

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

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2020



HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
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JUNE 30, 2020

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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

| | <u>Primary Government Business-Type Activities</u> |
|--|--|
| 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> |
|------------------|------------------|

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 |
|------------------------|-----------|

| | |
|---------------------------------|-------------------|
| Net position, beginning of year | <u>32,458,761</u> |
|---------------------------------|-------------------|

| | |
|--------------------|----------------|
| <i>Restatement</i> | <u>(2,442)</u> |
|--------------------|----------------|

| | |
|---|-------------------|
| Net position, beginning of the year, as <i>restated</i> | <u>32,456,319</u> |
|---|-------------------|

| | |
|---------------------------|-----------------------------|
| Net position, end of year | <u><u>\$ 34,732,534</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

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 3,143,942

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 -

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 (920,779)

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 (5,951,306)

Net change in cash and cash equivalents (3,728,143)

Cash and cash equivalents, beginning of year 11,300,198

Cash and cash equivalents, end of year \$ 7,572,055

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><u>\$ 3,143,942</u></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><u>\$ 25,578,110</u></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><u>\$ 25,578,110</u></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:

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

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 | | 910,536 |
| Total receivables from HUD and other government | | 1,048,002 |
| Other receivables: | | |
| Portability program receivables from other housing authorities | | 1,024,966 |
| Other receivables | | 177,022 |
| Allowance for doubtful accounts | | (21,817) |
| Total other receivables | | 1,180,171 |
| Total | | \$ 2,228,173 |

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:

| | Due From | Due To |
|--------------------------|---------------------|---------------------|
| 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 | 6,785 | 159,787 |
| | \$ 2,101,105 | \$ 2,101,105 |

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 | 11,336 |
| Total | 24,235 |

* 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 Measurement Date for Employer under GASB 68 | June 30, 2020 December 31, 2019 |
|--|------------------------------------|
| 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 | 90,687 |
| Ending net pension liability | \$ 7,919,662 |

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:

| | 2020 | 2019 |
|--------------------------------|------------|--------------|
| 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 | 11,336 |
| Total Number of Participants | 26,082 |

**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)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term (Arithmetic) Expected 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> | |

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

| Reporting Date for Employer under GASB 75 | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|---|------------------------------|------------------------------|
| Measurement Date for Employer under GASB 75 | <u>December 31, 2019</u> | <u>December 31, 2018</u> |
| 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

| | <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> |
|---|------------------------------------|------------------------------------|-------------------------------------|------------------------------|------------------|----------------------|
| 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 | <u>1,388</u> | <u>347,815</u> | <u>-</u> | <u>-</u> | <u>953,770</u> | <u>5,441,951</u> |
| 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 | <u>-</u> | <u>314,710</u> | <u>-</u> | <u>-</u> | <u>918,864</u> | <u>3,773,037</u> |
| 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 | <u>3,257</u> | <u>-</u> | <u>19,007</u> | <u>-</u> | <u>74,560</u> | <u>657,845</u> |
| 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> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,441)</u> | <u>(2,442)</u> |
| 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 | | | \$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 | \$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 |
| 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.