,732,534	\$ 32,458,761	\$ 2,273,773	7 %

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Major Factors Affecting the Statement of Net Position (Table 1)

Total assets increased by approximately \$0.02 million because of the increase in restricted cash and cash equivalents, short term investments, and accounts receivables.

Total liabilities decreased by approximately \$2.26 million primarily due to net pension liability, and net OPEB liability.

Total net position increased by \$2.27 million and was \$34.73 million and \$32.46 million in 2020 and 2019, respectively.

Net investment in Capital Assets (e.g., land, buildings and improvements, furniture and equipment) decreased by approximately \$0.85 million, net of depreciation, and was \$11.42 million and \$12.27 million in 2020 and 2019, respectively.

Restricted Net Position balance increased by approximately \$1.40 million and was \$19.48 million and \$18.09 million in 2020 and 2019, respectively. The balance includes \$19.48 million of restricted monies received, plus accrued interest, from the net proceeds of the disposition of Arroyo Vista public housing which was loaned out to Eden Dougherty, LLC.

Unrestricted Net Position increased by \$1.73 million and was \$3.83 million and \$2.10 million in 2020 and 2019, respectively.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

**TABLE 2
Statement of Revenues, Expenses and Changes in Net Position**

	The Authority		PACH		Total		Change	%
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019		
Revenues								
Rental revenue - tenants	\$ 267,372	\$ 398,958	\$ 5,125,326	\$ 5,017,354	\$ 5,392,698	\$ 5,416,312	\$ (23,614)	- %
HUD PHA grants	133,117,253	129,639,877	-	-	133,117,253	129,639,877	3,477,376	3 %
Fraud recovery	269,694	65,676	-	-	269,694	65,676	204,018	311 %
Other operating revenue	5,437,404	4,640,076	7,251	13,315	5,444,655	4,653,391	791,264	17 %
Investment income	494,168	533,390	163,677	146,932	657,845	680,322	(22,477)	(3)%
Sub-Total	<u>139,585,891</u>	<u>135,277,977</u>	<u>5,296,254</u>	<u>5,177,601</u>	<u>144,882,145</u>	<u>140,455,578</u>	<u>4,426,567</u>	<u>3 %</u>
Housing assistance payments- Portability-in	<u>11,352,874</u>	<u>11,315,534</u>	<u>-</u>	<u>-</u>	<u>11,352,874</u>	<u>11,315,534</u>	<u>37,340</u>	<u>- %</u>
Total revenues	<u>150,938,765</u>	<u>146,593,511</u>	<u>5,296,254</u>	<u>5,177,601</u>	<u>156,235,019</u>	<u>151,771,112</u>	<u>4,463,907</u>	<u>3 %</u>
Expenses								
Administrative	8,883,253	10,209,014	1,214,925	1,286,076	10,098,178	11,495,090	(1,396,912)	(12)%
Tenant service	302,863	277,518	13,001	7,510	315,864	285,028	30,836	11 %
Utilities	63,566	63,076	230,493	244,304	294,059	307,380	(13,321)	(4)%
Ordinary maintenance and operations	506,580	443,357	1,568,007	943,756	2,074,587	1,387,113	687,474	50 %
General expenses	601,268	612,997	76,147	75,660	677,415	688,657	(11,242)	(2)%
Depreciation	949,575	1,135,203	821,813	830,554	1,771,388	1,965,757	(194,369)	(10)%
Housing Assistance Payments	123,936,360	120,581,698	-	-	123,936,360	120,581,698	3,354,662	3 %
Other expenses	3,773,037	3,177,827	-	-	3,773,037	3,177,827	595,210	19 %
Sub-Total	<u>139,016,502</u>	<u>136,500,690</u>	<u>3,924,386</u>	<u>3,387,860</u>	<u>142,940,888</u>	<u>139,888,550</u>	<u>3,052,338</u>	<u>2 %</u>
Housing Assistance Payments- Portability in	<u>11,017,916</u>	<u>10,866,887</u>	<u>-</u>	<u>-</u>	<u>11,017,916</u>	<u>10,866,887</u>	<u>151,029</u>	<u>1 %</u>
Total expenses	<u>150,034,418</u>	<u>147,367,577</u>	<u>3,924,386</u>	<u>3,387,860</u>	<u>153,958,804</u>	<u>150,755,437</u>	<u>3,203,367</u>	<u>2 %</u>
Net Income (Loss) - Change in Net Position	<u>\$ 904,347</u>	<u>\$ (774,066)</u>	<u>\$ 1,371,868</u>	<u>\$ 1,789,741</u>	<u>\$ 2,276,215</u>	<u>\$ 1,015,675</u>	<u>\$ 1,260,540</u>	<u>124 %</u>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position (Table 2)

Total revenues excluding Housing assistance payments - Portability-in increased by approximately \$4.43 million (3%) and total expenses excluding Housing assistance payments - Portability-in increased by approximately \$3.05 million from a year ago.

HUD provided 95% of the Authority's revenue in 2020. The Housing Choice Voucher (HCV) program represents the majority of the Authority's total operating subsidies and grants revenue. Changes in HUD funding directly impact the Authority's operating results.

Total expenses increased by 2% due to higher housing assistance payments (HAP) made to landlords. Expenses also include administration (management fees and contracted services), utilities, maintenance, and depreciation.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year ended June 30, 2020, the Authority had \$11.42 million invested in a variety of capital assets as reflected in the following table, which represents a net decrease of approximately \$0.85 million or 7% from the previous fiscal year. The decrease in capital assets is due to the annual depreciation expense partially offset by the addition of capitalized costs.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

**TABLE 3
Capital Assets**

	The Authority		PACH		Total		Change	%
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019		
Land and land rights	\$ 1,342,253	\$ 1,342,253	\$ 2,246,244	\$ 2,246,244	\$ 3,588,497	\$ 3,588,497	\$ -	-
Buildings and improvements	10,376,191	10,283,217	20,505,437	19,677,632	30,881,628	29,960,849	920,779	3 %
Furniture and equipment	2,796,554	2,796,554	606,166	606,166	3,402,720	3,402,720	-	-
Less: Accumulated depreciation	<u>9,641,909</u>	<u>8,692,334</u>	<u>16,809,890</u>	<u>15,988,077</u>	<u>26,451,799</u>	<u>24,680,411</u>	<u>1,771,388</u>	<u>7 %</u>
Total	<u>\$ 4,873,089</u>	<u>\$ 5,729,690</u>	<u>\$ 6,547,957</u>	<u>\$ 6,541,965</u>	<u>\$ 11,421,046</u>	<u>\$ 12,271,655</u>	<u>\$ (850,609)</u>	<u>(7)%</u>

The following reconciliation summarizes the change in capital assets, which is presented in detail in notes to the financial statements.

**TABLE 4
Change in Capital Assets**

	The Authority	PACH	Total
Beginning balance	\$ 5,729,690	\$ 6,541,965	\$ 12,271,655
Additions	92,974	827,805	920,779
Depreciation	<u>(949,575)</u>	<u>(821,813)</u>	<u>(1,771,388)</u>
Total	<u>\$ 4,873,089</u>	<u>\$ 6,547,957</u>	<u>\$ 11,421,046</u>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Debt Outstanding

As of year-end, the Authority and its component unit, PACH had no debt (bonds, notes, etc.) outstanding.

ECONOMIC FACTORS

The Authority continues to be dependent on funding from HUD for the administration of its Housing Choice Voucher program.

The need for affordable housing in Alameda County has historically been, and will continue to be, very high. The number of people served and the level of service the Authority provide are constrained only by the amount of funds available for those services. The Authority is primarily dependent upon HUD for the funding of operations; therefore, it is affected more by the Federal budget than by local economic conditions. For several years, funding from HUD has been insufficient to cover housing assistance payments, capital improvements, operating and administrative expenses. The Authority continues to be challenged with unpredictable and reduced HUD funding levels to administer federal housing programs. The reduction has required the Authority's management to implement a comprehensive strategy to find new ways of assisting its participants while reducing costs, and continuing to comply with regulatory requirements. The Authority continues to look for ways to improve the efficiency, effectiveness and economy of its programs and administration. It is anticipated that most programs will continue to receive renewal funding.

The Authority continues to be challenged by other significant external and economic factors beyond its control which includes the following:

- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, economic and employment trends that can affect resident incomes and therefore impact the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- Supply of affordable housing.
- Restructuring of the financial and health insurance industries.
- Increasing pension liabilities.

FINANCIAL CONTACT

This financial report is designed to provide a general financial overview of the Authority. The individual to be contacted regarding this report is Cathy Leoncio, Finance Director, at (510) 727-8521. Specific requests may be submitted to the Housing Authority of the County of Alameda, 22941 Atherton Street, Hayward, California 94541.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Primary Government Business-Type Activities</u>
Assets:	
Current Assets:	
Cash and cash equivalent	\$ 4,241,634
Short term investments	11,858,055
Accounts receivable- HUD	137,466
Accounts receivable- other	2,090,707
Prepaid and other assets	<u>135,654</u>
Total current assets	<u>18,463,516</u>
Restricted assets:	
Cash and cash equivalents	3,330,421
Investments	6,148,000
Notes receivable	<u>13,231,116</u>
Total restricted assets	<u>22,709,537</u>
Capital assets:	
Capital assets	37,872,845
Less accumulated depreciation	<u>(26,451,799)</u>
Total capital assets, net	<u>11,421,046</u>
Total assets	52,594,099
Deferred outflow of resources	
Deferred outflow of resources - Pension	981,947
Deferred outflow of resources - OPEB	<u>174,877</u>
Total deferred outflow of resources	<u>1,156,824</u>
Total assets and deferred outflow of resources	<u><u>\$ 53,750,923</u></u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government Business-Type Activities
Liabilities:	
Current liabilities:	
Accounts payable	\$ 1,563,786
Accounts payable - HUD	10,614
Accounts payable - other government	2,441
Accrued compensated absences - current	208,981
Unearned revenue	4,028,070
Tenant security deposits	145,195
Family self-sufficiency escrow - current	450,386
Accrued liabilities	16,838
Other liabilities	<u>273,605</u>
Total current liabilities	<u>6,699,916</u>
Noncurrent liabilities:	
Net pension liability	7,919,662
Net OPEB liability	458,037
Family self- sufficiency escrow - noncurrent	443,924
Accrued compensated absences - noncurrent	<u>23,453</u>
Total noncurrent liabilities	<u>8,845,076</u>
Total liabilities	<u>15,544,992</u>
Deferred inflow of resources	
Deferred inflow of resources - Pension	2,851,878
Deferred inflow of resources - OPEB	<u>621,519</u>
Total deferred inflow of resources	<u>3,473,397</u>
Total liabilities and deferred inflow of resources	<u>19,018,389</u>
Net position:	
Net investment in capital assets	11,421,046
Restricted	19,483,603
Unrestricted	<u>3,827,885</u>
Total net position	<u>34,732,534</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 53,750,923</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

Operating Revenues:

Rental revenue - tenant	\$ 5,392,698
Other revenue	2,704
HUD PHA grants	133,117,253
Housing assistance payments-Portability-in	11,352,874
Fraud recovery	269,694
Other operating revenue	<u>5,441,951</u>
Total operating revenues	<u>155,577,174</u>

Operating Expenses:

Administration	10,098,178
Tenant services	315,864
Utilities	294,059
Ordinary maintenance and operations	2,074,587
General expenses	677,415
Depreciation	1,771,388
Housing assistance payments - Portability-in	11,017,916
Housing assistance payments	123,936,360
Other expenses	<u>3,773,037</u>
Total operating expenses	<u>153,958,804</u>

Operating income	<u>1,618,370</u>
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Nonoperating Revenues and Expenses:

Investment income	<u>657,845</u>
Total nonoperating revenues & expenses	<u>657,845</u>

Change in net position	2,276,215
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Net position, beginning of year	<u>32,458,761</u>
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<i>Restatement</i>	<u>(2,442)</u>
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Net position, beginning of the year, as <i>restated</i>	<u>32,456,319</u>
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Net position, end of year	<u><u>\$ 34,732,534</u></u>
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The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

Cash flows from operating activities:

Cash collected from:	
Dwelling rental	\$ 5,392,698
Other operating revenue	5,186,988
HUD PHA grants received	132,666,636
Housing assistance payments-Portability-in	11,352,874
Cash paid for:	
Housing assistance payments	(123,955,153)
Housing assistance payments-Portability-in	(11,017,916)
Administrative expenses	(9,522,375)
Tenant services	(314,882)
Utility expenses	(294,059)
Maintenance expenses	(2,074,587)
General expenses	(503,245)
Other expenses	<u>(3,773,037)</u>
Net cash provided (used) by operating activities	<u>3,143,942</u>
Cash flows from noncapital & related financing activities:	
Interfund payments	(1,350,561)
Interfund receipts	<u>1,350,561</u>
Net cash provided (used) by noncapital & related financing activities	<u>-</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(920,779)</u>
Net cash provided (used) by capital and related financing activities	<u>(920,779)</u>
Cash flows from investing activities:	
Purchase of investments	(6,279,151)
Interest received on investments	<u>327,845</u>
Net cash provided (used) by investing activities	<u>(5,951,306)</u>
Net change in cash and cash equivalents	(3,728,143)
Cash and cash equivalents, beginning of year	<u>11,300,198</u>
Cash and cash equivalents, end of year	<u><u>\$ 7,572,055</u></u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ 1,618,370
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,771,388
Change in operating assets and liabilities:	
Accounts receivable - HUD	(32,280)
Accounts receivable - other	(450,617)
Prepaid expenses	(44,536)
Deferred outflow of resources	2,541,166
Deferred inflow of resources	2,402,517
Accounts payable	218,706
Accounts payable - HUD	(18,793)
Accrued compensated absences	31,396
Unearned revenue	(495,081)
Family self-sufficiency escrow	111,884
Other liabilities	273,605
Accrued liabilities	(99,959)
Net pension liability	(4,095,044)
Net OPEB liability	(589,762)
Tenant security deposit	<u>982</u>
Net cash provided (used) by operating activities	<u>\$ 3,143,942</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Entity

The Housing Authority of the County of Alameda (the Authority) was established by the Alameda County Board of Supervisors on December 3, 1968. It is funded primarily by the Department of Housing and Urban Development (HUD) by means of Annual Contribution Contracts.

The Authority provides housing assistance to low and moderate-income families at rents they can afford. Eligibility is determined by family composition, income and residency in areas served by the Authority.

The accompanying financial statements are those of the Housing Choice Voucher Program, the existing Moderate Rehabilitation programs, the Authority administered Continuum of Care program and the Housing Development Fund. A summary of the programs administered by the Authority is provided below to assist the reader in interpreting such financial statements.

The Authority has one component unit in accordance with statement No. 61 Government Accounting Standards Board ("GASB"). The Authority's financial statements include those of Preserving Alameda County Housing, Inc. (PACH), which is a blended component unit that meets both of the following criteria under GASB 61.

1. The Authority and PACH have substantively the same governing body.
2. Management of the Authority has operational responsibility for the activities of PACH.

(b) Basis of Presentation

The Authority's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the USA.

Government-wide Statements: The Statement of net position and the Statement of activities display information about the Authority. These statements include the financial activities of the overall Authority.

The Statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as grants and investment earnings, result from non-exchange transactions or ancillary activities.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Business -type Activities

Housing Choice Voucher Program - Under the Housing Choice Voucher Program (HCV), the Authority administers contracts with independent landlords that own properties. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions funding to enable the Authority to set the participant's share of the rent at 30% of adjusted gross income. The HCV program also provides rental assistance for homeless veterans through the Veterans Affairs Supportive Housing (VASH) program. Support services are provided by the Department of Veterans Affairs (VA). The VA provides these services for participating veterans at VA medical centers (VAMC's) and community-based outreach clinics.

Housing Development Fund - The Authority maintains a Local Fund for low-income housing development and management improvements.

Moderate Rehabilitation Programs - A form of the Section 8 Rental Assistance program in which the rental assistance is "tied" to the rental unit rather than to the family. The Authority has 26 units under this program.

Preserving Alameda County Housing, Inc. - PACH leases, rehabilitates and operates affordable housing units and serves as a support corporation for the Authority. The Authority acts as the agent for the management of the properties owned by PACH.

Continuum of Care Program - This program provides rental assistance and supportive services for homeless individuals who have long-term disabilities resulting mainly from serious mental illness, alcohol and drug abuse, or an HIV positive medical condition. It is funded through the Alameda County Housing and Community Development Agency, for which the Authority is a contractor to provide the housing subsidy administration.

Other Business Activities - The Authority owns non-assisted units in Hayward known as Park Terrace (9 units) and in Emeryville known as Ocean Avenue (6 units) that are rented to low-income families. The Authority owns land in Union City to be developed for low-income housing. The Authority also manages, for a fee, 1 house owned by the City of Union City which is rented to a low-income family. In December 2009, the Authority also established the CHOICES program with the Alameda County Behavioral Health Care Services Department (BHCS). The program provides a monthly housing subsidy for designated BHCS clients with serious mental health issues. On October 1, 2012, the Memorandum of Understanding (MOU) with BHCS was amended to include the Forensic Assertive Community Treatment (FACT) program and on May 1, 2018 to add the HCSA Flexible Housing Subsidy Program.

(d) Basis of Accounting

The basic accounting and reporting entity is a "fund". A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

"Basis of accounting" refers to when revenues and expenses are recognized in the accounts and reported in the basic financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Authority is accounted for as an enterprise fund, which is used to account for operations similar to a private business enterprise where the intent of the Authority is that the costs and expenses, including depreciation, of providing services to the members on a continuing basis be financed or recorded primarily through user charges.

As an enterprise fund, the Authority uses the full accrual basis of accounting. With the economic resources measurement focus, all assets and all liabilities of the enterprise are recorded on its Statement of Net Position, all revenues are recognized when earned, and all expenses, including depreciation, are recognized when incurred. Enterprise Fund Net Position includes Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position.

The Authority considers all of its funds to be proprietary. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Authority or if total assets, liabilities, revenues, or expenses of the individual fund are at least 10 percent of the Authority-wide total. The Authority considers all of its activity to be housing related and therefore, considers all the financial activity of the Authority to be one major fund.

Private sector standards of accounting and financial reporting are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

The Statement of position presents the Authority's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation.
- Unrestricted - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

Statement of Revenues, Expenses, and Changes in Net Position - The Statement of Revenues, Expenses, and Changes in Net Position is the operating statement for the enterprise fund. Revenues are reported by major source. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred outflows/inflows of resources - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has pensions and OPEB related to deferred inflows of resource items that qualify for reporting in this category.

In addition to assets, the statement of net position reports a separate section for pensions and OPEB related deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The Authority has pensions and OPEB related to deferred outflows of resource items that qualify for reporting in this category.

(e) Measurement Focus

“Measurement Focus” refers to what is being measured; “basis of accounting” refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The proprietary fund types are accounted for on an “income determination” or “cost of services” measurement focus. Accordingly, all assets and liabilities are included on the statement of net position, and the reported net position provides an indication of the historical net worth of the fund. Operating statements for proprietary fund types report increases (revenues) and decreases (expenses) in total historical net worth.

Proprietary funds use the accrual basis of accounting, i.e., revenues are recognized in the period earned and expenses are recognized in the period incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses result from providing goods and services related to the fund’s ongoing operations. The principal operating revenue of the Authority’s enterprise funds is dwelling rental income. Operating expenses include the cost of services provided, administrative expenses and depreciation on fixed assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(f) Cash, Cash Equivalents and Investments

The Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments. For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary funds’ share in the cash and investment pool of the Authority. Cash equivalents have an original maturity date of three months or less from the date of purchase.

The Authority pools cash and investments of all funds. Each fund’s share in this pool is displayed in the accompanying financial statements as *cash* and *investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund’s average cash and investment balance.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments are reported at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for certain investments and for External Investment Pools.

(g) Capital Assets

The Authority's established capitalization policy requires all acquisitions of property and equipment in excess of \$3,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the acquisition value at the date of donation. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

<u>Asset Category</u>	<u>Years</u>
Furniture and equipment	5
Building improvements	10
Buildings	27.5

(h) Accounts Receivable

Receivables are principally amounts due from other governments and tenants. Allowance for doubtful accounts has been provided based on the likelihood of the recoverability.

(i) Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

(j) Accrued Compensated Absences

Each person in the service of the Housing Authority shall accrue vacation leave as follows:

- 2.89 hours for 75 hour/pay period employees and 3.08 hours for 80 hour/pay period employees for each full-time biweekly pay period on paid status until completion of 78 full-time biweekly pay periods (3 years) of continuous employment.
- 4.33 hours for 75 hour/pay period employees and 4.62 hours for 80 hour/pay period employees for each full-time biweekly pay period on paid status after completion of 78 full-time biweekly pay periods (3 years) of continuous employment and until completion of 286 full-time biweekly pay periods (10 years) of continuous employment.
- 5.77 hours for 75 hour/pay period employees and 6.15 hours for 80 hour/pay period employees for each full-time biweekly pay period on paid status after completion of 260 full-time biweekly pay periods (10 years) of continuous employment and until completion of 468 full time biweekly pay periods (18 years) of continuous employment.
- Employees shall earn 7.22 hours for 75 hour/pay period employees and 7.69 hours for 80 hour/pay period employees for each full-time biweekly pay period on paid status after completion of 468 full time biweekly pay periods of continuous employment.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Accumulated vacation benefits are recorded as liabilities on the books of the Authority. The total liability for the Authority is \$232,434 based on year-end hourly rates, of which \$208,981 is current.

(k) Net Position

Net Position consists of investment in capital assets, restricted net position, and unrestricted net position. Unrestricted net position is designated for use for expenditures in future periods. Restricted net position is designated for tenant security deposits, family self-sufficiency escrow deposits, capital fund program and HAP equity.

(l) Taxes

The Authority is exempt from federal and state income taxes. The Authority is also exempt from property taxes.

(m) Unearned Revenues

Unearned revenues represent funds received that have not yet been earned. As the funds are earned, the liability is reduced.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments as of June 30, 2020 are classified on the Statement of Net Position as follows:

Unrestricted - cash, cash equivalents and investments:	
Deposits and placements with financial institution	\$ 4,241,284
Short term investments	11,858,055
Cash on hand	350
Restricted cash, cash equivalents and investments for tenant security deposits, family self-sufficiency escrow, and capital fund program:	
Deposits and placements with financial institution	3,330,421
Investments	<u>6,148,000</u>
Total cash, cash equivalents and investments	<u>\$ 25,578,110</u>

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

The Authority had the following cash, cash equivalents and investments at June 30, 2020:

Cash and cash equivalents:	
Cash on hand and demand deposits with financial institution	\$ 6,650,271
Money market accounts	<u>921,784</u>
Total cash and cash equivalents	<u>7,572,055</u>
Investments:	
State of California Local Agency Investment Fund (LAIF)	3,355,690
Certificate of deposits	1,955,000
Commercial papers	<u>12,695,365</u>
Total investments	<u>18,006,055</u>
Total cash, cash equivalents and investments	<u>\$ 25,578,110</u>

State of California Local Agency Investment Fund (LAIF)

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in the pool is reported in the accompanying financial statement at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis. As of June 30, 2020, the GASB fair market value factor for the LAIF portfolio was 0.993684569.

A. Deposits and Placements with Financial Institution

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside entity.

Generally, credit risk is the risk that an issuer will not be able to fulfill its obligation to the holder of the investment. All time and savings deposits (which include money market deposit accounts and other interest-bearing checking accounts) are maintained in an insured depository institution insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC) depending upon the type of deposit and the location of the insured depository institution.

These accounts are held with a single financial institution. In addition to the insurance coverage provided by the financial institution, the Authority purchased unlimited insurance coverage for all the bank deposits. At June 30, 2020, no cash deposited with a financial institution was exposed to credit risk.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pool such as LAIF.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. The Authority considers the investments in LAIF to be highly liquid as deposits can be converted to cash within twenty-four hours without loss of interest or principal. The full faith and credit of the State of California secure investments in LAIF. At June 30, 2020, an account was maintained in the name of the Authority for \$3,355,690, its fair value.

B. Investments and Concentration

The Authority is authorized by State statutes and in accordance with the Authority's Investment Policy (Policy) to invest in the following:

- Securities issued or guaranteed by the Federal Government or its agencies
- State of California Local Agency Investment Fund (LAIF)
- Insured and/or collateralized certificates of deposit

The Policy, in addition to State statutes, establishes that funds on deposit in banks must be federally insured or collateralized and investments shall (1) have maximum maturity not to exceed five years, (2) be laddered and based on cash flow forecasts; and (3) be subject to limitations to a certain percent of the portfolio for each of the authorized investments. The Authority's investments comply with the established policy.

Investments Authorized by the California Government Code and the Authority's Investment Policy

The California Government code allows the Authority to invest in the following; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code:

Authorized Investment Type	Maximum Maturity	Maximum Specified Percentage of Portfolio	Minimum Credit Quality
Local agency bonds	5 years	None	None
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
CA Local agency obligations	5 years	None	None
U.S. agencies	5 years	None	None
Banker's acceptances	180 days	40%	A1/P1
Commercial paper - select agencies	270 days	40%	A1/P1
Commercial paper - other agencies	270 days	25%	None
Negotiable certificates of deposit	5 years	30%	None
Repurchase agreements	1 year	None	None
Reverse repurchase agreements and Securities lending agreements	92 days	20%	None
Medium-term notes	5 years	30%	A
Mutual funds	N/A	20%	Multiple
Money market mutual funds	N/A	20%	Multiple
Collateralized bank deposits	5 years	None	None

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Authorized Investment Type	Maximum Maturity	Maximum Specified Percentage of Portfolio	Minimum Credit Quality
Mortgage pass-through securities	5 years	20%	AA
Time deposits	5 years	None	None
County pooled investment funds	N/A	None	None
Local agency investment fund (LAIF)	N/A	None	None

There are no restrictions on the maximum amount invested in each security type or maximum that can be invested in any one issuer. The Authority does not have reverse repurchase agreements.

C. Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The investments in an external investment pool are not subject to reporting within the level hierarchy. The three levels of the fair value hierarchy are described below:

Level 1 Inputs: These level inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 Inputs: These are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means, e.g., "market-corroborated" inputs. Inputs at Level 2 include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability, such as: interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads.
- Market-corroborated inputs

Level 3 Inputs: These are unobservable inputs for the asset or liability; they should be used only when relevant Level 1 and Level 2 inputs are unavailable. Governments may use their own data to develop unobservable inputs if there is no information available without undue cost and effort.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Fair value hierarchy of the Authority's investments is as follows:

	<u>Total</u>	<u>Quoted Prices in Active Market for Identical Asset (Level 1)</u>
Investments subject to fair value hierarchy:		
Commercial papers	\$ 12,695,365	\$ 12,695,365
Certificate of deposits	<u>1,955,000</u>	<u>1,955,000</u>
Total investments subject to fair value hierarchy	<u>14,650,365</u>	<u>\$ 14,650,365</u>
Investments not subject to fair value hierarchy:		
Money market	921,784	
LAIF	<u>3,355,690</u>	
Total investments not subject to fair value hierarchy	<u>4,277,474</u>	
Total	<u>\$ 18,927,839</u>	

NOTE 3 - ACCOUNTS RECEIVABLE

As of June 30, 2020, accounts receivable balance consisted of following:

Receivables from HUD:		
Admin fees receivable		\$ 137,466
Receivables from Other Government:		
Shelter Plus Care contract receivables		<u>910,536</u>
Total receivables from HUD and other government		<u>1,048,002</u>
Other receivables:		
Portability program receivables from other housing authorities		1,024,966
Other receivables		177,022
Allowance for doubtful accounts		<u>(21,817)</u>
Total other receivables		<u>1,180,171</u>
Total		<u>\$ 2,228,173</u>

Shelter Plus Care program is a HUD funded housing program that provides supportive services and affordable subsidized housing to homeless people with disabilities. As of June 30, 2020 the Authority had a balance of \$910,536 receivables for invoices submitted for the Fiscal year 2019-20.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - ACCOUNTS RECEIVABLE (CONT'D)

Under the portability program, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States, provided the unit is located within the jurisdiction of a local housing authority administering a tenant-based voucher program. A participating family that wishes to port into the Authority's jurisdiction must have approval from its originating housing authority. As of June 30, 2020, the Authority had a receivable balance of \$1,024,966 from other housing authorities for their approved portability applicants. Management on a regular basis communicates with those authorities to collect the receivables.

NOTE 4 - INTERFUND BALANCES

As of June 30, 2020, Interfund balances consisted of following:

	<u>Due From</u>	<u>Due To</u>
Low Rent Public Housing	\$ -	\$ 111
Housing Choice Voucher	1,489,206	424,215
Housing Development Fund	115,338	499,701
Shelter Plus Care	-	906,202
Moderate Rehabilitation	2,689	6,154
PACH	1,452	102,535
Ocean Avenue	3	2,400
Facts & Choices	55,664	-
Park Terrace	24,980	-
Mainstream	404,988	-
Business Activities	<u>6,785</u>	<u>159,787</u>
	<u>\$ 2,101,105</u>	<u>\$ 2,101,105</u>

Interfund receipt and spending activity between fund entities is reported in self-balancing "Due To/Due From" memorandum accounts. For reporting purposes these balances are eliminated in supplementary combining schedules of net position and not shown in the basic financial statements.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS

A summary of enterprise funds capital assets at June 30, 2020 is shown below:

<u>Capital Assets</u>	
Land and land rights	\$ 3,588,497
Buildings and improvements	30,881,628
Furniture and equipment	<u>3,402,720</u>
Total capital assets	37,872,845
Less: Accumulated depreciation	<u>(26,451,799)</u>
Net capital assets	<u>\$ 11,421,046</u>

Capital asset activities for the year ended June 30, 2020 were as follows:

	<u>Balance at June 30, 2019</u>	<u>Increases</u>	<u>Reclassifi- cation</u>	<u>Balance at June 30, 2020</u>
Capital assets not being depreciated:				
Land and land rights	\$ 3,588,497	\$ -	\$ -	\$ 3,588,497
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>3,588,497</u>	<u>-</u>	<u>-</u>	<u>3,588,497</u>
Capital assets being depreciated:				
Buildings and improvements	29,960,849	920,779	-	30,881,628
Furniture and equipment	<u>3,402,720</u>	<u>-</u>	<u>-</u>	<u>3,402,720</u>
Total capital assets being depreciated	<u>33,363,569</u>	<u>920,779</u>	<u>-</u>	<u>34,284,348</u>
Less: Accumulated depreciation for:				
Buildings and improvements	(20,488,133)	(1,563,936)	(1,136,219)	(23,188,288)
Furniture and equipment	<u>(4,192,278)</u>	<u>(207,452)</u>	<u>1,136,219</u>	<u>(3,263,511)</u>
Total accumulated depreciation	<u>(24,680,411)</u>	<u>(1,771,388)</u>	<u>-</u>	<u>(26,451,799)</u>
Total capital assets being depreciated, net	<u>8,683,158</u>	<u>(850,609)</u>	<u>-</u>	<u>7,832,549</u>
Total capital assets, net	<u>\$ 12,271,655</u>	<u>\$ (850,609)</u>	<u>\$ -</u>	<u>\$ 11,421,046</u>

Depreciation expense for the year ended June 30, 2020 was \$1,771,388.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 - PENSION PLAN

A. Plan Description

The Authority provides retirement benefits for all its full-time employees through the Alameda County Employees Retirement Association (ACERA). The ACERA was established by the Alameda County Board of Supervisors in 1947. ACERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.).

ACERA is a cost-sharing, multiple employer, defined benefit, public employee retirement system whose main function is to provide service retirement, disability, death, and survivor benefits to the General and Safety members employed by the County of Alameda. ACERA also provides retirement benefits to the employee members of First 5 Alameda County, Housing Authority of the County of Alameda, Alameda Health System, Livermore Area Recreation and Park District (LARPD), Superior Court of California, County of Alameda, and Alameda County Office of Education (ACOE).

ACERA provides service and disability retirement benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State Law and are subject to amendment only by an act of the State of California legislature. Alternative benefit and contribution schedules are permissible with the Board of Supervisors' approval. All risks and costs, including benefit costs, are shared by the participating entities. An actuarial valuation is performed annually for the system as a whole.

ACERA's financial statements and required supplementary information are audited annually by independent auditors. The audit report and December 31, 2019 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14th Street, Suite 1000, Oakland, CA 94612.

B. Plan membership

At December 31, 2019, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	10,078
Vested terminated members entitled to, but not yet receiving benefits*	2,821
Active members	<u>11,336</u>
Total	<u><u>24,235</u></u>

* Includes terminated members due to a refund of member contributions.

C. Pension Benefits

ACERA provides service retirement, disability, death, and survivor benefits to eligible employees. The ACERA's membership for the Authority's employees is effective on the first day of an employee's hire in an ACERA covered position. The first date of employment is the date of entry into ACERA membership. As of this date of entry, payroll deductions for retirement contributions begin and service credit for each hour work is earned.

There are separate retirement benefits for General and Safety members. Safety membership is extended to those involved in active law enforcement, deferred firefighters, or positions that have been designated as Safety by the Board of Retirement (e.g. Juvenile Hall Group Counselor, Probation Officer, etc.). All other employees are classified as General members.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN (CONT'D)

Any new member who becomes a member on or after January 1, 2013 is placed into Tier 4 and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197.

General members enrolled in Tiers 1, 2, or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement service credit, or at age 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier. All Authority employees are General members. The tiers and their basic provisions are listed below:

Tier Name	Service Retirement Governing Code Section	Effective Date	Basic Provisions	Final Average Salary Period
General Tier 1	§31676.12	Various	2.0% at 57; maximum 3% COLA	Highest 1- year
General Tier 2	§31676.1	September 30, 2011	2.0% at 61; maximum 2% COLA	Highest 3- years
General Tier 3	§31676.18	October 1, 2008	2.5% at 55; maximum 3% COLA	Highest 1-year
General Tier 4	§7522.20(a)	January 1, 2013	2.5% at 67; maximum 2% COLA	Highest 3- years

For members enrolled in Tiers 1, 2, or 3, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members enrolled in Tier 4.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

ACERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the San Francisco-Oakland-San Jose Area (with 1982-84 as the base period), is capped at 3.0% for General Tiers 1 and 3 and at 2.0% for General Tiers 2 and 4.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN (CONT'D)

D. Plan Contributions

The Authority contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ACERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2019 for 2019 (based on the December 31, 2017 valuation for the second half of 2018/2019 and on the December 31, 2018 valuation for the first half of 2019/2020) was 27.60% of compensation.

Members are required to make contributions to ACERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2019 for 2019 (based on the December 31, 2017 valuation for the second half of 2018/2019 and on the December 31, 2018 valuation for the first half of 2019/2020) was 9.53% of compensation.

The Authority's proportionate share in the actual contributions has been determined for the periods from January 1 to December 31 as follows:

2019 (measurement period)	\$ 1,208,258
2018	\$ 1,213,308

For the year ended June 30, 2020, the Authority made contributions of \$1,208,258 to ACERA.

E. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, the Authority reported net pension liabilities of \$7,919,662 for its proportionate shares of the net pension liability of the Plan.

Reporting Date for Employer under GASB 68	June 30, 2020
Measurement Date for Employer under GASB 68	<u>December 31, 2019</u>
Beginning net pension liability	\$ 12,014,705
Pension expense	1,411,069
Employer contributions	(1,208,258)
New net deferred inflows / outflows	(2,488,271)
Change in Allocation of Prior Deferred Inflows/Outflows	(258,841)
New Net Deferred Flows Due to Change in Proportion	(730,924)
Recognition of Prior Deferred Inflows/Outflows	(910,505)
Recognition of Prior Deferred Flows Due to Change in Proportion	<u>90,687</u>
Ending net pension liability	<u>\$ 7,919,662</u>

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan Fiduciary Net Position (plan assets). The Total Pension Liability for each membership class is obtained from internal valuation results. The Plan Fiduciary Net Position for each membership class was estimated by adjusting the valuation value of assets for each membership class by the ratio of the total ACERA Plan Fiduciary Net Position to total ACERA valuation value of assets.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN (CONT'D)

The Authority's Net Pension Liability for the Plan is measured as the proportionate share of the Net Pension Liability. The reporting date for the Authority under GASB 68 is June 30, 2020. Consistent with the provisions of GASB 68, the assets and liabilities measured as of December 31, 2018 are not adjusted or "rolled forward" to the June 30, 2020 reporting date. Other results, such as the total deferred inflows and outflows, would also be allocated based on the same proportionate share.

The Authority's proportion of the Net Pension Liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the Net Pension Liability for the Plan as of June 30, 2020 and 2019 was as follows:

	<u>Amount</u>
Proportion - June 30, 2020	\$ 7,919,662
Proportion - June 30, 2019	12,014,705
Change in net pension liability	\$ (4,095,043)

For the year ended June 30, 2020, the Authority recognized pension expense of \$1,411,069.

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,662,004
Contributions subsequent to the measurement date	-	-
Changes in proportion and differences between employer's contributions and proportionate share of contributions	43,631	942,801
Change of assumptions or other inputs	866,226	109,300
Differences between expected and actual experience in the total pension liability	72,090	137,773
	\$ 981,947	\$ 2,851,878

The deferred outflow of resources related to the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN (CONT'D)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2021	\$ (477,732)
2022	(499,082)
2023	(41,117)
2024	(795,422)
2025	(56,578)
Total	<u>\$ (1,869,931)</u>

There are changes in each employer's proportionate share of the total NPL during the measurement period ended December 31, 2019. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for the current period (i.e., 2019) is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through ACERA which is 5.37 years determined as of December 31, 2018 (the beginning of the measurement period ended December 31, 2019). This is described in Paragraph 33a. of GASB 68.

In addition, the difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended December 31, 2019 is recognized over the same period.

The net effects of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for prior periods are continued to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

The average of the expected service lives of all employees is determined by:

- Calculating each active employees' expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN (CONT'D)

The measurement of the pension expense is as follows:

	June 30, 2020
	December 31, 2019
Reporting Date for Employer under GASB 68	
Measurement Date for Employer under GASB 68	
Component of Pension Expense:	
Service cost	\$ 980,914
Interest on the Total Pension Liability	3,082,761
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(167,260)
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	14,339
Member contributions	(470,874)
Projected earnings on plan investments	(2,282,728)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(637,733)
Administrative expense	71,832
Recognition of beginning of year deferred outflows of resources as pension expense	1,685,526
Recognition of beginning of year deferred inflows of resources as pension expense	(775,021)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(90,687)
Pension Expense	\$ 1,411,069

F. Actuarial Methods and Assumptions

An actuarial valuation is performed for the pension plan on an annual basis. ACERA retains an independent actuarial firm to conduct actuarial valuations and to establish the contribution rate requirements for the Plan.

The components of the collective net pension liability of the plan as of December 31, 2019 and December 31, 2018 are as follows:

	2019	2018
Total Pension Liability	\$ 9,959,791,606	\$ 9,535,148,109
Less: Plan Fiduciary Net Position	7,819,098,646	6,771,146,134
Net Pension Liability	\$ 2,140,692,960	\$ 2,764,001,975
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.51 %	71.01 %

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN (CONT'D)

The Net Pension Liability (NPL) was measured as of December 31, 2019 and 2018. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of December 31, 2018 and 2017, respectively.

The actuarial assumptions used to develop the December 31, 2019 and December 31, 2018 total pension liability are the same assumptions used in the December 31, 2019, and 2018 funding valuations for ACERA, respectively. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

<u>Valuation Date</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Inflation	3.00%	3.00%
Salary Increases	8.30% to 3.90%, vary by service, including inflation	8.30% to 3.90%, vary by service, including inflation
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation
Other assumptions	Refer to analysis of actuarial experience during the period December 1, 2013 through November 30, 2016	Refer to analysis of actuarial experience during the period December 1, 2013 through November 30, 2016

G. Discount Rate

The discount rate used to measure the Total Pension Liability (TPL) was 7.25% as of December 31, 2019 and December 31, 2018. Our understanding is that Article 5.5 of the Statute, which authorizes the allocation of 50% of excess earnings to the SRBR, does not allow for the use of a different investment return assumption for funding than is used for interest crediting. In order to reflect the provisions of Article 5.5, we have treated future allocations to the SRBR as an additional outflow against the Plan's Fiduciary Net Position in the GASB crossover test, as mentioned earlier in Section 1. Again, we are estimating that the additional outflow would average approximately 0.60% of assets over time, based on the results of our stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates plus additional future contributions that would follow from the future allocation of excess earnings to the SRBR. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of both December 31, 2019 and December 31, 2018.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN (CONT'D)

H. Additional Financial and Actuarial Information

Additional financial and actuarial information supporting the schedule of employer allocations and schedule of pension amounts by employer can be obtained from ACERA's Comprehensive Annual Financial Report for the year ended December 31, 2019, and ACERA's GASB 68 Actuarial Valuation Based on December 31, 2019 Measurement Date for Employer Reporting as of June 30, 2020.

I. Target Asset Allocation

The long-term expected rate of return on pension plan investments¹ was determined in 2017 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2019 actuarial valuation. This information will be subject to change every three years based on the results of an actuarial experience study.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
Domestic Large Cap Equity	22.40 %	5.75 %
Domestic Small Cap Equity	5.60 %	6.37 %
Developed International Equity	19.50 %	6.89 %
Emerging Market Equity	6.50 %	9.54 %
U.S. Core Fixed Income	11.25 %	1.03 %
High Yield Bonds	1.50 %	3.99 %
International Bonds	2.25 %	0.19 %
TIPS	2.00 %	0.98 %
Real Estate	8.00 %	4.47 %
Commodities	3.00 %	3.78 %
Hedge Funds	9.00 %	4.30 %
Private Equity	9.00 %	7.60 %
Total	<u>100.00 %</u>	

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

The following presents the NPL as of December 31, 2019, calculated using the discount rate of 7.25%, as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Plan's Net Pension Liability/ (Asset) \$	\$ 13,612,544	\$ 7,919,662	\$ 3,208,971

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

At June 30, 2020, net OPEB liability and related deferred outflows/ inflows of resources are as follows:

	<u>2020</u>	<u>2019</u>
Deferred outflows of resources	\$ 174,877	\$ 442,906
Deferred inflows of resources	\$ 621,519	\$ 243,719
Net OPEB liability	\$ 458,037	\$ 1,047,799

A. Plan Description

The Alameda County Employees' Retirement Association (ACERA) administers a non-vested medical benefits program for eligible retired members. The benefits include medical, dental, and vision subsidies as well as Medicare Part B premium reimbursement. The subsidies are paid from the 401(h) account in the form of a monthly medical allowance. The maximum levels of the monthly medical allowances are reviewed annually by the Board of Retirement.

Retired members with a minimum of ten years of service credit or those retired with service connected disability are eligible to receive monthly medical, dental, and vision allowance benefits if they enroll in one of the ACERA sponsored medical plans or Medicare exchange. Retired members eligible for the monthly medical allowance benefit may also be reimbursed for the lowest standard Medicare Part B premium with proof of enrollment in Medicare Part B.

B. Contributions

There are no legal or contractual contribution requirements for the OPEB plan. Funding for the OPEB plan relies entirely on semi-annual earnings allocations from the total fund to the Supplemental Retiree Benefits Reserve (SRBR) as mandated by Article 5.5 of the 1937 Act. The OPEB assets are held in the 401(h) account and the SRBR to pay the non-vested benefits.

C. Plan Membership

At December 31, 2019, OPEB plan membership consisted of the following:

Retired members or beneficiaries currently receiving medical benefit	6,575
Retired members or beneficiaries currently receiving dental and vision benefits	7,741
Vested terminated members entitled to, but not yet receiving benefits	430
Participating Active Employees	<u>11,336</u>
Total Number of Participants	<u><u>26,082</u></u>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)

Benefits Provided

ACERA provides benefits to eligible employees under the following terms and conditions:

Membership Eligibility:

Service Retirees: Retired with at least 10 years of service (including deferred vested members who terminate employment and receive a retirement benefit from ACERA)

Disabled Retirees: A minimum of 10 years of service is required for non-duty disability. There is no minimum service requirement for duty disability.

Benefit Eligibility:

1. Monthly Medical Allowance

Service Retirees: For retirees not purchasing individual insurance through the Individual Medicare Insurance Exchange, a Maximum Monthly Medical Allowance of \$558 per month was provided, effective January 1, 2019 and through December 31, 2019. For the period January 1, 2020 through December 31, 2020, the maximum allowance is \$578.75 per month.

For those purchasing insurance through the Individual Medicare Exchange, the Monthly Medical Allowance was \$427.46 per month for 2019 and is \$443.28 for 2020.

These Allowances are subject to the following subsidy schedule:

<u>Completed Years of Service</u>	<u>Percentage Subsidized</u>
10-14	50%
15-19	75%
20+	100%

Disabled Retirees: Non-duty disabled retirees receive the same Monthly Medical Allowance as service retirees.

Duty disabled retirees receive the same Monthly Medical Allowance as those service retirees with 20 or more years of service.

2. Medicare Benefit Reimbursement Plan: The SRBR reimburses the full Medicare Part B premium to qualified retired members. To qualify for reimbursement, a retiree must:

- Have at least 10 years of ACERA service,
- Be eligible for Monthly Medical Allowance,
- Provide proof of enrollment in Medicare Part B.

3. Dental and Vision Plans: The SRBR provides dental and vision benefits for retirees only. The maximum combined monthly dental and vision premiums will be \$48.39 in 2019 and \$46.28 in 2020. The eligibility for these premiums is as follows:

Service Retirees: Retired with at least 10 years of service.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)

Disabled Retirees:	For non-duty disabled retirees, 10 years of service is required. For grandfathered non-duty disabled retirees (with effective retirement dates on or before January 31, 2014), there is no minimum service requirement. For duty disabled retirees, there is no minimum service requirement.
Deferred Benefit:	Members who terminate employment with 10 or more years of service before reaching Pension eligibility commencement age may elect deferred MMA and/or dental/vision benefits.
Death Benefit:	Surviving spouses/domestic partners of members who die before the member commences retiree health benefits may enroll in an ACERA group medical plan on the date that the member would have been eligible to commence benefits. The surviving spouse/domestic partner must pay 100% of the premium. Because premiums for surviving spouses/domestic partners under age 65 include active participants for purposes of underwriting, the surviving spouses/domestic partners receive an implicit subsidy from the active members, which creates a liability for the SRBR.

D. Net OPEB Liability

The Net OPEB Liability was measured as of December 31, 2019 and 2018. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date, while the Total OPEB Liability was determined by rolling forward the Total OPEB Liability as of December 31, 2018 and 2017, respectively.

The plan provisions used in the measurement of the NOL as of December 31, 2019 and 2018 are the same as those used in ACERA's SRBR sufficiency valuation as of December 31, 2018 and 2017, respectively.

E. Actuarial Assumptions

The actuarial assumptions used for the December 31, 2019 valuation were based on the results of the experience study for the period from December 1, 2013 through November 30, 2016 that were approved by the Board effective with the December 31, 2017 valuation and the health care trend assumptions recommended for the upcoming sufficiency study for the SRBR as of December 31, 2019 (reference: our letter dated May 6, 2020). The assumptions used in the December 31, 2019 SRBR OPEB actuarial valuation for ACERA were applied to all periods included in the measurement:

December 31, 2019	
Investment rate of return	7.25%, net of OPEB plan investment expense, including inflation
Inflation	3.00%
Health care premium trend rates*	
Non-Medicare medical plan	Graded from 6.75% to ultimate 4.50% over 9 years
Medicare medical plan	Graded from 6.25% to ultimate 4.50% over 7 years
Dental/Vision	4.00%
Medicare Part B	4.50%
Other assumptions	Same as those proposed in the experience study for the period December 1, 2013 through November 30, 2016

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)

December 31, 2018

Investment rate of return	7.25%, net of OPEB plan investment expense, including inflation
Inflation	3.25%
Health care premium trend rates**	
Non-Medicare medical plan	Graded from 7.00% to ultimate 4.50% over 10 years
Medicare medical plan	Graded from 6.50% to ultimate 4.50% over 8 years
Dental/Vision and Medicare Part B	4.00%
Other assumptions	Same as those proposed in the experience study for the period December 1, 2013 through November 30, 2016

* The trend rates shown above for 2020 as of the December 31, 2019 measurement do not include a one-time reduction of 1.20% to the first year non-Medicare trend of 6.75% and 0.90% to the first year Medicare trend of 6.25% to reflect the recent repeal of the Health Insurance Tax (HIT) taking effect in 2021.

** The trend rates shown above for 2019 as of the December 31, 2018 measurement are before reflecting a one-time adjustment to reflect the impact of the Health Insurance Tax (HIT). The weighted average increase amongst all carriers is approximately 1.2% for Non-Medicare and 0.9% for Medicare plans.

F. Discount Rate

The discount rate used to measure the Total OPEB Liability was 7.25% as of December 31, 2019 and December 31, 2018. The projection of cash flows used to determine the discount rate assumed benefits are paid out of current OPEB SRBR assets. Based on those assumptions, the SRBR OPEB Plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments for current plan members.⁷

Therefore the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability as of December 31, 2019 and December 31, 2018.

G. Target Asset Allocation

The long-term expected rate of return on OPEB plan investments⁶ was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. This information will change every three years based on the results of an actuarial experience study.

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses and a risk margin, used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2019 valuation are summarized in the following table. This information is subject to change every three years.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)

Asset Class	Target Allocation	Long-Term (Arithmetic) Expected Real Rate of Return
Domestic Large Cap Equity	22.40 %	5.75 %
Domestic Small Cap Equity	5.60 %	6.37 %
Developed International Equity	19.50 %	6.89 %
Emerging Market Equity	6.50 %	9.54 %
U.S. Core Fixed Income	11.25 %	1.03 %
High Yield Bonds	1.50 %	3.99 %
International Bonds	2.25 %	0.19 %
TIPS	2.00 %	0.98 %
Real Estate	8.00 %	4.47 %
Commodities	3.00 %	3.78 %
Hedge Funds	9.00 %	4.30 %
Private Equity	9.00 %	7.60 %
Total	<u>100.00 %</u>	

H. OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

Reporting Date for Employer under GASB 75	June 30, 2020	June 30, 2019
Measurement Date for Employer under GASB 75	December 31, 2019	December 31, 2018
OPEB Expense:		
Service Cost	\$ 112,257	\$ 142,064
Interest on Total OPEB Liability	299,492	330,345
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(12,262)	(346)
Expensed portion of current-period difference between actual and expected experience in the Total OPEB Liability	(25,590)	(18,692)
Expensed portion of current-period changes of assumptions or other inputs	7,685	(7,710)
Projected earnings on plan investments	(234,936)	(319,922)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(110,099)	188,456
Administrative Expense	5,494	5,509
Recognition of beginning of year deferred outflows of resources as OPEB expense	205,696	39,719
Recognition of beginning of year deferred inflows of resources as OPEB expense	(186,219)	(180,166)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(5,451)</u>	<u>(5,105)</u>
OPEB Expense	<u>\$ 56,067</u>	<u>\$ 174,152</u>

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)**Reconciliation of Net OPEB Liability:**

Beginning Net OPEB Liability	\$ 1,047,799	\$ 124,068
OPEB Expense	56,067	174,152
New Net Deferred Inflows/Outflows	(540,845)	604,124
Change in Allocation of Prior Deferred Inflows/Outflows	(22,169)	1,863
New Net Deferred Flows Due to Change in Proportion	(68,789)	(1,960)
Recognition of Prior Deferred Inflows/Outflows	(19,477)	140,447
Recognition of Prior Deferred Flows Due to Change in Proportion	<u>5,451</u>	<u>5,105</u>
Net changes	<u>(589,762)</u>	<u>923,731</u>
Ending Net OPEB Liability	<u>\$ 458,037</u>	<u>\$ 1,047,799</u>

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net excess of actual over projected earnings on OPEB plan investments	\$ -	\$ 229,296
Changes in proportion and differences between employer's contributions and proportionate share of contributions	-	89,187
Change of assumptions or other inputs	174,877	32,457
Differences between expected and actual experience in the total OPEB liability	<u>-</u>	<u>270,579</u>
	<u>\$ 174,877</u>	<u>\$ 621,519</u>

Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year ended June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2021	\$ (126,240)
2022	(126,240)
2023	23,047
2024	(152,464)
2025	(46,344)
2026	<u>(18,401)</u>
Total	<u>\$ (446,642)</u>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)

There are changes in each employer's proportionate share of the total Net OPEB Liability (NOL) during the measurement period ended December 31, 2019. The net effect of the change on the employer's proportionate share of the collective NOL and collective deferred outflows of resources and deferred inflows of resources is recognized over the average of the expected remaining service lives of all employees that are provided with benefits through ACERA which is 6.61 years determined as of December 31, 2018 (the beginning of the measurement period ended December 31, 2019). This is described in Paragraph 64 of GASB 75.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

I. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability of ACERA as of December 31, 2019, calculated using the discount rate of 7.25%, as well as what ACERA's Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

Discount Rate - 1%	Current Discount Rate	Discount Rate +1%
\$ 1,022,766	\$ 458,037	\$ (10,786)

J. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Net OPEB Liability of ACERA as of December 31, 2019, calculated using the current trend rate, as well as what ACERA's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

Trend Rate - 1%	Current Trend Rate	Trend Rate +1%
\$ (62,789)	\$ 458,037	\$ 1,099,636

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 - RENTAL ASSISTANCE DEMONSTRATION

In the year ended June 30, 2016, the Authority closed out a Rental Assistance Demonstration (“RAD”) conversion commitment and executed a Housing Assistance Payment (“HAP”) contract with HUD for its two owned public housing properties of 72 units, Mission View in Union City and Emery Glen in Emeryville, under HUD’s RAD program. Through the RAD program, HUD provides rental subsidies to the owners of properties pursuant to the HAP contract. Under the RAD Program, units move to a Section 8 funding source from Low Rent Public Housing.

As part of the RAD conversion the Authority sold the aforesaid two properties to its blended component unit, Preserving Alameda County Housing, Inc. (PACH), for the value of \$2 as of the date of closing March 29, 2016. As a result of such sale, the Authority and PACH recognized \$211,767 as a special item (gain (loss) on disposition of assets). This item has been eliminated in the basic financial statements.

The net assets as of the closing date in the amount of \$21,961 were transferred from the public housing fund to PACH.

NOTE 9 - CONTINGENCIES

The Authority has received funds from various Federal and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

The Authority is involved in lawsuits and claims which arise out of the normal course of its activities such as contracts with others. The Authority’s management believes based on the opinions of its legal counsel, the ultimate outcomes of such matters will not have a material adverse effect on the financial position of the Authority as of June 30, 2020.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - RISK MANAGEMENT

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management pool has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public official's liability forms are used to cover the respective perils. Insurance for these perils is underwritten by a housing authority insurance pool: Housing Authorities Risk Retention Pool (HARRP).

HARRP is a Joint Powers Authority organized under the intergovernmental cooperation laws of the states of Washington, Oregon, California, and Nevada, to manage the self-insurance program of housing authorities. The relationship between the Authority and HARRP is not a component unit of the Authority for financial reporting purposes. Through HARRP, the Authority currently maintains general liability coverage for claims up to \$2 million and property insurance for claims up to \$2 million and also business auto, fidelity bonds and errors and omission coverages.

The Authority's share of year end assets, liabilities, or net position has not been calculated. The Premium paid by the Authority for the fiscal year ended June 30, 2020 was \$115,020.

Condensed audited financial information for the year ended December 31, 2019 is as follows:

Total assets	<u>\$ 38,835,741</u>
Total liabilities	14,325,841
Net position (Member's equity)	<u>24,509,900</u>
Total liabilities and net position	<u>\$ 38,835,741</u>
Total revenues	\$ 13,108,217
Total expenses	<u>10,527,191</u>
Change in member's equity	2,581,026
Net Position, beginning of year	<u>21,928,874</u>
Net Position, end of year	<u>\$ 24,509,900</u>

NOTE 11 - UNEARNED REVENUE

The changes in the Authority's unearned revenue account for the year ended June 30, 2020, were as follows:

Balance at the beginning of year	\$ 4,523,151
Changes during the year	<u>(495,081)</u>
Balance at the end of the year	<u>\$ 4,028,070</u>

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - RESTRICTED CASH AND INVESTMENTS

The Authority reports amounts as restricted cash for any security deposits received from tenants at the time of move-in. Those monies will be returned to the tenant upon move-out after all outstanding costs have been deducted. Also, the Authority reports amounts as restricted cash for FSS Escrow balances which are maintained in a separate bank account for tenants who participate in the Family Self Sufficiency Program. These monies are given to the tenant upon graduation from the program or are forfeited by the tenant if they do not graduate. The Authority also restricts net HAP assets in line with HUD requirements. All of these monies are restricted because they cannot be used for the day-to-day operations of the Authority.

NOTE 13 - JOINT POWERS AGREEMENT

The Authority participates in a joint venture under a joint power agreement (JPA) with the California Housing Workers' Compensation Authority (CHWCA). CHWCA was formed to provide workers' compensation insurance coverage for member housing authorities. At December 31, 2019, there were twenty-eight members. The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes.

Condensed audited financial information as of and for the year ended December 31, 2019, is as follows:

Total assets	<u>\$ 30,367,986</u>
Total liabilities	15,625,835
Net position	<u>14,742,151</u>
Total liabilities and net position	<u>\$ 30,367,986</u>
Operating revenues and non-operating revenues	\$ 7,069,186
Operating expenses	<u>5,972,723</u>
Change in net position	1,096,463
Net position, beginning of year	<u>13,645,688</u>
Net position, end of year	<u>\$ 14,742,151</u>

The Authority's share of year end assets, liabilities, or retained earnings has not been calculated. The Authority's annual premium is based on covered payroll. The Premium paid for the fiscal year ended June 30, 2020 was \$112,009. CHWCA issues a separate comprehensive annual financial report. Copies of this report may be obtained by contacting Bickmore Risk Services, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California, 95833.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - NOTE RECEIVABLE

On March 4, 2011, pursuant to the disposition and development agreement dated June 25, 2007 and with HUD disposition approval, the Dublin Housing Authority (DHA) disposed of all of its public housing units to the Authority which, in turn, sold them to Eden Housing, Inc. and Citation Homes. The HUD disposition approval also imposed restrictions on the use of the net proceeds. Proceeds of \$11 million were to be loaned to Eden Dougherty, LLP, the developer of the former Arroyo Vista public housing site, to use for the development of new low-income family and elderly housing units on the site.

On March 4, 2011, the Authority entered into a construction permanent note agreement in the amount of \$11,000,000 with Eden Dougherty, LLP. (the Borrower), which will use the funds on the redevelopment project.

The loan is evidenced by the Note, secured by the Regulatory Agreement and the Deed of Trust that encumbers the project to secure repayment of the loan in the form provided by the Authority. The Deed of Trust and the Regulatory Agreement have been recorded against the property in the Office of the Recorder of the County of Alameda. The Note has a term that expires on the date 55 years from the date of project completion, which is determined by the date of issuance of a certificate of occupancy or equivalent. The Borrower shall use Residual Receipts generated by the project to repay the note every 1st of June following the completion of project construction. The note bears no interest until the earlier of i) the permanent loan conversion or ii) the third anniversary of the note closing; thereafter, the note shall bear simple annual interest rate not to exceed 3%. The conversion to permanent loan occurred on September 27, 2013. At June 30, 2020, the Authority had note receivable and accrued interest receivable from the Borrower in the amount of \$11,000,000 and \$2,231,116, respectively.

NOTE 15 - BLENDED COMPONENT UNIT

On March 23, 2011, the Authority established under the Nonprofit Public Corporation Law Preserving Alameda County Housing, Inc. (PACH), a not-for-profit instrumentality of the Authority for the purpose of acquiring, owning, leasing, rehabilitating and operating affordable housing units and to serve as a support corporation for the Authority.

With HUD approval, PACH acquired 230 disposed units from the Authority between September 2011 and April 2016. The following financial statement of PACH is included in the Authority's basic financial statements for fiscal year ended June 30, 2020.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - BLENDED COMPONENT UNIT (CONT'D)

BLENDED COMPONENT UNIT - STATEMENT OF NET POSITION

ASSETS

Current Assets:

Cash and cash equivalents	\$ 2,452,283
Restricted investment	1,955,000
Short term investments	7,200,757
Accounts receivable, net	52,819
Prepaid expenses and other current assets	37,698
Due from other funds	<u>1,452</u>
Total current assets	<u>11,700,009</u>

Noncurrent Assets:

Capital assets, net of accumulated depreciation	<u>6,547,957</u>
Total noncurrent assets	<u>6,547,957</u>
Total assets	<u>18,247,966</u>

LIABILITIES

Current Liabilities:

Accounts payable and accrued liabilities	166,763
Tenant security deposits	132,327
Other liabilities	9,661
Due to other funds	<u>102,535</u>
Total current liabilities	<u>411,286</u>
Total liabilities	<u>411,286</u>

NET POSITION

Net investment in capital assets	6,547,957
Restricted	3,260,408
Unrestricted	<u>8,028,315</u>
Total net position	<u>\$ 17,836,680</u>

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - BLENDED COMPONENT UNIT (CONT'D)

**BLENDED COMPONENT UNIT - STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION**

OPERATING REVENUES

Tenant rental income	\$ 5,125,326
Other revenues	<u>7,251</u>
Total operating revenue	<u>5,132,577</u>

OPERATING EXPENSES

Administration	1,214,925
Tenant services	13,001
Utilities	230,493
Repairs and maintenance	1,568,007
General expenses	76,147
Depreciation expense	<u>821,813</u>
Total operating expenses	<u>3,924,386</u>

OPERATING INCOME

1,208,191

NONOPERATING REVENUES (EXPENSES)

Interest and investment revenue (net)	<u>163,677</u>
Total non-operating revenues	<u>163,677</u>
Change in net position	1,371,868
Total net position - beginning of year	<u>16,464,812</u>
Total net position - end of year	<u><u>\$ 17,836,680</u></u>

NOTE 16 - EVALUATION OF SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through March 25, 2021, the date on which the financial statements were available to be issued.

On February 26, 2021, in the case of *Philadelphia Indemnity Insurance Company v/s Housing Authority of Alameda County*, the Court of Appeal issued its opinion, affirming the trial court judgment that Philadelphia Indemnity Insurance Company will remit to the Housing Authority the penal sum of the bond for \$411,000 plus interest is approximately \$78,900.

REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND
RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Reporting Date for Employer under GASB 68 as of June 30,	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.423 %	\$ 5,418,947	\$ 4,112,203	131.78 %	85.92 %
2015	0.428 %	\$ 7,455,335	\$ 4,002,650	186.26 %	81.06 %
2016	0.455 %	\$ 9,644,104	\$ 4,272,082	225.75 %	76.89 %
2017	0.460 %	\$ 10,314,924	\$ 4,354,275	236.89 %	76.88 %
2018	0.409 %	\$ 8,244,509	\$ 4,299,288	191.76 %	81.93 %
2019	0.435 %	\$ 12,014,705	\$ 4,512,036	266.28 %	74.56 %
2020	0.370 %	\$ 7,919,662	\$ 4,347,895	182.15 %	82.22 %

Note: In the future, as data becomes available, ten years of information will be presented.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF PENSION CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS**

Reporting Date for Employer under GASB 68 as of June 30,	Contractually required contribution	Contributions in relations to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered - employee payroll
2014	\$ -	\$ -	\$ -	\$ 4,112,203	- %
2015	\$ -	\$ -	\$ -	\$ 4,002,650	- %
2016	\$ -	\$ -	\$ -	\$ 4,272,082	- %
2017	\$ 1,152,380	\$ 1,152,380	\$ -	\$ 4,354,275	26.47 %
2018	\$ 1,115,522	\$ 1,115,522	\$ -	\$ 4,299,288	25.95 %
2019	\$ 1,213,308	\$ 1,213,308	\$ -	\$ 4,512,036	26.89 %
2020	\$ 1,208,258	\$ 1,208,258	\$ -	\$ 4,347,895	27.79 %

Note: In the future, as data becomes available, ten years of information will be presented.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Reporting Date for Employer under GASB 75	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement Date for Employer under GASB 75	<u>December 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
OPEB Expense:			
Service Cost	\$ 112,257	\$ 142,064	\$ 121,869
Interest on Total OPEB Liability	299,492	330,345	315,510
Changes in proportion and differences between employer's contributions and proportionate share of contributions	(12,262)	(346)	(5,105)
Difference between actual and expected experience in the Total OPEB Liability	(25,590)	(18,692)	(14,619)
Changes of assumptions or other inputs	7,685	(7,710)	39,861
Projected earnings on plan investments	(234,936)	(319,922)	(267,053)
Differences between actual and projected earnings on plan investments	(110,099)	188,456	(166,194)
Administrative Expense	5,494	5,509	5,434
Recognition of beginning of year deferred outflows of resources as OPEB expense	205,696	39,719	-
Recognition of beginning of year deferred inflows of resources as OPEB expense	(186,219)	(180,166)	-
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(5,451)</u>	<u>(5,105)</u>	<u>-</u>
OPEB Expense	<u>\$ 56,067</u>	<u>\$ 174,152</u>	<u>\$ 29,703</u>
Reconciliation of Net OPEB Liability:			
Beginning Net OPEB Liability	<u>\$ 1,047,799</u>	<u>\$ 124,068</u>	<u>\$ 644,757</u>
OPEB Expense	56,067	174,152	29,703
New Net Deferred Inflows/Outflows	(540,845)	604,124	(521,398)
Change in Allocation of Prior Deferred Inflows/Outflows	(22,169)	1,863	-
New Net Deferred Flows Due to Change in Proportion	(68,789)	(1,960)	(28,994)
Recognition of Prior Deferred Inflows/Outflows	(19,477)	140,447	-
Recognition of Prior Deferred Flows Due to Change in Proportion	<u>5,451</u>	<u>5,105</u>	<u>-</u>
Net changes	<u>(589,762)</u>	<u>923,731</u>	<u>(520,689)</u>
Ending Net OPEB Liability	<u>\$ 458,037</u>	<u>\$ 1,047,799</u>	<u>\$ 124,068</u>

Note: In the future, as data becomes available, ten years of information will be presented.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Reporting Date for Employer under GASB 75 as of June 30,	Proportion of the Net OPEB Liability	Proportionate share of Net OPEB Liability	Covered employee payroll*	Proportionate share of the Net OPEB Liability as a percentage of its covered- employee payroll	Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability
2017	0.477 %	\$ 644,757	\$ 4,354,275	14.81 %	85.50 %
2018	0.452 %	\$ 124,068	\$ 4,299,288	2.89 %	97.33 %
2019	0.450 %	\$ 1,047,799	\$ 4,512,036	23.22 %	77.91 %
2020	0.406 %	\$ 458,037	\$ 4,347,895	10.53 %	89.57 %

Note: In the future, as data becomes available, ten years of information will be presented.

* Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund	Continuum of Care	Mod Rehab	PACH
Assets						
Current assets:						
Cash and cash equivalents	\$ 50,981	\$ 1,052,876	\$ 549,367	\$ -	\$ -	\$ 2,452,283
Short term investments	-	-	3,355,690	-	-	7,200,757
Accounts receivable - HUD	-	131,312	-	-	6,154	-
Accounts receivable - other	-	1,024,966	1,881	910,536	-	52,819
Prepaid and other assets	-	91,121	6,835	-	-	37,698
Due from other funds	-	1,489,206	115,338	-	2,689	1,452
Total current assets	<u>50,981</u>	<u>3,789,481</u>	<u>4,029,111</u>	<u>910,536</u>	<u>8,843</u>	<u>9,745,009</u>
Restricted assets:						
Cash and cash equivalents	-	3,327,453	-	-	-	-
Restricted investments	-	-	-	-	-	1,955,000
Notes receivable	13,231,116	-	-	-	-	-
Total restricted assets	<u>13,231,116</u>	<u>3,327,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,955,000</u>
Capital assets:						
Capital assets	-	86,431	11,770,716	-	-	23,357,847
Less accumulated depreciation	-	(86,431)	(7,948,874)	-	-	(16,809,890)
Total capital assets, net	<u>-</u>	<u>-</u>	<u>3,821,842</u>	<u>-</u>	<u>-</u>	<u>6,547,957</u>
Total assets	<u>13,282,097</u>	<u>7,116,934</u>	<u>7,850,953</u>	<u>910,536</u>	<u>8,843</u>	<u>18,247,966</u>
Deferred outflow of resources						
Deferred outflow of resources - Pension	-	981,947	-	-	-	-
Deferred outflow of resources - OPEB	-	174,877	-	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>1,156,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflow of resources	<u>\$ 13,282,097</u>	<u>\$ 8,273,758</u>	<u>\$ 7,850,953</u>	<u>\$ 910,536</u>	<u>\$ 8,843</u>	<u>\$ 18,247,966</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Ocean Avenue</u>	<u>Facts & Choices</u>	<u>Park Terrace</u>	<u>Mainstream</u>	<u>Business Activities</u>	<u>Interfund Elimination</u>	<u>Total</u>
Assets							
Current assets:							
Cash and cash equivalents	\$ 19,466	\$ -	\$ 116,661	\$ -	\$ -	\$ -	\$ 4,241,634
Short term investments	190,236	-	1,111,372	-	-	-	11,858,055
Accounts receivable - HUD	-	-	-	-	-	-	137,466
Accounts receivable - other	3,418	-	5,453	-	91,634	-	2,090,707
Prepaid and other assets	-	-	-	-	-	-	135,654
Due from other funds	<u>3</u>	<u>55,664</u>	<u>24,980</u>	<u>404,988</u>	<u>6,785</u>	<u>(2,101,105)</u>	<u>-</u>
Total current assets	<u>213,123</u>	<u>55,664</u>	<u>1,258,466</u>	<u>404,988</u>	<u>98,419</u>	<u>(2,101,105)</u>	<u>18,463,516</u>
Restricted assets:							
Cash and cash equivalents	-	-	-	-	2,968	-	3,330,421
Restricted investments	-	-	-	-	4,193,000	-	6,148,000
Notes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,231,116</u>
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,195,968</u>	<u>-</u>	<u>22,709,537</u>
Capital assets:							
Capital assets	1,475,959	-	1,011,892	-	170,000	-	37,872,845
Less accumulated depreciation	<u>(916,276)</u>	<u>-</u>	<u>(690,328)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,451,799)</u>
Total capital assets, net	<u>559,683</u>	<u>-</u>	<u>321,564</u>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>11,421,046</u>
Total assets	<u>772,806</u>	<u>55,664</u>	<u>1,580,030</u>	<u>404,988</u>	<u>4,464,387</u>	<u>(2,101,105)</u>	<u>52,594,099</u>
Deferred outflow of resources							
Deferred outflow of resources - Pension	-	-	-	-	-	-	981,947
Deferred outflow of resources - OPEB	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,877</u>
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,156,824</u>
Total assets and deferred outflow of resources	<u>\$ 772,806</u>	<u>\$ 55,664</u>	<u>\$ 1,580,030</u>	<u>\$ 404,988</u>	<u>\$ 4,464,387</u>	<u>\$ (2,101,105)</u>	<u>\$ 53,750,923</u>

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020**

	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund	Continuum of Care	Mod Rehab	PACH
Liabilities						
Current Liabilities:						
Accounts payable	\$ -	\$ 1,152,250	\$ 121,140	\$ 4,334	\$ -	\$ 166,763
Accounts payable - HUD	-	7,925	-	-	2,689	-
Accounts payable other government	-	-	-	-	-	-
Accrued compensated absences - current	-	177,378	31,603	-	-	-
Unearned revenue	-	-	-	-	-	-
Tenant security deposits	-	-	-	-	-	132,327
Family self-sufficiency escrow- current	-	443,923	6,463	-	-	-
Accrued liabilities	-	16,838	-	-	-	-
Other liabilities	-	256,416	7,528	-	-	9,661
Due to other funds	111	424,215	499,701	906,202	6,154	102,535
Total current liabilities	111	2,478,945	666,435	910,536	8,843	411,286
Noncurrent liabilities:						
Net pension liability	-	7,750,652	169,010	-	-	-
Net OPEB liability	-	402,003	56,034	-	-	-
Family self-sufficiency escrow- noncurrent	-	443,924	-	-	-	-
Accrued compensated absences - noncurrent	-	22,515	938	-	-	-
Total noncurrent liabilities	-	8,619,094	225,982	-	-	-
Total liabilities	111	11,098,039	892,417	910,536	8,843	411,286
Deferred inflow of resources						
Deferred inflow of resources - Pension	-	2,441,522	410,356	-	-	-
Deferred inflow of resources - OPEB	-	621,519	-	-	-	-
Total deferred inflow of resources	-	3,063,041	410,356	-	-	-
Total liabilities and deferred inflow of resources	111	14,161,080	1,302,773	910,536	8,843	411,286
Net position:						
Net investment in capital assets	-	-	3,821,842	-	-	6,547,957
Restricted	13,231,116	2,431,682	-	-	-	3,260,408
Unrestricted	50,870	(8,319,004)	2,726,338	-	-	8,028,315
Total net position	13,281,986	(5,887,322)	6,548,180	-	-	17,836,680
Total liabilities, deferred inflow of resources, net position	\$ 13,282,097	\$ 8,273,758	\$ 7,850,953	\$ 910,536	\$ 8,843	\$ 18,247,966

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Ocean Avenue</u>	<u>Facts & Choices</u>	<u>Park Terrace</u>	<u>Mainstream</u>	<u>Business Activities</u>	<u>Interfund Elimination</u>	<u>Total</u>
Liabilities							
Current Liabilities:							
Accounts payable	\$ 93,786	\$ -	\$ 23,269	\$ -	\$ 2,244	\$ -	\$ 1,563,786
Accounts payable - HUD	-	-	-	-	-	-	10,614
Accounts payable other government	-	-	-	-	2,441	-	2,441
Accrued compensated absences - current	-	-	-	-	-	-	208,981
Unearned revenue	-	55,664	-	-	3,972,406	-	4,028,070
Tenant security deposits	4,648	-	6,120	-	2,100	-	145,195
Family self-sufficiency escrow- current	-	-	-	-	-	-	450,386
Accrued liabilities	-	-	-	-	-	-	16,838
Other liabilities	-	-	-	-	-	-	273,605
Due to other funds	2,400	-	-	-	159,787	(2,101,105)	-
Total current liabilities	<u>100,834</u>	<u>55,664</u>	<u>29,389</u>	<u>-</u>	<u>4,138,978</u>	<u>(2,101,105)</u>	<u>6,699,916</u>
Noncurrent liabilities:							
Net pension liability	-	-	-	-	-	-	7,919,662
Net OPEB liability	-	-	-	-	-	-	458,037
Family self-sufficiency escrow- noncurrent	-	-	-	-	-	-	443,924
Accrued compensated absences - noncurrent	-	-	-	-	-	-	23,453
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,845,076</u>
Total liabilities	<u>100,834</u>	<u>55,664</u>	<u>29,389</u>	<u>-</u>	<u>4,138,978</u>	<u>(2,101,105)</u>	<u>15,544,992</u>
Deferred inflow of resources							
Deferred inflow of resources - Pension	-	-	-	-	-	-	2,851,878
Deferred inflow of resources - OPEB	-	-	-	-	-	-	621,519
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,473,397</u>
Total liabilities and deferred inflow of resources	<u>100,834</u>	<u>55,664</u>	<u>29,389</u>	<u>-</u>	<u>4,138,978</u>	<u>(2,101,105)</u>	<u>19,018,389</u>
Net position:							
Net investment in capital assets	559,683	-	321,564	-	170,000	-	11,421,046
Restricted	-	-	-	404,988	155,409	-	19,483,603
Unrestricted	112,289	-	1,229,077	-	-	-	3,827,885
Total net position	<u>671,972</u>	<u>-</u>	<u>1,550,641</u>	<u>404,988</u>	<u>325,409</u>	<u>-</u>	<u>34,732,534</u>
Total liabilities, deferred inflow of resources, net position	<u>\$ 772,806</u>	<u>\$ 55,664</u>	<u>\$ 1,580,030</u>	<u>\$ 404,988</u>	<u>\$ 4,464,387</u>	<u>\$ (2,101,105)</u>	<u>\$ 53,750,923</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund	Continuum of Care	Mod Rehab	PACH
Operating Revenues						
Rental revenue - tenant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,125,326
Other revenue	-	-	-	-	-	2,633
HUD PHA grants	-	132,419,895	-	-	203,025	-
Housing assistance payments-Portability-in	-	11,352,874	-	-	-	-
Fraud recovery	-	269,694	-	-	-	-
Other operating revenue	-	108,754	1,375,510	2,650,096	-	4,618
Total operating revenues	<u>-</u>	<u>144,151,217</u>	<u>1,375,510</u>	<u>2,650,096</u>	<u>203,025</u>	<u>5,132,577</u>
Operating Expenses						
Administration	1,295	7,456,708	1,139,161	110,633	27,255	1,214,925
Tenant services	-	300,915	-	-	-	13,001
Utilities	-	-	51,710	-	-	230,493
Ordinary maintenance and operations	-	-	377,413	-	-	1,568,007
General expenses	-	527,272	70,016	-	-	76,147
Depreciation	-	-	867,962	-	-	821,813
Housing assistance payments-Portability-in	-	11,007,458	-	-	-	-
Housing assistance payments	-	122,977,270	-	-	175,770	-
Other expenses	-	-	-	2,539,463	-	-
Total operating expenses	<u>1,295</u>	<u>142,269,623</u>	<u>2,506,262</u>	<u>2,650,096</u>	<u>203,025</u>	<u>3,924,386</u>
Operating income (loss)	<u>(1,295)</u>	<u>1,881,594</u>	<u>(1,130,752)</u>	<u>-</u>	<u>-</u>	<u>1,208,191</u>
Nonoperating Revenues and Expenses						
Investment income	<u>330,000</u>	<u>6</u>	<u>67,338</u>	<u>-</u>	<u>-</u>	<u>163,677</u>
Total nonoperating revenues & expenses	<u>330,000</u>	<u>6</u>	<u>67,338</u>	<u>-</u>	<u>-</u>	<u>163,677</u>
Change in net position	328,705	1,881,600	(1,063,414)	-	-	1,371,868
Net position, beginning of year	<u>12,953,281</u>	<u>(7,768,921)</u>	<u>7,611,594</u>	<u>-</u>	<u>-</u>	<u>16,464,812</u>
<i>Restatement</i>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of the year, as <i>restated</i>	<u>12,953,281</u>	<u>(7,768,922)</u>	<u>7,611,594</u>	<u>-</u>	<u>-</u>	<u>16,464,812</u>
Net position, end of year	<u>\$ 13,281,986</u>	<u>\$ (5,887,322)</u>	<u>\$ 6,548,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,836,680</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Ocean Avenue</u>	<u>Facts & Choices</u>	<u>Park Terrace</u>	<u>Mainstream</u>	<u>Business Activities</u>	<u>Total</u>
Operating Revenues						
Rental revenue - tenant	\$ 77,280	\$ -	\$ 177,492	\$ -	\$ 12,600	\$ 5,392,698
Other revenue	71	-	-	-	-	2,704
HUD PHA grants	-	-	-	494,333	-	133,117,253
Housing assistance payments-Portability-in	-	-	-	-	-	11,352,874
Fraud recovery	-	-	-	-	-	269,694
Other operating revenue	1,388	347,815	-	-	953,770	5,441,951
Total operating revenues	<u>78,739</u>	<u>347,815</u>	<u>177,492</u>	<u>494,333</u>	<u>966,370</u>	<u>155,577,174</u>
Operating Expenses						
Administration	30,293	33,105	44,721	-	40,082	10,098,178
Tenant services	-	-	-	1,948	-	315,864
Utilities	11,856	-	-	-	-	294,059
Ordinary maintenance and operations	46,210	-	74,838	-	8,119	2,074,587
General expenses	1,740	-	1,795	445	-	677,415
Depreciation	45,074	-	36,539	-	-	1,771,388
Housing assistance payments-Portability-in	-	-	-	10,458	-	11,017,916
Housing assistance payments	-	-	-	783,320	-	123,936,360
Other expenses	-	314,710	-	-	918,864	3,773,037
Total operating expenses	<u>135,173</u>	<u>347,815</u>	<u>157,893</u>	<u>796,171</u>	<u>967,065</u>	<u>153,958,804</u>
Operating income (loss)	<u>(56,434)</u>	<u>-</u>	<u>19,599</u>	<u>(301,838)</u>	<u>(695)</u>	<u>1,618,370</u>
Nonoperating Revenues and Expenses						
Investment income	3,257	-	19,007	-	74,560	657,845
Total nonoperating revenues & expenses	<u>3,257</u>	<u>-</u>	<u>19,007</u>	<u>-</u>	<u>74,560</u>	<u>657,845</u>
Change in net position	(53,177)	-	38,606	(301,838)	73,865	2,276,215
Net position, beginning of year	<u>725,149</u>	<u>-</u>	<u>1,512,035</u>	<u>706,826</u>	<u>253,985</u>	<u>32,458,761</u>
<i>Restatement</i>	-	-	-	-	(2,441)	(2,442)
Net position, beginning of the year, as <i>restated</i>	<u>725,149</u>	<u>-</u>	<u>1,512,035</u>	<u>706,826</u>	<u>251,544</u>	<u>32,456,319</u>
Net position, end of year	<u>\$ 671,972</u>	<u>\$ -</u>	<u>\$ 1,550,641</u>	<u>\$ 404,988</u>	<u>\$ 325,409</u>	<u>\$ 34,732,534</u>

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund	Continuum of Care	Mod Rehab	PACH
Cash flows from operating activities:						
Cash Collected from:						
Dwelling rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,125,326
Other operating revenue	-	310,842	1,375,510	2,650,096	35,326	7,251
HUD PHA grants received	-	132,091,897	34,034	(255,344)	203,025	(2,533)
Housing assistance payments- Portability-in	-	11,352,874	-	-	-	-
Cash paid for:						
Housing assistance payments	-	(122,977,270)	-	-	(173,081)	-
Housing assistance payments- Portability-in	-	(11,007,458)	-	-	-	-
Administrative expenses	(1,295)	(6,925,116)	(1,093,692)	(110,633)	(27,255)	(1,216,183)
Tenant services	-	(300,915)	-	-	-	(12,069)
Utility expenses	-	-	(51,710)	-	-	(230,493)
Maintenance expenses	-	-	(377,413)	-	-	(1,568,007)
General expenses	-	(116,295)	(23,496)	(17,043)	(1,823)	(314,429)
Other expenses	-	-	-	(2,539,463)	-	-
Net cash provided (used) by operating activities	<u>(1,295)</u>	<u>2,428,559</u>	<u>(136,767)</u>	<u>(272,387)</u>	<u>36,192</u>	<u>1,788,863</u>
Cash flows from noncapital & related financing activities:						
Interfund payments	-	(1,038,653)	(108,475)	-	(36,192)	-
Interfund receipts	4	-	490,323	272,387	-	157,605
Net cash provided (used) by noncapital & related financing activities	<u>4</u>	<u>(1,038,653)</u>	<u>381,848</u>	<u>272,387</u>	<u>(36,192)</u>	<u>157,605</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	-	-	-	(827,805)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(827,805)</u>
Cash flows from investing activities:						
Proceeds from investment maturities	-	-	-	-	-	-
Purchase of investments	-	-	(67,294)	-	-	(2,007,065)
Interest received on investments	-	6	67,338	-	-	163,677
Net cash provided (used) by investing activities	<u>-</u>	<u>6</u>	<u>44</u>	<u>-</u>	<u>-</u>	<u>(1,843,388)</u>
Net change in cash & cash equivalents	(1,291)	1,389,912	245,125	-	-	(724,725)
Cash & cash equivalents, beginning of year	<u>52,272</u>	<u>2,990,417</u>	<u>304,242</u>	<u>-</u>	<u>-</u>	<u>3,177,008</u>
Cash & cash equivalents, end of year	<u>\$ 50,981</u>	<u>\$ 4,380,329</u>	<u>\$ 549,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,452,283</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Ocean Avenue</u>	<u>Facts & Choices</u>	<u>Park Terrace</u>	<u>Mainstream</u>	<u>Business Activities</u>	<u>Total</u>
Cash flows from operating activities:						
Cash Collected from:						
Dwelling rental	\$ 77,280	\$ -	\$ 177,492	\$ -	\$ 12,600	\$ 5,392,698
Other operating revenue	904	403,479	-	-	403,580	5,186,988
HUD PHA grants received	(1,558)	89,103	10,824	496,583	605	132,666,636
Housing assistance payments- Portability-in	-	-	-	-	-	11,352,874
Cash paid for:						
Housing assistance payments	-	-	-	(804,802)	-	(123,955,153)
Housing assistance payments- Portability-in	-	-	-	(10,458)	-	(11,017,916)
Administrative expenses	(30,293)	(33,105)	(44,721)	-	(40,082)	(9,522,375)
Tenant services	-	-	50	(1,948)	-	(314,882)
Utility expenses	(11,856)	-	-	-	-	(294,059)
Maintenance expenses	(46,210)	-	(74,838)	-	(8,119)	(2,074,587)
General expenses	91,873	(2,056)	18,968	(445)	(138,499)	(503,245)
Other expenses	-	(314,710)	-	-	(918,864)	(3,773,037)
Net cash provided (used) by operating activities	<u>80,140</u>	<u>142,711</u>	<u>87,775</u>	<u>(321,070)</u>	<u>(688,779)</u>	<u>3,143,942</u>
Cash flows from noncapital & related financing activities:						
Interfund payments	(3)	(142,711)	(24,527)	-	-	(1,350,561)
Interfund receipts	<u>2,280</u>	<u>-</u>	<u>-</u>	<u>321,070</u>	<u>106,892</u>	<u>1,350,561</u>
Net cash provided (used) by noncapital & related financing activities	<u>2,277</u>	<u>(142,711)</u>	<u>(24,527)</u>	<u>321,070</u>	<u>106,892</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	<u>(92,974)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(920,779)</u>
Net cash provided (used) by capital and related financing activities	<u>(92,974)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(920,779)</u>
Cash flows from investing activities:						
Proceeds from investment maturities	-	-	-	-	-	-
Purchase of investments	(1,724)	-	(10,068)	-	(4,193,000)	(6,279,151)
Interest received on investments	<u>3,257</u>	<u>-</u>	<u>19,007</u>	<u>-</u>	<u>74,560</u>	<u>327,845</u>
Net cash provided (used) by investing activities	<u>1,533</u>	<u>-</u>	<u>8,939</u>	<u>-</u>	<u>(4,118,440)</u>	<u>(5,951,306)</u>
Net change in cash & cash equivalents	(9,024)	-	72,187	-	(4,700,327)	(3,728,143)
Cash & cash equivalents, beginning of year	<u>28,490</u>	<u>-</u>	<u>44,474</u>	<u>-</u>	<u>4,703,295</u>	<u>11,300,198</u>
Cash & cash equivalents, end of year	<u>\$ 19,466</u>	<u>\$ -</u>	<u>\$ 116,661</u>	<u>\$ -</u>	<u>\$ 2,968</u>	<u>\$ 7,572,055</u>

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Low Rent Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>Housing Development Fund</u>	<u>Continuum of Care</u>	<u>Mod Rehab</u>	<u>PACH</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (1,295)	\$ 1,881,594	\$ (1,130,752)	\$ -	\$ -	\$ 1,208,191
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	-	-	867,962	-	-	821,813
Change in operating assets and liabilities:						
Accounts receivable - HUD	-	(67,606)	-	-	35,326	-
Accounts receivable - other	-	(327,998)	34,034	(255,344)	-	(2,533)
Prepaid expenses	-	(39,775)	(4,699)	-	-	(62)
Deferred outflow of resources	-	2,470,034	71,132	-	-	-
Deferred inflow of resources	-	2,049,916	352,601	-	-	-
Accounts payable	-	450,752	51,219	(17,043)	(1,823)	(238,220)
Accounts payable - HUD	-	-	-	-	2,689	-
Accrued compensated absences	-	25,051	6,345	-	-	-
Unearned revenue	-	-	-	-	-	-
Family self-sufficiency escrow	-	111,409	475	-	-	-
Other liabilities	-	256,416	7,528	-	-	9,661
Accrued liabilities	-	(82,040)	(7,000)	-	-	(10,919)
Net pension liability	-	(3,800,090)	(294,954)	-	-	-
Net OPEB liability	-	(499,104)	(90,658)	-	-	-
Tenant security deposit	-	-	-	-	-	932
Net cash provided (used) by operating activities	<u>\$ (1,295)</u>	<u>\$ 2,428,559</u>	<u>\$ (136,767)</u>	<u>\$ (272,387)</u>	<u>\$ 36,192</u>	<u>\$ 1,788,863</u>

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Ocean Avenue</u>	<u>Facts & Choices</u>	<u>Park Terrace</u>	<u>Mainstream</u>	<u>Business Activities</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (56,434)	\$ -	\$ 19,599	\$ (301,838)	\$ (695)	\$ 1,618,370
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	45,074	-	36,539	-	-	1,771,388
Change in operating assets and liabilities:						
Accounts receivable - HUD	-	-	-	-	-	(32,280)
Accounts receivable - other	(1,558)	89,103	10,824	2,250	605	(450,617)
Prepaid expenses	-	-	-	-	-	(44,536)
Deferred outflow of resources	-	-	-	-	-	2,541,166
Deferred inflow of resources	-	-	-	-	-	2,402,517
Accounts payable	93,613	(2,056)	20,763	-	(138,499)	218,706
Accounts payable - HUD	-	-	-	(21,482)	-	(18,793)
Accrued compensated absences	-	-	-	-	-	31,396
Unearned revenue	(555)	55,664	-	-	(550,190)	(495,081)
Family self-sufficiency escrow	-	-	-	-	-	111,884
Other liabilities	-	-	-	-	-	273,605
Accrued liabilities	-	-	-	-	-	(99,959)
Net pension liability	-	-	-	-	-	(4,095,044)
Net OPEB liability	-	-	-	-	-	(589,762)
Tenant security deposit	-	-	50	-	-	982
Net cash provided (used) by operating activities	<u>\$ 80,140</u>	<u>\$ 142,711</u>	<u>\$ 87,775</u>	<u>\$ (321,070)</u>	<u>\$ (688,779)</u>	<u>\$ 3,143,942</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

FINANCIAL DATA SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2020

Line Item Number	Account Description	Project Total	14.HCC HCV CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
111	Cash - Unrestricted	\$50,981			\$2,319,956		\$685,494		\$1,052,876	\$0	\$4,109,307		\$4,109,307
112	Cash - Restricted - Modernization and Development									\$0			
113	Cash - Other Restricted						\$2,968		\$2,875,605	\$0	\$2,878,573		\$2,878,573
114	Cash - Tenant Security Deposits				\$132,327		\$0			\$0	\$132,327		\$132,327
115	Cash - Restricted for Payment of Current Liabilities								\$451,848	\$0	\$451,848		\$451,848
100	Total Cash	\$50,981	\$0	\$0	\$2,452,283	\$0	\$688,462	\$0	\$4,380,329	\$0	\$7,572,055	\$0	\$7,572,055
121	Accounts Receivable - PHA Projects								\$1,024,966	\$0	\$1,024,966		\$1,024,966
122	Accounts Receivable - HUD Other Projects								\$131,312	\$6,154	\$137,466		\$137,466
124	Accounts Receivable - Other Government						\$994,828			\$0	\$994,828		\$994,828
125	Accounts Receivable - Miscellaneous						\$1,881			\$0	\$1,881		\$1,881
126	Accounts Receivable - Tenants				\$23,543		\$6,540			\$0	\$30,083		\$30,083
126	.1 Allowance for Doubtful Accounts - Tenants				\$0		\$0			\$0	\$0		\$0
126	.2 Allowance for Doubtful Accounts - Other						\$0		\$0	\$0	\$0		\$0
127	Notes, Loans, & Mortgages Receivable - Current									\$0			
128	Fraud Recovery									\$0			
128	.1 Allowance for Doubtful Accounts - Fraud									\$0			
129	Accrued Interest Receivable				\$29,276		\$9,673			\$0	\$38,949		\$38,949
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$52,819	\$0	\$1,012,922	\$0	\$1,156,278	\$6,154	\$2,228,173	\$0	\$2,228,173
131	Investments - Unrestricted				\$7,200,757		\$4,657,298			\$0	\$11,858,055		\$11,858,055
132	Investments - Restricted				\$1,955,000		\$4,193,000			\$0	\$6,148,000		\$6,148,000
135	Investments - Restricted for Payment of Current Liability									\$0			
142	Prepaid Expenses and Other Assets				\$37,698		\$6,835		\$91,121	\$0	\$135,654		\$135,654
143	Inventories									\$0			
143	.1 Allowance for Obsolete Inventories									\$0			
144	Inter Program Due From				\$1,453	\$0	\$202,771	\$404,988	\$1,489,206	\$2,689	\$2,101,107	-\$2,101,106	\$1
145	Assets Held for Sale									\$0			
150	Total Current Assets	\$50,981	\$0	\$0	\$11,700,010	\$0	\$10,761,288	\$404,988	\$7,116,934	\$8,843	\$30,043,044	-\$2,101,106	\$27,941,938
161	Land				\$2,246,243		\$1,342,253			\$0	\$3,588,496		\$3,588,496
162	Buildings				\$20,505,438		\$10,376,191			\$0	\$30,881,629		\$30,881,629
163	Furniture, Equipment & Machinery - Dwellings				\$606,165		\$24,430			\$0	\$630,595		\$630,595
164	Furniture, Equipment & Machinery - Administration						\$2,685,692	\$86,431		\$0	\$2,772,123		\$2,772,123
165	Leasehold Improvements									\$0			
166	Accumulated Depreciation				-\$16,809,890		-\$9,555,478	-\$86,431		\$0	-\$26,451,799		-\$26,451,799
167	Construction in Progress									\$0			
168	Infrastructure									\$0			
160	Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$6,547,956	\$0	\$4,873,088	\$0	\$0	\$0	\$11,421,044	\$0	\$11,421,044
171	Notes, Loans and Mortgages Receivable - Non-Current	\$13,231,116								\$0	\$13,231,116		\$13,231,116
172	Notes, Loans, & Mortgages Receivable - Non Current - Past Due									\$0			
173	Grants Receivable - Non Current									\$0			
174	Other Assets									\$0			
176	Investments in Joint Ventures									\$0			
180	Total Non-Current Assets	\$13,231,116	\$0	\$0	\$6,547,956	\$0	\$4,873,088	\$0	\$0	\$0	\$24,652,160	\$0	\$24,652,160
200	Deferred Outflow of Resources								\$1,156,824	\$0	\$1,156,824		\$1,156,824
290	Total Assets and Deferred Outflow of Resources	\$13,282,097	\$0	\$0	\$18,247,966	\$0	\$15,634,376	\$404,988	\$8,273,758	\$8,843	\$55,852,028	-\$2,101,106	\$53,750,922
311	Bank Overdraft									\$0			
312	Accounts Payable <= 90 Days				\$166,763		\$244,773		\$1,152,250	\$0	\$1,563,786		\$1,563,786
313	Accounts Payable >90 Days Past Due									\$0			
321	Accrued Wage/Payroll Taxes Payable								\$16,838	\$0	\$16,838		\$16,838
322	Accrued Compensated Absences - Current Portion						\$31,603		\$177,378	\$0	\$208,981		\$208,981
324	Accrued Contingency Liability									\$0			
325	Accrued Interest Payable									\$0			
331	Accounts Payable - HUD PHA Programs								\$7,925	\$2,689	\$10,614		\$10,614
332	Account Payable - PHA Projects									\$0			
333	Accounts Payable - Other Government						\$2,441			\$0	\$2,441		\$2,441
341	Tenant Security Deposits				\$132,327		\$12,868			\$0	\$145,195		\$145,195

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

342	Unearned Revenue									\$0	\$4,028,070		\$4,028,070
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue									\$0			
344	Current Portion of Long-term Debt - Operating Borrowings									\$0			
345	Other Current Liabilities						\$6,463	\$443,923	\$0	\$450,386			\$450,386
346	Accrued Liabilities - Other			\$9,661		\$7,528		\$256,416	\$0	\$273,605			\$273,605
347	Inter Program - Due To	\$110			\$102,535		\$1,568,090	\$424,215	\$6,154	\$2,101,104	-\$2,101,106		-\$2
348	Loan Liability - Current								\$0				
310	Total Current Liabilities	\$110	\$0	\$0	\$411,286	\$0	\$5,901,836	\$0	\$2,478,945	\$8,843	\$8,801,020	-\$2,101,106	\$6,699,914
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue									\$0			
352	Long-term Debt, Net of Current - Operating Borrowings									\$0			
353	Non-current Liabilities - Other							\$443,924	\$0	\$443,924			\$443,924
354	Accrued Compensated Absences - Non Current						\$938	\$22,515	\$0	\$23,453			\$23,453
355	Loan Liability - Non Current									\$0			
356	FASB 5 Liabilities									\$0			
357	Accrued Pension and OPEB Liabilities						\$225,044		\$8,152,655	\$0	\$8,377,699		\$8,377,699
350	Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$225,982	\$0	\$8,619,094	\$0	\$8,845,076	\$0	\$8,845,076
300	Total Liabilities	\$110	\$0	\$0	\$411,286	\$0	\$6,127,818	\$0	\$11,098,039	\$8,843	\$17,646,096	-\$2,101,106	\$15,544,990
400	Deferred Inflow of Resources						\$410,356		\$3,063,041	\$0	\$3,473,397		\$3,473,397
508	4 Net Investment in Capital Assets	\$0			\$6,547,956	\$0	\$4,873,089		\$0	\$0	\$11,421,045		\$11,421,045
511	4 Restricted Net Position	\$13,231,116			\$3,260,408	\$0	\$155,409	\$404,988	\$2,431,682	\$0	\$19,483,603		\$19,483,603
512	4 Unrestricted Net Position	\$50,871	\$0	\$0	\$8,028,316	\$0	\$4,067,704	\$0	-\$8,319,004	\$0	\$3,827,887		\$3,827,887
513	Total Equity - Net Assets / Position	\$13,281,987	\$0	\$0	\$17,836,680	\$0	\$9,096,202	\$404,988	-\$5,887,322	\$0	\$34,732,535	\$0	\$34,732,535
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$13,282,097	\$0	\$0	\$18,247,966	\$0	\$15,634,376	\$404,988	\$8,273,758	\$8,843	\$55,852,028	-\$2,101,106	\$53,750,922

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA FINANCIAL DATA SCHEDULE FOR THE YEAR ENDED JUNE 30, 2020

Line Item Number	Account Description	Project Total	14.HCC HCV CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
70300	Net Tenant Rental Revenue				\$5,125,326		\$267,372			\$0	\$5,392,698		\$5,392,698
70400	Tenant Revenue - Other				\$2,633		\$71			\$0	\$2,704		\$2,704
70500	Total Tenant Revenue	\$0	\$0	\$0	\$5,127,959	\$0	\$267,443	\$0	\$0	\$0	\$5,395,402	\$0	\$5,395,402
70600	HUD PHA Operating Grants		\$1,402,814	\$1,948		\$265,491		\$492,385	\$130,751,590	\$203,025	\$133,117,253		\$133,117,253
70610	Capital Grants									\$0			
70710	Management Fee									\$0			
70720	Asset Management Fee									\$0			
70730	Book Keeping Fee									\$0			
70740	Front Line Service Fee									5			
70750	Other Fees						\$126,370			\$0	\$126,370	-\$126,370	\$0
70700	Total Fee Revenue									\$0	\$0	-\$126,370	-\$126,370
70800	Other Government Grants									\$0			
71100	Investment Income - Unrestricted				\$126,869		\$89,602		\$6	\$0	\$216,477		\$216,477
71200	Mortgage Interest Income									\$0			
71300	Proceeds from Disposition of Assets Held for Sale									\$0			
71310	Cost of Sale of Assets									\$0			
71400	Fraud Recovery								\$269,694	\$0	\$269,694		\$269,694
71500	Other Revenue				\$4,618		\$5,202,209		\$11,461,628	\$0	\$16,668,455		\$16,668,455
71600	Gain or Loss on Sale of Capital Assets									\$0			
72000	Investment Income - Restricted	\$330,000			\$36,808		\$74,560			\$0	\$441,368		\$441,368
70000	Total Revenue	\$330,000	\$1,402,814	\$1,948	\$5,296,254	\$265,491	\$5,760,184	\$492,385	\$142,482,918	\$203,025	\$156,235,019	-\$126,370	\$156,108,649
91100	Administrative Salaries		\$878,346				\$591,572		\$2,440,927	\$11,077	\$3,921,922		\$3,921,922
91200	Auditing Fees				\$9,660				\$26,040	\$0	\$35,700		\$35,700
91300	Management Fee				\$1,113,600		\$54,213			\$0	\$1,167,813	-\$126,370	\$1,041,443
91310	Book-keeping Fee									\$0			
91400	Advertising and Marketing									\$0			
91500	Employee Benefit contributions - Administrative		\$489,044				\$475,786		\$2,086,095	\$6,203	\$3,057,128		\$3,057,128
91600	Office Expenses	\$1,294			\$15,479		\$264,450		\$1,327,461	\$9,975	\$1,618,659		\$1,618,659
91700	Legal Expense				\$70,860				\$51,932	\$0	\$122,792		\$122,792
91800	Travel								\$39,731	\$0	\$39,731		\$39,731
91810	Allocated Overhead									\$0			
91900	Other				\$5,326		\$11,975		\$117,132	\$0	\$134,433		\$134,433
91000	Total Operating - Administrative	\$1,294	\$1,367,390	\$0	\$1,214,925	\$0	\$1,397,996	\$0	\$6,089,318	\$27,255	\$10,098,178	-\$126,370	\$9,971,808
92000	Asset Management Fee									\$0			
92100	Tenant Services - Salaries				\$1,129	\$265,491				\$0	\$266,620		\$266,620
92200	Relocation Costs				\$11,872					\$0	\$11,872		\$11,872
92300	Employee Benefit Contributions - Tenant Services									\$0			
92400	Tenant Services - Other		\$35,424	\$1,948						\$0	\$37,372		\$37,372
92500	Total Tenant Services	\$0	\$35,424	\$1,948	\$13,001	\$265,491	\$0	\$0	\$0	\$0	\$315,864	\$0	\$315,864
93100	Water				\$133,202		\$18,462			\$0	\$151,664		\$151,664
93200	Electricity				\$23,055		\$40,056			\$0	\$63,111		\$63,111
93300	Gas				\$3,364		\$5,049			\$0	\$8,413		\$8,413
93400	Fuel									\$0			
93500	Labor									\$0			
93600	Sewer				\$70,872					\$0	\$70,872		\$70,872
93700	Employee Benefit Contributions - Utilities									\$0			
93800	Other Utilities Expense									\$0			
93000	Total Utilities	\$0	\$0	\$0	\$230,493	\$0	\$63,567	\$0	\$0	\$0	\$294,060	\$0	\$294,060
94100	Ordinary Maintenance and Operations - Labor						\$260,570			\$0	\$260,570		\$260,570
94200	Ordinary Maintenance and Operations - Materials and Other				\$98,624		\$8,677			\$0	\$107,301		\$107,301
94300	Ordinary Maintenance and Operations Contracts				\$1,469,383		\$237,333			\$0	\$1,706,716		\$1,706,716
94500	Employee Benefit Contributions - Ordinary Maintenance									\$0			
94000	Total Maintenance	\$0	\$0	\$0	\$1,568,007	\$0	\$506,580	\$0	\$0	\$0	\$2,074,587	\$0	\$2,074,587

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA FINANCIAL DATA SCHEDULE FOR THE YEAR ENDED JUNE 30, 2020

Line Item Number	Account Description	Project Total	14.HCC HCV CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
95100	Protective Services - Labor									\$0			
95200	Protective Services - Other Contract Costs									\$0			
95300	Protective Services - Other									\$0			
95500	Employee Benefit Contributions - Protective Services									\$0			
95000	Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110	Property Insurance				\$55,932		\$10,216		\$2,727	\$0	\$68,875		\$68,875
96120	Liability Insurance				\$16,927			\$29,219	\$0	\$46,146	\$46,146		\$46,146
96130	Workmen's Compensation						\$16,801		\$95,208	\$0	\$112,009		\$112,009
96140	All Other Insurance						\$1,647		\$10,097	\$0	\$11,744		\$11,744
96100	Total insurance Premiums	\$0	\$0	\$0	\$72,859	\$0	\$28,664	\$0	\$137,251	\$0	\$238,774	\$0	\$238,774
96200	Other General Expenses							\$445	\$133,472	\$0	\$133,917		\$133,917
96210	Compensated Absences						\$44,339		\$256,549	\$0	\$300,888		\$300,888
96300	Payments in Lieu of Taxes				\$3,288		\$548			\$0	\$3,836		\$3,836
96400	Bad debt - Tenant Rents									\$0			
96500	Bad debt - Mortgages									\$0			
96600	Bad debt - Other									\$0			
96800	Severance Expense									\$0			
96000	Total Other General Expenses	\$0	\$0	\$0	\$3,288	\$0	\$44,887	\$445	\$390,021	\$0	\$438,641	\$0	\$438,641
96710	Interest of Mortgage (or Bonds) Payable									\$0			
96720	Interest on Notes Payable (Short and Long Term)									\$0			
96730	Amortization of Bond Issue Costs									\$0			
96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900	Total Operating Expenses	\$1,294	\$1,402,814	\$1,948	\$3,102,573	\$265,491	\$2,041,694	\$445	\$6,616,590	\$27,255	\$13,460,104	-\$126,370	\$13,333,734
97000	Excess of Operating Revenue over Operating Expenses	\$328,706	\$0	\$0	\$2,193,681	\$0	\$3,718,490	\$491,940	\$135,866,328	\$175,770	\$142,774,915	\$0	\$142,774,915
97100	Extraordinary Maintenance									\$0			
97200	Casualty Losses - Non-capitalized									\$0			
97300	Housing Assistance Payments							\$783,320	\$122,977,270	\$175,770	\$123,936,360		\$123,936,360
97350	HAP Portability-In							\$10,458	\$11,007,458	\$0	\$11,017,916		\$11,017,916
97400	Depreciation Expense				\$821,813		\$949,573		\$0	\$0	\$1,771,386		\$1,771,386
97500	Fraud Losses									\$0			
97600	Capital Outlays - Governmental Funds									\$0			
97700	Debt Principal Payment - Governmental Funds									\$0			
97800	Dwelling Units Rent Expense						\$3,773,037			\$0	\$3,773,037		\$3,773,037
90000	Total Expenses	\$1,294	\$1,402,814	\$1,948	\$3,924,386	\$265,491	\$6,764,304	\$794,223	\$140,601,318	\$203,025	\$153,958,803	-\$126,370	\$153,832,433
10010	Operating Transfer In									\$0			
10020	Operating transfer Out									\$0			
10030	Operating Transfers from/to Primary Government									\$0			
10040	Operating Transfers from/to Component Unit									\$0			
10050	Proceeds from Notes, Loans and Bonds									\$0			
10060	Proceeds from Property Sales									\$0			
10070	Extraordinary Items, Net Gain/Loss									\$0			
10080	Special Items (Net Gain/Loss)									\$0			
10091	Inter Project Excess Cash Transfer In									\$0			
10092	Inter Project Excess Cash Transfer Out									\$0			
10093	Transfers between Program and Project - In									\$0			
10094	Transfers between Project and Program - Out									\$0			
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$328,706	\$0	\$0	\$1,371,868	\$0	-\$1,004,120	-\$301,838	\$1,881,600	\$0	\$2,276,216	\$0	\$2,276,216
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030	Beginning Equity	\$12,953,281	\$0	\$0	\$16,464,812	\$0	\$10,102,763	\$706,826	-\$7,768,921	\$0	\$32,458,761		\$32,458,761
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0					-\$2,441		-\$1	\$0	-\$2,442		-\$2,442

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

Line Item Number	Account Description	Project Total	14.HCC HCV CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
11050	Changes in Compensated Absence Balance									\$0			
11060	Changes in Contingent Liability Balance									\$0			
11070	Changes in Unrecognized Pension Transition Liability									\$0			
11080	Changes in Special Term/Severance Benefits Liability									\$0			
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents									\$0			
11100	Changes in Allowance for Doubtful Accounts - Other									\$0			
11170	Administrative Fee Equity								-\$8,319,004	\$0	-\$8,319,004		-\$8,319,004
11180	Housing Assistance Payments Equity								\$2,431,682	\$0	\$2,431,682		\$2,431,682
11190	Unit Months Available	0			2760		180	996	79014	232	83182		83182
11210	Number of Unit Months Leased	0			2636		180	414	72117	232	75579		75579
11270	Excess Cash	\$50,764									\$50,764		\$50,764
11610	Land Purchases	\$0								\$0	\$0		\$0
11620	Building Purchases	\$0								\$0	\$0		\$0
11630	Furniture & Equipment - Dwelling Purchases	\$0								\$0	\$0		\$0
11640	Furniture & Equipment - Administrative Purchases	\$0								\$0	\$0		\$0
11650	Leasehold Improvements Purchases	\$0								\$0	\$0		\$0
11660	Infrastructure Purchases	\$0								\$0	\$0		\$0
13510	CFFP Debt Service Payments	\$0								\$0	\$0		\$0
13901	Replacement Housing Factor Funds	\$0								\$0	\$0		\$0

COMPLIANCE SECTION



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

To the Board of Commissioners,
Housing Authority of the County of Alameda
Hayward, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of the Housing Authority of the County of Alameda (the Authority) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 25, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Harshwal & Company LLP

Oakland, California
March 25, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Commissioners,
Housing Authority of the County of Alameda
Hayward, California

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the County of Alameda's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Authority 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 Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

Harshwal & Company LLP

Oakland, California
March 25, 2021

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development:			
Section 8 - Moderate Rehabilitation	14.856		\$ 203,025
PIH Family Self-Sufficiency Program (Housing Choice Vouchers)	14.896		265,491
Housing Choice Vouchers	14.871		130,751,590
Mainstream Vouchers	14.879		492,385
HCV Cares Act Funding	14.HCC		1,402,814
Mainstream Cares Act Funding	14.MSC		<u>1,948</u>
Total Department of Housing and Urban Development			<u>133,117,253</u>
Total Expenditures of Federal Awards			<u>\$ 133,117,253</u>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
JUNE 30, 2020**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Housing Authority of the County of Alameda under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of Housing Authority of the County of Alameda, it is not intended to and does not present the financial position, changes in net position or cash flows of Housing Authority of the County of Alameda.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING

Summary of significant accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of federal awards reported on the schedule are recognized when incurred.

NOTE 3 - DIRECT AND INDIRECT (PASS-THROUGH) FEDERAL AWARDS

Federal awards may be granted directly to the Authority by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the Authority. The schedule includes both of these types of federal award programs when they occur.

NOTE 4 - INDIRECT COST

The Authority neither had an indirect cost rate nor used the de minimis 10% of Modified Total Direct Costs (MTDC).

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified not considered being material weakness?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Voucher
14.879	Mainstream Vouchers (MP)
14.HCC	HCV Cares Act Funding

Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	Yes

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

No matters were reported.